



**ANNUAL STATEMENT**  
FOR THE YEAR ENDED DECEMBER 31, 2002  
OF THE CONDITION AND AFFAIRS OF THE

**WESTERN - SOUTHERN LIFE ASSURANCE COMPANY**

NAIC Group Code 0836 0836 NAIC Company Code 92622 Employer's ID Number 31-1000236  
(Current Period) (Prior Period)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated December 1, 1980 Commenced Business March 5, 1981

Statutory Home Office 400 Broadway, Cincinnati, Ohio 45202  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 400 Broadway, Cincinnati, Ohio 45202 513-629-1800  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 400 Broadway, Cincinnati, Ohio 45202  
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 400 Broadway, Cincinnati, Ohio 45202 513-629-1800  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.WesternSouthernLife.com

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Policyowner Relations Contact 400 Broadway, Cincinnati, Ohio 45202 1-800-926-1993  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

**OFFICERS**

Chairman of Board, President & CEO	John Finn Barrett	Sr VP	Herbert Reed Brown
Secretary	James Norman Clark	Sr VP & Chf Mkt Off	Bryan Chalmer Dunn
Sr VP & Chf Inf Off	Clint David Gibler	Sr VP	Noreen Joyce Hayes
Sr VP	Edward Scott Heenan	VP & Comptroller	Bradley Joseph Hunkler
Sr VP	Carroll Ray Hutchinson	VP & Auditor	Phillip Earl King
Sr VP & Chf Inv Off	William Francis Ledwin	Sr VP	Jill Tripp McGruder
Sr VP	Jimmy Joe Miller	Sr VP & Chf Actuary	Nora Eyre Moushey
Sr VP	James McKinley Teeters	VP & Treasurer	James Joseph Vance
Sr VP & Chf Fin Off	Robert Lewis Walker	Sr VP & Gen Counsel	Donald Joseph Wuebbing

**VICE PRESIDENTS**

Edward Joseph Babbitt	Keith Terrill Clark
Robert John Dalsanto	David Todd Henderson
Thomas Dale Holdridge	Robert Scott Kahn
James Russell Korcykoski	Harold Victor Lyons
Constance Marie Maccarone	Mario Joseph San Marco
Thomas Martin Stapleton	Richard Kelley Taulbee
David Eugene Theurich	Daniel Lee Thomas

**DIRECTORS OR TRUSTEES**

John Finn Barrett  
Donald Allen Bliss  
James Norman Clark  
Jo Ann Davidson  
Eugene Peter Ruehlmann  
George Herbert Walker, III  
Thomas Luke Williams  
William Joseph Williams

State of Ohio }  
County of Hamilton } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

\_\_\_\_\_  
John Finn Barrett Chairman of Board, President & CEO  
\_\_\_\_\_  
James Norman Clark Secretary  
\_\_\_\_\_  
Bradley Joseph Hunkler VP & Comptroller

Subscribed and sworn to before me this  
24th day of February, 2003

a. Is this an original filing? Yes (X) No ( )  
b. If no: 1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Columns 1 minus 2)	4 Net Admitted Assets
1. Bonds .....	5,731,268,546		5,731,268,546	4,470,006,391
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1) .....	156,419,276		156,419,276	114,747,527
2.2 Common stocks (Schedule D, Part 2, Section 2) .....	77,295,967		77,295,967	54,314,347
3. Mortgage loans on real estate (Schedule B, Part 1):				
3.1 First liens .....				
3.2 Other than first liens .....	440,576,867		440,576,867	347,047,376
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	7,349,468		7,349,468	7,510,084
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Policy loans .....	49,999,714		49,999,714	50,312,596
6. Premium notes, including \$ ..... for first year premiums .....				
7. Cash (\$ ... 419,855,825 , Schedule E, Part 1) and short term investments (\$ ... 146,994,328 , Schedule DA, Part 2) .....	566,850,152		566,850,152	303,161,448
8. Other invested assets (Schedule BA, Part 1) .....	67,228,061		67,228,061	61,920,628
9. Receivable for securities .....	22,350,875		22,350,875	19,165,184
10. Aggregate write-ins for invested assets .....				
11. Subtotals, cash and invested assets (Line 1 to Line 10) .....	7,119,338,926		7,119,338,926	5,428,185,581
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers (Schedule S, Part 2) .....	60,000		60,000	16,974,814
12.2 Commissions and expense allowances due .....				10,415,582
12.3 Experience rating and other refunds due .....				(819,676)
12.4 Other amounts receivable under reinsurance contracts .....				(1,006,712)
13. Electronic data processing equipment and software .....				
14. Federal and foreign income tax recoverable and interest thereon (including \$ ... 90,487,415 net deferred tax asset) .....	90,487,415	11,494,359	78,993,056	37,433,703
15. Guaranty funds receivable or on deposit .....	385,614		385,614	515,006
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ ... (1,814,365) loading) .....	9,123,703		9,123,703	(23,681,035)
17. Accident and health premiums due and unpaid .....				
18. Investment income due and accrued .....	76,097,729	480,500	75,617,229	63,003,714
19. Net adjustment in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....				
21. Amounts receivable relating to uninsured accident and health plans .....				
22. Amounts due from agents .....				
23. Other assets nonadmitted (Exhibit 9) .....	63,499	63,499		
24. Aggregate write-ins for other than invested assets .....				
25. Total assets excluding Separate Accounts business (Line 11 to Line 24) .....	7,295,556,886	12,038,358	7,283,518,528	5,531,020,977
26. From Separate Accounts Statement .....	155,391,631		155,391,631	211,345,417
27. Total (Line 25 and Line 26) .....	7,450,948,517	12,038,358	7,438,910,159	5,742,366,394
<b>DETAILS OF WRITE-INS</b>				
1001. ....				
1002. ....				
1003. ....				
1098. Summary of remaining write-ins for Line 10 from overflow page .....				
1099. Totals (Line 1001 through Line 1003 plus Line 1098) (Line 10 above) .....				
2401. ....				
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above) .....				

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 6,163,655,343 (Exhibit 5, Line 9999999) less \$ ..... included in Line 6.3 (including \$ ..... 870,232,440 Modco Reserve)	6,163,655,343	4,898,487,382
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Column 1) (including \$ ..... Modco Reserve)	41,883,148	37,589,606
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Column 1) (including \$ ..... Modco Reserve)	3,943,456	602,534
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10 and 11)	3,943,456	602,534
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10 and 11)		
5. Policyholders' dividends \$ ..... and coupons \$ ..... due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment to ..... (including \$ ..... Modco)		
6.2 Dividends not yet apportioned (including \$ ..... Modco)		
6.3 Coupons and similar benefits (including \$ ..... Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ ..... discount; including \$ ..... accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Line 4 and Line 14)	248,971	115,748
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on cancelled contracts		
9.2 Provision for experience rating refunds, including \$ ..... accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance, including \$ ..... assumed and \$ ..... ceded		
9.4 Interest Maintenance Reserve (Page 33, Line 6)	24,223,919	12,479,950
10. Commissions to agents due or accrued-life and annuity contracts \$ ..... 817,301, accident and health \$ ..... and deposit-type contract funds \$ .....	817,301	791,511
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Column 5)	2,442,535	2,456,469
13. Transfers to Separate Accounts due or accrued (net) (including \$ ..... 4,548,476 accrued for expense allowances recognized in reserves)	(3,599,990)	(3,599,990)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Column 5)	6,059,763	4,576,731
15. Federal and foreign income taxes, including \$ ..... 12,155,686 on realized capital gains (losses) (including \$ ..... net deferred tax liability)	6,616,733	1,888,213
16. Unearned investment income	1,888,213	2,005,151
17. Amounts withheld or retained by company as agent or trustee	760,538	923,435
18. Amounts held for agents' account, including \$ ..... agents' credit balances		
19. Remittances and items not allocated	30,209,076	88,367,301
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ ..... 212,815,564 and interest thereon \$ .....	212,815,564	15,266,377
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (Page 34, Line 16, Column 7)	5,472,948	21,810,009
24.2 Reinsurance in unauthorized companies		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates	241,300,397	189,006,033
24.5 Drafts outstanding		
24.6 Liability for amounts held under uninsured accident and health plans		
24.7 Funds held under coinsurance		
24.8 Payable for securities	170,043,366	17,115,274
24.9 Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities	466,848	202,674
26. Total liabilities excluding Separate Accounts business (Line 1 to Line 25)	6,909,248,129	5,291,796,185
27. From Separate Accounts statement	155,391,631	211,345,417
28. Total liabilities (Line 26 and Line 27)	7,064,639,760	5,503,141,602
29. Common capital stock	2,500,000	2,500,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1)	353,621,464	239,000,000
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	18,148,935	(2,275,208)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 29 \$ .....)		
36.2 ..... shares preferred (value included in Line 30 \$ .....)		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ ..... in Separate Accounts Statement)	371,770,399	236,724,792
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	374,270,399	239,224,792
39. Totals of Lines 28 and 38 (Page 2, Line 27, Column 3)	7,438,910,159	5,742,366,394
<b>DETAILS OF WRITE-INS</b>		
2501. Interest on policy and contract funds due or accrued	(12,102)	(31,569)
2502. Uncashed drafts and checks pending escheatment to a state	478,950	234,243
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	466,848	202,674
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Line 3101 through Line 3103 plus Line 3198) (Line 31 above)		
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)		

**SUMMARY OF OPERATIONS**  
**(Excluding Unrealized Capital Gains and Losses)**

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Column 1, less Column 11)	1,478,194,615	1,135,341,333
2. Considerations for supplementary contracts with life contingencies	1,404,817	2,490,798
3. Net investment income (Exhibit of Net Investment Income, Line 17)	396,334,921	328,329,787
4. Amortization of Interest Maintenance Reserve (IMR) (Page 33, Line 5)	5,510,225	4,258,142
5. Separate Accounts net gain from operations excluding unrealized gains or losses	36,254,176	41,631,450
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Column 1)	(28,799,618)	(38,470,573)
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	218,696	231,942
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income		5,666,623
9. Totals (Line 1 to Line 8.3)	1,889,117,832	1,479,479,502
10. Death benefits	5,895,325	836,655
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Columns 4 plus 8)	121,596,725	98,433,534
13. Disability benefits and benefits under accident and health contracts	193,066	1,295
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	296,464,832	319,982,694
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	3,171,897	2,755,762
18. Payments on supplementary contracts with life contingencies	28,017	16,494
19. Increase in aggregate reserves for life and accident and health contracts	1,295,202,150	930,290,439
20. Totals (Line 10 to Line 19)	1,722,552,012	1,352,316,873
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	92,821,182	77,191,714
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2 Column 1)		128,341
23. General insurance expenses (Exhibit 2, Line 10, Columns 1 plus 2 plus 3)	69,669,625	54,641,792
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Columns 1 plus 2 plus 3)	9,579,246	7,945,892
25. Increase in loading on deferred and uncollected premiums	(1,440,375)	(877,180)
26. Net transfers to or (from) Separate Accounts	(33,326,271)	(29,141,867)
27. Aggregate write-ins for deductions	(19,434,258)	(14,925,674)
28. Totals (Line 20 to Line 27)	1,840,421,161	1,447,279,891
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	48,696,671	32,199,611
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	48,696,671	32,199,611
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	20,431,659	4,968,729
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	28,265,012	27,230,882
34. Net realized capital gains or (losses) less capital gains tax of \$ 2,864,967 (excluding taxes of \$ 9,290,719 transferred to the IMR)	(77,958,466)	(22,105,977)
35. Net Income (Line 33 plus Line 34)	(49,693,454)	5,124,905
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	239,224,792	234,297,760
37. Net income (Line 35)	(49,693,454)	5,124,905
38. Change in net unrealized capital gains (losses)	(19,004,114)	(27,591,932)
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	38,746,002	(4,699,587)
41. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Column 3)	4,004,840	1,251,755
42. Change in liability for reinsurance in unauthorized companies		
43. Change in reserve on account of change in valuation bases, (increase) or decrease (Exhibit 5A, Line 9999999, Column 4)	30,033,807	
44. Change in asset valuation reserve (Page 34, Line 2 through Line 5 minus Line 6 plus Line 7 plus Line 11 plus Line 14 plus Line 15, Column 7)	16,337,061	8,607,881
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Column 2 minus Column 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts statement		
48. Change in surplus notes		
49. Cumulative effects of changes in accounting principles		22,234,010
50. Capital changes:		
50.1 Paid in	114,621,464	
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders		
53. Aggregate write-ins for gains and losses in surplus		
54. Net change in capital and surplus for the year (Line 37 through Line 53)	135,045,606	4,927,032
55. Capital and surplus, December 31, current year (Line 36 plus Line 54) (Page 3, Line 38)	374,270,398	239,224,792
<b>DETAILS OF WRITE-INS</b>		
08.301. Miscellaneous		5,666,623
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)		5,666,623
2701. Benefits for Employees and Agents Not Included Elsewhere	(19,434,258)	(14,925,674)
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)	(19,434,258)	(14,925,674)
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. Totals (Line 5301 through Line 5303 plus Line 5398) (Line 53 above)		

## CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums and annuity considerations for life and accident and health contracts	1,446,144,568	1,135,345,360
2. Charges and fees for deposit-type contracts		(7,735,985)
3. Considerations for supplementary contracts with life contingencies	1,404,817	2,490,798
4. Net investment income	390,212,984	326,744,068
5. Commissions and expense allowances on reinsurance ceded	17,870,140	5,148,739
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts	218,696	231,942
7. Aggregate write-ins for miscellaneous income		5,666,623
8. Total (Line 1 to Line 7)	1,855,851,205	1,467,891,545
9. Death benefits	(13,938,003)	2,059,869
10. Matured endowments	(28,736)	(41,576)
11. Annuity benefits	121,369,381	98,894,250
12. Disability benefits and benefits under accident and health contracts		
13. Coupons, guaranteed annual pure endowments and similar benefits		
14. Surrender benefits and withdrawals for life contracts	270,970,093	321,573,785
15. Group conversions		
16. Interest and adjustments on contract or deposit-type contract funds	3,170,943	7,640,626
17. Payments on supplementary contracts with life contingencies	28,017	16,494
18. Totals (Line 9 to Line 17)	381,571,695	430,143,448
19. Commissions on premiums, annuity considerations and deposit-type contract funds	92,821,182	77,268,508
20. Commissions and expense allowances on reinsurance assumed		175,745
21. General insurance expenses	69,679,493	54,297,626
22. Insurance taxes, licenses and fees, excluding federal income taxes	8,104,148	7,805,290
23. Net transfers to or (from) Separate Accounts	(29,726,281)	(29,141,867)
24. Aggregate write-ins for deductions		
25. Total (Line 18 to Line 24)	522,450,237	540,548,750
26. Dividends paid to policyholders		
27. Federal income taxes (excluding tax on capital gains)	12,076,157	13,497,144
28. Total (Line 25 to Line 27)	534,526,394	554,045,894
29. Net cash from operations (Line 8 minus Line 28)	1,321,324,811	913,845,651
Cash from Investments		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds	4,688,115,391	4,114,598,449
30.2 Stocks	23,589,830	45,303,472
30.3 Mortgage loans	20,678,972	8,865,020
30.4 Real estate		
30.5 Other invested assets	5,386,188	3,461,623
30.6 Net gains (losses) on cash and short-term investments	127,835	(624,626)
30.7 Miscellaneous proceeds	(3,185,691)	(2,657)
30.8 Total investment proceeds (Line 30.1 to Line 30.7)	4,734,712,525	4,171,601,281
31. Net tax on capital gains (losses)	12,155,686	(3,297,144)
32. Total (Line 30.8 minus Line 31)	4,722,556,839	4,174,898,425
33. Cost of investments acquired (long-term only):		
33.1 Bonds	5,962,744,869	4,827,971,365
33.2 Stocks	46,525,042	132,197,083
33.3 Mortgage loans	114,530,027	95,369,988
33.4 Real estate	(1,800)	
33.5 Other invested assets	7,008,356	20,671,359
33.6 Miscellaneous applications	(152,928,092)	
33.7 Total investments acquired (Line 33.1 to Line 33.6)	5,977,878,402	5,076,209,795
34. Net increase (or decrease) in policy loans and premium notes	(312,882)	96,851
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34)	(1,255,008,681)	(901,408,221)
Cash from Financing and Miscellaneous Sources		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in		
36.2 Borrowed money \$ less amounts repaid \$	197,549,187	15,266,377
36.3 Capital notes \$ less amounts repaid \$		
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies	14,761,028	7,988,871
36.5 Other cash provided	1,843,333	189,931,381
36.6 Total (Line 36.1 to Line 36.5)	214,153,548	213,186,629
37. Cash applied:		
37.1 Dividends to stockholders paid		
37.2 Interest on indebtedness		
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies	12,582,358	10,049,071
37.4 Other applications (net)	4,198,616	17,193,812
37.5 Total (Line 37.1 to Line 37.4)	16,780,974	27,242,883
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	197,372,574	185,943,746
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39. Net change in cash and short-term investments (Line 29 plus Line 35 plus Line 38)	263,688,704	198,381,176
40. Cash and short-term investments:		
40.1 Beginning of year	303,161,448	104,780,272
40.2 End of year (Line 39 plus Line 40.1)	566,850,152	303,161,448
DETAILS OF WRITE-INS		
0701. Miscellaneous		5,666,623
0702.		
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)		5,666,623
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page		
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)		

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)  
(Excluding Capital Gains and Losses)**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	1,478,194,615		26,667,213	1,451,527,402								
2. Considerations for supplementary contracts with life contingencies	1,404,817				1,404,817							
3. Net investment income	396,334,921		69,166,403	324,599,035	2,569,483							
4. Amortization of Interest Maintenance Reserve (IMR)	5,510,225		961,617	4,512,885	35,723							
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded	36,254,176		36,254,176									
7. Reserve adjustments on reinsurance ceded	(28,799,618)		(28,799,618)									
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	218,696			218,696								
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income												
9. Totals (Line 1 to Line 8.3)	1,889,117,832		104,249,791	1,780,858,018	4,010,023							
10. Death benefits	5,895,325		5,895,325									
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits	121,596,725			121,596,725								
13. Disability benefits and benefits under accident and health contracts	193,066		193,066									
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	296,464,832		833,112	295,631,720								
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds	3,171,897		(29,371)	451,864	2,749,404							
18. Payments on supplementary contracts with life contingencies	28,017				28,017							
19. Increase in aggregate reserves for life and accident and health contracts	1,295,202,150		40,187,090	1,254,789,478	225,582							
20. Totals (Line 10 to Line 19)	1,722,552,012		47,079,222	1,672,469,787	3,003,003							
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	92,821,182		11,233,910	79,709,017								1,878,255
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses	69,669,625		43,409,700	21,477,196	348,965							4,433,764
24. Insurance taxes, licenses and fees, excluding federal income taxes	9,579,248		5,973,533	3,366,038	15,688							223,989
25. Increase in loading on deferred and uncollected premiums	(1,440,375)		(1,440,375)									
26. Net transfers to or (from) Separate Accounts	(33,326,271)			(33,326,271)								
27. Aggregate write-ins for deductions	(19,434,258)		(12,632,268)	(4,767,223)	(132,153)							(1,902,614)
28. Totals (Line 20 to Line 27)	1,840,421,163		93,623,722	1,738,928,544	3,235,503							4,633,394
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	48,696,669		10,626,069	41,929,474	774,520							(4,633,394)
30. Dividends to policyholders												
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	48,696,669		10,626,069	41,929,474	774,520							(4,633,394)
32. Federal income taxes incurred (excluding tax on capital gains)	20,431,659		4,458,380	17,592,347	324,965							(1,944,033)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	28,265,010		6,167,689	24,337,127	449,555							(2,689,361)
DETAILS OF WRITE-INS												
08.301.												
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)												
2701. Benefits for Employees and Agents Not Included Elsewhere	(19,434,258)		(12,632,268)	(4,767,223)	(132,153)							(1,902,614)
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	(19,434,258)		(12,632,268)	(4,767,223)	(132,153)							(1,902,614)

(a) Includes the following amounts for FEGLI/SGLI: Line 1, Line 10, Line 16, Line 23, Line 24.

**ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year .....	4,898,487,382		958,870,780	3,927,534,387	12,082,215			
2. Tabular net premiums or considerations .....	1,574,454,564		127,756,539	1,445,318,794	1,379,231			
3. Present value of disability claims incurred .....	192,807		192,807		X X X			
4. Tabular interest .....	303,309,832		54,632,773	247,945,365	731,694			
5. Tabular less actual reserve released .....	(48,265,098)		1,934,138	(50,377,574)	178,338			
6. Increase in reserve on account of change in valuation basis .....	(30,033,807)		(30,033,807)					
7. Other increases (net) .....	3,507,938		2,973,360	534,578				
8. Totals (Line 1 to Line 7) .....	6,701,653,618		1,116,326,590	5,570,955,550	14,371,478			
9. Tabular cost .....	107,323,371		107,323,371		X X X			
10. Reserves released by death .....	6,816,971		6,816,971	X X X	X X X			X X X
11. Reserves released by other terminations (net) .....	41,190,496		30,679,493	10,511,003				
12. Annuity, supplementary contract, and disability payments involving life contingencies .....	383,475,435		2,483,471	378,928,068	2,063,896			
13. Net transfers to or (from) Separate Accounts .....	(807,998)			(807,998)				
14. Total deductions (Line 9 to Line 13) .....	537,998,275		147,303,306	388,631,073	2,063,896			
15. Reserve December 31, current year .....	6,163,655,343		969,023,284	5,182,324,477	12,307,582			

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 18,009,867	20,169,503
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 326,019,556	337,684,033
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 7,280,547	7,974,158
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	1,258,649	1,258,649
3. Mortgage loans	(c) 27,086,563	27,474,224
4. Real estate	(d) 1,108,242	1,108,242
5. Contract loans	3,541,394	3,587,536
6. Cash/short-term investments	(e) 6,136,599	4,385,823
7. Derivative instruments	(f)	
8. Other invested assets	1,158,690	1,173,205
9. Aggregate write-ins for investment income	7,150,452	7,150,452
10. Total gross investment income	398,750,559	411,965,825
11. Investment expenses		(g) 4,952,910
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 351,954
13. Interest expense		(h) 10,167,223
14. Depreciation on real estate and other invested assets		(i) 158,816
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		15,630,903
17. Net investment income (Line 10 minus Line 16)		396,334,922
<b>DETAILS OF WRITE-INS</b>		
0901. Interest Income Received on Dollar Roll Assets	6,794,517	6,794,517
0902. Miscellaneous Income	355,935	355,935
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus Line 0998 ) (Line 9 above)	7,150,452	7,150,452
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus Line 1598) (Line 15 above)		

(a) Includes \$ 18,374,739 accrual of discount less \$ 11,488,115 amortization of premium and less \$ 33,831,298 paid for accrued interest on purchases.  
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ 1,000,419 paid for accrued dividends on purchases.  
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.  
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.  
 (e) Includes \$ 430,780 accrual of discount less \$ 4,226,329 amortization of premium and less \$ 3,882,908 paid for accrued interest on purchases.

(f) Includes \$ accrual of discount less \$ amortization of premium.  
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.  
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1. U. S. Government bonds	3,473,743				3,473,743
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)	23,331,043	(74,710,187)	(602,809)		(51,981,953)
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	(334,156)	303,844	(3,667,200)		(3,697,512)
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	(810,680)		(9,919,201)		(10,729,881)
2.21 Common stocks of affiliates			(7,904,920)		(7,904,920)
3. Mortgage loans	(294,839)				(294,839)
4. Real estate					
5. Contract loans	(4,059)				(4,059)
6. Cash/short-term investments	127,835				127,835
7. Derivative instruments					
8. Other invested assets	368,868		3,090,016		3,458,884
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	25,857,755	(74,406,343)	(19,004,114)		(67,552,702)
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus Line 0998 ) (Line 9 above)					

**EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
<b>FIRST YEAR (other than single)</b>											
1. Uncollected	94,044		94,044								
2. Deferred and accrued	2,649,692		2,649,692								
3. Deferred, accrued and uncollected:											
3.1 Direct	2,789,041		2,789,041								
3.2 Reinsurance assumed											
3.3 Reinsurance ceded	45,305		45,305								
3.4 Net (Line 1 plus Line 2)	2,743,736		2,743,736								
4. Advance	110,430		110,430								
5. Line 3.4 minus Line 4	2,633,306		2,633,306								
6. Collected during year:											
6.1 Direct	81,635,210		20,393,568	61,241,642							
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	10,071,268		10,063,987	7,281							
6.4 Net	71,563,942		10,329,581	61,234,361							
7. Line 5 plus Line 6.4	74,197,248		12,962,887	61,234,361							
8. Prior year (uncollected plus deferred and accrued minus advance)	(141,578)		(141,578)								
9. First year premiums and considerations:											
9.1 Direct	82,042,110		20,800,468	61,241,642							
9.2 Reinsurance assumed											
9.3 Reinsurance ceded	7,703,284		7,696,003	7,281							
9.4 Net (Line 7 minus Line 8)	74,338,826		13,104,465	61,234,361							
<b>SINGLE</b>											
10. Single premiums and considerations:											
10.1 Direct	1,372,750,794		96,046	1,372,654,748							
10.2 Reinsurance assumed											
10.3 Reinsurance ceded	37,639,100		37,639,100								
10.4 Net	1,335,111,694		(37,543,054)	1,372,654,748							
<b>RENEWAL</b>											
11. Uncollected	44,435		44,435								
12. Deferred and accrued	4,521,167		4,521,167								
13. Deferred, accrued and uncollected:											
13.1 Direct	4,685,640		4,685,640								
13.2 Reinsurance assumed											
13.3 Reinsurance ceded	120,038		120,038								
13.4 Net (Line 11 plus Line 12)	4,565,602		4,565,602								
14. Advance	138,541		138,541								
15. Line 13.4 minus Line 14	4,427,061		4,427,061								
16. Collected during year:											
16.1 Direct	139,048,204		121,412,226	17,635,978							
16.2 Reinsurance assumed											
16.3 Reinsurance ceded	99,579,272		99,579,272								
16.4 Net	39,468,932		21,832,954	17,635,978							
17. Line 15 plus Line 16.4	43,895,993		26,260,015	17,635,978							
18. Prior year (uncollected plus deferred and accrued minus advance)	(24,848,102)		(24,845,787)	(2,315)							
19. Renewal premiums and considerations:											
19.1 Direct	139,870,288		122,234,310	17,635,978							
19.2 Reinsurance assumed											
19.3 Reinsurance ceded	71,126,193		71,128,508	(2,315)							
19.4 Net (Line 17 minus Line 18)	68,744,095		51,105,802	17,638,293							
<b>TOTAL</b>											
20. Total premiums and annuity considerations:											
20.1 Direct	1,594,663,192		143,130,824	1,451,532,368							
20.2 Reinsurance assumed											
20.3 Reinsurance ceded	116,468,577		116,463,611	4,966							
20.4 Net (Lines 9.4 plus 10.4 plus 19.4)	1,478,194,615		26,667,213	1,451,527,402							

**EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)**

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums (Exhibit 4, Line 1) .....											
22. All other (Exhibit 4, Line 2, Line 3, and Line 4) .....											
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded .....	6,032,508		6,032,508								
23.2 Reinsurance assumed .....											
23.3 Net ceded less assumed .....	6,032,508		6,032,508								
24. Single:											
24.1 Reinsurance ceded .....	30,254		30,254								
24.2 Reinsurance assumed .....											
24.3 Net ceded less assumed .....	30,254		30,254								
25. Renewal:											
25.1 Reinsurance ceded .....	30,191,416		30,191,416								
25.2 Reinsurance assumed .....											
25.3 Net ceded less assumed .....	30,191,416		30,191,416								
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6) .....	36,254,178		36,254,178								
26.2 Reinsurance assumed (Page 6, Line 22) .....											
26.3 Net ceded less assumed .....	36,254,178		36,254,178								
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single) .....	20,820,829		7,424,144	12,046,580							1,350,105
28. Single .....	66,622,753		109,988	66,519,234							(6,469)
29. Renewal .....	5,377,600		3,699,778	1,143,203							534,619
30. Deposit-type contract funds .....											
31. Totals (to agree with Page 6, Line 21) .....	92,821,182		11,233,910	79,709,017							1,878,255

**EXHIBIT 2 - GENERAL EXPENSES**

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Rent	4,831,360		208,036	240,373	5,279,769
2. Salaries and wages	20,410,612		2,138,951	2,772,766	25,322,329
3.11 Contributions for benefit plans for employees	9,682,248		307,773	357,223	10,347,244
3.12 Contributions for benefit plans for agents	9,128,524			59,022	9,187,546
3.21 Payments to employees under non-funded benefit plans					
3.22 Payments to agents under non-funded benefit plans					
3.31 Other employee welfare	1,457,379		194,005	1,027	1,652,411
3.32 Other agent welfare	175,567			2,150	177,717
4.1 Legal fees and expenses	138,106		48,036	21,426	207,568
4.2 Medical examination fees	1,990,383		34		1,990,417
4.3 Inspection report fees	96,886		409	895	98,190
4.4 Fees of public accountants and consulting actuaries	63,806		16,651	12,404	92,861
4.5 Expense of investigation and settlement of policy claims	606,135		3,013		609,148
5.1 Traveling expenses	1,012,308		69,796	34,167	1,116,271
5.2 Advertising	756,164		55,637	15,259	827,060
5.3 Postage, express, telegraph and telephone	2,054,197		57,732	39,024	2,150,953
5.4 Printing and stationery	1,437,817		43,953	5,351	1,487,121
5.5 Cost or depreciation of furniture and equipment	559,744				559,744
5.6 Rental of equipment	1,442,296		206,651		1,648,947
5.7 Cost or depreciation of EDP equipment and software	1,499,118		221,591	5,067	1,725,776
6.1 Books and periodicals	88,819		43,509	11,572	143,900
6.2 Bureau and association fees	107,235		16,117	2,410	125,762
6.3 Insurance, except on real estate	211,211		28,425	1,061	240,697
6.4 Miscellaneous losses	133,856		20,819	223	154,898
6.5 Collection and bank service charges	314,384		3,127	283,077	600,588
6.6 Sundry general expenses	2,929,486		389,678	329,374	3,648,538
6.7 Group service and administration fees	31,050		1,341	765	33,156
6.8 Reimbursements by uninsured accident and health plans					
7.1 Agency expense allowance					
7.2 Agents' balances charged off (less \$ recovered)					
7.3 Agency conferences other than local meetings	1,264,217		4,348	15,313	1,283,878
9.1 Real estate expenses				492,069	492,069
9.2 Investment expenses not included elsewhere	11,374		5,126	208,207	224,707
9.3 Aggregate write-ins for expenses	2,801,578		349,008	42,685	3,193,271
10. General expenses incurred	65,235,860		4,433,766	4,952,910	(a) 74,622,536
11. General expenses unpaid December 31, prior year	2,180,146		111,049	165,274	2,456,469
12. General expenses unpaid December 31, current year	2,134,776		146,552	161,207	2,442,535
13. Amounts receivable relating to uninsured accident and health plans, prior year					
14. Amounts receivable relating to uninsured accident and health plans, current year					
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	65,281,230		4,398,263	4,956,977	74,636,470
<b>DETAILS OF WRITE-INS</b>					
09.301. Weekly expense allowances to field representatives	35,947			441	36,388
09.302. Meals for employees	231,477		32,458	4,505	268,440
09.303. Repair and service of office machines and furniture	1,260,411		177,472	2,860	1,440,743
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	1,273,743		139,078	34,879	1,447,700
09.399. Totals (Lines 09.301 through 09.303 plus 09.398) (Line 9.3 above)	2,801,578		349,008	42,685	3,193,271

(a) Includes management fees of \$ 1,531,732 to affiliates and \$ 189,879 to non-affiliates.

**EXHIBIT 3 - TAXES, LICENSES AND FEES  
(EXCLUDING FEDERAL INCOME TAXES)**

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes				129,974	129,974
2. State insurance department licenses and fees	378,862				378,862
3. State taxes on premiums	2,584,888				2,584,888
4. Other state taxes, including \$ 125,288 for employee benefits	874,034		5,940	5,855	885,829
5. U. S. Social Security taxes	4,335,034		218,049	216,125	4,769,208
6. All other taxes	1,182,441				1,182,441
7. Taxes, licenses and fees incurred	9,355,259		223,989	351,954	9,931,202
8. Taxes, licenses and fees unpaid December 31, prior year	4,575,364		662	705	4,576,731
9. Taxes, licenses and fees unpaid December 31, current year	6,042,413		8,713	8,637	6,059,763
10. Taxes, licenses and fees paid during year (Line 7 plus Line 8 minus Line 9)	7,888,210		215,938	344,022	8,448,170

**EXHIBIT 4 - DIVIDENDS OR REFUNDS**

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums		
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. Total Line 1 through Line 4		
6. Paid-in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. Total Line 5 through Line 8		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the follow		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend policies		
15. Total Line 10 through Line 14		
16. Total from prior year		
17. Total dividends or refunds (Line 9 plus Line 15 minus Line 16)		
<b>NONE</b>		
<b>DETAILS OF WRITE-INS</b>		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)		

**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
<b>(Gross) - Life Insurance</b>					
1. 58 CSO 6% CRVM, 83-86	551,310,393		551,310,393		
2. 58 CSO 5 1/2% CRVM, 87-88	69,872,858		69,872,858		
3. 58 CSO 4 1/2% CRVM, 82-82	51,222,647		51,222,647		
4. 58 CSO/CET 4% NLP, 82-88	2,058,673		2,058,673		
5. 58 CSO 4% CRVM, 82-88	22,046,320		22,046,320		
6. 58 CSO 3 1/2% NLP, 85-88	72,527		72,527		
7. 58 CET 3 1/2% NLP, 85-88	11,351		11,351		
8. 80 CSO 5 1/2% CRVM, 89-92	95,531,076		95,531,076		
9. 80 CSO 5% CRVM, 93-94	28,191,710		28,191,710		
10. 80 CSO 4 1/2% CRVM, 95-02 (N.B.)	93,428,192		93,428,192		
11. 80 CSO/CET 4% NLP, 88-02 (N.B.)	8,628,241		8,628,241		
12. 80 CSO 4% CRVM, 88-02 (N.B.)	31,901,131		31,901,131		
0199997 - TOTALS (Gross) - Life Insurance	954,275,119		954,275,119		
0199998 - Reinsurance ceded - Life Insurance	4,842,218		4,842,218		
0199999 - TOTALS (Net) - Life Insurance	949,432,901		949,432,901		
<b>(Gross) - Annuities (excluding supplementary contracts with life contingencies)</b>					
1. 83a 8.25%, PROJ. SCALE G IMMEDIATE	172,525		172,525		
2. 83a 7.75%, PROJ. SCALE G IMMEDIATE	76,987		76,987		
3. 83a 7.55%, PROJ. SCALE G IMMEDIATE	2,835,801		2,835,801		
4. 83a 7.40%, PROJ. SCALE G IMMEDIATE	111,395		111,395		
5. 83a 7.25%, PROJ. SCALE G IMMEDIATE	1,284,302		1,284,302		
6. 83a 7.15%, PROJ. SCALE G IMMEDIATE	654,787		654,787		
7. 83a 7.05%, PROJ. SCALE G IMMEDIATE	264,985		264,985		
8. 83a 6.75%, PROJ. SCALE G IMMEDIATE	2,300,867		2,300,867		
9. 83a 6.70%, PROJ. SCALE G IMMEDIATE	464,592		464,592		
10. 83a 6.65%, PROJ. SCALE G IMMEDIATE	2,460,248		2,460,248		
11. 83a 6.55%, PROJ. SCALE G IMMEDIATE	155,294		155,294		
12. 83a 6.50%, PROJ. SCALE G IMMEDIATE	71,917		71,917		
13. 83a 6.45%, PROJ. SCALE G IMMEDIATE	126,226		126,226		
14. 83a 6.40%, PROJ. SCALE G IMMEDIATE	85,818		85,818		
15. 83a 6.35%, PROJ. SCALE G IMMEDIATE	990,387		990,387		
16. 83a 6.20%, PROJ. SCALE G IMMEDIATE	1,569,544		1,569,544		
17. 83a 6.15%, PROJ. SCALE G IMMEDIATE	701,200		701,200		
18. 83a 6.00%, PROJ. SCALE G IMMEDIATE	24,844		24,844		
19. 83a 5.85%, PROJ. SCALE G IMMEDIATE	739,866		739,866		
20. 83a 5.70%, PROJ. SCALE G IMMEDIATE	22,400		22,400		
21. 83a 5.65%, PROJ. SCALE G IMMEDIATE	18,787		18,787		
22. 2000 IAM Annuity 6.95%, Projection Scale G	20,909		20,909		
23. 2000 IAM Annuity 6.85%, Projection Scale G	101,331		101,331		
24. 2000 IAM Annuity 6.80%, Projection Scale G	469,573		469,573		
25. 2000 IAM Annuity 6.70%, Projection Scale G	18,772		18,772		
26. 2000 IAM Annuity 6.45%, Projection Scale G	61,871		61,871		
27. 2000 IAM Annuity 6.25%, Projection Scale G	3,148,576		3,148,576		
28. 2000 IAM Annuity 6.20%, Projection Scale G	19,084		19,084		
29. 2000 IAM Annuity 6.00%, Projection Scale G	1,655,280		1,655,280		
30. 2000 IAM Annuity 5.95%, Projection Scale G	1,208,627		1,208,627		
31. 2000 IAM Annuity 5.75%, Projection Scale G	2,914,167		2,914,167		
32. 2000 IAM Annuity 5.70%, Projection Scale G	46,535		46,535		
33. 2000 IAM Annuity 5.65%, Projection Scale G	37,403		37,403		
34. 2000 IAM Annuity 5.60%, Projection Scale G	217,057		217,057		
35. 2000 IAM Annuity 5.55%, Projection Scale G (N.B.)	748,786		748,786		
36. 2000 IAM Annuity 5.50%, Projection Scale G	5,296,031		5,296,031		
37. 2000 IAM Annuity 5.40%, Projection Scale G (N.B.)	1,210,592		1,210,592		
38. 2000 IAM Annuity 5.25%, Projection Scale G	127,293		127,293		
39. 2000 IAM Annuity 5.20%, Projection Scale G (N.B.)	36,886		36,886		
40. 2000 IAM Annuity 4.90%, Projection Scale G (N.B.)	3,993,277		3,993,277		
41. 2000 IAM Annuity 4.35%, Projection Scale G (N.B.)	35,069		35,069		
42. 2000 IAM Annuity 4.25%, Projection Scale G (N.B.)	2,534,040		2,534,040		
43. 2000 IAM Annuity 4.20%, Projection Scale G (N.B.)	36,969		36,969		
44. 2000 IAM Annuity 4.05%, Projection Scale G (N.B.)	97,549		97,549		
45. 2000 IAM Annuity 3.95%, Projection Scale G (N.B.)	116,659		116,659		
46. DEFERRED 6.25% CARVM:83a 3%	608,219		608,219		
47. DEFERRED 6.00% CARVM:83a 3%	101,803,526		101,803,526		
48. DEFERRED 5.75% CARVM:83a 3%	740,291,941		740,291,941		
49. DEFERRED 5.50% CARVM:83a 3% (N.B.)	2,525,767,483		2,525,767,483		
50. DEFERRED 5.25% CARVM:83a 3% (N.B.)	870,868,072		870,868,072		
51. DEFERRED 5.00% CARVM:83a 3%	811,702,544		811,702,544		
52. DEFERRED 4.00% CARVM:83a 3%	92,306,584		92,306,584		
0299997 - TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies)	5,182,633,477		5,182,633,477		
0299998 - Reinsurance ceded - Annuities (excluding supplementary contracts with life contingencies)	309,000		309,000		
0299999 - TOTALS (Net) - Annuities (excluding supplementary contracts with life contingencies)	5,182,324,477		5,182,324,477		
<b>(Gross) - Supplementary Contracts with Life Contingencies</b>					
1. 83a 8.25%, PROJ. SCALE G	120,539		120,539		
2. 83a 7.75%, PROJ. SCALE G	100,011		100,011		
3. 83a 7.40%, PROJ. SCALE G	10,341		10,341		
4. 83a 7.25%, PROJ. SCALE G	1,145,625		1,145,625		
5. 83a 6.75%, PROJ. SCALE G	2,079,652		2,079,652		
6. 83a 6.70%, PROJ. SCALE G	422,669		422,669		
7. 83a 6.20%, PROJ. SCALE G	438,920		438,920		
8. 2000 IAM Annuity 6.25%, PROJ. SCALE G	1,585,593		1,585,593		
9. 2000 IAM Annuity 6.00%, PROJ. SCALE G	192,357		192,357		
10. 2000 IAM Annuity 5.75%, PROJ. SCALE G	1,256,387		1,256,387		
11. 2000 IAM Annuity 5.50%, PROJ. SCALE G	2,784,409		2,784,409		
12. 2000 IAM Annuity 5.40%, PROJ. SCALE G	624,066		624,066		
13. 2000 IAM Annuity 4.90%, PROJ. SCALE G	1,406,477		1,406,477		
14. 2000 IAM Annuity 4.25%, PROJ. SCALE G	140,536		140,536		
0399997 - TOTALS (Gross) - Supplementary Contracts with Life Contingencies	12,307,582		12,307,582		
0399999 - TOTALS (Net) - Supplementary Contracts with Life Contingencies	12,307,582		12,307,582		
<b>(Gross) - Accidental Death Benefits</b>					
1. 59 ADB AND 58 CSO 2.5%	63,272		63,272		
2. 59 ADB AND 80 CSO 2.5% (N.B.)	42,607		42,607		
0499997 - TOTALS (Gross) - Accidental Death Benefits	105,879		105,879		
0499998 - Reinsurance ceded - Accidental Death Benefits	45		45		
0499999 - TOTALS (Net) - Accidental Death Benefits	105,834		105,834		
<b>(Gross) - Disability - Active Lives</b>					
1. 75% 30-31 MET. AND 58 CSO 2.5%	26,295		26,295		
2. 75% 30-31 MET. AND 80 CSO 2.5% (N.B.)	9,635		9,635		
3. 52 BEN. 5. PERIOD 2 AND 58 CSO 2.5%	187,404		187,404		
4. 52 BEN. 5. PERIOD 2 AND 80 CSO 2.5% (N.B.)	368,431		368,431		
5. SPECIAL - RELATED TO PREM. OR FACE AMOUNT	5,604		5,604		
0599997 - TOTALS (Gross) - Disability - Active Lives	597,369		597,369		

