



ANNUAL STATEMENT

For the Year Ended December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

MCKINLEY LIFE INSURANCE COMPANY

NAIC Group Code	1204 <small>(Current Period)</small>	1204 <small>(Prior Period)</small>	NAIC Company Code	77216	Employer's ID Number	341624818
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States of America					
Incorporated	08/15/1989		Commenced Business	11/01/1989		
Statutory Home Office	2600 SIXTH STREET SW <small>(Street and Number)</small>			CANTON, OH 44710 <small>(City, or Town, State and Zip Code)</small>		
Main Administrative Office	2600 SIXTH STREET SW <small>(Street and Number)</small>					
	CANTON, OH 44710 <small>(City or Town, State and Zip Code)</small>			(330)363-4057 <small>(Area Code) (Telephone Number)</small>		
Mail Address	2600 SIXTH STREET SW <small>(Street and Number or P.O. Box)</small>			CANTON, OH 44710 <small>(City, or Town, State and Zip Code)</small>		
Primary Location of Books and Records	2600 SIXTH STREET SW <small>(Street and Number)</small>					
	CANTON, OH 44710 <small>(City, or Town, State and Zip Code)</small>			(330)363-4057 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	_____					
Statement Contact	JEFFREY ALAN SCHEATZLE <small>(Name)</small>			(330)363-4057 <small>(Area Code)(Telephone Number)(Extension)</small>		
	JSCHAEATZLE@AULTMAN.COM <small>(E-Mail Address)</small>			(330)438-2911 <small>(Fax Number)</small>		
Policyowner Relations Contact	_____					
	(City, or Town, State and Zip Code)			(Area Code) (Telephone Number)(Extension)		

OFFICERS

President RICK L HAINES
 Secretary WILLIAM S ALFORD DO #
 Treasurer CHRISTOPHER E REMARK #
 Executive Vice President EDWARD J ROTH

VICE PRESIDENTS

DIRECTORS

RAYMOND L CANDAGE M.D.
 JOHN B HUMPHREY JR., M.D.
 GREGORY HABAN M.D.
 EDWARD J ROTH III
 RICK L HAINES

WILLIAM A HAMMERSTROM
 WILLIAM S ALFORD D.O
 CHRISTOPHER E REMARK
 EILEEN W GOOD
 MICHAEL A RICH M.D.

State of Ohio
 County of Stark ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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 manuals 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.

_____ (Signature) RICK L HAINES _____ (Printed Name) PRESIDENT	_____ (Signature) GEORGE E FILM _____ (Printed Name) CONTROLLER	_____ (Signature) _____ (Printed Name)
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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 _____

Subscribed and sworn to before me this _____
 day of _____, 2003

 (Notary Signature)



DIRECT BUSINESS IN THE STATE OF GRAND TOTAL
 NAIC Group Code: 1204

LIFE INSURANCE

DURING THE YEAR 2002
 NAIC Company Code: 77216

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1 Ordinary	2 Credit Life (Group and Individual)	3 Group	4 Industrial	5 Total
1. Life Insurance					
2. Annuity considerations					
3. Deposit-type contract funds		X X X		X X X	
4. Other considerations					
5. Totals (Sum of Lines 1 to 4)					
DIRECT DIVIDENDS TO POLICYHOLDERS					
Life Insurance:					
6.1 Paid in cash or left on deposit					
6.2 Applied to pay renewal premiums					
6.3 Applied to provide paid-up additions or shorten the endowment or premium - paying period					
6.4 Other					
6.5 Totals (sum of Lines 6.1 to 6.4)					
Annuities:					
7.1 Paid in cash or left on deposit					
7.2 Applied to provide paid-up annuities					
7.3 Other					
7.4 Totals (sum of Lines 7.1 to 7.3)					
8. Grand Totals (Lines 6.5 plus 7.4)					
DIRECT CLAIMS AND BENEFITS PAID					
9. Death benefits					
10. Matured endowments					
11. Annuity benefits					
12. Surrender values and withdrawals for life contracts					
13. Aggregate write-ins for miscellaneous direct claims and benefits paid					
14. All other benefits, except accident and health					
15. Totals					
DETAILS OF WRITE-INS					
1301					
1302					
1303					
1398. Summary of remaining write-ins for Line 13 from overflow page					
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)					

1 DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1 Number	2 Amount	3 No. of Ind.Pols & Group Certifs.	4 Amount	5 No. of Certificates	6 Amount	7 Number	8 Amount	9 Number	10 Amount
16. Unpaid December 31, prior year										
17. Incurred during current year										
Settled during current year:										
18.1 By payment in full										
18.2 By payment on compromised claims										
18.3 Totals paid										
18.4 Reduction by compromise										
18.5 Amount rejected										
18.6 Total settlements										
19. Unpaid Dec. 31, current year (Lines 16 + 17 - 18.6)										
POLICY EXHIBIT					No. of Policies					
20. In force December 31, prior year				(a)						
21. Issued during year										
22. Other changes to in force (Net)										
23. In force December 31 of current year				(a)						

(a) Includes Individual Credit Life Insurance prior year \$....., current year \$.....
 Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year \$....., current year \$.....
 Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS prior year \$....., current year \$.....

ACCIDENT AND HEALTH INSURANCE

	1 Direct Premiums	2 Direct Premiums Earned	3 Dividends Paid Or Credited On Direct Business	4 Direct Losses Paid	5 Direct Losses Incurred
24. Group Policies	75,130,316	75,130,316		69,293,308	69,293,308
24.1 Federal Employees Health Benefits Program Premium					
24.2 Credit (Group and Individual)					
24.3 Collectively Renewable Policies					
Other Individual Policies					
25.1 Non-cancelable					
25.2 Guaranteed renewable					
25.3 Non-renewable for stated reasons only					
25.4 Other accident only					
25.5 All other					
25.6 Totals (sum of Lines 25.1 to 25.5)					
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	75,130,316	75,130,316		69,293,308	69,293,308



