



LIFE AND ACCIDENT AND HEALTH COMPANIES—ASSOCIATION EDITION

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

U.S. FINANCIAL LIFE INSURANCE COMPANY

NAIC Group Code 0395 (Current Period) 0395 (Prior Period) NAIC Company Code 84530 Employer's ID Number 38-2046096

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

Country of Domicile United States of America

Incorporated 09/30/1974 Commenced Business 09/30/1974

Statutory Home Office 10290 Alliance Road, Cincinnati, OH 45242

Main Administrative Office 10290 Alliance Road, Cincinnati, OH 45242, 513-686-2000

Mail Address 10290 Alliance Road, Cincinnati, OH 45242

Primary Location of Books and Records 10290 Alliance Road, Cincinnati, OH 45242, 513-686-2026

Internet Website Address www.usfli.com

Statement Contact S. Vincent Zink, 513-686-2026, vzink@mail.usfli.com

Policyowner Relations Contact 10290 Alliance Road, Cincinnati, OH 45242, 513-686-2000

OFFICERS

President Paul Peter Aniskovich Secretary Loren Gail Lee
Treasurer Samuel Vincent Zink Actuary Deloitte & Touche, LLP

VICE PRESIDENTS

Robert Lee Carroll Scott Eric Christie Timothy Joseph Herr
Bonnie Moyer Householder Sharon Pannos Kaufman Loren Gail Lee
David John Murphy Steven George Orluck William George Schlechter
Erik Paul Simmons Samuel Vincent Zink

DIRECTORS OR TRUSTEES

Paul Peter Aniskovich Chandler Louis McKelvey Robert Lee Carroll
David John Murphy Steven George Orluck Sharon Pannos Kaufman

State of Ohio } ss
County of Hamilton }

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.

Paul Peter Aniskovich
President

Loren Gail Lee
Secretary

Samuel Vincent Zink
Treasurer

Subscribed and sworn to before me this 21st 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

Cheryl Kocher
Notary Public
9/1/2004



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Alabama

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	3,401,684				3,401,684
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	3,401,684	0	0	0	3,401,684
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	2,368,829				2,368,829
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	81,706				81,706
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	2,450,535	0	0	0	2,450,535
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	1	100,000	0	0	0	0	0	0	1	100,000
17. Incurred during current year	14	2,458,829							14	2,458,829
Settled during current year:										
18.1 By payment in full	14	2,368,829							14	2,368,829
18.2 By payment on compromised claims	0	0							0	0
18.3 Totals paid	14	2,368,829	0	0	0	0	0	0	14	2,368,829
18.4 Reduction by compromise		0							0	0
18.5 Amount rejected		0							0	0
18.6 Total settlements	14	2,368,829	0	0	0	0	0	0	14	2,368,829
19. Unpaid Dec. 31, current year (16+17-18.6)	1	190,000	0	0	0	0	0	0	1	190,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	1,921	469,165,015	0	(a)	0	0	0	0	1,921	469,165,015
21. Issued during year	632	182,328,474							632	182,328,474
22. Other changes to in force (Net)	(166)	(45,967,677)							(166)	(45,967,677)
23. In force December 31 of current year	2,387	605,525,812	0	(a)	0	0	0	0	2,387	605,525,812

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Alaska

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	130,906				130,906
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	130,906	0	0	0	130,906
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	100,000				100,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	100,000	0	0	0	100,000
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	1	100,000							1	100,000
Settled during current year:										
18.1 By payment in full	1	100,000							1	100,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	1	100,000	0	0	0	0	0	0	1	100,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	1	100,000	0	0	0	0	0	0	1	100,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	88	25,117,474	0	(a)	0	0	0	0	88	25,117,474
21. Issued during year	31	10,243,942							31	10,243,942
22. Other changes to in force (Net)	(3)	(1,157,134)							(3)	(1,157,134)
23. In force December 31 of current year	116	34,204,282	0	(a)	0	0	0	0	116	34,204,282

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF American Samoa

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance					0
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	0	0	0	0	0
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year										
Settled during current year:										
18.1 By payment in full									0	0
18.2 By payment on compromised claims									0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	0	0	0	(a) 0	0	0	0	0	0	0
21. Issued during year									0	0
22. Other changes to in force (Net)									0	0
23. In force December 31 of current year	0	0	0	(a) 0	0	0	0	0	0	0

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Arizona

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	1,494,864				1,494,864
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	1,494,864	0	0	0	1,494,864
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	100,000				100,000
10. Matured endowments					0
11. Annuity benefits	1,300				1,300
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	101,300	0	0	0	101,300
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	1	100,000							1	100,000
Settled during current year:										
18.1 By payment in full	1	100,000							1	100,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	1	100,000	0	0	0	0	0	0	1	100,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	1	100,000	0	0	0	0	0	0	1	100,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	337	118,671,369	0	(a)	0	0	0	0	337	118,671,369
21. Issued during year	273	98,826,961							273	98,826,961
22. Other changes to in force (Net)	(46)	(25,616,528)							(46)	(25,616,528)
23. In force December 31 of current year	564	191,881,802	0	(a)	0	0	0	0	564	191,881,802