**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0599998 - Reinsurance ceded - Disability - Active Lives .....	1,486		1,486		
0599999 - TOTALS (Net) - Disability - Active Lives .....	595,883		595,883		
(Gross) - Disability - Disabled Lives					
1. 52 INTERCO DISA 2.5% .....	18,888,666		18,888,666		
0699997 - TOTALS (Gross) - Disability - Disabled Lives .....	18,888,666		18,888,666		
0699999 - TOTALS (Net) - Disability - Disabled Lives .....	18,888,666		18,888,666		
9999999 - TOTALS (Net) - Page 3, Line 1 .....	6,163,655,343		6,163,655,343		

**EXHIBIT 5 INTERROGATORIES**

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes ( ) No (X)
- 1.2 If not, state which kind is issued.  
Non-participating
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes ( ) No (X)
- 2.2 If not, state which kind is issued.  
Non-participating
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?  
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions. Yes (X) No ( )
- 4. Has the reporting entity any assessment or stipulated premium contracts in force?  
If so, state: Yes ( ) No (X)
- 4.1 Amount of insurance? \$ .....
- 4.2 Amount of reserve? \$ .....
- 4.3 Basis of reserve:  
.....
- 4.4 Basis of regular assessments:  
.....
- 4.5 Basis of special assessments:  
.....
- 4.6 Assessments collected during the year: \$ .....
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.  
None
- 6. Does the reporting entity hold reserves for any annuity contracts which are less than the reserves that would be held on a standard basis? Yes ( ) No (X)
- 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$ .....
- 6.2 Which would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6. 1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$ .....  
Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes ( ) No (X)
- 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements? \$ .....
- 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount.  
.....
- 7.3 State the amount of reserves established for this business: \$ .....
- 7.4 Identify where the reserves are reported in the blank  
.....

**EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR**

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
Life Contracts (Including supplementary contracts set upon a basis other than that used to determine benefits) (Exhibit 5) (Page 7, Line 6)			
Universal Life valuation interest rates changed from 4% to statutory maximum rates	874,114,379	844,080,572	(30,033,807)
0199999 - Life Contracts (Including supplementary contracts set upon a basis other than that used to determine benefits) (Exhibit 5) (Page 7, Line 6)			(30,033,807)
9999999 - TOTAL (Column 4 only)			(30,033,807)

**EXHIBIT 6 - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS**

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancellable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
<b>ACTIVE LIFE RESERVE</b>									
1. Unearned premium reserves .....									
2. Additional contract reserves (a) .....									
3. Additional actuarial reserves - Asset/Liability analysis .....									
4. Reserve for future contingent benefits .....									
5. Reserve for rate credits .....									
6. Aggregate write-ins for reserves .....									
7. Totals (Gross) .....									
8. Reinsurance ceded .....									
9. Totals (Net) .....									
<b>CLAIM RESERVE</b>									
10. Present value of amounts not yet due on claims .....									
11. Additional actuarial reserves - Asset/Liability analysis .....									
12. Reserve for future contingent benefits .....									
13. Aggregate write-ins for reserves .....									
14. Totals (Gross) .....									
15. Reinsurance ceded .....									
16. Totals (Net) .....									
17. TOTAL (Net) .....									
18. TABULAR FUND INTEREST .....									
<b>DETAILS OF WRITE-INS</b>									
0601 .....									
0602 .....									
0603 .....									
0698. Summary of remaining write-ins for Line 6 from overflow page .....									
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....									
1301 .....									
1302 .....									
1303 .....									
1398. Summary of remaining write-ins for Line 13 from overflow page .....									
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above) .....									

**NONE**

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

**EXHIBIT 7 - DEPOSIT TYPE CONTRACTS**

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Supplemental Contracts and Annuities Certain	Dividend Accumulations or Refunds	Premium and Other Deposit Funds	Other
1. Balance at the beginning of the year before reinsurance	37,589,606		37,529,336		60,270	
2. Deposits received during the year	14,761,028		14,731,187		29,841	
3. Investment earnings credited to the account	2,114,872		2,113,359		1,513	
4. Other net change in reserves						
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	12,582,358		12,556,066		26,292	
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of current year before reinsurance (Lines 1 plus 2 plus 3 plus 4 minus 5 minus 6 minus 7 minus 8)	41,883,148		41,817,816		65,332	
10. Reinsurance balance at the beginning of the year						
11. Net change in reinsurance assumed						
12. Net change in reinsurance ceded						
13. Reinsurance balance at the end of the year (Line 10 plus Line 11 minus Line 12)						
14. Net balance at the end of current year after reinsurance (Line 9 plus Line 13)	41,883,148		41,817,816		65,332	

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

**PART 1 - Liability End of Current Year**

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and Unpaid:											
1.1 Direct .....											
1.2 Reinsurance assumed .....											
1.3 Reinsurance ceded .....											
1.4 Net .....											
2. In course of settlement:											
2.1 Resisted .....	75,000		75,000								
2.11 Direct .....	75,000		75,000								
2.12 Reinsurance assumed .....											
2.13 Reinsurance ceded .....	75,000		75,000								
2.14 Net .....			(b)	(b)		(b)	(b)				
2.2 Other .....	7,882,587		7,251,306	631,281							
2.21 Direct .....	7,882,587		7,251,306	631,281							
2.22 Reinsurance assumed .....											
2.23 Reinsurance ceded .....	6,342,362		6,342,362								
2.24 Net .....	1,540,225		(b) 908,944	(b) 631,281		(b)	(b)		(b)	(b)	(b)
3. Incurred but unreported:											
3.1 Direct .....	5,305,373		5,305,373								
3.2 Reinsurance assumed .....											
3.3 Reinsurance ceded .....	2,902,142		2,902,142								
3.4 Net .....	2,403,231		(b) 2,403,231	(b)		(b)	(b)		(b)	(b)	(b)
4. TOTALS .....	13,262,960		12,631,679	631,281							
4.1 Direct .....	13,262,960		12,631,679	631,281							
4.2 Reinsurance assumed .....											
4.3 Reinsurance ceded .....	9,319,504		9,319,504								
4.4 Net .....	3,943,456	(a)	(a) 3,312,175	631,281			(a)				

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ ..... in Column 2, \$ ..... in Column 3 and \$ ..... in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for

Ordinary Life Insurance \$ ..... 150,455 , Individual Annuities \$ ..... , Credit Life (Group and Individual) \$ ..... , and Group Life \$ .....

are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ ..... , Credit (Group and Individual) Accident and Health \$ ..... and Other Accident and

Health \$ ..... are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve)

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**  
**PART 2 - Incurred During the Year**

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	193,883,559		72,486,161	121,369,381	28,017						
1.2 Reinsurance assumed											
1.3 Reinsurance ceded	86,424,164		86,424,164								
1.4 Net (d)	107,459,395		(13,938,003)	121,369,381	28,017						
2. Liability December 31, current year from Part 1:											
2.1 Direct	13,262,960		12,631,679	631,281							
2.2 Reinsurance assumed											
2.3 Reinsurance ceded	9,319,504		9,319,504								
2.4 Net	3,943,456		3,312,175	631,281							
3. Amounts recoverable from reinsurers December 31, current year	60,000		60,000								
4. Liability December 31, prior year:											
4.1 Direct	9,413,988		9,010,051	403,937							
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	8,811,454		8,811,454								
4.4 Net	602,534		198,597	403,937							
5. Amounts recoverable from reinsurers December 31, prior year	16,974,814		16,974,814								
6. Incurred Benefits:											
6.1 Direct	197,732,531		76,107,789	121,596,725	28,017						
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	70,017,400		70,017,400								
6.4 Net	127,715,131		6,090,389	121,596,725	28,017						

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
 \$ ..... in Line 6.1 and \$ ..... in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... 209,931 in Line 1.1, \$ ..... (28,736) in Line 1.4.  
 \$ ..... 209,931 in Line 6.1 and \$ ..... in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
 \$ ..... in Line 6.1 and \$ ..... in Line 6.4.

(d) Includes \$ ..... premiums waived under total and permanent disability benefits.