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1. Life Insurance					
2. Annuity considerations					
3. Deposit-type contract funds		X X X		X X X	
4. Other considerations					
5. Totals (Sum of Lines 1 to 4)					
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Life Insurance:					
6.1 Paid in cash or left on deposit					
6.2 Applied to pay renewal premiums					
6.3 Applied to provide paid-up additions or shorten the endowment or premium - paying period					
6.4 Other					
6.5 Totals (sum of Lines 6.1 to 6.4)					
Annuities:					
7.1 Paid in cash or left on deposit					
7.2 Applied to provide paid-up annuities					
7.3 Other					
7.4 Totals (sum of Lines 7.1 to 7.3)					
8. Grand Totals (Lines 6.5 plus 7.4)					
DIRECT CLAIMS AND BENEFITS PAID					
9. Death benefits					
10. Matured endowments					
11. Annuity benefits					
12. Surrender values and withdrawals for life contracts					
13. Aggregate write-ins for miscellaneous direct claims and benefits paid					
14. All other benefits, except accident and health					
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17. Incurred during current year										
Settled during current year:										
18.1 By payment in full										
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18.4 Reduction by compromise										
18.5 Amount rejected										
18.6 Total settlements										
19. Unpaid Dec. 31, current year (Lines 16 + 17 - 18.6)										
POLICY EXHIBIT					No. of Policies					
20. In force December 31, prior year				(a)						
21. Issued during year										
22. Other changes to in force (Net)										
23. In force December 31 of current year				(a)						

(a) Includes Individual Credit Life Insurance prior year \$....., current year \$.....
Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year \$....., current year \$.....
Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS prior year \$....., current year \$.....

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24.1 Federal Employees Health Benefits Program Premium					
24.2 Credit (Group and Individual)					
24.3 Collectively Renewable Policies					
Other Individual Policies					
25.1 Non-cancelable					
25.2 Guaranteed renewable					
25.3 Non-renewable for stated reasons only					
25.4 Other accident only					
25.5 All other					
25.6 Totals (sum of Lines 25.1 to 25.5)					
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	75,130,316	75,130,316		69,293,308	69,293,308

FORM FOR CALCULATING THE INTEREST MAINTENANCE RESERVE

INTEREST MAINTENANCE RESERVE

		1 Amount
1.	Reserve as of December 31, Prior Year	(12,001)
2.	Current Year's Realized Pre-Tax Capital Gains/(Losses) of \$..... Transferred into the Reserve Net of Taxes of \$.....	139,782
3.	Adjustment for Current Year's Liability Gains/(Losses) released from the reserve	
4.	Balance Before Reduction for Amount Transferred to Summary of Operations (Line 1 + Line 2 + Line 3)	127,781
5.	Current Year's Amortization Released to Summary of Operations (Amortization, Line 1, Column 4)	11,185
6.	Reserve as of December 31, Current Year (Line 4 minus Line 5)	116,596

AMORTIZATION

Year of Amortization		1 Reserve as of December 31, Prior Year	2 Current Year's Realized Capital Gains/(Losses) Transferred into the Reserve Net of Taxes	3 Adjustment for Current Year's Liability Gains/(Losses) Released From the Reserve	4 Balance Before Reduction for Current Year's Amortization (Columns 1 + 2 + 3)
1.	2002	(6,488)	17,673		11,185
2.	2003	(4,164)	33,779		29,615
3.	2004	(3,210)	28,184		24,974
4.	2005	(619)	22,281		21,662
5.	2006	1,272	15,727		16,999
6.	2007	998	8,703		9,701
7.	2008	287	4,634		4,921
8.	2009	(57)	3,736		3,679
9.	2010	(20)	2,766		2,746
10.	2011		1,688		1,688
11.	2012		611		611
12.	2013				
13.	2014				
14.	2015				
15.	2016				
16.	2017				
17.	2018				
18.	2019				
19.	2020				
20.	2021				
21.	2022				
22.	2023				
23.	2024				
24.	2025				
25.	2026				
26.	2027				
27.	2028				
28.	2029				
29.	2030				
30.	2031				
31.	2032 and later				
32.	TOTAL (Lines 1 to 31)	(12,001)	139,782		127,781

ASSET VALUATION RESERVE

	Default Component			Equity Component			7
	1 Other than Mortgage Loans	2 Mortgage Loans	3 Total (Columns 1 + 2)	4 Common Stock	5 Real Estate and Other Invested Assets	6 Total (Columns 4 + 5)		Total Amount (Columns 3 + 6)
1. Reserve as of December 31, prior year							
2. Realized Capital Gains/(Losses) Net of Taxes - General Account							
3. Realized Capital Gains/(Losses) Net of Taxes - Separate Accounts							
4. Unrealized Capital Gains/(Losses) - General Account							
5. Unrealized Capital Gains/(Losses) - Separate Accounts							
6. Capital gains credited/(losses charged) to contract benefits, payments or reserves							
7. Basic Contribution							
8. Accumulated Balances (Lines 1 through 5, minus 6 plus 7)	NONE						
9. Maximum Reserve							
10. Reserve Objective							
11. 20% of (Line 10 - Line 8)							
12. Balance Before Transfers (Lines 8 + 11)							
13. Transfers							X X X
14. Voluntary Contribution							
15. Adjustment down to Maximum/up to Zero							
16. Reserve as of December 31, Current Year (Lines 12 + 13 + 14 + 15)							

