



ANNUAL STATEMENT

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

ANNUITY INVESTORS LIFE INSURANCE COMPANY

NAIC Group Code 0084 0084 NAIC Company Code 93661 Employer's ID Number 31-1021738
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated 11/13/1981 Commenced Business 12/21/1981

Statutory Home Office 580 Walnut Street, Cincinnati, OH 45202
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 525 Vine Street
(Street and Number) 513-357-3300
(Area Code) (Telephone Number)
Cincinnati, OH 45202
(City or Town, State and Zip Code)

Mail Address Post Office Box 5423, Cincinnati, OH 45201-5423
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 250 E. Fifth Street
(Street and Number) 513-357-3300
(Area Code) (Telephone Number)
Cincinnati, OH 45202
(City or Town, State and Zip Code)

Internet Website Address www.commodoreva.com

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(Street and Number) 513-357-3300
Cincinnati, OH 45202 (Area Code) (Telephone Number) (Extension)
(City or Town, State and Zip Code)

OFFICERS

President Charles Richard Scheper Secretary Mark Francis Muething
Treasurer Richard Lee Magoteaux # Actuary Richard Lee Sutton

VICE PRESIDENTS

Catherine Ann Crume John Paul Gruber James Lee Henderson
Adrienne Susan Kessling Mark Francis Muething Gary Lea Peters
David Butler Rich

DIRECTORS OR TRUSTEES

Stephen Craig Lindner Christopher Patrick Miliano Mark Francis Muething
David Butler Rich Charles Richard Scheper

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.

Charles Richard Scheper
President

Mark Francis Muething
Secretary

Richard Lee Magoteaux
Treasurer

Subscribed and sworn to before me this
 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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds	458,404,147		458,404,147	352,476,106
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....	58,542		58,542	487,500
2.2 Common stocks (Schedule D, Part 2, Section 2).....	0		0	0
3. Mortgage loans on real estate: (Schedule B, Part 1)				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Policy loans	8,599,665		8,599,665	7,232,127
6. Premium notes, including \$ for first year premiums			0	0
7. Cash (\$ (2,024,738) , Schedule E, Part 1) and short -term investments (\$ 37,807,167 , Schedule DA, Part 2)	35,782,429		35,782,429	4,750,405
8. Other invested assets (Schedule BA, Part 1)	0		0	0
9. Receivable for securities			0	0
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	502,844,783	0	502,844,783	364,946,138
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers (Schedule S, Part 2)			0	0
12.2 Commissions and expense allowances due	240		240	0
12.3 Experience rating and other refunds due			0	0
12.4 Other amounts receivable under reinsurance contracts			0	0
13. Electronic data processing equipment and software.....	77,000	77,000	0	0
14. Federal and foreign income tax recoverable and interest thereon (including \$ 21,559,763 net deferred tax asset)	21,559,763	21,559,763	0	0
15. Guaranty funds receivable or on deposit			0	0
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ loading)			0	0
17. Accident and health premiums due and unpaid			0	0
18. Investment income due and accrued	6,188,488		6,188,488	5,322,911
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivable from parent, subsidiaries and affiliates	4,165,925		4,165,925	276,265
21. Amounts receivable relating to uninsured accident and health plans			0	0
22. Amounts due from agents	852,672	852,672	0	0
23. Other assets nonadmitted (Exhibit 9)	707	707	0	0
24. Aggregate write-ins for other than invested assets	709,173	539,135	170,038	187,147
25. Total assets excluding Separate Accounts business (Lines 11 to 24)	536,398,752	23,029,278	513,369,474	370,732,462
26. From Separate Accounts Statement	455,141,746		455,141,746	529,589,584
27. Total (Lines 25 and 26)	991,540,497	23,029,278	968,511,220	900,322,046
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)	0	0	0	0
2401. Receivable for marketing allowance.....	170,038		170,038	168,229
2402. Ohio payroll tax incentive.....	42,315	42,315	0	0
2403. Accounts receivable.....	496,821	496,821	0	0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	18,918
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	709,173	539,135	170,038	187,147

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 451,626,674 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	451,626,674	335,091,201
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$ Modco Reserve)	0	0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)	26,702,885	22,527,306
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	1,961,191	2,500,422
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	0	0
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)	0	0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment to (including \$ Modco)	0	0
6.2 Dividends not yet apportioned (including \$ Modco)	0	0
6.3 Coupons and similar benefits (including \$ Modco)	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ 0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	0	0
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts	0	0
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds	0	0
9.3 Other amounts payable on reinsurance including \$ assumed and \$ ceded	0	0
9.4 Interest maintenance reserve (Page 33, Line 6)	904,649	0
10. Commissions to agents due or accrued-life contracts and annuity contracts \$ 400,907 accident and health \$ and deposit-type contract funds \$	400,907	380,292
11. Commissions and expense allowances payable on reinsurance assumed	0	0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 5)	681,360	799,847
13. Transfers to Separate Accounts due or accrued (net) (Including \$ (17,706,689) accrued for expense allowances recognized in reserves)	(17,706,689)	(23,320,121)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	162,875	62,844
15. Federal and foreign income taxes including \$ on realized capital gains (losses) (including \$ net deferred tax liability)	0	595,029
16. Unearned investment income	0	0
17. Amounts withheld or retained by company as agent or trustee	58,091	27,578
18. Amounts held for agents' account, including \$ 109,521 agents' credit balances	109,521	6,324
19. Remittances and items not allocated	4,280,279	3,516,820
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0
21. Liability for benefits for employees and agents if not included above	0	0
22. Borrowed money \$ and interest thereon \$	0	0
23. Dividends to stockholders declared and unpaid	0	0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (Page 34, Line 16, Col. 7)	1,968,248	1,509,976
24.2 Reinsurance in unauthorized companies	0	0
24.3 Funds held under reinsurance treaties with unauthorized reinsurers	0	0
24.4 Payable to parent, subsidiaries and affiliates	139,401	509,712
24.5 Drafts outstanding	0	0
24.6 Liability for amounts held under uninsured accident and health plans	0	0
24.7 Funds held under coinsurance	0	0
24.8 Payable for securities	3,491,736	4,238
24.9 Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	474,781,127	344,211,468
27. From Separate Accounts Statement	455,141,746	529,589,584
28. Total Liabilities (Lines 26 and 27)	929,922,873	873,801,052
29. Common capital stock	2,500,000	2,500,000
30. Preferred capital stock	0	0
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes	0	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	99,550,000	69,550,000
34. Aggregate write-ins for special surplus funds	0	0
35. Unassigned funds (surplus)	(63,461,653)	(45,529,006)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)	0	0
36.2 shares preferred (value included in Line 30 \$)	0	0
37. Surplus (total Lines 31+32+33+34+35-36) (Including \$ 0 in Separate Accounts Statement)	36,088,347	24,020,994
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	38,588,347	26,520,994
39. Totals of Lines 28 and 38 (Page 2, Line 27, Col. 3)	968,511,220	900,322,046
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0

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, Col. 1, less Col. 11)	246,483,143	251,599,485
2. Considerations for supplementary contracts with life contingencies		0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	26,473,931	20,089,615
4. Amortization of interest maintenance reserve (IMR) (Page 33, Line 5)	214,812	(7,622)
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	480	480
7. Reserve adjustments on reinsurance ceded		0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	6,651,761	6,761,888
8.2 Charges and fees for deposit-type contracts	1,429,984	3,656,043
8.3 Aggregate write-ins for miscellaneous income	1,772,979	1,528,529
9. Total (Lines 1 to 8.3)	283,027,091	283,628,417
10. Death benefits		0
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	12,495,598	9,086,335
13. Disability benefits and benefits under accident and health contracts		0
14. Coupons, guaranteed annual pure endowments and similar benefits		0
15. Surrender benefits and withdrawals for life contracts	96,362,438	58,382,958
16. Group conversions		0
17. Interest and adjustments on contracts or deposit-type contract funds	6,093,231	6,022,896
18. Payments on supplementary contracts with life contingencies		0
19. Increase in aggregate reserves for life and accident and health contracts	116,535,473	94,471,758
20. Totals (Lines 10 to 19)	231,486,739	167,963,947
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1 less Col. 11)	15,300,433	15,789,635
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	0	0
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1 + 2 + 3)	6,521,434	14,719,232
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	613,545	687,382
25. Increase in loading on deferred and uncollected premiums		0
26. Net transfers to or (from) Separate Accounts	45,646,447	100,636,282
27. Aggregate write-ins for deductions	0	0
28. Totals (Lines 20 to 27)	299,568,597	299,796,478
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(16,541,506)	(16,168,061)
30. Dividends to policyholders		0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(16,541,506)	(16,168,061)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)		0
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)	(16,541,506)	(16,168,061)
34. Net realized capital gains or (losses) less capital gains tax of \$ (846,167) transferred to the IMR (excluding taxes of \$ (1,129,580))	(1,129,580)	(2,636,282)
35. Net income (Line 33 plus Line 34)	(17,671,086)	(18,804,343)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, previous year (Page 3, Line 38, Col. 2)	26,520,994	23,088,465
37. Net income (Line 35)	(17,671,086)	(18,804,343)
38. Change in net unrealized capital gains (losses)	263,895	(263,895)
39. Change in net unrealized foreign exchange capital gain (loss)		0
40. Change in net deferred income tax	6,632,013	6,054,282
41. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Col. 3)	(6,699,196)	(6,759,699)
42. Change in liability for reinsurance in unauthorized companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)	0	0
44. Change in asset valuation reserve (Page 34, Lines 2 through 5 minus Line 6 plus Line 7 plus Line 11 plus Lines 14 through 15, Col. 7)	(458,273)	(350,468)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period		0
47. Other changes in surplus in Separate Accounts Statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles		(1,443,350)
50. Capital changes:		
50.1 Paid in		0
50.2 Transferred from surplus (Stock Dividend)		0
50.3 Transferred to surplus		0
51. Surplus adjustment:		
51.1 Paid in	30,000,000	25,000,000
51.2 Transferred to capital (Stock Dividend)		0
51.3 Transferred from capital		0
51.4 Change in surplus as a result of reinsurance		0
52. Dividends to stockholders		0
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	12,067,353	3,432,529
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	38,588,347	26,520,994
DETAILS OF WRITE-INS		
08.301. Contract annual maintenance and surrender charge fees	870,222	755,204
08.302. Marketing realowance	902,757	773,325
08.303.		0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	1,772,979	1,528,529
2701.		0
2702.		0
2703.		0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. TOTALS (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
5301.		0
5302.		0
5303.		0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. TOTALS (Lines 5301 thru 5303 plus 5398) (Line 53 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and annuity considerations for life and accident and health contracts	246,483,143	251,599,485
2. Charges and fees for deposit-type contracts	0	0
3. Considerations for supplementary contracts with life contingencies	0	0
4. Net investment income	25,455,622	18,400,769
5. Commissions and expense allowances on reinsurance ceded	240	480
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts	6,670,680	6,742,991
7. Aggregate write-ins for miscellaneous income	1,771,170	2,148,777
8. Total (Lines 1 to 7)	280,380,855	278,892,502
9. Death benefits	0	0
10. Matured endowments	0	0
11. Annuity benefits	13,034,828	8,313,892
12. Disability benefits and benefits under accident and health contracts	0	0
13. Coupons, guaranteed annual pure endowments and similar benefits	0	0
14. Surrender benefits and withdrawals for life contracts	96,362,438	58,382,958
15. Group conversions	0	0
16. Interest and adjustments on contracts or deposit-type contract funds	3,755	13,336
17. Payments on supplementary contracts with life contingencies	0	0
18. Total (Lines 9 to 17)	109,401,020	66,710,185
19. Commissions on premiums, annuity considerations and deposit-type contract funds	15,279,818	15,683,801
20. Commissions and expense allowances on reinsurance assumed	0	0
21. General insurance expenses	6,639,921	15,063,296
22. Insurance taxes, licenses and fees, excluding federal income taxes	513,514	679,325
23. Net transfers to or (from) Separate Accounts	40,033,015	101,544,842
24. Aggregate write-ins for deductions	0	0
25. Total (Lines 18 to 24)	171,867,289	199,681,450
26. Dividends paid to policyholders	0	0
27. Federal income taxes (excluding tax on capital gains)	0	0
28. Total (Lines 25 to 27)	171,867,289	199,681,450
29. Net cash from operations (Line 8 minus Line 28)	108,513,567	79,211,052
Cash from Investments		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds	142,289,725	57,883,083
30.2 Stocks	0	0
30.3 Mortgage loans	0	0
30.4 Real estate	0	0
30.5 Other invested assets	0	0
30.6 Net gains (losses) on cash and short-term investments	0	0
30.7 Miscellaneous proceeds	0	0
30.8 Total investment proceeds (Lines 30.1 to 30.7)	142,289,725	57,883,083
31. Net tax on capital gains (losses)	0	0
32. Total (Line 30.8 minus Line 31)	142,289,725	57,883,083
33. Cost of investments acquired (long-term only):		
33.1 Bonds	246,930,308	163,966,990
33.2 Stocks	0	746,250
33.3 Mortgage loans	0	0
33.4 Real estate	0	0
33.5 Other invested assets	0	0
33.6 Miscellaneous applications	0	0
33.7 Total investments acquired (Lines 33.1 to 33.6)	246,930,308	164,713,240
34. Net increase (or decrease) in policy loans and premium notes	1,367,538	1,524,642
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34)	(106,008,121)	(108,354,799)
Cash from Financing and Miscellaneous Sources		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in	30,000,000	25,000,000
36.2 Borrowed money \$ less amounts repaid \$	0	0
36.3 Capital notes \$ less amounts repaid \$	0	0
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies	5,315,811	7,932,756
36.5 Other cash provided	4,488,204	203,596
36.6 Total (Lines 36.1 to 36.5)	39,804,016	33,136,352
37. Cash applied:		
37.1 Dividends to stockholders paid	0	0
37.2 Interest on indebtedness	0	0
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies	5,799,725	4,423,328
37.4 Other applications (net)	5,477,712	3,084,951
37.5 Total (Lines 37.1 to 37.4)	11,277,437	7,508,279
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	28,526,578	25,628,073
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38)	31,032,024	(3,515,674)
40. Cash and short-term investments:		
40.1 Beginning of year	4,750,405	8,266,079
40.2 End of year (Line 39 plus Line 40.1)	35,782,430	4,750,405
DETAILS OF WRITE-INS		
0701. Contract annual maintenance and surrender charge fees	870,222	755,204
0702. Marketing reallowance collected	900,948	1,393,573
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page	0	0
0799. TOTALS (Lines 0701 thru 0703 plus 0798) (Line 7 above)	1,771,170	2,148,777
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0
2499. TOTALS (Lines 2401 thru 2403 plus 2498) (Line 24 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