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Arkansas

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	1,152,920				1,152,920
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	1,152,920	0	0	0	1,152,920
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	464,873				464,873
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	56,543				56,543
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	521,416	0	0	0	521,416
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	1	94,000	0	0	0	0	0	0	1	94,000
17. Incurred during current year	2	663,373							2	663,373
Settled during current year:										
18.1 By payment in full	1	372,373							1	372,373
18.2 By payment on compromised claims	1	92,500							1	92,500
18.3 Totals paid	2	464,873	0	0	0	0	0	0	2	464,873
18.4 Reduction by compromise		7,500							0	7,500
18.5 Amount rejected									0	0
18.6 Total settlements	2	472,373	0	0	0	0	0	0	2	472,373
19. Unpaid Dec. 31, current year (16+17-18.6)	1	285,000	0	0	0	0	0	0	1	285,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	529	133,148,546	0	(a)	0	0	0	0	529	133,148,546
21. Issued during year	247	63,096,349							247	63,096,349
22. Other changes to in force (Net)	(50)	(8,423,375)							(50)	(8,423,375)
23. In force December 31 of current year	726	187,821,520	0	(a)	0	0	0	0	726	187,821,520

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF California

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	12,620,924				12,620,924
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	12,620,924	0	0	0	12,620,924
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	2,839,010				2,839,010
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	45,984				45,984
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	2,884,994	0	0	0	2,884,994
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	3	570,500	0	0	0	0	0	0	3	570,500
17. Incurred during current year	23	2,777,310							23	2,777,310
Settled during current year:										
18.1 By payment in full	23	2,839,255							23	2,839,255
18.2 By payment on compromised claims									0	0
18.3 Totals paid	23	2,839,255	0	0	0	0	0	0	23	2,839,255
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	23	2,839,255	0	0	0	0	0	0	23	2,839,255
19. Unpaid Dec. 31, current year (16+17-18.6)	3	508,555	0	0	0	0	0	0	3	508,555
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	4,726	1,690,564,609	0	(a)	0	0	0	0	4,726	1,690,564,609
21. Issued during year	1,862	711,215,863							1,862	711,215,863
22. Other changes to in force (Net)	(443)	(187,100,741)							(443)	(187,100,741)
23. In force December 31 of current year	6,145	2,214,679,731	0	(a)	0	0	0	0	6,145	2,214,679,731

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Canada

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	30,936				30,936
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	30,936	0	0	0	30,936
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year										
Settled during current year:										
18.1 By payment in full									0	0
18.2 By payment on compromised claims									0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	0	0	0	(a) 0	0	0	0	0	0	0
21. Issued during year									0	0
22. Other changes to in force (Net)									0	0
23. In force December 31 of current year	0	0	0	(a) 0	0	0	0	0	0	0

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Colorado

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	3,213,704				3,213,704
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	3,213,704	0	0	0	3,213,704
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	933,443				933,443
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	88,633				88,633
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	11,275	0	0	0	11,275
14. All other benefits, except accident and health					0
15. Totals	1,033,351	0	0	0	1,033,351
<b>DETAILS OF WRITE-INS</b>					
1301. Waiver of Premium Disability Benefit	11,275				11,275
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	11,275	0	0	0	11,275

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	1	154,000	0	0	0	0	0	0	1	154,000
17. Incurred during current year	8	1,112,693							8	1,112,693
Settled during current year:										
18.1 By payment in full	8	933,443							8	933,443
18.2 By payment on compromised claims									0	0
18.3 Totals paid	8	933,443	0	0	0	0	0	0	8	933,443
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	8	933,443	0	0	0	0	0	0	8	933,443
19. Unpaid Dec. 31, current year (16+17-18.6)	1	333,250	0	0	0	0	0	0	1	333,250
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	2,128	601,599,725	0	0	0	0	0	0	2,128	601,599,725
21. Issued during year	480	160,457,801							480	160,457,801
22. Other changes to in force (Net)	(156)	(55,062,788)							(156)	(55,062,788)
23. In force December 31 of current year	2,452	706,994,738	0	0	0	0	0	0	2,452	706,994,738

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Connecticut

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	3,833,406				3,833,406
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	3,833,406	0	0	0	3,833,406
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other	0				0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	710,000				710,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	160,404				160,404
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	1,808	0	0	0	1,808
14. All other benefits, except accident and health					0
15. Totals	872,212	0	0	0	872,212
<b>DETAILS OF WRITE-INS</b>					
1301. Waiver of Premium Disability Benefit	1,808				1,808
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	1,808	0	0	0	1,808