ASSET VALUATION RESERVE

BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS

DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1	2	3	4	Basic Contribution		Reserve Objective		Maximum Reserve	
			Book/Adjusted Carrying Value	Reclassify Related Party Encumbrances	Add Third Party Encumbrances	Balance for AVR Reserve Calculations (Columns 1 + 2 + 3)	5 Factor	6 Amount (Columns 4 x 5)	7 Factor	8 Amount (Columns 4 x 7)	9 Factor	10 Amount (Columns 4 x 9)
LONG-TERM BONDS												
1.		Exempt Obligations	10,838,390	X X X	X X X	10,838,390	0.0000		0.0000		0.0000	
2.	1	Highest Quality		X X X	X X X		0.0005		0.0015		0.0030	
3.	2	High Quality		X X X	X X X		0.0020		0.0060		0.0100	
4.	3	Medium Quality		X X X	X X X		0.0105		0.0280		0.0400	
5.	4	Low Quality		X X X	X X X		0.0270		0.0630		0.0900	
6.	5	Lower Quality		X X X	X X X		0.0670		0.1200		0.2000	
7.	6	In or Near Default		X X X	X X X		0.0000		0.3000		0.3000	
8.		TOTAL Unrated Multi-class Securities Acquired by Conversion		X X X	X X X		X X X		X X X		X X X	
9.		TOTAL Bonds (Sum of Lines 1 through 8) (Page 2, Line 1, Net Admitted Asset)	10,838,390	X X X	X X X	10,838,390	X X X		X X X		X X X	
PREFERRED STOCKS												
10.	1	Highest Quality		X X X	X X X		0.0020		0.0060		0.0090	
11.	2	High Quality		X X X	X X X		0.0065		0.0170		0.0250	
12.	3	Medium Quality		X X X	X X X		0.0185		0.0400		0.0600	
13.	4	Low Quality		X X X	X X X		0.0400		0.0880		0.1350	
14.	5	Lower Quality		X X X	X X X		0.0850		0.1600		0.2500	
15.	6	In or Near Default		X X X	X X X		0.0000		0.3000		0.3000	
16.		Affiliated Life with AVR		X X X	X X X		0.0000		0.0000		0.0000	
17.		TOTAL Preferred Stocks (Sum of Lines 10 through 16) (Page 2, Line 2.1, Net Admitted Asset)		X X X	X X X		X X X		X X X		X X X	
SHORT-TERM BONDS												
18.		Exempt Obligations		X X X	X X X		0.0000		0.0000		0.0000	
19.	1	Highest Quality		X X X	X X X		0.0005		0.0015		0.0030	
20.	2	High Quality		X X X	X X X		0.0020		0.0060		0.0100	
21.	3	Medium Quality		X X X	X X X		0.0105		0.0280		0.0400	
22.	4	Low Quality		X X X	X X X		0.0270		0.0630		0.0900	
23.	5	Lower Quality		X X X	X X X		0.0670		0.1200		0.2000	
24.	6	In or Near Default		X X X	X X X		0.0000		0.3000		0.3000	
25.		TOTAL Short-term Bonds (Sum of Lines 18 through 24)		X X X	X X X		X X X		X X X		X X X	

ASSET VALUATION RESERVE (Continued)

BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS

DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1	2	3	4	Basic Contribution		Reserve Objective		Maximum Reserve	
			Book/Adjusted Carrying Value	Reclassify Related Party Encumbrances	Add Third Party Encumbrances	Balance for AVR Reserve Calculations (Columns 1 + 2 + 3)	5 Factor	6 Amount (Columns 4 x 5)	7 Factor	8 Amount (Columns 4 x 7)	9 Factor	10 Amount (Columns 4 x 9)
DERIVATIVE INSTRUMENTS												
26.		Exchange Traded		X X X	X X X		0.0005		0.0015		0.0030	
27.	1	Highest Quality		X X X	X X X		0.0005		0.0015		0.0030	
28.	2	High Quality		X X X	X X X		0.0020		0.0060		0.0100	
29.	3	Medium Quality		X X X	X X X		0.0105		0.0280		0.0400	
30.	4	Low Quality		X X X	X X X		0.0270		0.0630		0.0900	
31.	5	Lower Quality		X X X	X X X		0.0670		0.1200		0.2000	
32.	6	In or Near Default		X X X	X X X		0.0000		0.3000		0.3000	
33.		TOTAL Derivative Instruments		X X X	X X X		X X X		X X X		X X X	
34.		TOTAL (Lines 9 + 17 + 25 + 33)	10,838,390	X X X	X X X	10,838,390	X X X		X X X		X X X	
MORTGAGE LOANS												
In Good Standing:												
35.		Farm Mortgages			X X X		(a)		(a)		(a)	
36.		Residential Mortgages - Insured or Guaranteed			X X X		0.0003		0.0006		0.0010	
37.		Residential Mortgages - All Other			X X X		0.0013		0.0030		0.0050	
38.		Commercial Mortgages - Insured or Guaranteed			X X X		0.0003		0.0006		0.0010	
39.		Commercial Mortgages - All Other			X X X		(a)		(a)		(a)	
40.		In Good Standing With Restructured Terms			X X X		(b)		(b)		(b)	
Overdue, Not in Process:												
41.		Farm Mortgages			X X X		0.0420		0.0915		0.1500	
42.		Residential Mortgages - Insured or Guaranteed			X X X		0.0005		0.0012		0.0020	
43.		Residential Mortgages - All Other			X X X		0.0025		0.0060		0.0100	
44.		Commercial Mortgages - Insured or Guaranteed			X X X		0.0005		0.0012		0.0020	
45.		Commercial Mortgages - All Other			X X X		0.0420		0.0915		0.1500	
In Process of Foreclosure:												
46.		Farm Mortgages			X X X		0.0000		0.2000		0.2000	
47.		Residential Mortgages - Insured or Guaranteed			X X X		0.0000		0.0040		0.0040	
48.		Residential Mortgages - All Other			X X X		0.0000		0.0200		0.0200	
49.		Commercial Mortgages - Insured or Guaranteed			X X X		0.0000		0.0040		0.0040	
50.		Commercial Mortgages - All Other			X X X		0.0000		0.2000		0.2000	
51.		TOTAL Schedule B Mortgages (Sum of Lines 35 through 50)			X X X		X X X		X X X		X X X	
(Page 2, Line 3, Net Admitted Asset)												
52.		Schedule DA Mortgages			X X X		(c)		(c)		(c)	
53.		TOTAL Mortgage Loans on Real Estate (Lines 51 + 52)			X X X		X X X		X X X		X X X	

(a) Times the company's experience adjustment factor (EAF).

(b) Column 9 is the greater of 7.5% without any EAF adjustments or a Company's EAF adjusted In Good Standing (IGS) factor plus 150 basis points. Columns 5 and 7 are 28% and 62% respectively of Col. 9.

(c) Determined using the same factors and breakdowns used for directly owned mortgage loans.