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	246,483,143	0	0	210,371,242		0	0	36,111,901	0	0	0	
2. Considerations for supplementary contracts with life contingencies	0											
3. Net investment income	26,473,931			24,823,218				1,650,712				
4. Amortization of Interest Maintenance Reserve (IMR)	214,812			202,303				12,509				
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0											
6. Commissions and expense allowances on reinsurance ceded	480	0	0	480		0	0	0	0	0	0	0
7. Reserve adjustments on reinsurance ceded	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	6,651,761			5,497,263				1,154,499				
8.2 Charges and fees for deposit-type contracts	1,429,984			1,429,984								
8.3 Aggregate write-ins for miscellaneous income	1,772,979		0	1,465,256	0	0	0	307,723	0	0	0	0
9. Totals (Lines 1 to 8.3)	283,027,091	0	0	243,789,747	0	0	0	39,237,344	0	0	0	0
10. Death benefits	0											
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0	0									
12. Annuity benefits	12,495,598			12,105,127				390,471				
13. Disability benefits and benefits under accident and health contracts	0								0	0	0	
14. Coupons, guaranteed annual pure endowments and similar benefits	0											
15. Surrender benefits and withdrawals for life contracts	96,362,438			74,521,201				21,841,237				
16. Group conversions	0											
17. Interest and adjustments on contract or deposit-type contract funds	6,093,231			6,093,231								
18. Payments on supplementary contracts with life contingencies	0											
19. Increase in aggregate reserves for life and accident and health contracts	116,535,474			113,149,529				3,385,945				
20. Totals (Lines 10 to 19)	231,486,740	0	0	205,869,087	0	0	0	25,617,653	0	0	0	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	15,300,433	0	0	13,413,856	0	0	0	1,886,577	0	0	0	0
22. Commissions and expense allowances on reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0
23. General insurance expenses	6,521,435			4,494,508				2,026,926				
24. Insurance taxes, licenses and fees, excluding federal income taxes (FIT)	613,545			444,781				168,764				
25. Increase in loading on deferred and uncollected premiums	0											
26. Net transfers to or (from) Separate Accounts	45,646,447			31,227,986				14,418,461				
27. Aggregate write-ins for deductions	0	0	0	0	0	0	0	0	0	0	0	0
28. Totals (Lines 20 to 27)	299,568,598	0	0	255,450,217	0	0	0	44,118,381	0	0	0	0
29. Net gain from operations before dividends to policyholders and FIT (Line 9 - Line 28)	(16,541,508)	0	0	(11,660,471)	0	0	0	(4,881,037)	0	0	0	0
30. Dividends to policyholders	0								0	0	0	
31. Net gain from operations after dividends to policyholders and before FIT (Line 29 - Line 30)	(16,541,508)	0	0	(11,660,471)	0	0	0	(4,881,037)	0	0	0	0
32. Federal income taxes incurred (excluding tax on capital gains)	0											
33. Net gain from operations after dividends to policyholders and FIT and before realized capital gains or (losses) (Line 31 - Line 32)	(16,541,508)	0	0	(11,660,471)	0	0	0	(4,881,037)	0	0	0	0
DETAILS OF WRITE-INS												
08.301. Marketing allowance	902,757			746,058				156,699				
08.302. Contract annual maintenance and surrender charge fees	870,222			719,198				151,024				
08.303.	0											
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	1,772,979	0	0	1,465,256	0	0	0	307,723	0	0	0	0
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

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	335,091,201	0	0	305,658,793	0	0	0	29,432,408
2. Tabular net premiums or considerations	238,957,188			203,193,482				35,763,706
3. Present value of disability claims incurred	0				XXX			
4. Tabular interest	19,027,848			16,673,164				2,354,684
5. Tabular less actual reserve released	0							
6. Increase in reserve on account of change in valuation basis	0							
7. Other increases (net)	12,865,315			12,789,362				75,954
8. Totals (Lines 1 to 7)	605,941,552	0	0	538,314,800	0	0	0	67,626,752
9. Tabular cost	0				XXX			
10. Reserves released by death	0			XXX	XXX			XXX
11. Reserves released by other terminations (net)	0							
12. Annuity, supplementary contract and disability payments involving life contingencies	113,319,555			91,128,092				22,191,463
13. Net transfers to or (from) Separate Accounts	40,995,324			28,378,388				12,616,936
14. Total Deductions (Lines 9 to 13)	154,314,879	0	0	119,506,480	0	0	0	34,808,399
15. Reserve December 31, current year	451,626,674	0	0	418,808,321	0	0	0	32,818,353

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 410,647	356,527
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 25,049,113	25,799,575
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 47,022	47,022
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans	386,037	514,350
6. Cash/short-term investments	(e) 325,860	366,782
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	2,029	2,029
10. Total gross investment income	26,220,708	27,086,285
11. Investment expenses		(g) 612,353
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		612,353
17. Net Investment Income - (Line 10 minus Line 16)		26,473,932
DETAILS OF WRITE-INS		
0901. Miscellaneous investment income	2,294	2,294
0902. Interest on agent debit balances	(265)	(265)
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	2,029	2,029
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 890,564 accrual of discount less \$ 737,979 amortization of premium and less \$ 1,467,172 paid for accrued interest on purchases.
- (b) Includes \$ 147 accrual of discount less \$ amortization of premium and less \$ 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 \$ accrual of discount less \$ amortization of premium and less \$ 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 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds	27,614				27,614
1.1 Bonds exempt from U.S. tax					0
1.2 Other bonds (unaffiliated)	2,401,259	(1,299,000)		5,000	1,107,259
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)		(688,000)		258,895	(429,105)
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)					0
2.21 Common stocks of affiliates					0
3. Mortgage loans					0
4. Real estate					0
5. Contract loans					0
6. Cash/Short-term investments					0
7. Derivative instruments					0
8. Other invested assets					0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	2,428,873	(1,987,000)	0	263,895	705,768
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

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

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 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	
FIRST YEAR (other than single)											
1. Uncollected	.0										
2. Deferred and accrued	.0										
3. Deferred, accrued and uncollected:											
3.1 Direct	.0										
3.2 Reinsurance assumed	.0										
3.3 Reinsurance ceded	.0										
3.4 Net (Line 1 + Line 2)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Line 3.4 - Line 4	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:											
6.1 Direct	17,612,439			11,254,186			6,358,253				
6.2 Reinsurance assumed	.0										
6.3 Reinsurance ceded	.0										
6.4 Net	17,612,439	.0	.0	11,254,186	.0	.0	6,358,253	.0	.0	.0	.0
7. Line 5 + Line 6.4	17,612,439	.0	.0	11,254,186	.0	.0	6,358,253	.0	.0	.0	.0
8. Prior year (uncollected + deferred and accrued - advance)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. First year premiums and considerations:											
9.1 Direct	17,612,439	.0	.0	11,254,186	.0	.0	6,358,253	.0	.0	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net (Line 7 - Line 8)	17,612,439	.0	.0	11,254,186	.0	.0	6,358,253	.0	.0	.0	.0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	157,690,201			150,938,175			6,752,025				
10.2 Reinsurance assumed	.0										
10.3 Reinsurance ceded	.0										
10.4 Net	157,690,201	.0	.0	150,938,175	.0	.0	6,752,025	.0	.0	.0	.0
RENEWAL											
11. Uncollected	.0										
12. Deferred and accrued	.0										
13. Deferred, accrued and uncollected:											
13.1 Direct	.0										
13.2 Reinsurance assumed	.0										
13.3 Reinsurance ceded	.0										
13.4 Net (Line 11 + Line 12)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Line 13.4 - Line 14	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
16. Collected during year:											
16.1 Direct	71,180,504			48,178,881			23,001,623				
16.2 Reinsurance assumed	.0										
16.3 Reinsurance ceded	.0										
16.4 Net	71,180,504	.0	.0	48,178,881	.0	.0	23,001,623	.0	.0	.0	.0
17. Line 15 + Line 16.4	71,180,504	.0	.0	48,178,881	.0	.0	23,001,623	.0	.0	.0	.0
18. Prior year (uncollected + deferred and accrued - advance)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19. Renewal premiums and considerations:											
19.1 Direct	71,180,504	.0	.0	48,178,881	.0	.0	23,001,623	.0	.0	.0	.0
19.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.4 Net (Line 17 - Line 18)	71,180,504	.0	.0	48,178,881	.0	.0	23,001,623	.0	.0	.0	.0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	246,483,143	.0	.0	210,371,242	.0	.0	36,111,901	.0	.0	.0	.0
20.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.4 Net (Line 9.4 + 10.4 + 19.4)	246,483,143	.0	.0	210,371,242	.0	.0	36,111,901	.0	.0	.0	.0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