**EXHIBIT 9 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS**

	1	2	3
	End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Line 12 to Line 17 and Line 19 to Line 22, Column 2 .....	11,494,360	16,047,479	4,553,119
2. Other Nonadmitted Assets:			
2.1 Bills receivable .....	63,307	(4,472)	(67,779)
2.2 Furniture and equipment .....			
2.3 Leasehold improvements .....			
2.4 Cash advanced to or in the hands of officers or agents .....			
2.5 Loans on personal security, endorsed or not .....			
2.6 Supplies, stationery, printed matter .....			
2.7 Commuted commissions .....			
3. Total (Lines 2.1 to Line 2.7) .....	63,307	(4,472)	(67,779)
4. Disallowed interest maintenance reserve .....			
5. Aggregate write-ins for other than invested assets .....	480,500		(480,500)
6. Total (Line 1 plus Lines 3 to Line 5) .....	12,038,167	16,043,007	4,004,840
<b>DETAILS OF WRITE-INS</b>			
0501. Non-admitted net investment income accrual .....	480,500		(480,500)
0502 .....			
0503 .....			
0598. Summary of remaining write-ins for Line 5 from overflow page .....			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	480,500		(480,500)

**NOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method or the lower of amortized cost or fair market value.
- (3) Unaffiliated common stocks are stated at fair market value.
- (4) Preferred stocks are stated at cost or the lower of cost or fair market value.
- (5) Mortgage loans on real estate are stated at Book Value (principal balance + unamortized premium – unaccrued discount).
- (6) Loan-backed securities are stated at either amortized cost or the lower or amortized cost or fair market value. The retrospective adjustment method is used to value all securities.
- (7) The Company owns 100% of the capital stock of its two non-life insurance subsidiaries, which are stated at statutory net worth.
- (8) Real estate joint ventures and partnerships are accounted for under the equity method. The equity in earnings for real estate joint ventures and general partnerships are recorded through net investment income. The equity in earnings for limited partnership interests is recorded to surplus.
- (9) The Company does not own any derivative instruments.
- (10) Anticipated investment income is not a factor in calculating deficiency reserves.
- (11) The company has never had accident and health business.

2. Accounting Changes and Corrections of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual - Version effective January 1, 2001 subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

3. Business Combinations and Goodwill. NONE

4. Discontinued Operations. NONE

5. Investments

A. Mortgage Loans

- (1) The minimum and maximum lending rates for mortgage loans during 2002 were:  
Farm loans NONE, City loans 6.60% and 9.125%, Purchase money mortgages NONE.
- (2) During 2002, the Company reduced interest rates of outstanding mortgage loans as follows: NONE
- (3) At the issuance of a loan, the percentage of loan to value on any one loan does not exceed 80%.

	<u>Current Year</u>	<u>Prior Year</u>
(4) As of year-end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest	\$0	\$0
a. Total interest due on mortgages with interest more than 180 days past due	\$0	\$0
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	\$0	\$0
(6) Current year impaired loans with a related allowance for credit losses	\$0	\$0
a. Related allowance for credit losses	\$0	\$0

## NOTES TO FINANCIAL STATEMENTS

(7)	Impaired Mortgage loans without an allowance for credit losses	\$0	\$0
(8)	Average recorded investment in impaired loans	\$0	\$0
(9)	Interest income recognized during the period the loans were impaired	\$0	\$0
(10)	Amount of interest income recognized on a cash basis during the period the loans were impaired	\$0	\$0
(11)	The Company recognizes interest income on its impaired loans upon receipt.		

B. Debt Restructuring. NONE

C. Reverse Mortgages. NONE

D. Loan-Backed Securities

- (1) The retrospective adjustment method is used to value these securities.
- (2) Prepayment assumptions were obtained from Bloomberg, brokers or internal estimates.
- (3) The market value sources of these securities are from the HUB Data Pricing service where available. If not available, fair values were provided by either the broker, internal estimates or spread pricing.
- (4) There have been no changes to the adjustment methodology due to negative yields.

E. Repurchase Agreements. NONE

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company does not have any impaired investments in Joint Ventures, Partnerships or Limited Liability Companies.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following bases:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans and bonds in default.

The amount excluded for bonds was \$ 480,500.00.

B. Due and accrued income was excluded from investment income on mortgage loans which were in foreclosure, delinquent more than one year or where collection of interest is uncertain. The total amount excluded was \$ 0.

8. The Company does not invest in derivative instruments.

9. Income taxes

A.	Current year	Prior year
Total of all deferred tax assets (admitted and nonadmitted)	101,287,215	64,679,681
Total of all deferred tax liabilities	10,799,800	12,938,268
Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	11,494,359	16,047,478
Total of all deferred tax assets	78,993,056	35,693,935
Increase (decrease) in deferred tax assets nonadmitted	(4,553,119)	(1,237,521)

C. Current income taxes incurred consist of the following major components:

Current year expense	20,891,297	1,985,470
Tax credits	(103,707)	(155,416)
Current year equity tax	-	-
Prior year over/under accrual	11,799,754	803,317
Current income taxes incurred	<u>32,587,344</u>	<u>2,633,371</u>

The main components of the 2001 deferred tax amounts are as follows:

	Statutory	Tax	Differences	Tax effect
<b>DTAs</b>				
Reserves	6,196,414,788	6,072,278,598	124,136,190	43,447,667
Proxy DAC	-	59,571,158	59,571,158	20,849,905
Real Estate Joint Ventures	67,228,061	75,553,140	8,325,079	2,913,778
Depreciable assets	5,946,053,467	6,041,204,322	95,150,855	33,302,799
Other	-	2,208,759	2,208,759	773,066
Total DTAs	<u>12,209,696,316</u>	<u>12,250,815,977</u>	<u>289,392,041</u>	<u>101,287,214</u>
DTAs nonadmitted				11,494,359
<b>DTLs</b>				
Stocks/Bonds	18,930,322	(5,713,286)	24,643,608	8,625,263
Other	(222,319,329)	(228,532,292)	6,212,963	2,174,537
Total DTLs	<u>(203,389,007)</u>	<u>(234,245,578)</u>	<u>30,856,571</u>	<u>10,799,800</u>

Changes in the main components of DTAs and DTLs are as follows:

	Current year	Prior year	Change
DTAs resulting from book/tax differences in:			
Reserves	43,447,667	49,593,606	(6,145,940)
Proxy DAC	20,849,905	10,580,217	10,269,688
Real Estate Joint Ventures	2,913,778	4,427,216	(1,513,438)
Depreciable Assets	-	78,642	(78,642)
Stocks/Bonds	33,302,800	-	33,302,800
Other	773,066	-	773,066
Total DTAs	<u>101,287,215</u>	<u>64,679,681</u>	<u>36,607,534</u>
DTAs nonadmitted	<u>11,494,359</u>	<u>16,047,478</u>	<u>(4,553,119)</u>
DTLs resulting from book/tax differences in:			
Stocks/Bonds	8,625,263	7,427,403	1,197,860

## NOTES TO FINANCIAL STATEMENTS

Other	2,174,537	5,510,866	(3,336,329)
Total DTLs	<u>10,799,800</u>	<u>12,938,269</u>	<u>(2,138,469)</u>

D. Among the more significant book to tax adjustments were the following:

	Amount	Tax effect
Income before taxes	148,085	51,830
Book vs. Tax Capital Gains/Losses	66,371,804	23,230,131
Book over tax reserves	9,833,934	3,441,877
Net DAC adjustment	13,713,597	4,799,759
Depreciation	2,009,935	703,477
Accrued market discount	(17,614,768)	(6,165,169)
Dividend received deduction	(1,068,927)	(374,125)
Accrued dividends	(693,611)	(242,764)
Non qualified pension	(16,018,441)	(5,606,454)
Other	3,007,811	1,052,734
Taxable income	<u>59,689,419</u>	<u>20,891,297</u>

E. At December 31, 2002, the Company had \$ 0 of operating loss carry forwards.

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2002	\$	20,891,297
2001	\$	1,985,470
2000	\$	15,304,311

F. The Company federal income Tax return is consolidated with the following entities:

Western-Southern Life Assurance Company and Subsidiaries  
Columbus Life Insurance Company and Subsidiaries  
Western-Southern Agency, Inc.  
Western-Southern Agency Services, Inc.  
AM Concepts, Inc.  
WASLIC II, Inc.  
WestAd, Inc.  
WestTax, Inc.  
Eagle Realty Investments, Inc.,  
Fort Washington Investment Advisors, Inc. and Subsidiary

The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are reimbursed quarterly.

#### 10. Information Concerning Parent, Subsidiaries and Affiliates

A.,B.& C.

On June 28, 2002, the Company received a capital contribution of \$ 30,000,000 in unaffiliated bonds from its parent company, The Western and Southern Life Insurance Company. On December 26, 2002, the Company received an additional capital contribution from its parent. The capitalization was received in the form of various unaffiliated perpetual preferred stocks valued at \$49,627,132 (including interest) and unaffiliated common stocks valued at \$34,994,331.

D. None

E. The Company has not guaranteed any obligation of its affiliates as of December 31, 2002.

F. There are no management contracts, service contracts, or cost sharing agreements, other than allocation arrangements based on generally accepted accounting principles, involving the Company and its affiliated insurer.

G. Except for directors' qualifying shares, all outstanding shares of the Company are owned by The Western and Southern Life Insurance Company, an insurance holding company domiciled in the State of Ohio.

H. The Company does not own any shares of an upstream intermediate or ultimate parent.

I. Not applicable.

J. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.

11. The Company had no borrowed money other than that associated with dollar reverse repurchase agreements.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-Retirement Benefit Plans.

A. Defined Benefit Plan

The Company has no employee retirement plan. However, it contributes its share toward the retirement plans of The Western and Southern Life Insurance Company.

B. Defined Contribution Plan. None

C. Multi-employer Plans: Not Applicable

D. Consolidated/Holding Company Plans

The Company participates in a qualified, noncontributory defined pension plan sponsored by The Western and Southern Life Insurance Company, the parent company. In addition, the Company provides certain other post-retirement benefits to retired employees through a plan sponsored by the Parent Company. The Company has no legal obligation for benefits under these plans. The Parent Company allocates amounts to the Company based on salary ratios.

13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

(1) The Company has 10,000,000 shares authorized, 2,500,000 shares issued and 2,500,000 shares outstanding. All shares are Class A shares.

(2) The Company has no preferred stock outstanding.

(3) There are no restrictions on the payment of dividends to stockholders beyond those imposed by Ohio law. Dividends are noncumulative.

(4) There are no restrictions placed on the portion of company profits that may be paid as ordinary dividends to stockholders.

(5) There were no restrictions placed on the Company's surplus.

**NOTES TO FINANCIAL STATEMENTS**

- (6) There are no advances of surplus.
- (7) The amounts of stock held by the Company, including stock of affiliated companies, for special purposes is: NONE
- (8) The Company does not hold any special surplus funds.
- (9) The portion of unassigned funds (surplus) represented or reduced by each of the following items:
  - a. unrealized gains and losses: (109,487,041)
  - b. nonadmitted asset values: 12,038,167
  - c. separate account business: 0
  - d. asset valuation reserves: (5,472,948)
  - e. reinsurance in unauthorized companies: 0

(10) The Company held no surplus debenture or similar obligation during the statement periods.

(11) Not applicable

(12) Not applicable

14. Contingencies

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. Leases

- (A) The Company did not have any material lease obligation at December 31, 2002.
- (B) The Company is not involved in any contracts in which it acts as a lessor.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk. NONE

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities. NONE

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans. NONE

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators. NONE

20. Other Items. NONE

21. Events Subsequent. NONE

22. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, office, trustee, or director of the company?  
 Yes ( ) No ( X )  
 If yes, give full details  
 – –  
 – –  
 – –
2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?  
 Yes ( ) No ( X )  
 If yes, give full details  
 – –  
 – –  
 – –

Section 2 – Ceded Reinsurance Report – Part A

1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?  
 Yes ( ) No ( X )
  - a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ \_
  - b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$ \_
2. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
 Yes ( ) No ( X )  
 If yes, give full details.  
 – –  
 – –  
 –

Section 3 – Ceded Reinsurance Report – Part A

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally

## NOTES TO FINANCIAL STATEMENTS

cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current of anticipated experience of the business reinsured in making this estimate. \$108,191,428

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?  
Yes ( ) No ( X )

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$

- B. The Company had no uncollectible reinsurance balances written off through income or expenses this year.
- C. The Company had no commutation of reinsurance reflected in income or expenses this year.
23. Retrospectively Rated Contracts & Contracts Subject to Redetermination. NONE
24. Change in Incurred Losses and Loss Adjustment Expenses Attributable to Insured Events of Prior Years. NONE
25. Intercompany Pooling Arrangements. NONE
26. Reserves for Life Contracts and Deposit-Type Contracts
- (1) The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) Policies issued to substandard lives are charged an extra premium plus the regular gross premium for the true age. Mean reserves are based on appropriate multiples of standard rates of mortality.
- (3) As of December 31, 2002, the Company had \$2,760,789,349 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio. Reserves to cover the above insurance totaled \$11,047,749 at year-end and are reported in Exhibit 5, Life Insurance and Annuities sections.
- (4) The tabular interest, the tabular less actual reserve released, and the tabular cost have been determined by formula as described in the instructions.
- (5) The determination of tabular interest on funds not involving life have been determined by formula as described in the instructions.
- (6) The details for other changes: None.
27. The Company had no Variable Annuities with Guaranteed Living Benefits at December 31, 2002.
28. Withdrawal Characteristics of Annuity Actuarial Reserves and Deposit-Type Contract Funds and other Liabilities Without Life or Disability Contingencies