37 Asset Valuation Reserve - Equity Component - #1 - NONE

38 Asset Valuation Reserve - Equity Component - #2 - NONE

39 Asset Valuation Reserve - Equity Component - #3 - NONE

40 Asset Valuation Reserve - Replications - NONE

SCHEDULE A - VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value, December 31, prior year (prior year statement)	
2.	Increase (decrease) by adjustment:	
2.1	Totals, Part 1, Column 10	
2.2	Totals, Part 3, Column 7	
3.	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	
4.	Cost of additions and permanent improvements:	
4.1	Totals, Part 1, Column 13	
4.2	Totals, Part 3, Column 9	
5.	Total profit (loss) on sales, Part 3, Column 14	NONE
6.	Increase (decrease) by foreign exchange adjustment	
6.1	Totals, Part 1, Column 11	
6.2	Totals, Part 3, Column 8	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 12	
8.	Book/adjusted carrying value at the end of current period	
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	
11.	Total nonadmitted amounts	
12.	Statement value, current period (Page 2, real estate lines, current period)	

SCHEDULE B - VERIFICATION BETWEEN YEARS

1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year	
2.	Amount loaned during year:	
2.1	Actual cost at time of acquisitions	
2.2	Additional investment made after acquisitions	
3.	Accrual of discount and mortgage interest points and commitment fees	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	NONE
6.	Amounts paid on account or in full during the year	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	
12.	Total nonadmitted amounts	
13.	Statement value of mortgages owned at end of current period	

SCHEDULE BA - VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	980
2.	Cost of acquisitions during year:	
2.1	Actual cost at time of acquisitions	
2.2	Additional investment made after acquisitions	
3.	Accrual of discount	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	
6.	Amounts paid on account or in full during the year	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book/adjusted carrying value of long-term invested assets at end of current period	980
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	980
12.	Total nonadmitted amounts	
13.	Statement value of long-term invested assets at end of current period	980

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. GOVERNMENTS, SCHEDULES D & DA (Group 1)											
1.1 Class 1		9,379,898	1,399,059			10,778,957	100.00	9,168,457	100.00	10,778,957	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 TOTALS		9,379,898	1,399,059			10,778,957	100.00	9,168,457	100.00	10,778,957	
2. ALL OTHER GOVERNMENTS, SCHEDULES D & DA (Group 2)											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 TOTALS											
3. STATES, TERRITORIES AND POSSESSIONS ETC., GUARANTEED, SCHEDULES D & DA (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 TOTALS											
4. POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS, GUARANTEED, SCHEDULES D & DA (Group 4)											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 TOTALS											
5. SPECIAL REVENUE & SPECIAL ASSESSMENT OBLIGATIONS ETC., NON-GUARANTEED, SCHEDULES D & DA (Group 5)											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. PUBLIC UTILITIES (UNAFFILIATED), SCHEDULES D & DA (Group 6)											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 TOTALS											
7. INDUSTRIAL & MISCELLANEOUS (UNAFFILIATED), SCHEDULES D & DA (Group 7)											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 TOTALS											
8. CREDIT TENANT LOANS, SCHEDULES D & DA (Group 8)											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 TOTALS											
9. PARENT, SUBSIDIARIES AND AFFILIATES, SCHEDULES D & DA (Group 9)											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. TOTAL BONDS CURRENT YEAR											
10.1 Class 1		9,379,898	1,399,059			10,778,957	100.00	X X X	X X X	10,778,957	
10.2 Class 2								X X X	X X X		
10.3 Class 3								X X X	X X X		
10.4 Class 4								X X X	X X X		
10.5 Class 5						(c)		X X X	X X X		
10.6 Class 6						(c)		X X X	X X X		
10.7 TOTALS		9,379,898	1,399,059			(b) 10,778,957	100.00	X X X	X X X	10,778,957	
10.8 Line 10.7 as a % of Column 6		87.02	12.98			100.00	X X X	X X X	X X X	100.00	
11. TOTAL BONDS PRIOR YEAR											
11.1 Class 1	900,000	5,222,000	3,046,457			X X X	X X X	9,168,457	100.00	9,168,457	
11.2 Class 2						X X X	X X X				
11.3 Class 3						X X X	X X X				
11.4 Class 4						X X X	X X X				
11.5 Class 5						X X X	X X X	(c)			
11.6 Class 6						X X X	X X X	(c)			
11.7 TOTALS	900,000	5,222,000	3,046,457			X X X	X X X	(b) 9,168,457	100.00	9,168,457	
11.8 Line 11.7 as a % of Col. 8	9.82	56.96	33.23			X X X	X X X	100.00	X X X	100.00	
12. TOTAL PUBLICLY TRADED BONDS											
12.1 Class 1		9,379,898	1,399,059			10,778,957	100.00	9,168,457	100.00	10,778,957	X X X
12.2 Class 2											X X X
12.3 Class 3											X X X
12.4 Class 4											X X X
12.5 Class 5											X X X
12.6 Class 6											X X X
12.7 TOTALS		9,379,898	1,399,059			10,778,957	100.00	9,168,457	100.00	10,778,957	X X X
12.8 Line 12.7 as a % of Col. 6		87.02	12.98			100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10		87.02	12.98			100.00	X X X	X X X	X X X	100.00	X X X
13. TOTAL PRIVATELY PLACED BONDS											
13.1 Class 1										X X X	
13.2 Class 2										X X X	
13.3 Class 3										X X X	
13.4 Class 4										X X X	
13.5 Class 5										X X X	
13.6 Class 6										X X X	
13.7 TOTALS										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