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)	0										
22. All other (Exhibit 4, Lines 2, 3 & 4)	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	480			480							
23.2 Reinsurance assumed	0										
23.3 Net ceded less assumed	480	0	0	480	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded	0										
24.2 Reinsurance assumed	0										
24.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded	0										
25.2 Reinsurance assumed	0										
25.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	480	0	0	480	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 23)	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed	480	0	0	480	0	0	0	0	0	0	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	778,119			487,068			291,051				
28. Single	7,972,217			7,693,968			278,249				
29. Renewal	5,192,978			3,875,701			1,317,277				
30. Deposit-type contract funds	1,357,118			1,357,118							
31. Totals (to agree with Page 6, Line 21)	15,300,433	0	0	13,413,856	0	0	1,886,577	0	0	0	0

EXHIBIT 2 - GENERAL EXPENSES

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Rent	130,760				130,760
2. Salaries and wages	2,058,655				2,058,655
3.11 Contributions for benefit plans for employees	339,411				339,411
3.12 Contributions for benefit plans for agents					0
3.21 Payments to employees under non-funded benefit plans					0
3.22 Payments to agents under non-funded benefit plans					0
3.31 Other employee welfare	75,542				75,542
3.32 Other agent welfare	12,993				12,993
4.1 Legal fees and expenses	764,280				764,280
4.2 Medical examination fees					0
4.3 Inspection report fees					0
4.4 Fees of public accountants and consulting actuaries	82,049				82,049
4.5 Expense of investigation and settlement of policy claims	14,718				14,718
5.1 Traveling expenses	51,026				51,026
5.2 Advertising	404,070				404,070
5.3 Postage, express, telegraph and telephone	472,314				472,314
5.4 Printing and stationery	413,719				413,719
5.5 Cost or depreciation of furniture and equipment					0
5.6 Rental of equipment	10,144				10,144
5.7 Cost or depreciation of EDP equipment and software	77,000				77,000
6.1 Books and periodicals	7,998				7,998
6.2 Bureau and association fees	958				958
6.3 Insurance, except on real estate	6,858				6,858
6.4 Miscellaneous losses	3,970				3,970
6.5 Collection and bank service charges	76,029				76,029
6.6 Sundry general expenses	522,364				522,364
6.7 Group service and administration fees	112,730				112,730
6.8 Reimbursements by uninsured accident and health plans					0
7.1 Agency expense allowance	220,346				220,346
7.2 Agents' balances charged off (less \$ recovered)	11,523				11,523
7.3 Agency conferences other than local meetings	74,974				74,974
9.1 Real estate expenses					0
9.2 Investment expenses not included elsewhere				612,354	612,354
9.3 Aggregate write-ins for expenses	577,005	0	0	0	577,005
10. General expenses incurred	6,521,434	0	0	612,354 (a)	7,133,787
11. General expenses unpaid December 31, prior year	799,847	0	0	0	799,847
12. General expenses unpaid December 31, current year	681,360	0	0	0	681,360
13. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0	0
14. Amounts receivable relating to uninsured accident and health plans, current year	0	0	0	0	0
15. General expenses paid during year (Lines 10+11-12-13+14)	6,639,921	0	0	612,354	7,252,275
DETAILS OF WRITE-INS					
09.301. EDP expense	551,619				551,619
09.302. Security exchange fee	25,386				25,386
09.303.					0
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	577,005	0	0	0	577,005

(a) Includes management fees of \$ 584,089 to affiliates and \$ 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					0
2. State insurance department licenses and fees	241,095				241,095
3. State taxes on premiums	278,735				278,735
4. Other state taxes, incl. \$ for employee benefits	(28,190)				(28,190)
5. U.S. Social Security taxes	119,127				119,127
6. All other taxes	2,778				2,778
7. Taxes, licenses and fees incurred	613,545	0	0	0	613,545
8. Taxes, licenses and fees unpaid December 31, prior year	62,844	0	0	0	62,844
9. Taxes, licenses and fees unpaid December 31, current year	162,875	0	0	0	162,875
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	513,514	0	0	0	513,514

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 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 Lines 1 thru 4		
6. Paid in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. Total Lines 5 thru 8		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 thru 14		
16. Total from prior year		
17. Total Dividends or refunds (Lines 9 + 15 - 16)		
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)		

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
A. LIFE INSURANCE:					
0100001.	0				
0100002.	0				
0100003.	0				
0100004.	0				
0100005.	0				
0100006.	0				
0100007.	0				
0100008.	0				
0100009.	0				
0100010.	0				
0199997. Totals (Gross)	0	0	0	0	0
0199998. Reinsurance ceded	0				
0199999. Totals (Net)	0	0	0	0	0
B. ANNUITIES (excluding supplementary contracts with life contingencies):					
0200001. 83IAM 6.25% (IMM) 1999	89,471	XXX	89,471	XXX	
0200002. a-2000 7.00% (IMM) 2000	736,983	XXX	736,983	XXX	
0200003. a-2000 6.75% (IMM) 2001	310,638	XXX	310,638	XXX	
0200004. a-2000 6.50% (IMM) 2002	524,786	XXX	524,786	XXX	
0200005. 94VAM 5.75% (DEF CARVM) 1995	6,282	XXX		XXX	6,282
0200006. 94VAM 5.25% (DEF CARVM) 1996	3,358,641	XXX	1,015,424	XXX	2,343,217
0200007. 94VAM 5.25% (DEF CARVM) 1997	14,455,944	XXX	9,989,078	XXX	4,466,866
0200008. 83IAM 5.50% (DEF CARVM) 1997	6,648,317	XXX	6,648,317	XXX	
0200009. 94VAM 5.00% (DEF CARVM) 1998	26,943,818	XXX	18,312,842	XXX	8,630,976
0200010. 83IAM 5.25% (DEF CARVM) 1998	40,937,390	XXX	40,937,390	XXX	
0200011. 94VAM 5.00% (DEF CARVM) 1999	31,524,995	XXX	25,072,989	XXX	6,452,006
0200012. a-2000 5.25% (DEF CARVM) 1999	38,467,350	XXX	38,467,350	XXX	
0200013. 94VAM 5.50% (DEF CARVM) 2000	40,260,851	XXX	35,857,201	XXX	4,403,650
0200014. a-2000 5.75% (DEF CARVM) 2000	49,821,349	XXX	49,821,349	XXX	
0200015. 94VAM 5.25% (DEF CARVM) 2001	42,656,795	XXX	39,007,676	XXX	3,649,119
0200016. a-2000 5.50% (DEF CARVM) 2001	48,309,346	XXX	48,309,346	XXX	
0200017. 94VAM 5.25% (DEF CARVM) 2002	42,511,924	XXX	39,961,510	XXX	2,550,414
0200018. a-2000 5.50% (DEF CARVM) 2002	52,130,409	XXX	52,130,409	XXX	
0200019. Guaranteed Minimum Death Benefit	12,531,571	XXX	12,215,747	XXX	315,824
0200020. Guaranteed Minimum Income Benefit	141	XXX	141	XXX	
0299997. Totals (Gross)	452,227,000	XXX	419,408,647	XXX	32,818,353
0299998. Reinsurance ceded	600,326	XXX	600,326	XXX	
0299999. Totals (Net)	451,626,674	XXX	418,808,321	XXX	32,818,353
C. SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:					
0300001.	0				
0300002.	0				
0300003.	0				
0300004.	0				
0300005.	0				
0300006.	0				
0300007.	0				
0300008.	0				
0300009.	0				
0300010.	0				
0399997. Totals (Gross)	0	0	0	0	0
0399998. Reinsurance ceded	0				
0399999. Totals (Net)	0	0	0	0	0
D. ACCIDENTAL DEATH BENEFITS:					
0400001.	0				
0400002.	0				
0400003.	0				
0400004.	0				
0400005.	0				
0400006.	0				
0400007.	0				
0400008.	0				
0400009.	0				
0400010.	0				
0499997. Totals (Gross)	0	0	0	0	0
0499998. Reinsurance ceded	0				
0499999. Totals (Net)	0	0	0	0	0
E. DISABILITY-ACTIVE LIVES:					
0500001.	0				
0500002.	0				
0500003.	0				
0500004.	0				
0500005.	0				
0500006.	0				
0500007.	0				
0500008.	0				
0500009.	0				
0500010.	0				
0599997. Totals (Gross)	0	0	0	0	0
0599998. Reinsurance ceded	0				
0599999. Totals (Net)	0	0	0	0	0
F. DISABILITY-DISABLED LIVES:					
0600001.	0				
0600002.	0				
0600003.	0				
0600004.	0				
0600005.	0				
0600006.	0				
0600007.	0				
0600008.	0				
0600009.	0				
0600010.	0				
0699997. Totals (Gross)	0	0	0	0	0
0699998. Reinsurance ceded	0				
0699999. Totals (Net)	0	0	0	0	0
G. MISCELLANEOUS RESERVES					
0799997. Totals (Gross)	0	0	0	0	0
0799998. Reinsurance ceded	0				
0799999. Totals (Net)	0	0	0	0	0
9999999. Totals (Net) - (Page 3, Line 1)	451,626,674	0	418,808,321	0	32,818,353



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

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? Yes [X] No []
 If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the Instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? 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.
 Not Applicable
- 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)			
0199999 - Subtotal (Page 7, Line 6)	XXX	XXX	
ACCIDENT AND HEALTH CONTRACTS (Exhibit 6)			
0299999 - Subtotal	XXX	XXX	
DEPOSIT-TYPE CONTRACTS (Exhibit 7)			
NONE			
0399999 - Subtotal	XXX	XXX	
9999999 - Total (Column 4, only)			

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-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserve									
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)									
CLAIM RESERVE									
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									
DETAILS OF WRITE-INS									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page									
0699. TOTALS (Lines 0601 thru 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 thru 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 Total	2 Guaranteed Interest Contracts	3 Supplemental Contracts and Annuities Certain	4 Dividend Accumulations or Refunds	5 Premium and Other Deposit Funds	6 Other
1. Balance at the beginning of the year before reinsurance	22,527,306		22,527,306			
2. Deposits received during the year	5,315,811		5,315,811			
3. Investment earnings credited to the account	1,522,359		1,522,359			
4. Other net change in reserves	4,567,117		4,567,117			
5. Fees and other charges assessed	1,429,984		1,429,984			
6. Surrender charges	0					
7. Net surrender or withdrawal payments	5,799,725		5,799,725			
8. Other net transfers to or (from) Separate Accounts	0					
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8)	26,702,885	0	26,702,885	0	0	0
10. Reinsurance balance at the beginning of the year	0					
11. Net change in reinsurance assumed	0					
12. Net change in reinsurance ceded	0					
13. Reinsurance balance at the end of the year (Lines 10+11-12)	0	0	0	0	0	0
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	26,702,885	0	26,702,885	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and Unpaid:											
1.1 Direct	0										
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted											
2.11 Direct	0										
2.12 Reinsurance assumed	0										
2.13 Reinsurance ceded	0										
2.14 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
2.2 Other											
2.21 Direct	1,961,191			1,961,191							
2.22 Reinsurance assumed	0										
2.23 Reinsurance ceded	0										
2.24 Net	1,961,191	0	(b) 0	(b) 1,961,191	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 0
3. Incurred but unreported:											
3.1 Direct	0										
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	0										
3.4 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 0
4. TOTALS											
4.1 Direct	1,961,191	0	0	1,961,191	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	1,961,191	(a) 0	(a) 0	1,961,191	0	0	(a) 0	0	0	0	0

(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 \$, 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).