	(1) Amount	(2) % of Total
A. Subject To Discretionary Withdrawal:		
(1) With market value adjustment	\$ 6,184,534	0.1%
(2) At book value less surrender charge of 5% or more	3,425,244,528	63.7%
(3) At fair value	145,607,107	2.7%
(4) Total with adjustment or at market value (Total of 1 through 3)	3,577,036,169	66.4%
(5) At book value without adjustment (minimal or no charge or adjustment)	1,741,975,140	32.3%
B. Not subject to discretionary withdrawal	69,604,539	1.3%
C. Total (gross)	5,388,615,848	100.0%
D. Reinsurance Ceded	309,000	
E. Total (net) * (C) - (D)	5,388,306,848	

\*Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

F. Life & Accident & Health Annual Statement:		
1. Exhibit 5, B Annuities Section, Total (net)	\$ 5,182,324,477	
2. Exhibit 5, C SCILC Section, Total (net)	12,307,582	
3. Exhibit 7, Exhibit of Deposit-Type Contracts, Line 14, Column 1	41,883,148	
4. Subtotal	\$ 5,236,515,207	
Separate Accounts Annual Statement		
5. Exhibit 3, Line 0299999, Column 2	\$ 151,791,641	
6. Exhibit 3, Line 0399999, Column 2		
7. Policyholder dividend and coupon accumulations		
8. Policyholder premiums		
9. Guaranteed interest contracts		
10. Other contract deposit funds		
11. Subtotal	\$ 151,791,641	
12. Combined Total	\$ 5,388,306,848	

29. Premium and Annuity Considerations Deferred and Uncollected

Type	(1) Gross	(2) Net of Loading
(1) Industrial	\$ 0	\$ 0
(2) Ordinary new business*	2,743,736	2,507,177
(3) Ordinary renewal*	4,565,602	6,616,526
(4) Credit Life	0	0
(5) Group Life	0	0

**NOTES TO FINANCIAL STATEMENTS**

(6) Group Annuity	<u>0</u>	<u>0</u>
(7) Totals	\$ 7,309,338	\$ 9,123,703

30. Separate Accounts

A. General Nature and Characteristics of Separate Account Business:

The separate accounts held by the Company relate to Variable Annuity contracts and Market Value Adjusted Annuity Contracts. The Variable Annuity contracts held by the Company are non-guaranteed return contracts. The net investment experience of the separate account is credited directly to the policyholder and can be positive or negative. These variable annuities generally provide an incidental death benefit of the greater of account value or premium paid. In 1996 the Company began offering a policy with a minimum guaranteed death benefit which is adjusted every seven years to the current account value. The assets and liabilities of these accounts are carried at market. The guaranteed minimum death benefit reserve is held in Exhibit 5, Miscellaneous Reserves Section, of the Company's general account annual statement. This business has been included in Column 4 of the table below.

The Market Value Adjusted annuity contracts are guaranteed return contracts. The guaranteed rate options are sold as a fixed annuity product with guarantee rates based on the guarantee period selected by the policyholder. The cash surrender values are the guaranteed cash value plus a market value adjustment that can be positive or negative. The market value adjustment is based on the US swap rate at issue and at surrender.

	<u>Nonindexed Guarantee Less than/equal to 4%</u>	<u>Nonguaranteed Separate Accounts</u>
(1) Premiums, considerations or deposits for year ended 12/31/02	\$6,266,990	\$6,987,557
Reserves at 12/31/02		
(2) For accounts with assets at:		
a. Fair value	\$1,889,367	\$149,902,274
b. Amortized cost		
c. Total reserves	<u>\$1,889,367</u>	<u>\$149,902,274</u>
(3) By withdrawal characteristics:		
a. Subject to discretionary withdrawal:		
b. With MV adjustment	\$1,889,367	\$ 0
c. At book value without MV adjustment and with current surrender charge of 5% or more		
d. At fair value		\$149,902,274
e. At book value without MV adjustment and with current surrender charge less than 5%		
f. Subtotal	\$1,889,367	\$149,902,274
g. Not subject to discretionary withdrawal		
h. Total	<u>\$1,889,367</u>	<u>\$149,902,274</u>

\*Line 2(c.) should equal line 3(h.)

(4) Reserves for Asset Default Risk in Lieu of AVR 0

B.

Reconciliation of Net Transfers To or (From) Separate Accounts

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement:

a. Transfers to Separate Accounts (Page 4, Line 1.4)	
b. Transfers from Separate Accounts (Page 4, Line 10)	\$13,254,547
c. Net transfers To or (From) Separate Accounts	<u>\$44,104,130</u>
	<u>(\$30,849,583)</u>

(2) Reconciling Adjustments:

a. Miscellaneous Income	
b. Fees Associated with charges for investment management, administration and contract guarantees	\$ 105,422
Total Reconciling Adjustments	<u>(\$2,582,110)</u>
	<u>(\$2,476,688)</u>

(3) Transfers as Reported in the Summary of Operations of the Life, Accident, &

Health Annual Statement

(1c)+(2)=(Page 4, Line 26)	<u>(\$33,326,271)</u>
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## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	52,948,063	0.732	52,948,063	0.744
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	36,582,657	0.506	36,582,657	0.514
1.22 Issued by U.S. government sponsored agencies	111,140,819	1.537	111,140,819	1.561
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	18,731,801	0.259	18,731,801	0.263
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations	44,548,453	0.616	44,548,453	0.626
1.44 Industrial development and similar obligations	18,030,000	0.249	18,030,000	0.253
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	117,870,791	1.631	117,870,791	1.656
1.512 Issued by FNMA and FHLMC	537,761,219	7.439	537,761,219	7.554
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	166,141,843	2.298	166,141,843	2.334
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC	1,034,091,187	14.305	1,034,091,187	14.525
1.523 All other privately issued	240,753,351	3.330	240,753,351	3.382
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	3,119,212,181	43.149	3,119,212,181	43.813
2.2 Unaffiliated foreign securities	234,325,244	3.242	233,456,182	3.279
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds	48,173,941	0.666	35,792,456	0.503
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated	161,977,469	2.241	156,419,276	2.197
3.3 Publically traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated	34,589,842	0.478	33,971,411	0.477
3.4 Other equity securities:				
3.41 Affiliated	96,247,131	1.331	6,164,376	0.087
3.42 Unaffiliated	1,383,333	0.019	1,367,724	0.019
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development	70,490,000	0.975	70,490,000	0.990
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties	8,870,826	0.123	8,870,826	0.125
4.5 Commercial loans	361,216,040	4.997	361,216,040	5.074
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ ..... of property acquired in satisfaction of debt)	7,349,467	0.102	7,349,467	0.103
5.3 Property held for sale (\$ ..... including property acquired in satisfaction of debt)				
6. Policy loans	49,999,714	0.692	49,999,714	0.702
7. Receivables for securities	22,350,875	0.309	22,350,875	0.314
8. Cash and short-term investments	566,850,152	7.841	566,850,152	7.962
9. Other invested assets	67,228,061	0.930	67,228,061	0.944
10. Total invested assets	7,228,864,460	100.000	7,119,338,925	100.000



**GENERAL INTERROGATORIES (continued)**

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Ernst & Young  
1300 Chiquita Center, 250 E Fifth St Cincinnati, Oh 45202

9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Nora Moushey, 400 Broadway, Cincinnati, OH 45202  
Officer of the reporting entity

10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....

10.2 Does this statement contain all business transacted for the reporting entity through its United States branch, on risks wherever located? Yes ( ) No ( )

10.3 Have there been any changes made to any of the trust indentures during the year? Yes ( ) No ( )

10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes ( ) No ( ) N/A (X)

**BOARD OF DIRECTORS**

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes (X) No ( )

12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes (X) No ( )

13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees which is in or is likely to conflict with the official duties of such person? Yes (X) No ( )

**FINANCIAL**

14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

	14.11 To directors or other officers	\$ .....
	14.12 To stockholders not officers	\$ .....
	14.13 Trustees, supreme or grand (Fraternal only)	\$ .....

14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

	14.21 To directors or other officers	\$ .....
	14.22 To stockholders not officers	\$ .....
	14.23 Trustees, supreme or grand (Fraternal only)	\$ .....

15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes ( ) No (X)

15.2 If yes, state the amount thereof at December 31 of the current year:

	15.21 Rented from others	\$ .....
	15.22 Borrowed from others	\$ .....
	15.23 Leased from others	\$ .....
	15.24 Other	\$ .....

Disclose in Notes to Financial Statements the nature of each obligation.

16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes ( ) No (X)

16.2 If answer is yes:

	16.21 Amount paid as losses or risk adjustment	\$ .....
	16.22 Amount paid as expenses	\$ .....
	16.23 Other amounts paid	\$ .....

**GENERAL INTERROGATORIES  
(Continued)  
INVESTMENT**

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes ( ) No (X)	Yes ( ) No (X)
Common	10,000,000	2,500,000	1.00	XXX	XXX XXX	XXX XXX

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes (X) No ( )

18.2 If no, give full and complete information relating thereto:  
.....  
.....

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 2 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes (X) No ( )

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21	Loaned to others	\$ .....
19.22	Subject to repurchase agreements	\$ .....
19.23	Subject to reverse repurchase agreements	\$ .....
19.24	Subject to dollar repurchase agreements	\$ .....
19.25	Subject to reverse dollar repurchase agreements	\$ ..... 209,430,431
19.26	Pledged as collateral	\$ .....
19.27	Placed under option agreements	\$ .....
19.28	Letter stock or securities restricted as to sale	\$ .....
19.29	Other	\$ .....

19.3 For each category above, if any of these assets are held by other, identify by whom held:

- 19.31 .....
- 19.32 .....
- 19.33 .....
- 19.34 .....
- 19.35 Credit Suisse, Lehman Brothers, and Bank of America
- 19.36 .....
- 19.37 .....
- 19.38 .....
- 19.39 .....

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....
.....	.....	.....
.....	.....	.....

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ( ) No (X)

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ( ) No ( ) N/A (X)  
If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes (X) No ( )

21.2 If yes, state the amount thereof at December 31 of the current year. \$ ..... 101,173

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

22.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York .....	One Wall Street, New York, NY 10286 .....
.....	.....
.....	.....

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

22.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....
.....	.....	.....
.....	.....	.....

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes ( ) No (X)

22.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

22.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
107126 .....	Ft. Washington Investment .....	420 East Fourth Street .....
.....	Advisors .....	Cincinnati, OH 45202 .....
.....	.....	.....

**OTHER**

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 117,763

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
AMERICAN COUNCIL OF LIFE INSURANCE .....	\$ ..... 46,023
.....	\$ .....
.....	\$ .....
.....	\$ .....

24.1 Amount of payments for legal expenses, if any? \$ ..... 2,515

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
FROST BROWN TODD, LLC .....	\$ ..... 1,060
STEPTOE & JOHNSON, PLLC .....	\$ ..... 758
AMERICAN COUNCIL OF LIFE INSURANCE .....	\$ ..... 697
.....	\$ .....

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ ..... 23,012

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
AMERICAN COUNCIL OF LIFE INSURANCE .....	\$ ..... 23,012
.....	\$ .....
.....	\$ .....
.....	\$ .....

**GENERAL INTERROGATORIES (continued)**

**PART 2 - LIFE INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes ( ) No (X)

1.2 If yes, indicate premium earned on U.S. business only. \$ .....

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ .....

1.31 Reason for excluding:  
 .....  
 .....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ .....

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ .....

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ .....

1.62 Total incurred claims \$ .....

1.63 Number of covered lives .....

All years prior to most current three years:

1.64 Total premium earned \$ .....

1.65 Total incurred claims \$ .....

1.66 Number of covered lives .....

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ .....

1.72 Total incurred claims \$ .....

1.73 Number of covered lives .....

All years prior to most current three years:

1.74 Total premium earned \$ .....

1.75 Total incurred claims \$ .....

1.76 Number of covered lives .....

2.1 Does this reporting entity have Separate Accounts? Yes (X) No ( )

2.2 If yes, has a Separate Accounts statement been filed with this Department? Yes (X) No ( ) N/A ( )

2.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$ .....