(a) Includes \$..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$..... current year, \$..... prior year of bonds with Z designations and \$..... current year, \$..... prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$..... current year, \$..... prior year of bonds with 5* designations and \$..... current year, \$..... prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Types of and subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
1. U.S. GOVERNMENTS, SCHEDULES D & DA (Group 1)											
1.1 Issuer Obligations		9,379,898	1,399,059			10,778,957	100.00	9,168,457	100.00	10,778,957	
1.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
1.7 TOTALS		9,379,898	1,399,059			10,778,957	100.00	9,168,457	100.00	10,778,957	
2. ALL OTHER GOVERNMENTS, SCHEDULES D & DA (Group 2)											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined											
2.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5 Defined											
2.6 Other											
2.7 TOTALS											
3. STATES, TERRITORIES AND POSSESSIONS, GUARANTEED, SCHEDULES D & DA (Group 3)											
3.1 Issuer Obligations											
3.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined											
3.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5 Defined											
3.6 Other											
3.7 TOTALS											
4. POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS, GUARANTEED, SCHEDULES D & DA (Group 4)											
4.1 Issuer Obligations											
4.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined											
4.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5 Defined											
4.6 Other											
4.7 TOTALS											
5. SPECIAL REVENUE & SPECIAL ASSESSMENT OBLIGATIONS ETC., NON-GUAR., SCH. D & DA (Group 5)											
5.1 Issuer Obligations											
5.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined											
5.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5 Defined											
5.6 Other											
5.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Types of and subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
Distribution by Type	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 10.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed
6. PUBLIC UTILITIES (UNAFFILIATED), SCHEDULES D & DA (Group 6)											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined											
6.6 Other											
6.7 TOTALS											
7. INDUSTRIAL & MISCELLANEOUS (UNAFFILIATED), SCHEDULES D & DA (Group 7)											
7.1 Issuer Obligations											
7.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined											
7.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
7.5 Defined											
7.6 Other											
7.7 TOTALS											
8. CREDIT TENANT LOANS, SCHEDULES D & DA (Group 8)											
8.1 Issuer Obligations											
8.7 TOTALS											
9. PARENT, SUBSIDIARIES AND AFFILIATES, SCHEDULES D & DA (Group 9)											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined											
9.6 Other											
9.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Types of and subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
Distribution by Type	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 10.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed
10. TOTAL BONDS CURRENT YEAR											
10.1 Issuer Obligations		9,379,898	1,399,059			10,778,957	100.00	X X X	X X X	10,778,957	
10.2 Single Class Mortgage-Backed/Asset-Backed Bonds								X X X	X X X		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined								X X X	X X X		
10.4 Other								X X X	X X X		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined								X X X	X X X		
10.6 Other								X X X	X X X		
10.7 TOTALS		9,379,898	1,399,059			10,778,957	100.00	X X X	X X X	10,778,957	
10.8 Line 10.7 as a % of Column 6		87.02	12.98			100.00		X X X	X X X	100.00	
11. TOTAL BONDS PRIOR YEAR											
11.1 Issuer Obligations	900,000	5,222,000	3,046,457			X X X		X X X	9,168,457	100.00	9,168,457
11.2 Single Class Mortgage-Backed/Asset-Backed Bonds						X X X		X X X			
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined						X X X		X X X			
11.4 Other						X X X		X X X			
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined						X X X		X X X			
11.6 Other						X X X		X X X			
11.7 TOTALS	900,000	5,222,000	3,046,457			X X X		X X X	9,168,457	100.00	9,168,457
11.8 Line 11.7 as a % of Column 8	9.82	56.96	33.23			X X X		X X X	100.00	100.00	
12. TOTAL PUBLICLY TRADED BONDS											
12.1 Issuer Obligations		9,379,898	1,399,059			10,778,957	100.00	9,168,457	100.00	10,778,957	X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Bonds											X X X
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined											X X X
12.4 Other											X X X
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined											X X X
12.6 Other											X X X
12.7 TOTALS		9,379,898	1,399,059			10,778,957	100.00	9,168,457	100.00	10,778,957	X X X
12.8 Line 12.7 as a % of Column 6		87.02	12.98			100.00		X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10		87.02	12.98			100.00		X X X	X X X	100.00	X X X
13. TOTAL PRIVATELY PLACED BONDS											
13.1 Issuer Obligations										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Bonds										X X X	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined										X X X	
13.4 Other										X X X	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 TOTALS										X X X	
13.8 Line 13.7 as a % of Column 6								X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10								X X X	X X X	X X X	

49 Schedule DA Part 2 - NONE

50 Schedule DB Part A Verification - NONE

50 Schedule DB Part B Verification - NONE

51 Schedule DB Part C Verification - NONE

51 Schedule DB Part D Verification - NONE

51 Schedule DB Part E Verification - NONE

52 Schedule DB Part F Sn 1 - Sum Replicated Assets - NONE

53 Schedule DB Part F Sn 2 - Recon Replicated Assets - NONE

54 Schedule F - NONE

SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT

	Total		Group Accident and Health		Credit Accident & Health (Group and Individual)		Collectively Renewable		Other Individual Contracts												
			3	4	5	6	7	8	Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other				
	1	2	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS																					
1.	Premiums written	75,497,673	X X X	75,497,673	X X X		X X X		X X X		X X X		X X X		X X X		X X X		X X X		X X X
2.	Premiums earned	73,840,014	X X X	73,840,014	X X X		X X X		X X X		X X X		X X X		X X X		X X X		X X X		X X X
3.	Incurred claims	71,251,748	96.5	71,251,748	96.5																
4.	Increase in contract reserves																				
5.	Commissions (a)	2,987,514	4.0	2,987,514	4.0																
6.	General insurance expenses	3,428,147	4.6	3,428,147	4.6																
7.	Taxes, licenses and fees	1,020,115	1.4	1,020,115	1.4																
8.	Total expenses incurred	7,435,776	10.1	7,435,776	10.1																
9.	Aggregate write-ins for deductions																				
10.	Gain from underwriting before dividends or refunds	(4,847,510)	(6.6)	(4,847,510)	(6.6)																
11.	Dividends or refunds																				
12.	Gain from underwriting after dividends or refunds	(4,847,510)	(6.6)	(4,847,510)	(6.6)																
DETAILS OF WRITE-INS																					
0901																					
0902																					
0903																					
0998.	Summary of remaining write-ins for Line 9 from overflow page																				
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)																				

(a) Includes \$..... reported as "Contract, membership and other fees retained by agents."

SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT (Continued)

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non-Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
PART 2 - RESERVES AND LIABILITIES									
A. Premium Reserves:									
1. Unearned premiums									
2. Advance premiums	2,277,869	2,277,869							
3. Reserve for rate credits									
4. Total premium reserves, current year	2,277,869	2,277,869							
5. Total premium reserves, prior year	620,210	620,210							
6. Increase in total premium reserves	1,657,659	1,657,659							
B. Contract Reserves:									
1. Additional reserves									
2. Reserve for future contingent benefits (deferred maternity and other similar benefits)									
3. Total contract reserves, current year									
4. Total contract reserves, prior year									
5. Increase in contract reserves									
C. Claim Reserves and Liabilities:									
1. Total current year	7,083,648	7,083,648							
2. Total prior year	5,741,995	5,741,995							
3. Increase	1,341,653	1,341,653							
PART 3 - TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES									
1. Claim Paid During the Year:									
1.1 On claims incurred prior to current year	6,271,581	6,271,581							
1.2 On claims incurred during current year	63,638,514	63,638,514							
2. Claim Reserves and Liabilities, December 31, Current Year:									
2.1 On claims incurred prior to current year									
2.2 On claims incurred during current year	7,083,648	7,083,648							
3. Test:									
3.1 Lines 1.1 and 2.1	6,271,581	6,271,581							
3.2 Claim reserves and liabilities, December 31, prior year	5,741,995	5,741,995							
3.3 Line 3.1 minus Line 3.2	529,586	529,586							
PART 4 - REINSURANCE									
A. Reinsurance Assumed:									
1. Premiums written									
2. Premiums earned									
3. Incurred claims									
4. Commissions									
B. Reinsurance Ceded:									
1. Premiums written									
2. Premiums earned									
3. Incurred claims	1,661,107	1,661,107							
4. Commissions									

SCHEDULE H - PART 5 - HEALTH CLAIMS

	1 Medical	2 Dental	3 Other	4 Total
A. Direct:				
1. Incurred Claims	72,912,855			72,912,855
2. Beginning Claim Reserve and Liabilities	5,741,995			5,741,995
3. Ending Claim Reserves and Liabilities	7,083,648			7,083,648
4. Claims Paid	71,571,202			71,571,202
B. Assumed Reinsurance:				
5. Incurred Claims				
6. Beginning Claim Reserves and Liabilities				
7. Ending Claim Reserve and Liabilities				
8. Claims Paid				
C. Ceded Reinsurance:				
9. Incurred Claims	1,661,107			1,661,107
10. Beginning Claim Reserves and Liabilities				
11. Ending Claim Reserve and Liabilities				
12. Claims Paid	1,661,107			1,661,107
D. Net:				
13. Incurred Claims	71,251,748			71,251,748
14. Beginning Claim Reserve and Liabilities	5,741,995			5,741,995
15. Ending Claim Reserve and Liabilities	7,083,648			7,083,648
16. Claims Paid	69,910,095			69,910,095

SCHEDULE O - PART 1**Development of Incurred Losses****Section A - Group and Accident and Health**

Year in Which Losses Were Incurred	Net Amounts Paid Policyholders				
	1 1998	2 1999	3 2000	4 2001	5 2002(a)
1. Prior	4,481,380				
2. 1998	27,714,468	4,652,145			
3. 1999	X X X	31,198,069	4,744,330		
4. 2000	X X X	X X X	40,680,398	3,473,063	
5. 2001	X X X	X X X	X X X	50,940,966	
6. 2002	X X X	X X X	X X X	X X X	

Section B - Other Accident and Health

Year in Which Losses Were Incurred	Net Amounts Paid Policyholders				
	1 1998	2 1999	3 2000	4 2001	5 2002(a)
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section C - Credit Accident and Health

Year in Which Losses Were Incurred	Net Amounts Paid Policyholders				
	1 1998	2 1999	3 2000	4 2001	5 2002(a)
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

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

SCHEDULE O - PART 2

Development of Incurred Losses

Section A - Group and Accident and Health

Year in Which Losses Were Incurred	Sum of Net Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. 1998	28,173,219	4,652,145		X X X	X X X
2. 1999	X X X	31,198,069	4,744,330		X X X
3. 2000	X X X	X X X	40,680,398	3,473,063	
4. 2001	X X X	X X X	X X X	50,940,966	
5. 2002	X X X	X X X	X X X	X X X	

Section B - Other Accident and Health

Year in Which Losses Were Incurred	Sum of Net Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. 1998				X X X	X X X
2. 1999	X X X				X X X
3. 2000	X X X	X X X			
4. 2001	X X X	X X X	X X X		
5. 2002	X X X	X X X	X X X	X X X	

Section C - Credit Accident and Health

Year in Which Losses Were Incurred	Sum of Net Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. 1998				X X X	X X X
2. 1999	X X X				X X X
3. 2000	X X X	X X X			
4. 2001	X X X	X X X	X X X		
5. 2002	X X X	X X X	X X X	X X X	

SCHEDULE O - PART 3

Reserve and Liability Methodology - Exhibits 6 and 8

Line of Business	1 Methodology	2 Amount
1. Industrial life		
2. Ordinary life		
3. Individual annuity		
4. Supplementary contracts		
5. Credit life		
6. Group life	NONE	
7. Group accident and health		
8. Credit accident and health		
9. Other accident and health		
10. Total		

60 Schedule S - Part 1 - Section 1 - NONE

61 Schedule S - Part 1 - Section 2 - NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Paid Losses	7 Unpaid Losses
Life and Annuity, Affiliates						
62413	36-0947200	06/01/1991	CONTINENTAL ASSURANCE CO	CHICAGO, ILL	670,768	
0199999 Total - Life and Annuity, Affiliates					670,768	
0399999 Totals - Life and Annuity					670,768	
0799999 Totals - Life, Annuity and Accident and Health					670,768	

SCHEDULE S - PART 3 - SECTION 1

**Reinsurance Ceded Life Insurance, Annuities, Deposit Funds and Other Liabilities Without Life or Disability
Contingencies, and Related Benefits Listed by Reinsuring Company as of December 31, Current Year**

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Type of Reinsurance Ceded	7 Amount in Force at End of Year	Reserve Credit Taken		10 Premiums	Outstanding Surplus Relief		13 Modified Coinsurance Reserve	14 Funds Withheld Under Coinsurance
							8 Current Year	9 Prior Year		11 Current Year	12 Prior Year		
NONE													
0799999 Totals													