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

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	13,034,828			12,644,357				390,471			
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	(d) 13,034,828	0	0	12,644,357	0	0	0	390,471	0	0	0
2. Liability December 31, current year from Part 1:											
2.1 Direct	1,961,191	0	0	1,961,191	0	0	0	0	0	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
2.4 Net	1,961,191	0	0	1,961,191	0	0	0	0	0	0	0
3. Amounts recoverable from reinsurers December 31, current year	0										
4. Liability December 31, prior year:											
4.1 Direct	2,500,422	0	0	2,500,422	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	2,500,422	0	0	2,500,422	0	0	0	0	0	0	0
5. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0	0
6. Incurred Benefits:											
6.1 Direct	12,495,598	0	0	12,105,127	0	0	0	390,471	0	0	0
6.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
6.4 Net	12,495,598	0	0	12,105,127	0	0	0	390,471	0	0	0

- (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 \$ in Line 1.1, \$ in Line 1.4.
 \$ 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 NON-ADMITTED 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, Lines 12 to 17 and 19 to 22, Column 2.....	22,489,435	15,838,671	(6,650,764)
2. Other Nonadmitted Assets:			
2.1 Bills receivable .....		.0	.0
2.2 Furniture and equipment .....		.0	.0
2.3 Leasehold improvements .....		.0	.0
2.4 Cash advanced to or in the hands of officers or agents .....	.707	1,105	.399
2.5 Loans on personal security, endorsed or not .....		.0	.0
2.6 Supplies, stationery, printed matter .....		.0	.0
2.7 Commuted commissions .....		.0	.0
3. Total (Lines 2.1 thru 2.7) .....	.707	1,105	.399
4. Disallowed interest maintenance reserve		451,992	451,992
5. Aggregate write-ins for other assets	539,135	38,313	(500,822)
6. Total (Line 1 plus Lines 3 to 5)	23,029,278	16,330,082	(6,699,196)
DETAILS OF WRITE-INS			
0501. Ohio payroll tax incentive.....	42,315	38,313	(4,001)
0502. Accounts receivable.....	496,821	.0	(496,821)
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	539,135	38,313	(500,822)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The financial statements of the Annuity Investors Life Insurance Company (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 March, 2002, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Ohio.

B. Use of Estimates in 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

Annuity considerations are recognized as revenue when received. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. The Company does not pay dividends to policyholders.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds not backed by other loans are stated at amortized cost.
- (3) The Company holds no common stocks.
- (4) Preferred stocks are stated at adjusted carrying value.
- (5) Policy loans are stated at the aggregate unpaid balance. The Company has no mortgage loans.
- (6) Loan-backed bonds and structured securities, rated 1 through 5, are stated at amortized cost using the interest method. Securities rated 6 are stated at the lower of amortized cost or market. For loan-backed bonds and structured securities, dealer modeled anticipated prepayment assumptions are used at the date of purchase to determine effective yields. Significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
- (7) The Company has no investments in a parent, subsidiary or affiliate.
- (8) The Company has no ownership interests in joint ventures, partnerships or limited liability companies.
- (9) The Company holds no derivatives.
- (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) The Company has no accident and health contracts.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

A. The Company had no material changes in accounting principles and/or the correction of errors.

B. Cumulative Effects of Changes in Accounting Principles as a result of the initial implementation of Codification January 1, 2001:

Accounting changes adopted to conform to the provisions of the NAIC SAP - version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. The Company did not report a change of accounting principle during the statement period.

3. BUSINESS COMBINATIONS AND GOODWILL

A. The Company has no business combinations accounted for under the statutory purchase method.

B. The Company was not involved in any statutory mergers.

C. The Company did not enter into any assumed reinsurance agreements.

D. The Company did not recognize any impairment losses related to business combinations or goodwill.

4. DISCONTINUED OPERATIONS

The Company has no discontinued operations.

5. INVESTMENTS

A. The Company has no mortgage loans or mezzanine real estate loans.

B. The Company has no restructured debt.

C. The Company has no investment in reverse mortgages.

D. Loan-Backed Securities

NOTES TO FINANCIAL STATEMENTS

- (1) The company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.
- (2) The Company uses dealer modeled prepayment assumptions to determine effective yields for loan-backed bonds and structured securities. The prospective adjustment method is used to value the loan-backed bonds and structured securities.
- (3) Generally market values for publicly traded investment grade bonds were obtained from Interactive Data Services, Inc., a national and municipal security pricing service; EJV Partners, L.P., a national and taxable municipal security pricing service; or Merrill Lynch Pricing Service, a national security pricing service.

Market values for the privately placed investment grade bonds were determined by either Merrill Lynch Pricing Service or by comparison to similar investments in the public market by security analysis of American Money Management Corporation ("AMM"), manager of the Company's investment portfolio. Market values for preferred stocks and non-investment grade bonds were obtained from the Securities Valuation Office of the NAIC.

- (4) In 2002, the Company did not change from the retrospective to the prospective adjustment methodology due to negative yield on specific securities.

E. The Company has no repurchase agreements.

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 did not recognize any impairment write down for its investments in joint ventures, partnerships and limited liability companies during the statement period.

7. INVESTMENT INCOME

- A. Due and accrued income is 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 in default.

- B. The amount of investment income due and accrued that is excluded from surplus is \$293,415.

8. DERIVATIVE INSTRUMENTS

- A. The Company's investment objectives do not include the use of derivative financial instruments.
- B. The Company holds no derivative instruments.

9. INCOME TAXES

- A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	<u>2002</u>	<u>2001</u>
(1) Total of all deferred tax assets (admitted and nonadmitted)	\$ 21,559,763	\$ 15,522,779
(2) Total of all deferred tax liabilities	-	595,029
(3) Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	<u>21,559,763</u>	<u>15,522,779</u>
(4) Total of all deferred tax assets	<u>\$ -</u>	<u>\$ -</u>
(5) Increase (decrease) in deferred tax assets nonadmitted	<u>\$ 6,036,984</u>	<u>\$ 6,375,961</u>

- B. The Company has recognized all of the deferred tax liabilities.

- C. The components of incurred income tax expense and the change in DTAs and DTLs are as follows:

	<u>2002</u>	<u>2001</u>
(1) Current income tax expense (benefit)	\$ -	\$ -
(2) Change in DTAs	\$ 6,036,984	\$ 6,375,961
Change in DTLs	\$ (595,029)	\$ 321,679
(3) Investment Tax Credit	\$ -	\$ -
(4) Benefit of Operating Loss Carry Forward	\$ -	\$ -
(5) Adjustment of DTA or DTL	\$ -	\$ -

The primary components of the gross deferred tax asset are the cumulative net operating loss carryforwards and book/tax differences on investments.

- D. The Company's income tax expense and change in DTA/DTL differs from the amount obtained by applying the federal statutory rate of 35% to net gain from operations after dividends to policyholders for the following reasons:

	<u>2002</u>	<u>2001</u>
(1) Expected federal income tax expense on operations	\$ (5,789,527)	\$ (5,658,821)
(2) Other book/tax adjustments	355,026	450,338
(3) Carry forward of operating losses to future years	<u>5,434,501</u>	<u>5,208,483</u>
(4) Total incurred income tax expense (Page 4, line 32)	<u>\$ -</u>	<u>\$ -</u>

- E. (1) As of December 31, 2002 the Company had operating loss carry forwards that will expire as follows:

NOTES TO FINANCIAL STATEMENTS

2013	\$ (4,567,397)
2014	(3,073,653)
2015	(11,896,490)
2021	(14,881,381)
2022	(15,527,143)

(2) The Company does not have any incurred income taxes that will be available for recoupment in the event of future net losses.

F. (1) The Company's federal income tax return is consolidated with the following entities:

- AAG Holding Company, Inc.
- AAG Insurance Agency of Alabama, Inc.
- AAG Insurance Agency of Texas, Inc.
- AFC Coal Properties, Inc.
- American DataSolutions International, Inc.
- American Empire Insurance Company
- American Empire Underwriters, Inc.
- American Financial Corporation (Inactive)
- American Insurance Agency, Inc.
- American Money Management Corporation
- American Premier Insurance Company
- American Retirement Life Insurance Company
- American Special Risk, Inc.
- Annuity Investors Life Insurance Company
- Atlanta Casualty Company
- Atlanta Casualty Group, Inc.
- Atlanta Reserve Insurance Company
- Aviation Specialty Managers, Inc.
- Brothers Port Richey Corporation
- Brothers Property Management Corporation
- Budget Insurance Premiums, Inc.
- Charleston Harbor Marina, Inc.
- Chatham Enterprises, Inc.
- Coventry Insurance Company
- CSW Management Services, Inc.
- Dempsey & Siders Agency, Inc.
- Dixie Terminal Corporation
- Dudley L. Moore Insurance, Inc.
- ESC, Inc.
- FCIA Management Company, Inc.
- FlexTech Holding Co., Inc.
- GAI Warranty Company
- Gains Group, Inc. (The)
- GALIC Disbursing Company
- Granite Finance Co., Inc.
- Great American Agency of Texas, Inc.
- Great American Assurance Company
- Great American Contemporary Insurance Company
- Great American Custom Insurance Services Illinois, Inc.
- Great American Custom Insurance Services Massachusetts, Inc.
- Great American E & S Insurance Company
- Great American Financial Resources, Inc.
- Great American Insurance Agency, Inc.
- Great American Insurance Company of New York
- Great American Life Insurance Company
- Great American Lloyd's Insurance Company
- Great American Protection Insurance Company
- Great American Security Insurance Company
- Great Southwest Corporation
- Hangar Acquisition Corp.
- Infinity Agency of Texas, Inc.
- Infinity Insurance Company
- Infinity Property and Casualty Corporation
- Instech Corporation
- Key Largo Group, Inc.
- Laurentian Credit Services Corporation
- Laurentian Securities Corporation
- Leader Insurance Company
- Leader National Agency, Inc.
- Leader Specialty Insurance Company
- Lifestyle Financial Investments, Inc.
- Lifestyle Financial Investments of Indiana, Inc.
- Loyal American Life Insurance Company
- Marathon Manufacturing Companies, Inc.
- Mid-Continent Casualty Company
- Money-Plan International, Inc.
- New York and Harlem Railroad Company (The)
- One East Fourth, Inc.
- PCC 38 Corp.
- PCC Gun Hill Realty Corp.
- PCC Michigan Realty, Inc.
- PCC Scarsdale Realty Corp.
- Penn Camarillo Realty Corp.
- Penn Towers, Inc.
- Pioneer Carpet Mills, Inc.
- PLLS, Ltd.
- Premier Dealer Services, Inc.
- Premier Lease & Loan Services of Canada, Inc.
- Professional Risk Brokers, Inc.
- Purity Financial Corporation
- Republic Indemnity Company of America
- Republic Indemnity Medical Management, Inc.
- AAG Insurance Agency, Inc.
- AAG Insurance Agency of Massachusetts, Inc.
- ADL Financial Services, Inc.
- American Commonwealth Development Company
- American Deposit Insurance Company
- American Empire Surplus Lines Insurance Company
- American Financial Corporation
- American Financial Enterprises, Inc.
- American Memorial Marketing Services, Inc.
- American Payroll Services, Inc.
- American Premier Underwriters, Inc.
- American Signature Underwriters, Inc.
- Ann Arbor Railroad Company (The)
- Associates of the Jersey Company (The)
- Atlanta Casualty General Agency, Inc.
- Atlanta Insurance Brokers, Inc.
- Atlanta Specialty Insurance Company
- Brothers Pennsylvanian Corporation
- Brothers Property Corporation
- Brothers Railyard Corporation
- Cal Coal, Inc.
- CHATBAR, Inc.
- Consolidated Financial Corporation
- Crop Managers Insurance Agency, Inc.
- Delbay Corporation
- Detroit Manufacturers Railroad Company
- Driskill Holdings, Inc.
- Eden Park Insurance Brokers, Inc.
- Fairmont Holdings, Inc.
- Fidelity Excess and Surplus Insurance Company
- FWC Corporation
- GAI Warranty Company of Florida
- GALIC Brothers, Inc.
- Global Premier Finance Company
- Great American Advisors, Inc.
- Great American Alliance Insurance Company
- Great American Claims Services, Inc.
- Great American Custom Insurance Services California, Inc.
- Great American Custom Insurance Services, Inc.
- Great American Custom Solutions, Inc.
- Great American Fidelity Insurance Company
- Great American Holding, Inc.
- Great American Insurance Company
- Great American Life Assurance Company
- Great American Lloyd's, Inc.
- Great American Management Services, Inc.
- Great American Re Inc.
- Great American Spirit Insurance Company
- Grizzly Golf Center, Inc.
- Indianapolis Union Railway Company (The)
- Infinity Group, Inc. (The)
- Infinity National Insurance Company
- Infinity Select Insurance Company
- Integrated Display Systems, Inc.
- Keyes-Graham Insurance Agency, Inc.
- Laurentian Marketing Services, Inc.
- Leader Group, Inc.
- Leader Managing General Agency, Inc.
- Leader Preferred Insurance Company
- Lehigh Valley Railroad Company
- Lifestyle Financial Investments Agency of Ohio, Inc.
- Lifestyle Financial Investments of the Northwest, Inc.
- Loyal Marketing Services, Inc.
- Marathon Manufacturing Company
- Mid-Continent Insurance Company
- Moore Group Inc.
- Oklahoma Surety Company
- Owasco River Railway, Inc. (The)
- PCC Chicago Realty Corp.
- PCC Maryland Realty Corp.
- PCC Real Estate, Inc.
- PCC Technical Industries, Inc.
- Penn Central Energy Management Company
- Pennsylvania Company
- Pittsburgh and Cross Creek Railroad Company
- Pointe Apartments, Inc.
- Premier Lease & Loan Services Insurance Agency, Inc.
- Professional Risk Brokers of Connecticut, Inc.
- Professional Risk Brokers of Ohio, Inc.
- Regal Insurance Company
- Republic Indemnity Company of California
- Risico Management Corporation