2.4 State the authority under which Separate Accounts are maintained:  
 Section 3905.15 Ohio Revised Code  
 .....

2.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes ( ) No (X)

2.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes ( ) No (X)

3.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes (X) No ( )

3.2 Net reimbursement of such expenses between reporting entities:

3.21 Paid \$ ..... 44,278,000

3.22 Received \$ .....

4.1 Does the reporting entity write any guaranteed interest contracts? Yes ( ) No (X)

4.2 If yes, what amount pertaining to these items is included in:

4.21 Page 3, Line 3 \$ .....

4.22 Page 4, Line 1 \$ .....

5. For stock reporting entities only:

5.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$ ..... 353,621,464

6. Total dividends paid stockholders since organization of the reporting entity:

6.11 Cash \$ .....

6.12 Stock \$ .....

7.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes ( ) No (X)

7.11 Name of real estate holding company  
 .....

7.12 Number of parcels involved .....

7.13 Total book/adjusted carrying value \$ .....

7.2 If yes, provide explanation:  
 .....  
 .....

**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.  
 Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>Life Insurance in Force</b> (Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Column 4)	17,720,276	18,330,607	18,543,112	18,952,772	19,156,592
2. Ordinary-term (Line 21, Column 4, less Line 34, Column 4)	9,327,335	5,353,485	2,905,441	1,809,979	1,864,906
3. Credit life (Line 21, Column 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Line 43 and Line 44, Column 4)					
5. Industrial (Line 21, Column 2)					
6. FEGLI/SGLI (Line 43 and Line 44, Column 4)					
7. Total (Line 21, Column 10)	27,047,611	23,684,092	21,448,553	20,762,751	21,021,498
<b>New Business Issued</b> (Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Column 2)	554,896	1,015,778	828,370	996,628	1,147,101
9. Ordinary-term (Line 2, Column 4, less Line 34, Column 2)	4,661,244	2,866,877	1,391,284	146,307	163,971
10. Credit life (Line 2, Column 6)					
11. Group (Line 2, Column 9)					
12. Industrial (Line 2, Column 2)					
13. Total (Line 2, Column 10)	5,216,140	3,882,655	2,219,654	1,142,935	1,311,072
<b>Premium Income-Lines of Business</b>					
14. Industrial life (Exhibit 1-Part 1, Line 20.4, Column 2)					
15.1 Ordinary life insurance (Exhibit 1-Part 1, Line 20.4, Column 3)	26,667,213	13,783,149	10,393,629	9,894,805	8,506,009
15.2 Ordinary individual annuities (Exhibit 1-Part 1, Line 20.4, Column 4)	1,451,527,402	1,121,558,183	708,159,744	656,416,497	467,653,821
16. Credit life, (Group and Individual) (Exhibit 1-Part 1, Line 20.4, Column 5)					
17.1 Group life insurance (Exhibit 1-Part 1, Line 20.4, Column 6)					
17.2 Group annuities (Exhibit 1-Part 1, Line 20.4, Column 7)					
18.1 A & H-group (Exhibit 1-Part 1, Line 20.4, Column 8)					
18.2 A & H-credit (group and individual) (Exhibit 1-Part 1, Line 20.4, Column 9)					
18.3 A & H-other (Exhibit 1-Part 1, Line 20.4, Column 10)					
19. Aggregate of all other lines of business (Exhibit 1-Part 1, Line 20.4, Column 11)					
20. Deposit-type funds	X X X	X X X			
21. Total	1,478,194,615	1,135,341,332	718,553,373	666,311,302	476,159,830
<b>Balance Sheet Items</b> (Pages 2 and 3)					
22. Total admitted assets excluding Separate Accounts business (Page 2, Line 25, Column 3)	7,283,518,528	5,531,020,977	4,410,177,840	4,018,632,620	3,572,724,407
23. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	6,909,248,129	5,291,796,185	4,175,880,080	3,815,203,082	3,364,836,380
24. Aggregate life reserves (Page 3, Line 1)	6,163,655,343	4,898,487,382	3,975,799,325	3,639,727,611	3,190,761,496
25. Aggregate A & H reserves (Page 3, Line 2)					
26. Deposit-type contract funds (Page 3, Line 3)	41,883,148	37,589,606	X X X	X X X	X X X
27. Asset valuation reserve (Page 3, Line 24.1)	5,472,948	21,810,009	35,154,997	47,523,119	41,558,497
28. Capital (Page 3, Line 29 and Line 30)	2,500,000	2,500,000	2,500,000	2,500,000	1,500,000
29. Surplus (Page 3, Line 37)	371,770,399	236,724,792	231,797,760	200,929,538	206,388,027
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital	379,743,347	261,034,801	269,452,757	250,952,657	249,446,524
31. Authorized control level risk-based capital	79,429,235	55,796,700	51,983,938	51,452,363	58,434,360
<b>Percentage Distribution of Assets</b> (Page 2, Column 3) (Line No./Page 2, Line 11, Column 3) x 100.0					
32. Bonds (Line 1)	80.5	82.3	86.6	88.5	88.7
33. Stocks (Line 2.1 and Line 2.2)	3.3	3.1	2.7	2.7	2.6
34. Mortgage loans on real estate (Line 3.1 and Line 3.2)		6.4	6.0	5.1	4.4
35. Real estate (Line 4.1, Line 4.2 and Line 4.3)	0.1	0.1	0.2	0.2	0.1
36. Policy loans (Line 5)	0.7	0.9	1.2	1.3	1.4
37. Premium notes (Line 6)					
38. Cash and short-term investments (Line 7)	8.0	5.6	2.4	1.6	2.2
39. Other invested assets (Line 8)	0.9	1.1	1.0	0.5	0.5
40. Receivable for securities (Line 9)	0.3	0.4			
41. Aggregate write-ins for invested assets (Line 10)					
42. Cash and invested assets (Line 11)	100.0	100.0	100.0	100.0	100.0

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
<u>Investments in Parent, Subsidiaries and Affiliates</u>					
43. Affiliated bonds (Schedule D Summary, Line 25, Column 1)			4,493,000	3,930,000	3,161,000
44. Affiliated preferred stocks (Schedule D Summary, Line 39, Column 1)					
45. Affiliated common stocks (Schedule D Summary, Line 53, Column 2)	6,164,376	3,669,296	10,000,000		
46. Affiliated short-term investments (subtotal included in Schedule DA, Part 2, Column 5, Line 11)					
47. Affiliated mortgage loans on real estate					
48. All other affiliated					
49. Total of above Line 43 to Line 48	6,164,376	3,669,296	14,493,000	3,930,000	3,161,000
<u>Total Nonadmitted and Admitted Assets</u>					
50. Total nonadmitted assets (Page 2, Line 27, Column 2)	12,038,358	16,043,007	9,762	58,940	968
51. Total admitted assets (Page 2, Line 27, Column 3)	7,438,910,159	5,742,366,394	4,674,096,183	4,291,827,152	3,796,999,474
<u>Investment Data</u>					
52. Net investment income (Exhibit of Net Investment Income)	396,334,922	328,329,787	314,487,404	268,156,246	247,635,629
53. Realized capital gains (losses)	(74,735,065)	(13,013,361)	(21,990,849)	(6,945,675)	16,250,976
54. Unrealized capital gains (losses)	(19,004,114)	(27,591,932)	(29,145,812)	(428,482)	(12,560,943)
55. Total of above Lines 52, Line 53 and Line 54	302,595,743	287,724,494	263,350,743	260,782,089	251,325,662
<u>Benefits and Reserve Increase (Page 6)</u>					
56. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and Line 15, Column 1 less Lines 10, 11, 12, 13, 14 and Line 15, Columns 9, 10 and 11)	424,149,948	419,254,178	533,372,930	351,207,661	236,966,065
57. Total contract benefits - A and H (Line 13 and Line 14, Columns 9, 10 and 11)					
58. Increase in life reserves - other than group and annuities (Line 19, Columns 2 and 3)	40,187,090	21,326,266	16,456,785	22,702,229	29,970,731
59. Increase in A and H Reserves (Line 19, Columns 9, 10 and 11)					
60. Dividends to policyholders (Line 30, Column 1)					
<u>Operating Percentages</u>					
61. Insurance expense percent (Page 6, Column 1, Line 21, Line 22 and Line 23 less Line 6) / (Page 6, Column 1, Line 1 plus group annuity contribution funds) x 100.00	8.5	8.0	8.9	8.3	11.4
62. Lapse percent (ordinary only) (Exhibit of Life Insurance, Column 4, Line 14 and Line 15) x 100.00 / 1/2 (Line 1 and Line 21)	6.9	0.2	7.1	6.4	6.4
63. A and H loss percent (Schedule H, Part 1, Line 3 and Line 4, Column 2)					
64. A and H expense percent (Schedule H, Part 1, Line 8, Column 2)					
<u>A and H Claim Reserve Adequacy</u>					
65. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1, Column 2)					
66. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2)					
67. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Column 2)					
68. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Column 2)					
<u>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</u>					
69. Industrial life (Column 2)					
70. Ordinary-life (Column 3)	6,167,689	16,259,904	14,006,925	9,707,260	4,900,122
71. Ordinary-individual annuities (Column 4)	24,337,127	7,603,503	18,743,873	8,132,916	16,631,026
72. Ordinary-supplementary contracts (Column 5)	449,555	848,880	464,971	172,449	111,180
73. Credit life (Column 6)					
74. Group life (Column 7)					
75. Group annuities (Column 8)					
76. A and H-group (Column 9)					
77. A and H-credit (Column 10)					
78. A and H-other (Column 11)					
79. Aggregate of all other lines of business (Column 12)	(2,689,361)	2,518,595	(3,190,753)	(1,896,296)	(2,306,088)
80. Total (Column 1)	28,265,010	27,230,882	30,025,016	16,116,329	19,336,240

**EXHIBIT OF LIFE INSURANCE**

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year			359,071	23,684,092						23,684,092
2. Issued during year			26,584	5,216,140						5,216,140
3. Reinsurance assumed										
4. Revived during year			977	66,477						66,477
5. Increased during year (net)										
6. Subtotals, Line 2 to Line 5			27,561	5,282,617						5,282,617
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		
8. Aggregate write-ins for increases										
9. Totals (Line 1 and Line 6 to Line 8)			386,632	28,966,709						28,966,709
Deductions during year:										
10. Death			1,871	71,138			XXX			71,138
11. Maturity			30	1,058			XXX			1,058
12. Disability							XXX			
13. Expiry			253	8,466						8,466
14. Surrender			5,769	317,093						317,093
15. Lapse			18,669	1,435,801						1,435,801
16. Conversion			475	47,959			XXX	XXX	XXX	47,959
17. Decreased (net)				37,583						37,583
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. Totals (Line 10 to Line 19)			27,067	1,919,098						1,919,098
21. In force end of year (Line 9 minus Line 20)	XXX		359,565	27,047,611	XXX		XXX	XXX		27,047,611
22. Reinsurance ceded end of year			XXX	21,880,825						21,880,825
23. Line 21 minus Line 22	XXX		XXX	5,166,786	XXX	(b)	XXX	XXX		5,166,786
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)										
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. Totals (Line 1901 through Line 1903 plus Line 1998) (Line 19 above)										

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).  
 (b) Group \$ ; Individual \$

**EXHIBIT OF LIFE INSURANCE (Continued)**

**ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR**

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends .....	XXX		XXX	
25. Other paid-up insurance .....			6,157	39,857
26. Debit ordinary insurance .....	XXX	XXX	7,775	354,332

**ADDITIONAL INFORMATION ON ORDINARY INSURANCE**

	Issued During Year (included in Page 30, Line 2)		In Force End of Year (included in Page 30, Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
Term Insurance Excluding Extended Term Insurance				
27. Term policies-decreasing .....				3,143
28. Term policies-other .....	18,279	4,555,627	30,570	7,705,735
29. Other term insurance-decreasing .....	XXX		XXX	
30. Other term insurance .....	XXX	105,617	XXX	1,594,344
31. Totals (Line 27 to Line 30) .....	18,279	4,661,244	30,570	9,303,222
Reconciliation to Page 30, Line 2 and Line 21:				
32. Term additions .....	XXX		XXX	
33. Totals, extended term insurance .....	XXX	XXX	1,931	24,113
34. Totals, whole life and endowment .....	8,305	554,896	327,064	17,720,276
35. Totals (Line 31 to Line 34) .....	26,584	5,216,140	359,565	27,047,611

**CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS**

	Issued During Year (included in Page 30, Line 2)		In Force End of Year (included in Page 30, Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial .....				
37. Ordinary .....	5,216,140		27,047,611	
38. Credit Life (Group and Individual) .....				
39. Group .....				
40. Totals (Line 36 to Line 39) .....	5,216,140		27,047,611	

**ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE**

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Page 30, Line 2 ceded to other companies .....	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis .....		XXX		XXX
43. Federal Employees' Group Life Insurance included in Page 30, Line 21 .....				
44. Servicemen's Group Life Insurance included in Page 30, Line 21 .....				
45. Group Permanent Insurance included in Page 30, Line 21 .....				

**ADDITIONAL ACCIDENTAL DEATH BENEFITS**

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a) .....	905,529
---	---------

**BASIS OF CALCULATION OF ORDINARY TERM INSURANCE**

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.
(47.1) .....
(47.2) .....