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
Affiliates												
62413	36-0947200	06/01/1991	CONTINENTAL ASSURANCE CO	CHICAGO, ILL	CO/I	1,661,107						
0199999 Total - Affiliates						1,661,107						
0399999 Totals						1,661,107						

SCHEDULE S - PART 4
Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Totals (Cols. 5 + 6 + 7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8
				NONE									
1199999 Totals (General Account and Separate Accounts combined)													

SCHEDULE S - PART 5**Five-Year Exhibit of Reinsurance Ceded Business****(000 Omitted)**

	1 2002	2 2001	3 2000	4 1999	5 1998
A. OPERATIONS ITEMS:					
1. Premiums and annuity considerations for life and accident and health contracts	1,661	1,430			
2. Commissions and reinsurance expense allowances					
3. Contract claims	1,661	1,430			
4. Surrender benefits and withdrawals for life contracts					
5. Dividends to policyholders					
6. Reserve adjustments on reinsurance ceded					
7. Increase in aggregate reserves for life and accident and health contracts					
B. BALANCE SHEETS ITEMS					
8. Premiums and annuity considerations for life and accident and health contracts deferred and uncollected					
9. Aggregate reserves for life and accident and health contracts					
10. Liability for deposit-type contracts					
11. Contract claims unpaid					
12. Amounts recoverable on reinsurance	671	569			
13. Experience rating refunds due or unpaid					
14. Policyholders' dividends (not included in Line 10)					
15. Commissions and reinsurance expense allowances unpaid					
16. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE					
(Deposits By and Funds Withheld From)					
17. Funds deposited by and withheld from (F)					
18. Letters of credit (L)					
19. Trust agreements (T)					
20. Other (O)					

SCHEDULE S - PART 6**Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance**

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Column 3)			
1. Cash and invested assets (Line 11)	13,159,779		13,159,779
2. Reinsurance ceded (Line 12)	670,768		670,768
3. Life & annuity premiums deferred & uncollected (Line 16)			
4. A & H premiums due and unpaid (Line 17)	1,752,974		1,752,974
5. Net credit for ceded reinsurance	X X X		
6. All other admitted assets (balance)	8,993,299		8,993,299
7. Total assets excluding Separate Accounts (Line 25)	24,576,820		24,576,820
8. Separate Account assets (Line 26)			
9. Total assets (Line 27)	24,576,820		24,576,820
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
10. Contract reserves (Lines 1 and 2)			
11. Liability for deposit-type contracts (Line 3)			
12. Claim reserves (Line 4)	7,083,648		7,083,648
13. Policyholder dividends/reserves (Lines 5 through 7)			
14. Premium & annuity considerations received in advance (Line 8)	2,277,869		2,277,869
15. Other contract liabilities (Line 9)	116,596		116,596
16. Reinsurance in unauthorized companies (Line 24.2)			
17. Funds held under reinsurance with unauthorized reinsurers (Line 24.3)		X X X	
18. All other liabilities (balance)	8,405,580		8,405,580
19. Total liabilities excluding Separate Accounts (Line 26)	17,883,693		17,883,693
20. Separate Account liabilities (Line 27)			
21. Total liabilities (Line 28)	17,883,693		17,883,693
22. Capital & surplus (Line 38)	6,693,127	X X X	6,693,127
23. Total liabilities, capital and surplus (Line 39)	24,576,820		24,576,820
NET CREDIT FOR CEDED REINSURANCE			
24. Contract reserves			
25. Claim reserves			
26. Policyholder dividends/reserves			
27. Premium & annuity considerations received in advance			
28. Liability for premium & other deposit funds			
29. Other contract liabilities			
30. Reinsurance ceded assets			
31. Other ceded reinsurance recoverables			
32. Total ceded reinsurance recoverables			
33. Life & annuity premiums deferred & uncollected			
34. A & H premiums due and unpaid			
35. Reinsurance in unauthorized companies			
36. Other ceded reinsurance payables/offsets			
37. Total ceded reinsurance payable/offsets			
38. Total net credit for ceded reinsurance			

SCHEDULE Y (continued)

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
.. 77216 ..	.. 34-1624818 ..	Mckinley Life Ins Co .....	.....	..... 1,100,000	.....	..... (11,188,817)	..... (298,835)	.....	.....	.....	..... (10,387,652)	.....
.....	.. 34-1445390 ..	Aultman Health Foundation .....	.....	..... (1,100,000)	.....	.....	..... 298,835	.....	.....	.....	..... (801,165)	.....
.....	.. 34-0714538 ..	Aultman Hospital .....	.....	.....	.....	..... 11,188,817	.....	.....	.....	.....	..... 11,188,817	.....
9999999 Totals .....			.....	.....	.....	..... 0	.....	.....	X X X	.....	..... 0	.....

Schedule Y Part 2 Explanation: The capital contribution consists of \$1,100,000 of paid in capital from Aultman Health Foundation. Column 7 is the capitated claims payments for McKinley enrollees paid to Aultman Hospital. column 8 is a fee for management service provided by Aultman Health Foundation and rent paid to Aultman Health Foundation.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
MARCH FILING	
1. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	No
2. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	No
3. Will the SVO Compliance Certification be filed by March 1?	No
4. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	No
5. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	No
6. Will the Risk-based Capital Report be filed with the NAIC by March 1?	Yes
7. Will the Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	Yes
8. Will the statement on non-guaranteed elements as required in interrogatory #3 to Exhibit 5 be filed by March 1?	No
9. Will an actuarial opinion be filed with this statement by March 1?	Yes
10. Will the Workers' Compensation Carve-Out Supplement be filed by March 1?	No
11. Will the Long-Term Care Insurance Exhibit be filed with the state of domicile and the NAIC by March 1?	No
APRIL FILING	
12. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	No
13. Will Management's Discussion and Analysis be filed by April 1?	Yes
14. Will the Interest-Sensitive Life Insurance Products Report Forms be filed with the state of domicile and the NAIC by April 1?	No
15. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	No
16. Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1?	No
17. Will the Adjustment Form (if required) be filed with the state of domicile and the NAIC by April 1?	No
18. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	Yes
19. Will the Investment Risks Interrogatories be filed by April 1?	Yes
JUNE FILING	
20. Will an audited financial report be filed by June 1?	Yes