NOTES TO FINANCIAL STATEMENTS

Skipjack Marina Corp.
 Solid State Scientific International, Inc.
 Superior NWVN of Ohio, Inc.
 TEJ Holdings, Inc.
 Texas Windsor Group, Inc.
 TICO Insurance Company
 Treaty House, Ltd. (d/b/a Mr. Budget)
 United Teacher Associates, Ltd.
 Windsor Group, Inc.
 World Houston, Inc.
 Worldwide Direct Auto Insurance Company

Solid State Scientific Hi-Rel, Inc.
 Stone Mountain Professional Liability Agency, Inc.
 SWTC, Inc.
 Terminal Realty Penn Co.
 Three East Fourth, Inc.
 Transport Insurance Company
 United Railroad Corp.
 Waynesburg Southern Railroad Company
 Windsor Insurance Company
 Worldwide Casualty Insurance Company
 Worldwide Insurance Company

- (2) Tax payments and the recoupment (in the event of future losses) of tax paid pursuant to a tax allocation agreement with American Financial Group, Inc. ("AFG"), are computed on a separate company basis as determined in accordance with generally accepted accounting principles, based upon the rules provided by the Internal Revenue Code of 1986 as amended.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- A. The Company is an indirect subsidiary of Great American Financial Resources, Inc. ("GAFRI"), which is a subsidiary of AFG; 100% of the Company's outstanding common stock is directly owned by Great American Life Insurance Company ("GALIC"). See Schedule Y, Part 1, Organizational Chart.
- B. The Company had no transactions with an affiliate involving 1/2 of 1% of the total assets of the largest affiliated insurer.
- C. The Company received capital contributions from GALIC of: \$20 million on June 30, 2002 and \$10 million on December 17, 2002.
- D. At December 31, 2002, the Company reported \$4,165,925 as amounts due from the Parent and affiliated companies. The terms of the agreement require that these amounts are settled within 90 days.
- E. The Company has no material guarantees or undertakings for the benefit of an affiliate.
- F. Management or service contracts and all cost sharing arrangements involving the Company or any affiliate:
- (1) The Company has an agreement with GAFRI, subject to the direction of the Finance Committee of the Company, whereby GAFRI, along with services provided by AMM (an affiliate), provides for money management and accounting services related to the investment portfolio.
- (2) The Company has an agreement with Great American Advisors, Inc. ("GAA"), a wholly owned subsidiary of GAFRI, whereby GAA is the principal underwriter and distributor of the Company's variable contracts. The Company pays GAA for acting as underwriter under a distribution agreement.
- (3) Certain administrative, management, accounting, data processing, collection, and investment services are provided under agreements between the Company and affiliates at charges not unfavorable to the Company or the affiliate.
- G. The Company's outstanding shares are 100% owned by GALIC.
- H. The Company owns no shares of an upstream intermediate entity or its ultimate parent.
- I. The Company has no investment in a subsidiary that exceeds 10% of admitted assets.
- J. The Company did not recognize any impairment write down for its investments in subsidiary, controlled or affiliated companies during the statement period.

11. DEBT

- A. The Company has no capital notes outstanding.
- B. The Company has no other debt outstanding.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS

- A. The Company does not participate in a defined benefit plan.
- B. Defined Contribution Plan - See item D below.
- C. The Company does not participate in multiemployer plans.
- D. Consolidated/Holding Company Plans

Employees' Retirement Plan

(1) Effective January 1, 1994 all employees meeting minimum requirements are eligible to participate in an Employee Stock Ownership Retirement Plan ("Plan") established by GAFRI for employees of GAFRI and its participating subsidiaries. The Plan is a defined contribution plan in which participating employees are entitled to share in contributions made by the Company on their behalf. The benefits are based on an employees' years of service and eligible compensation for each year of participation. Funding is determined annually. Each participating employer contributes an amount based upon the relationship of its total eligible compensation to total eligible compensation under the Plan. The Company has no legal obligation for benefits under the Plan. GAFRI's contribution for the Plan was \$1,441,000 in 2002. At December 31, 2002, the fair market value of Plan assets was \$15,534,327. Prior to January 1, 1994 the Company was a participating employer in an Employee Stock Ownership Retirement Plan established by American Financial Corporation ("AFC") for employees of AFC and its participating subsidiaries.

(2) Plan costs are funded as they accrue and vested benefits are fully funded. Contributions to the Plan are subject to the discretion of the Board of Directors of the Company, and the Company has no liability for future contributions to the plan.

(3) The Company's parent, GAFRI, sponsors a 401(k) retirement plan for all eligible employees of GAFRI and its participating subsidiaries. Effective January 1, 2001, GAFRI and participating subsidiaries began making matching contributions to the 401(k) plan. Company contributions are based upon the amount of participating employees' contributions. GAFRI recognized expense of \$713,182 for its contributions to the plan in 2002.

NOTES TO FINANCIAL STATEMENTS

Deferred Compensation Plans

Effective October 1, 1994, the Company offered to its officers and selected employees the opportunity to defer receipt of a specific percentage of income. Amounts deferred are credited with interest at either a rate set by the Board of Directors or based on the performance of the common stock of GAFRI, as chosen by individual participants.

The Company provides postretirement health care and life insurance benefits to employees meeting age and service requirements through plans sponsored by AFC. The retiree medical care plan is a contributory plan covering all eligible employees hired prior to 1993; employees hired after 1992 pay the full cost of retiree medical coverage. The Company currently pays the full cost of life insurance coverage for eligible retirees. The medical plan is funded by monthly payments to a trust. Life insurance benefits are provided by insurance contracts. AFC has the right to modify or terminate either of these plans in the future. The Company has the right to terminate its participation at any time in the future.

Starting in 1993, the Company began accruing postretirement benefits over the period the employees qualify for such benefits. Prior to this change, costs were charged to expense as incurred. At December 31, 2002 GAFRI's accumulated postretirement benefit obligation was \$939,099 using a discount rate of 6.75% of which \$469,000 is currently accrued by GALIC and GAFRI combined. GAFRI's net postretirement benefits costs for the year ended December 31, 2002 were \$116,619 which includes service cost, interest cost and amortization of the transition obligation.

The weighted average annual assumed rate of increase in the health care cost trend rate is 10% for 2003 and is assumed to decrease gradually to 5% over 5 years and remain at that level thereafter. The effect of a 1% increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation at December 31, 2002 by \$12,486.

E. Postemployment Benefits and Compensated Absences

The Company accrues obligations for postemployment benefits and compensated absences in accordance with SSAP No. 11.

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

- (1) The Company's capital is common stock. There are 25,000 shares authorized and 20,000 shares issued and outstanding, with a per share par value of \$125. There are no other classes of capital stock.
- (2) The Company has no preferred stock outstanding.
- (3) The maximum amount of dividends which can be paid to stockholders in 2003 by life insurance companies domiciled in the State of Ohio without prior approval of the Insurance Commissioner is the greater of 10% of surplus as regards policyholders or net income as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of dividends payable in 2003 without prior approval is \$ 0.
- (4) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (5) The Company has placed no restrictions on unassigned surplus funds.
- (6) The total amount of advances to surplus not repaid – Not applicable.
- (7) The amounts of stock held by the Company, including stock of affiliated companies, for special purposes is:
 - a. For conversion of preferred stock: 0 shares
 - b. For employee stock options: 0 shares
 - c. For stock purchase warrants: 0 shares
- (8) The Company has no special surplus funds.
- (9) The portion of unassigned funds (surplus) represented or (reduced) by each item below is as follows:

a.	unrealized gains and (losses):	\$ 263,895
b.	nonadmitted asset values:	\$ (1,469,515)
c.	separate account business:	\$ -
d.	asset valuation reserves:	\$ (1,968,248)
e.	provision for reinsurance:	\$ -
- (10) The Company has not issued any surplus debentures or similar obligations.
- (11) & (12) There has been no restatement of surplus due to quasi-reorganization.

14. CONTINGENCIES

The Company is not aware of any material contingent liabilities and has committed no reserves to cover any contingent liabilities.

15. LEASES

- A. The Company does not have any material lease obligations. Leasing agreements are held by GAFRI.
- B. Leasing is not part of the Company's business activities.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The Company does not have financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. The Company had no transfers of receivables reported as sales.
- B. The Company had no transfers and servicing of financial assets or extinguishments of liabilities.
- C. The Company had no wash sales.

NOTES TO FINANCIAL STATEMENTS

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

The Company had no gain or loss to the reporting entity from uninsured A&H plans and the uninsured portion of partially insured plans.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

The Company has no direct premiums written by managing general agents or third party administrators.