**POLICIES WITH DISABILITY PROVISIONS**

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium .....			171,648	11,869,303				
49. Disability Income .....			1,126	30,996				
50. Extended Benefits .....			XXX	XXX				
51. Other .....			145	1,126,000				
52. Total .....		(b)	172,919	(b) 13,026,299		(b)		(b)

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

**EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT AND HEALTH AND OTHER POLICIES**

**SUPPLEMENTARY CONTRACTS**

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	465	891		
2. Issued during year	50	295		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Line 1 to Line 4)	515	1,186		
Deductions during year:				
6. Decreased (net)	30	134		
7. Reinsurance				
8. Totals (Line 6 and Line 7)	30	134		
9. In force end of year	485	1,052		
10. Amount on deposit	(a) 485	(a) 2,782,221		(a)
11. Income now payable	485	873		
12. Amount of income payable	(a) 1,232,308	(a) 6,338,125	(a)	(a)

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	2,684	159,163		
2. Issued during year	196	50,934		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Line 1 to Line 4)	2,880	210,097		
Deductions during year:				
6. Decreased (net)	48	12,864		
7. Reinsurance				
8. Totals (Line 6 and Line 7)	48	12,864		
9. In force end of year	2,832	197,233		
Income now payable:				
10. Amount of income payable	(a) 8,265,825	X X X	X X X	(a)
Deferred fully paid:				
11. Account balance	X X X	(a) 4,147,076,032	X X X	(a)
Deferred not fully paid:				
12. Account balance	X X X	(a) 1,010,419,127	X X X	(a)

**ACCIDENT AND HEALTH INSURANCE**

	Ordinary		Group		Credit	
	1 Policies	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year						
2. Issued during year						
3. Reinsurance assumed						
4. Increased during year (net)		X X X		X X X		X X X
5. Totals (Line 1 to Line 4)		X X X		X X X		X X X
Deductions during year:						
6. Conversions	X X X	X X X		X X X	X X X	X X X
7. Decreased (net)		X X X		X X X		X X X
8. Reinsurance		X X X		X X X		X X X
9. Totals (Line 6 to Line 8)		X X X		X X X		X X X
10. In force end of year		(a)		(a)		(a)

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

	1	2
	Deposit Funds	Dividend Accumulations
	Contracts	Contracts
1. In force end of prior year	67	
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (Line 1 to Line 4)	67	
Deductions during year:		
6. Decreased (net)	8	
7. Reinsurance		
8. Totals (Line 6 and Line 7)	8	
9. In force end of year	59	
10. Amount of account balance	(a) 65,332	(a)

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States	318,542,329	334,858,865	318,937,098	311,989,430
	2. Canada				
	3. Other Countries				
	4. Totals	318,542,329	334,858,865	318,937,098	311,989,430
States, Territories and Possessions (Direct and guaranteed)	5. United States	1,610,000	1,610,000	1,610,000	1,610,000
	6. Canada	17,121,801	19,395,951	18,685,174	15,850,000
	7. Other Countries				
	8. Totals	18,731,801	21,005,951	20,295,174	17,460,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	766,481,515	766,481,515	765,930,872	770,215,021
	14. Canada				
	15. Other Countries				
	16. Totals	766,481,515	766,481,515	765,930,872	770,215,021
Public Utilities (unaffiliated)	17. United States	650,346,546	654,786,765	648,347,642	656,728,706
	18. Canada	8,372,431	8,774,792	8,243,217	8,400,000
	19. Other Countries				
	20. Totals	658,718,977	663,561,557	656,590,859	665,128,706
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	3,705,271,325	3,793,912,760	3,695,247,800	3,754,206,065
	22. Canada	94,869,737	100,091,378	94,326,255	94,746,320
	23. Other Countries	168,652,876	185,780,876	169,063,382	189,995,677
	24. Totals	3,968,793,938	4,079,785,014	3,958,637,437	4,038,948,062
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	5,731,268,560	5,865,692,902	5,720,391,440	5,803,741,219
<b>PREFERRED STOCKS</b>					
Public Utilities (unaffiliated)	27. United States	206,480	181,600	206,480	
	28. Canada				
	29. Other Countries				
	30. Totals	206,480	181,600	206,480	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries	51,937,600	54,222,200	51,937,600	
	34. Totals	51,937,600	54,222,200	51,937,600	
Industrial and Miscellaneous (unaffiliated)	35. United States	69,556,666	73,054,704	75,114,860	
	36. Canada	5,637,500	5,544,000	5,637,500	
	37. Other Countries	29,081,030	29,630,881	29,081,030	
	38. Totals	104,275,196	108,229,585	109,833,390	
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks	156,419,276	162,633,385	161,977,470	
<b>COMMON STOCKS</b>					
Public Utilities (unaffiliated)	41. United States	1,616,554	1,616,554	1,619,285	
	42. Canada				
	43. Other Countries				
	44. Totals	1,616,554	1,616,554	1,619,285	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	3,236,339	3,236,339	3,270,739	
	46. Canada				
	47. Other Countries				
	48. Totals	3,236,339	3,236,339	3,270,739	
Industrial and Miscellaneous (unaffiliated)	49. United States	64,974,199	64,974,199	77,936,966	
	50. Canada	943,320	943,320	938,616	
	51. Other Countries	361,179	361,179	381,509	
	52. Totals	66,278,698	66,278,698	79,257,091	
Parent, Subsidiaries and Affiliates	53. Totals	6,164,376	6,164,376	96,247,131	
	54. Total Common Stocks	77,295,967	77,295,967	180,394,246	
	55. Total Stocks	233,715,243	239,929,352	342,371,716	
	56. Total Bonds and Stocks	5,964,983,803	6,105,622,254	6,062,763,156	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 2,990,474,613 .

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year	4,639,068,264	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	6,123,891,374	6.1 Column 17, Part 1	
3. Increase (decreased) by adjustment:		6.2 Column 13, Part 2, Section 1	
3.1 Column 16, Part 1	(62,671,284)	6.3 Column 11, Part 2, Section 2	
3.2 Column 12, Part 2, Section 1	(3,705,693)	6.4 Column 11, Part 4	
3.3 Column 10, Part 2, Section 2	(17,824,848)	7. Book/adjusted carrying value at end of current period	5,964,983,803
3.4 Column 10, Part 4	(5,583,618)	8. Total valuation allowance	
4. Total gain (loss), Column 14, Part 4	(89,785,443)	9. Subtotal (Line 7 plus Line 8)	5,964,983,803
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	25,659,948	10. Total nonadmitted amounts	
	4,733,850,340	11. Statement value of bonds and stocks, current period	5,964,983,803

**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**

Allocated by States and Territories

States, Etc.	1	Direct Business Only				
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Deposit-Type Contract Funds	6 Other Considerations
		2 Life Insurance Premiums	3 Annuity Considerations			
1. Alabama	AL	Yes	208,922	64,159,619		
2. Alaska	AK	No	14,058	81,817		
3. Arizona	AZ	Yes	1,173,371	4,301,886		
4. Arkansas	AR	Yes	126,428	9,124,962		
5. California	CA	Yes	3,358,845	28,432,462		
6. Colorado	CO	Yes	284,590	34,340		
7. Connecticut	CT	Yes	129,942	77,350		
8. Delaware	DE	Yes	56,754	28,971		
9. District of Columbia	DC	Yes	133,322	131,351		
10. Florida	FL	Yes	8,241,118	45,637,740		
11. Georgia	GA	Yes	1,060,387	24,283,113		
12. Hawaii	HI	Yes	7,339	39,710,057		
13. Idaho	ID	Yes	37,214	184,079		
14. Illinois	IL	Yes	10,591,316	70,327,786		
15. Indiana	IN	Yes	13,437,086	119,279,726		
16. Iowa	IA	Yes	122,524	1,954,727		
17. Kansas	KS	Yes	758,849	12,352,791		
18. Kentucky	KY	Yes	4,682,527	68,732,519		
19. Louisiana	LA	Yes	4,154,791	22,160,188		
20. Maine	ME	No	14,772			
21. Maryland	MD	Yes	1,298,221	11,285,900		
22. Massachusetts	MA	Yes	26,676	26,538		
23. Michigan	MI	Yes	7,039,603	91,304,317		
24. Minnesota	MN	Yes	182,577	10,321,990		
25. Mississippi	MS	Yes	106,676	20,935,757		
26. Missouri	MO	Yes	3,807,780	72,366,547		
27. Montana	MT	Yes	19,602	12,500		
28. Nebraska	NE	Yes	56,056	4,411,359		
29. Nevada	NV	Yes	169,686	3,067,686		
30. New Hampshire	NH	No	5,294	125		
31. New Jersey	NJ	Yes	471,462	750,320		
32. New Mexico	NM	Yes	69,165	1,115,343		
33. New York	NY	No	83,877	295,612		
34. North Carolina	NC	Yes	11,230,461	83,349,016		
35. North Dakota	ND	Yes	14,336	120		
36. Ohio	OH	Yes	46,999,674	329,410,426		
37. Oklahoma	OK	Yes	135,746	9,929,887		
38. Oregon	OR	Yes	129,977	10,897,916		
39. Pennsylvania	PA	Yes	8,665,224	101,219,472		
40. Rhode Island	RI	No	6,708	110,000		
41. South Carolina	SC	Yes	581,727	20,959,267		
42. South Dakota	SD	Yes	38,354	1,401,308		
43. Tennessee	TN	Yes	2,009,422	11,167,202		
44. Texas	TX	Yes	3,315,968	96,739,994		
45. Utah	UT	Yes	66,795	3,465		
46. Vermont	VT	Yes	4,836	10,000		
47. Virginia	VA	Yes	712,132	28,592,002		
48. Washington	WA	Yes	269,686	571,526		
49. West Virginia	WV	Yes	2,444,268	20,943,606		
50. Wisconsin	WI	Yes	739,850	9,293,041		
51. Wyoming	WY	Yes	21,808	40,000		
52. American Samoa	AS	No				
53. Guam	GU	No				
54. Puerto Rico	PR	No	13,005			
55. U.S. Virgin Islands	VI	No	1,802			
56. Canada	CN	No	325			
57. Aggregate Other Alien	OT	X X X	190,827	4,639		
58. Subtotal	(a)	46	139,523,761	1,451,532,365		
90. Reporting entity contributions for employee benefit plans		X X X				
91. Dividends or refunds applied to purchase paid-up additions and annuities		X X X				
92. Dividends of refunds applied to shorten endowment or premium paying period		X X X				
93. Premium or annuity considerations waived under disability or other contract provisions		X X X	2,483,471			
94. Aggregate other amounts not allocable by State		X X X	(105,389)			
95. Totals (Direct Business)		X X X	141,901,843	1,451,532,365		
96. Plus Reinsurance Assumed		X X X				
97. Totals (All Business)		X X X	141,901,843	1,451,532,365		
98. Less Reinsurance Ceded		X X X	116,650,645	7,281		
99. Totals (All Business) less Reinsurance Ceded		X X X	25,251,198	1,451,525,084	(b)	
<b>DETAILS OF WRITE-INS</b>						
5701. Mexico		X X X	92,775	556		
5702. Other Foreign		X X X	98,052	4,083		
5703.		X X X				
5798. Summary of remaining write-ins for Line 57 from overflow page		X X X				
5799. Total (Lines 5701 through 5703 plus 5798) (Line 57 above)		X X X	190,827	4,639		
9401. Miscellaneous		X X X	(105,389)			
9402.		X X X				
9403.		X X X				
9498. Summary of remaining write-ins for Line 94 from overflow page		X X X				
9499. Total (Lines 9401 through 9403 plus 9498) (Line 94 above)		X X X	(105,389)			

Explanation of basis of allocation by states, etc., of premiums and annuity considerations

By state of residence

.....  
 .....

(a) Insert the number of yes responses except for Canada and Other Alien.

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Column 1, Line 1; indicate which; #N/A

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES  
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART**

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		<u>NAIC#</u>	<u>TIN#</u>
<b>PARENT</b>	<b>- WESTERN-SOUTHERN MUTUAL HOLDING COMPANY, OH (NON-INSURER)</b>		<b>31-1732405</b>
<b>SUBSIDIARY</b>	<b>- WESTERN &amp; SOUTHERN FINANCIAL GROUP, INC., OH (NON-INSURER)</b>		<b>31-1732404</b>
<b>SUBSIDIARY</b>	<b>- THE WESTERN AND SOUTHERN LIFE INSURANCE COMPANY, OH (INSURER)</b>	<b>70483</b>	<b>31-0487145</b>
<b>SUBSIDIARY</b>	<b>- WESTERN-SOUTHERN LIFE ASSURANCE COMPANY, OH (INSURER)</b>	<b>92622</b>	<b>31-1000236</b>
<b>SUBSIDIARY</b>	<b>- COLUMBUS LIFE INSURANCE COMPANY, OH (INSURER)</b>	<b>99937</b>	<b>31-1191427</b>
<b>SUBSIDIARY</b>	<b>- INTEGRITY LIFE INSURANCE COMPANY, OH (INSURER)</b>	<b>74780</b>	<b>86-0214103</b>
<b>SUBSIDIARY</b>	<b>- NATIONAL INTEGRITY LIFE INSURANCE COMPANY, NY (INSURER)</b>	<b>75264</b>	<b>16-0958252</b>

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