Explanations:

Bar Codes:

Schedule SIS



Medicare Supplement Insurance Experience Exhibit



SVO Compliance Certification



Trusteed Surplus Statement



Supplemental Compensation Exhibit



Statement of Non-Guaranteed Elements for Exhibit 5



Worker's Compensation Carve-out Supplement



LTC Insurance Exhibit



LTC Experience Reporting Form C



Interest Sensitive Life Insurance Products Report



Credit Insurance Exhibit



LHA Guaranty Association Reconciliation



LHA Guaranty Association Adjustment Exhibit



OVERFLOW PAGE FOR WRITE-INS

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Columns 1-2)	Net Admitted Assets
1097. Summary of remaining write-ins for Line 10 (Lines 1004 through 1096)
2404. CITY INCOME TAXES	16,513
2497. Summary of remaining write-ins for Line 24 (Lines 2404 through 2496)	16,513

**MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT
FOR THE STATE OF OHIO**



NAIC Group Code: 1204

NAIC Company Code: 77216

Address (City, State and Zip Code): CANTON, OH 44710

Person Completing This Exhibit:

Title:

Telephone:

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Characteristics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 1999				Policies Issued in 2000, 2001, 2002			
										11 Premiums Earned	12 Incurred Claims		14 Number of Covered Lives	15 Premiums Earned	16 Incurred Claims		18 Number of Covered Lives
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	
NONE																	
0299999 Total Experience on Group Policies																	

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details:
2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 - 2.1 Address:
 - 2.2 Contact Person and Phone Number:
3. Billing address and contact person for user fees established under 42 U.S.C. 1395u(h)(3)(B)
 - 3.1 Address:
 - 3.2 Contact Person and Phone Number:
4. Explain any policies identified above as policy type "O":

MS Ohio

SIR-2	Supp. Inv. Risk Interr. Pt B -	NONE
SIR-3	Supp. Inv. Risk Interr. Pt C -	NONE
SIR-4	Supp. Inv. Risk Interr. Pt D -	NONE
SIR-5	Supp. Inv. Risk Interr. Pt E -	NONE
SIR-6	Supp. Inv. Risk Interr. Pt F -	NONE
SIS-1	SIS Title -	NONE
SIS-2	SIS Financial Reporting -	NONE
SIS-3	SIS Inform. - Management and Directors -	NONE
SIS-4	Statement Beneficial Ownership -	NONE
SVO	SVO Compliance Cert. -	NONE
TSS-1	Trusteed Surplus Affidavit -	NONE
TSS-2	Trusteed Surplus Assets Sch. A -	NONE
TSS-2	Trusteed Surplus Assets Sch. B - D -	NONE

SIR-2, SIR-3, SIR-4, SIR-5, SIR-6, SIS-1, SIS-2, SIS-3, SIS-4, SVO, TSS-1, TSS-2

TRUSTEED SURPLUS STATEMENT (Continued)

LIABILITIES AND TRUSTEED SURPLUS		1 Current Year
1.	TOTAL Liabilities	17,755,303
1.5 ADDITIONS TO LIABILITIES:		
2.	Aggregate write-ins for additions to liabilities	
3.	TOTAL (Lines 1 + 2)	17,755,303
3.5 DEDUCTIONS FROM LIABILITIES:		
4. Amounts Recoverable from Reinsurers:		
4.1	Authorized Companies	
4.2	Unauthorized Companies	
5. Special State Deposits, not exceeding net liabilities carried:		
5.1	Special State Deposits (submit schedule)	
5.2	Accrued interest on special state deposits	
6. Life insurance premiums and annuity considerations deferred and uncollected		
7. Accident and health premiums due and unpaid		
8. Policy loans and premium notes:		
8.1	Policy loans not exceeding reserves carried on such policies	
8.2	Premium notes	
8.3	Interest due and accrued on policy loans and premium notes	
9. Aggregate write-ins for other deductions from liabilities		
10. TOTAL Deductions (Lines 4.1 thru 9)		
11. TOTAL Adjusted Liabilities (Line 3 minus Line 10)		17,755,303
12. Trusteed Surplus		
13. TOTAL		17,755,303
DETAILS OF WRITE-INS		
0201		
0202		
0203		
0298. Summary of remaining write-ins for Line 2 from overflow page		
0299. TOTALS (Lines 0201 through 0203 plus 0298) (Line 2 above)		
0901		
0902		
0903		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		

(To be completed by Fraternal organization only)

INTERROGATORIES

- | | |
|--|--|
| 1.1 Have there been any changes made to any of the trust indentures during the year? | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |
| 1.2 If yes, has the domiciliary or entry state approved the change? | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |

WC-1	Workers Comp. Carve-Out Supp. Pt 1 Prem Earned -	NONE
WC-1	Workers Comp. Carve-Out Supp. Pt 2 Prem Written -	NONE
WC-1	Workers Comp. Carve-Out Supp. Pt 3 Losses Paid -	NONE
WC-1	Workers Comp. Carve-Out Supp. Pt 4 Unpaid Losses -	NONE
WC-2	Workers Comp. Carve-Out Supp. Sch F - Pt 1 -	NONE
WC-2	Workers Comp. Carve-Out Supp. Sch F - Pt 2 -	NONE
WC-3	Workers Comp. Carve-Out Supp. Sch P - Pt 1 -	NONE
WC-4	Workers Comp. Carve-Out Supp. Sch P - Pt 2 -	NONE
WC-4	Workers Comp. Carve-Out Supp. Sch P - Pt 3 -	NONE
WC-5	Workers Comp. Carve-Out Supp. Sch P - Pt 4 -	NONE
WC-5	Workers Comp. Carve-Out Supp. Sch P - Pt 5 Sn1 -	NONE
WC-5	Workers Comp. Carve-Out Supp. Sch P - Pt 5 Sn2 -	NONE
WC-5	Workers Comp. Carve-Out Supp. Sch P - Pt 5 Sn3 -	NONE
WC-6	Workers Comp. Carve-Out Supp. Sch P - Pt 6 Sn1 -	NONE
WC-6	Workers Comp. Carve-Out Supp. Sch P - Pt 6 Sn2 -	NONE

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