20. OTHER ITEMS

- A. The Company had no extraordinary events or transactions.
- B. The Company had no troubled debt restructuring.
- C. The Company has no unusual items or exposures related to forward commitments.
- D. The Company has no material balance that is reasonably possible to be uncollectible.
- E. Reinsurance Accounted for as a Deposit – Not applicable
- F. Multiple Peril Crop Insurance – Not applicable
- G. The Company holds no mezzanine real estate loans.
- H. The Company has no health care receivables.
- I. The Company had no material losses as a result of the events of September 11.
- J. The Company has no real estate.
- K. The Company has no participating policies.
- L. The Company has no premium deficiency reserves for 2002.
- M. Loss/Claim Adjustment Expenses – Not applicable
- N. The Company carries all reserves for structured settlement policies.
- O. The Company reported the following noncash investing or financing activities in 2002:

1. Capitalized Interest	\$ 49,528
2. Security Exchange	\$ 1,928,350
3. Surplus Contribution from Parent	\$ 19,594,910

21. EVENTS SUBSEQUENT

There have been no events subsequent to December 31, 2002 that have had a material financial effect on the Company.

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, officer, 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 the business reinsured in making this estimate. \$ 0.

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? \$ 0.

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 B

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

NOTES TO FINANCIAL STATEMENTS

necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ 0.

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? \$ 0.

B. Uncollectible Reinsurance

The Company did not write off any uncollectible reinsurance during 2002.

C. Commutation of Ceded Reinsurance

The Company was not involved in any commutation of ceded reinsurance during 2002.

23. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

The Company does not have any retrospectively rated contracts or contracts subject to redetermination.

24. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

The Company had no changes in the provision for incurred loss or loss adjustment expense attributable to insured events of prior years.

25. INTERCOMPANY POOLING ARRANGEMENTS

The Company does not participate in intercompany pooling arrangements.

26. RESERVES FOR LIFE CONTRACTS AND DEPOSIT-TYPE CONTRACTS

- (1) The Company has no life insurance business in force.
- (2) The Company has no substandard policies in force.
- (3) As of December 31, 2002 the Company had no insurance in force for which the gross premiums are less than the net premiums according to the valuation standard.
- (4) The Tabular Interest has been determined by the formula as described in the instructions.
The tabular less actual reserve released has been determined by the formula as described in the instructions.
The tabular cost has been determined by the formula as described in the instructions.
- (5) The method for determining tabular interest on funds not involving life contingencies (Exhibit 7, line 3) and individual and group annuities in their accumulation phase is as described in the formula for tabular interest contained in the 1986 and prior instructions for Page 7.
- (6) The Company has no other reserve changes.

27. VARIABLE ANNUITIES WITH GUARANTEED LIVING BENEFITS

At December 31 the Company had Variable Annuities with Guaranteed Living Benefits as follows:

<u>Benefit and Type of Risk</u>	<u>Subjected Account Value</u>	<u>Amount of Reserve Held</u>	<u>Location of Reserve</u>	<u>Reinsurance Reserve Credit</u>
GMIB – prem accum at 6%, 10 yr. waiting period	\$283,781	\$141	Exhibit 5	\$ None

NOTES TO FINANCIAL STATEMENTS

28. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT LIABILITIES BY WITHDRAWAL CHARACTERISTICS

Withdrawal Characteristics of Annuity Actuarial Reserves and Deposit – Type Contract Funds and other Liabilities Without Life or Disability Contingencies

	AMOUNT	% OF TOTAL
A. Subject to discretionary withdrawal		
1. With market value adjustment	\$ -	0.0%
2. At book value less current surrender charge of 5% or more	288,855,948	31.5%
3. At market value	437,435,057	47.7%
4. Total with adjustment or at market value (Total of 1 to 3)	726,291,005	79.2%
5. At book value without adjustment (minimal or no charge adjustment)	149,177,462	16.3%
B. Not Subject to discretionary withdrawal:	40,896,475	4.5%
C. Subtotal (gross)	916,364,942	100.0%
D. Reinsurance ceded	600,326	
E. Total (net)* (C)-(D)	<u>\$ 915,764,616</u>	

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

1. Exhibit 5, Annuities Section, Total (net)	\$ 451,626,674
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	-
3. Exhibit 7, Line 14, Column 1	26,702,885
4. Subtotal	478,329,559

Separate Accounts Annual Statement:

5. Exhibit 3, Line 0299999, Column 2	437,435,057
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	437,435,057
12. Combined Total	<u>\$ 915,764,616</u>

29. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

The Company has no deferred and uncollected premium or annuity considerations.

NOTES TO FINANCIAL STATEMENTS

30. SEPARATE ACCOUNTS

The separate and variable accounts held by the Company relate to individual and group variable annuities of a nonguaranteed return nature. The net investment experience of the separate accounts is credited to the policyholder and can be positive or negative. These variable annuities generally provide a death benefit of the greater of account value or premium paid, accumulated at 0% to 5%. A minimum guaranteed death benefit is also provided on some contracts which is the highest account value (reduced for partial withdrawals) on a prior contract anniversary. The minimum guaranteed death benefit reserve is held in Exhibit 5. The assets and liabilities of these accounts are carried at market.

Information regarding the separate accounts of the Company is as follows:

	Nonguaranteed Separate Accounts
1. Premiums, considerations or deposits for the year ended December 31, 2001	<u>\$ 126,802,574</u>
2. Reserves at December 31, 2001	
I. For accounts with assets at:	
a. Market value	\$ 437,435,057
b. Amortized cost	-
c. Total reserves	<u>\$ 437,435,057</u>
II. By withdrawal characteristics:	
a. Subject to discretionary withdrawal	
1. With market value adjustment	\$ -
2. At book value without market value adjustment and with current surrender charges of 5% or more	-
3. At market value	437,435,057
4. At book value without market value adjustment and with current surrender charges of less than 5%	-
5. Subtotal	437,435,057
b. Not subject to discretionary withdrawal	-
6. Total	<u>\$ 437,435,057</u>

The following is a reconciliation of net transfers to or (from) separate accounts:

1. Transfers as reported in the Summary of Operations in the Separate Accounts Statement:	
a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$ 126,802,574
b. Transfers from Separate Accounts (Page 4, Line 10)	<u>(81,156,127)</u>
c. Net transfers to or (from) Separate Accounts (a) - (b)	45,646,447
2. Reconciling adjustments:	
a. None	-
b. Total adjustments	-
3. Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement (Page 4, Line 26)	<u>\$ 45,646,447</u>

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	58,360,276	11.606	58,360,276	11.606
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	1,639,012	0.326	1,639,012	0.326
1.22 Issued by U.S. government sponsored agencies	5,156,616	1.025	5,156,616	1.025
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	1,003,362	0.200	1,003,362	0.200
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations	19,854,959	3.949	19,854,959	3.949
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA		0.000		0.000
1.512 Issued by FNMA and FHLMC	1,601,744	0.319	1,601,744	0.319
1.513 Privately issued		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	56,826,502	11.301	56,826,502	11.301
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC		0.000		0.000
1.523 All other privately issued	70,063,609	13.933	70,063,609	13.933
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	241,656,751	48.058	241,656,751	48.058
2.2 Unaffiliated foreign securities	2,241,316	0.446	2,241,316	0.446
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated	58,542	0.012	58,542	0.012
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans	8,599,665	1.710	8,599,665	1.710
7. Receivables for securities		0.000	0	0.000
8. Cash and short-term investments	35,782,429	7.116	35,782,429	7.116
9. Other invested assets		0.000		0.000
10. Total invested assets	502,844,783	100.000	502,844,783	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] NA []
- 1.3 State Regulating? Ohio.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
 If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2001
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/1997
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).06/21/1999
- 3.4 By what department or departments? State of Ohio Department of Insurance
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [X] No []
- 4.12 renewals? Yes [X] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [X] No []
- 4.22 renewals? Yes [X] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
.....
.....

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 LLP, 1300 Chiquita Center, 250 East Fifth Street, 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?
Richard Lee Sutton, 250 East Fifth Street, Cincinnati, OH 45202, Officer.....
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 [] NA []

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 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 of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this 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 of these obligations.
- 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	2	3	4	5		6	
	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price if Callable	Is Dividend Rate Limited?		Are Dividends Cumulative?	
					Yes	No	Yes	No
Preferred					[]	[X]	[]	[X]
Common	25,000	20,000	125.000	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 [] No [X]

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

Securities were held on behalf of the Company under a custodial agreement with the Bank of New York.

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 [] No [X]

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	\$
19.26	Pledged as collateral	\$
19.27	Placed under option agreements	\$
19.28	Letter stock or other securities restricted as to sale ...	\$
19.29	Other	\$

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

19.31	19.35
19.32	19.36
19.33	19.37
19.34	19.38
	19.39

For categories (19.21) and (19.23) above, and for any other 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 [] NA []
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 [] No [X]

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

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.....	1 Wall Steet, New York, New York 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
Investment Advisor.....	American Money Management Corporation.....	1 East Fourth Street, Cincinnati, Ohio 45201.....

OTHER

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

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
	\$
	\$
	\$

24.1 Amount of payments for legal expenses, if any?..... \$.....763,912

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
EDWARDS & ANGELL.....	\$283,742
	\$
	\$

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

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 departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

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 \$ 0
- 1.62 Total incurred claims \$ 0
- 1.63 Number of covered lives \$ 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ 0
- 1.65 Total incurred claims \$ 0
- 1.66 Number of covered lives \$ 0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ 0
- 1.72 Total incurred claims \$ 0
- 1.73 Number of covered lives \$ 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ 0
- 1.75 Total incurred claims \$ 0
- 1.76 Number of covered lives \$ 0
- 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 [] NA []
- 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? \$ 17,706,689
- 2.4 State the authority under which Separate Accounts are maintained:
 State of Ohio Department of Insurance. Also registered with the Securities and Exchange Commission.
- 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: \$ 5,179,290
- 3.22 Received: \$ 13,297
- 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: \$ 99,550,000
6. Total dividends paid stockholders since organization of the reporting entity:
- 6.11 Cash: \$ 3,800,000
- 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:

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]

Workers compensation carve-out business is defined as reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers Compensation Carve-Out Supplement to the Annual Statement: Yes [] No []

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1. Reinsurance Assumed	2. Reinsurance Ceded	3. Net Retained
8.31 Earned premium.....
8.32 Paid claims.....
8.33 Claim liability and reserve (beginning of year).....
8.34 Claim liability and reserve (end of year).....
8.35 Incurred Claims.....

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column 1 are:

	Attachment Point	1. Earned Premium	2. Claim Liability And Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 – 99,999	.....	.....
8.43	\$100,000 – 249,999	.....	.....
8.44	\$250,000 – 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$.....

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
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary - Whole Life and Endowment (Line 34, Col. 4)	0	0	0	0	0
2. Ordinary - Term (Line 21, Col. 4, less Line 34, Col. 4)	0	0	0	0	0
3. Credit Life (Line 21, Col. 6)	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	0	0	0	0	0
5. Industrial (Line 21, Col. 2)	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	0	0	0	0	0
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary - Whole Life and Endowment (Line 34, Col. 2)	0	0	0	0	0
9. Ordinary - Term (Line 2, Col. 4, less Line 34, Col. 2)	0	0	0	0	0
10. Credit Life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	0	0	0	0	0
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	0	0	0	0	0
Premium Income - Lines of Business					
14. Industrial Life (Exhibit 1-Part 1, Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary-Life Insurance (Exhibit 1-Part 1, Line 20.4, Col. 3)	0	0	0	0	0
15.2 Ordinary-Individual Annuities (Exhibit 1-Part 1, Line 20.4, Col. 4)	210,371,242	211,540,370	61,641,755	59,560,346	72,586,568
16. Credit Life (Group and Individual) (Exhibit 1-Part 1, Line 20.4, Col. 5)	0	0	0	0	0
17.1 Group Life Insurance (Exhibit 1-Part 1, Line 20.4, Col. 6)	0	0	0	0	0
17.2 Group Annuities (Exhibit 1-Part 1, Line 20.4, Col. 7)	36,111,901	40,059,114	0	0	0
18.1 A & H-Group (Exhibit 1-Part 1, Line 20.4, Col. 8)	0	0	0	0	0
18.2 A & H-Credit (Group and Individual) (Exhibit 1-Part 1, Line 20.4, Col. 9)	0	0	0	0	0
18.3 A & H-Other (Exhibit 1-Part 1, Line 20.4, Col. 10)	0	0	0	0	0
19. Aggregate of All Other Lines of Business (Exhibit 1-Part 1, Line 20.4, Col. 11)	0	0	0	0	0
20. Deposit-type funds	XXX	XXX	320,689,333	204,983,631	89,221,073
21. Total	246,483,143	251,599,485	382,331,088	264,543,977	161,807,641
Balance Sheet Items (Pages 2 & 3)					
22. Total Admitted Assets Excluding Separate Accounts Business (Page 2, Line 25, Col. 3)	513,369,474	370,732,462	269,122,551	214,751,866	127,155,755
23. Total Liabilities Excluding Separate Accounts Business (Page 3, Line 26)	474,781,127	344,211,468	246,034,085	187,636,449	105,807,208
24. Aggregate Life Reserves (Page 3, Line 1)	451,626,674	335,091,201	257,283,804	193,500,444	106,630,855
25. Aggregate A & H Reserves (Page 3, Line 2)	0	0	0	0	0
26. Deposit-type contract funds (Page 3, Line 3)	26,702,885	22,527,306	XXX	XXX	XXX
27. Asset Valuation Reserve (Page 3, Line 24.1)	1,968,248	1,509,976	1,159,508	736,841	370,700
28. Capital (Page 3, Lines 29 and 30)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
29. Surplus (Page 3, Line 37)	36,088,347	24,020,994	20,588,465	24,615,417	18,848,547
Risk-Based Capital Analysis					
30. Total Adjusted Capital	40,556,595	28,030,970	24,247,974	27,852,258	21,719,247
31. Authorized Control Level Risk - Based Capital	5,327,169	3,765,606	4,247,949	3,047,571	2,342,668
Percentage Distribution of Assets					
(Page 2, Col. 3) (Line No. / Page 2, Line 11, Col. 3) x 100.0					
32. Bonds (Line 1)	91.2	96.6	94.7	91.6	83.1
33. Stocks (Lines 2.1 and 2.2)	0.0	0.1	0.0	0.0	0.0
34. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
35. Real Estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
36. Policy Loans (Line 5)	1.7	2.0	2.2	1.4	1.0
37. Premium Notes (Line 6)	0.0	0.0	0.0	0.0	0.0
38. Cash and Short - Term Investments (Line 7)	7.1	1.3	3.1	7.0	15.9
39. Other Invested Assets (Line 8)	0.0	0.0	0.0	0.0	0.0
40. Receivable for Securities (Line 9)	0.0	0.0	0.0	0.0	0.0
41. Aggregate Write-ins for Invested Assets (Line 10)	0.0	0.0	0.0	0.0	0.0
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
Investments in Parent, Subsidiaries and Affiliates					
43. Affiliated Bonds (Schedule D Summary, Line 25, Col. 1)	0	0	0	0	0
44. Affiliated Preferred Stocks (Schedule D Summary, Line 39, Col. 1)	0	0	0	0	0
45. Affiliated Common Stocks (Schedule D Summary, Line 53, Col. 2)	0	0	0	0	0
46. Affiliated Short-Term Investments (Subtotals included in Schedule DA Part 2 Col. 5, Line 11)	0	0	0	0	0
47. Affiliated Mortgage Loans on Real Estate	0	0	0	0	0
48. All Other Affiliated	0	0	0	0	0
49. Total of above Lines 43 to 48	0	0	0	0	0
Total Non-admitted and Admitted Assets					
50. Total Non admitted Assets (Page 2, Line 27, Col. 2)	23,029,278	16,330,083	423,565	495,111	453,529
51. Total Admitted Assets (Page 2, Line 27, Col. 3)	968,511,220	900,322,046	802,777,353	569,122,959	247,204,962
Investment Data					
52. Net Investment Income (Exhibit of Net Investment Income)	26,473,932	20,089,615	15,697,756	10,592,697	4,811,248
53. Realized Capital Gains (Losses)	441,873	(2,894,948)	(5,508)	(412,324)	(2,828)
54. Unrealized Capital Gains (Losses)	263,895	(263,895)	0	0	0
55. Total of above Lines 52, 53 & 54	27,179,700	16,930,772	15,692,248	10,180,373	4,808,420
Benefits and Reserve Increases (Page 6)					
56. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15, Col.1 less Lines 10, 11, 12, 13, 14, and 15, Cols. 9, 10 & 11)	108,858,034	67,469,293	55,929,687	25,131,689	7,488,232
57. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	0	0	0	0	0
58. Increase in Life Reserves - Other than Group and Annuities (Line 19, Cols. 2 and 3)	0	0	0	0	0
59. Increase in A & H Reserves (Line 19, Cols. 9, 10 & 11)	0	0	0	0	0
60. Dividends to Policyholders (Line 30, Col. 1)	0	0	0	0	0
Operating Percentages					
61. Insurance Expense Percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus group annuity contribution funds) x 100.0	8.9	12.1	56.7	43.4	25.7
62. Lapse Percent (Ordinary Only) (Exhibit of Life Insurance, Col. 4, Lines 14 & 15) x 100.0 / 1/2 (Lines 1 & 21)	0.0	0.0	0.0	0.0	0.0
63. A & H Loss Percent (Schedule H, Part 1, Lines 3 and 4, Col. 2)	0.0	0.0	0.0	0.0	0.0
64. A & H Expense Percent (Schedule H, Pt. 1, Line 8, Col. 2)	0.0	0.0	0.0	0.0	0.0
A & H Claim Reserve Adequacy					
65. Incurred Losses on Prior Years' Claims - Group Health (Schedule H, Part 3, Line 3.1 Col. 2)	0	0	0	0	0
66. Prior Years' Claim Liability and Reserve - Group Health (Schedule H, Part 3, Line 3.2 Col. 2)	0	0	0	0	0
67. Incurred Losses on Prior Years' Claims-Health other than Group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	0	0	0	0	0
68. Prior Years' Claim Liability and Reserve-Health other than Group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)	0	0	0	0	0
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial Life (Col. 2)	0	0	0	0	0
70. Ordinary - Life (Col. 3)	0	0	0	0	0
71. Ordinary - Individual Annuities (Col. 4)	(11,660,471)	(9,649,529)	(9,590,082)	(2,879,588)	(3,867,345)
72. Ordinary-Supp. Contracts (Col. 5)	0	0	0	0	0
73. Credit Life (Col. 6)	0	0	0	0	0
74. Group Life (Col. 7)	0	0	0	0	0
75. Group Annuities (Col. 8)	(4,881,037)	(6,518,532)	(4,081,934)	(837,275)	(948,651)
76. A & H-Group (Col. 9)	0	0	0	0	0
77. A & H-Credit (Col. 10)	0	0	0	0	0
78. A & H-Other (Col. 11)	0	0	0	0	0
79. Aggregate of All Other Lines of Business (Col. 12)	0	0	0	0	0
80. Total (Col. 1)	(16,541,508)	(16,168,061)	(13,672,016)	(3,716,863)	(4,815,996)

Exhibit of Life Insurance

NONE

Exhibit of Life Insurance - Part 2

NONE

Exhibit of Life Insurance - Part 3

NONE

Exhibit of Life Insurance - Part 4

NONE

Exhibit of Life Insurance - Part 5

NONE

Exhibit of Life Insurance - Part 6

NONE

Exhibit of Life Insurance - Part 7

NONE

Policies with Disability Provisions

NONE

**EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES,
INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR
SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & 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
NONE				
1. In force end of prior year				
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)				
Deductions during year:				
6. Decreased (net)				
7. Reinsurance				
8. Totals (Lines 6 and 7)				
9. In force end of year				
10. Amount on deposit		(a)		(a)
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	648	32,705	419	15,285
2. Issued during year	158	6,282	68	2,195
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	806	38,987	487	17,480
Deductions during year:				
6. Decreased (net)	38	2,408	51	2,571
7. Reinsurance				
8. Totals (Lines 6 and 7)	38	2,408	51	2,571
9. In force end of year	768	36,579	436	14,909
Income now payable:				
10. Amount of income payable	(a) 6,409,346	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a) 809,218,593	XXX	(a) 133,055,336

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
NONE						
1. In force end of prior year						
2. Issued during year						
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Total (Lines 1 to 4)		XXX		XXX		XXX
Deductions during year:						
6. Conversions	XXX	XXX		XXX	XXX	XXX
7. Decreased (net)		XXX		XXX		XXX
8. Reinsurance		XXX		XXX		XXX
9. Total (Lines 6 thru 8)		XXX		XXX		XXX
10. In force end of year		(a)		(a)		(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
NONE		
1. In force end of prior year		
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Total (Lines 1 to 4)		
Deductions During Year:		
6. Decreased (net)		
7. Reinsurance		
8. Totals (Lines 6 and 7)		
9. In force end of year		
10. Amount of account balance	(a)	(a)

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

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
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	59,999,288	61,717,430	60,087,658	59,514,253
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	59,999,288	61,717,430	60,087,658	59,514,253
States, Territories and Possessions (Direct and guaranteed)	5. United States	1,003,362	1,089,320	1,003,750	1,000,000
	6. Canada	0	0	0	0
	7. Other Countries	0	0	0	0
	8. Totals	1,003,362	1,089,320	1,003,750	1,000,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	0	0	0	0
	10. Canada	0	0	0	0
	11. Other Countries	0	0	0	0
	12. Totals	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	82,939,821	87,455,194	82,992,043	81,826,972
	14. Canada	0	0	0	0
	15. Other Countries	0	0	0	0
	16. Totals	82,939,821	87,455,194	82,992,043	81,826,972
Public Utilities (unaffiliated)	17. United States	43,471,476	44,404,628	43,618,410	42,924,217
	18. Canada	0	0	0	0
	19. Other Countries	0	0	0	0
	20. Totals	43,471,476	44,404,628	43,618,410	42,924,217
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	268,478,884	282,031,554	272,005,476	269,892,177
	22. Canada	999,211	736,090	998,710	1,000,000
	23. Other Countries	1,512,105	1,519,872	1,564,540	1,400,000
	24. Totals	270,990,200	284,287,516	274,568,726	272,292,177
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	458,404,147	478,954,088	462,270,587	457,557,619
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States	0	0	0	0
	28. Canada	0	0	0	0
	29. Other Countries	0	0	0	0
	30. Totals	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	0	0	0	0
	32. Canada	0	0	0	0
	33. Other Countries	0	0	0	0
	34. Totals	0	0	0	0
Industrial and Miscellaneous (unaffiliated)	35. United States	58,542	66,563	58,542	58,542
	36. Canada	0	0	0	0
	37. Other Countries	0	0	0	0
	38. Totals	58,542	66,563	58,542	58,542
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	0
	40. Total Preferred Stocks	58,542	66,563	58,542	58,542
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States	0	0	0	0
	42. Canada	0	0	0	0
	43. Other Countries	0	0	0	0
	44. Totals	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	0	0	0	0
	46. Canada	0	0	0	0
	47. Other Countries	0	0	0	0
	48. Totals	0	0	0	0
Industrial and Miscellaneous (unaffiliated)	49. United States	0	0	0	0
	50. Canada	0	0	0	0
	51. Other Countries	0	0	0	0
	52. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0	0
	54. Total Common Stocks	0	0	0	0
	55. Total Stocks	58,542	66,563	58,542	58,542
	56. Total Bonds and Stocks	458,462,689	479,020,651	462,329,129	457,557,619

(a) The aggregate value of bonds which are valued at other than actual fair value is \$

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	352,963,606	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	246,930,308	6.1 Column 17, Part 1	0
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Sec. 1	0
3.1 Column 16, Part 1	(1,356,844)	6.3 Column 11, Part 2, Sec. 2	0
3.2 Column 12, Part 2, Sec. 1	(428,958)	6.4 Column 11, Part 4	0
3.3 Column 10, Part 2, Sec. 2	0	7. Book/adjusted carrying value at end of current period	458,462,689
3.4 Column 10, Part 4	215,433	8. Total valuation allowance	
4. Total gain (loss), Col. 14, Part 4	2,428,869	9. Subtotal (Lines 7 plus 8)	458,462,689
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	142,289,725	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	458,462,689

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

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	0	998,685	0	0	0
2. Alaska	AK	Yes	0	11,832	0	0	0
3. Arizona	AZ	Yes	0	7,269,026	0	75,000	0
4. Arkansas	AR	Yes	0	89,515	0	0	0
5. California	CA	Yes	0	66,781,570	0	2,296,538	0
6. Colorado	CO	Yes	0	9,140,712	0	0	0
7. Connecticut	CT	Yes	0	4,684,661	0	0	0
8. Delaware	DE	Yes	0	0	0	0	0
9. District of Columbia	DC	Yes	0	113,912	0	0	0
10. Florida	FL	Yes	0	7,964,799	0	12,000	0
11. Georgia	GA	Yes	0	1,065,034	0	150,000	0
12. Hawaii	HI	Yes	0	415,434	0	0	0
13. Idaho	ID	Yes	0	82,367	0	0	0
14. Illinois	IL	Yes	0	21,579,099	0	142,140	0
15. Indiana	IN	Yes	0	7,961,670	0	0	0
16. Iowa	IA	Yes	0	2,283,205	0	0	0
17. Kansas	KS	Yes	0	129,007	0	0	0
18. Kentucky	KY	Yes	0	520,482	0	0	0
19. Louisiana	LA	Yes	0	1,572,429	0	341,000	0
20. Maine	ME	Yes	0	428,713	0	0	0
21. Maryland	MD	Yes	0	161,371	0	160,610	0
22. Massachusetts	MA	Yes	0	4,229,864	0	170,560	0
23. Michigan	MI	Yes	0	13,963,676	0	179,010	0
24. Minnesota	MN	Yes	0	12,399,645	0	1,055,854	0
25. Mississippi	MS	Yes	0	17,313	0	0	0
26. Missouri	MO	Yes	0	2,795,791	0	0	0
27. Montana	MT	Yes	0	12,562	0	0	0
28. Nebraska	NE	Yes	0	328,522	0	0	0
29. Nevada	NV	Yes	0	508,229	0	0	0
30. New Hampshire	NH	Yes	0	6,559	0	0	0
31. New Jersey	NJ	Yes	0	2,304,984	0	0	0
32. New Mexico	NM	Yes	0	557,854	0	0	0
33. New York	NY	No	0	1,054,909	0	0	0
34. North Carolina	NC	Yes	0	3,418,283	0	60,229	0
35. North Dakota	ND	Yes	0	249,206	0	0	0
36. Ohio	OH	Yes	0	29,200,125	0	0	0
37. Oklahoma	OK	Yes	0	5,258,206	0	0	0
38. Oregon	OR	Yes	0	3,998,763	0	0	0
39. Pennsylvania	PA	Yes	0	813,908	0	40,000	0
40. Rhode Island	RI	Yes	0	1,275,947	0	0	0
41. South Carolina	SC	Yes	0	1,461,258	0	0	0
42. South Dakota	SD	Yes	0	151,800	0	0	0
43. Tennessee	TN	Yes	0	1,842,816	0	0	0
44. Texas	TX	Yes	0	9,709,787	0	170,000	0
45. Utah	UT	Yes	0	1,135,274	0	0	0
46. Vermont	VT	No	0	0	0	0	0
47. Virginia	VA	Yes	0	27,200	0	0	0
48. Washington	WA	Yes	0	10,153,641	0	99,369	0
49. West Virginia	WV	Yes	0	1,309,315	0	0	0
50. Wisconsin	WI	Yes	0	5,034,344	0	363,500	0
51. Wyoming	WY	Yes	0	9,840	0	0	0
52. American Samoa	AS	No	0	0	0	0	0
53. Guam	GU	No	0	0	0	0	0
54. Puerto Rico	PR	No	0	0	0	0	0
55. US Virgin Islands	VI	No	0	0	0	0	0
56. Canada	CN	No	0	0	0	0	0
57. Aggregate Other Alien	OT	XXX	0	0	0	0	0
58. Subtotal	(a)	49	0	246,483,143	0	5,315,811	0
90. Reporting entity contributions for employee benefit plans	XXX						
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX						
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX						
94. Aggregate of other amounts not allocable by State	XXX		0	0	0	0	0
95. Totals (Direct Business)	XXX		0	246,483,143	0	5,315,811	0
96. Plus Reinsurance Assumed	XXX						
97. Totals (All Business)	XXX		0	246,483,143	0	5,315,811	0
98. Less Reinsurance Ceded	XXX						
99. Totals (All Business) less Reinsurance Ceded	XXX		0	246,483,143	(b)	0	5,315,811
DETAILS OF WRITE-INS							
5701.	XXX						
5702.	XXX						
5703.	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		0	0	0	0	0
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX		0	0	0	0	0
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)	XXX		0	0	0	0	0

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

Premiums and annuity considerations are allocated based on the policyholder's resident state. For groups of less than 500 lives, premiums are allocated to the state in which the employers are principally located. For groups of 500 or more, premiums are allocated by state of residence of the employees.

(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, Line 1, indicate which: .

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

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

STATEMENT AS OF DECEMBER 31, 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

	<u>FEIN Number</u>	<u>NAIC Co. Code</u>	<u>Domiciliary State</u>
AMERICAN FINANCIAL GROUP, INC.	31-1544320		
AFC HOLDING COMPANY	31-1422526		
AMERICAN FINANCIAL CORPORATION	31-0624874		
One East Fourth, Inc.	31-0686194		
American Premier Underwriters, Inc.	23-6000765		
GAI (Bermuda) Ltd. (Bermuda)			
GAI Insurance Company, Ltd. (Bermuda)*			
Infinity Property and Casualty Corporation	03-0483872		
Atlanta Casualty Company*	58-1132392	21792	OH
American Premier Insurance Company*	31-1287689	37001	IN
Atlanta Casualty Group, Inc.	58-1293110		
Atlanta Reserve Insurance Company*	31-1627506	10968	OH
Atlanta Specialty Insurance Company*	42-1019055	31925	OH
Penn Central U.K. Limited (United Kingdom)			
Insurance (GB) Limited (United Kingdom)*			
Infinity Insurance Company*	31-0943862	22268	IN
The Infinity Group, Inc.	31-1357130		
Infinity National Insurance Company*	31-1358834	10068	IN
Infinity Select Insurance Company*	31-1333017	20260	IN
Leader Insurance Company*	34-0927698	11738	OH
Leader Preferred Insurance Company*	34-1785809	10195	OH
Leader Specialty Insurance Company*	34-1767787	10061	IN
TICO Insurance Company*	75-1227771	39497	OH
Windsor Insurance Company*	58-1806189	12599	IN
American Deposit Insurance Company*	73-0772113	16802	OK
Coventry Insurance Company*	31-1277903	35211	OH
El Aguila Compañía de Seguros, S.A. de C.V. (Mexico)*			
Moore Group Inc.	58-1080659		
Regal Insurance Company*	58-1806192	38873	IN
Republic Indemnity Company of America*	95-2801326	22179	CA
Republic Indemnity Company of California*	31-1054123	43753	CA
Great American Holding, Inc.	Applied For		
Great American Security Insurance Company*	31-1209419	31135	OH
Great American Spirit Insurance Company*	31-1237970	33723	IN
Great American Insurance Company*	31-0501234	16691	OH
AFC Coal Properties, Inc.	31-1487015		
American Empire Surplus Lines Insurance Company*	31-0912199	35351	DE
American Empire Insurance Company*	31-0973761	37990	OH

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ANNUITY INVESTORS LIFE INSURANCE COMPANY

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Fidelity Excess and Surplus Insurance Company*	22-2824607	12203	OH
Brothers Property Corporation	59-2840291		
FCIA Management Company, Inc.	13-3628555		
GAI Warranty Company	31-1753938		
Great American Alliance Insurance Company*	95-1542353	26832	OH
Great American Assurance Company*	15-6020948	26344	OH
Great American Contemporary Insurance Company*	36-4079497	10646	OH
Great American E & S Insurance Company*	31-0954439	37532	DE
Great American Fidelity Insurance Company*	31-1036473	41858	DE
Great American Insurance Company of New York*	13-5539046	22136	NY
Great American Lloyd's Insurance Company* @	31-0974853	38024	TX
Great American Management Services, Inc.	31-0856644		
Great American Protection Insurance Company*	31-1288778	38580	IN
Great Texas County Mutual Insurance Company* @	43-6030348	13820	TX
Mid-Continent Casualty Company*	73-0556513	23418	OK
Mid-Continent Insurance Company*	73-1406844	15380	OK
Oklahoma Surety Company*	73-0773259	23426	OK
National Interstate Corporation	34-1607394		
Hudson Indemnity, Ltd. (Cayman Islands)*			
National Interstate Insurance Company*	34-1607395	32620	OH
National Interstate Insurance Company of Hawaii, Inc.*	99-0345306	11051	HI
PCC 38 Corp.	36-4123081		
Pointe Apartments, Inc.	41-1752820		
Transport Insurance Company*	75-0784127	33014	OH
Worldwide Insurance Company*	39-1341441	26050	OH
Worldwide Direct Auto Insurance Company*	61-6027355	20133	OH
Worldwide Casualty Insurance Company*	61-0983091	39896	OH
Great American Financial Resources, Inc.	06-1356481		
AAG Holding Company, Inc.	31-1475936		
Great American Life Insurance Company*	13-1935920	63312	OH
American Retirement Life Insurance Company*	59-2760189	88366	OH
Annuity Investors Life Insurance Company*	31-1021738	93661	OH
Great American Life Assurance Company*	95-2496321	62200	OH
Great American Life Insurance Company of New York*	13-1996152	67288	NY
Loyal American Life Insurance Company*	63-0343428	65722	OH
Manhattan National Life Insurance Company*	45-0252531	67083	IL
United Teacher Associates, Ltd.	74-2180806		
United Teacher Associates Insurance Company*	58-0869673	63479	TX
Great American Life Assurance Company of Puerto Rico*	66-0258488	73814	PR

*Denotes Insurer

@ Denotes company which is affiliated but not owned