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	2	59,400	0	0	0	0	0	0	2	59,400
17. Incurred during current year	5	685,600							5	685,600
Settled during current year:										
18.1 By payment in full	6	710,000							6	710,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	6	710,000	0	0	0	0	0	0	6	710,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	6	710,000	0	0	0	0	0	0	6	710,000
19. Unpaid Dec. 31, current year (16+17-18.6)	1	35,000	0	0	0	0	0	0	1	35,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	2,155	647,205,239	0	(a)	0	0	0	0	2,155	647,205,239
21. Issued during year	482	185,446,124							482	185,446,124
22. Other changes to in force (Net)	(154)	(57,146,237)							(154)	(57,146,237)
23. In force December 31 of current year	2,483	775,505,126	0	(a)	0	0	0	0	2,483	775,505,126

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Delaware

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	305,219				305,219
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	305,219	0	0	0	305,219
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits	2,930				2,930
12. Surrender values and withdrawals for life contracts	1,363				1,363
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	4,294	0	0	0	4,294
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year										
Settled during current year:										
18.1 By payment in full										0
18.2 By payment on compromised claims										0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise										0
18.5 Amount rejected										0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	166	52,304,262	0	(a)	0	0	0	0	166	52,304,262
21. Issued during year	55	18,368,858							55	18,368,858
22. Other changes to in force (Net)	(18)	(4,782,000)							(18)	(4,782,000)
23. In force December 31 of current year	203	65,891,120	0	(a)	0	0	0	0	203	65,891,120

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF District of Columbia

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	89,866				89,866
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	89,866	0	0	0	89,866
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	10,000				10,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	10,000	0	0	0	10,000
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	1	10,000							1	10,000
Settled during current year:										
18.1 By payment in full	1	10,000							1	10,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	1	10,000	0	0	0	0	0	0	1	10,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	1	10,000	0	0	0	0	0	0	1	10,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	0	0	(a)	0	0	0	0	0	0	0
21. Issued during year									0	0
22. Other changes to in force (Net)									0	0
23. In force December 31 of current year	0	0	(a)	0	0	0	0	0	0	0

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Florida

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	11,797,979				11,797,979
2. Annuity considerations	4,000				4,000
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	11,801,979	0	0	0	11,801,979
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	7,152,699				7,152,699
10. Matured endowments					0
11. Annuity benefits	27,933				27,933
12. Surrender values and withdrawals for life contracts	222,463				222,463
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	7,403,095	0	0	0	7,403,095
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	4	1,410,000	0	0	0	0	0	0	4	1,410,000
17. Incurred during current year	36	6,064,899							36	6,064,899
Settled during current year:										
18.1 By payment in full	36	7,152,699							36	7,152,699
18.2 By payment on compromised claims									0	0
18.3 Totals paid	36	7,152,699	0	0	0	0	0	0	36	7,152,699
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	36	7,152,699	0	0	0	0	0	0	36	7,152,699
19. Unpaid Dec. 31, current year (16+17-18.6)	4	322,200	0	0	0	0	0	0	4	322,200
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	4,887	1,332,012,037	0	(a)	0	0	0	0	4,887	1,332,012,037
21. Issued during year	1,563	489,241,966							1,563	489,241,966
22. Other changes to in force (Net)	(456)	(156,297,684)							(456)	(156,297,684)
23. In force December 31 of current year	5,994	1,664,956,319	0	(a)	0	0	0	0	5,994	1,664,956,319

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Georgia

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	4,700,145				4,700,145
2. Annuity considerations	2,000				2,000
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	4,702,145	0	0	0	4,702,145
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	2,703,000				2,703,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	43,522				43,522
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	2,746,522	0	0	0	2,746,522
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	3	782,720	0	0	0	0	0	0	3	782,720
17. Incurred during current year	14	2,445,280							14	2,445,280
Settled during current year:										
18.1 By payment in full	13	2,703,000							13	2,703,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	13	2,703,000	0	0	0	0	0	0	13	2,703,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	13	2,703,000	0	0	0	0	0	0	13	2,703,000
19. Unpaid Dec. 31, current year (16+17-18.6)	4	525,000	0	0	0	0	0	0	4	525,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	2,339	589,750,183	0	(a)	0	0	0	0	2,339	589,750,183
21. Issued during year	834	239,565,032							834	239,565,032
22. Other changes to in force (Net)	(200)	(53,828,475)							(200)	(53,828,475)
23. In force December 31 of current year	2,973	775,486,740	0	(a)	0	0	0	0	2,973	775,486,740

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Guam

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	1,416				1,416
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	1,416	0	0	0	1,416
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise										
18.5 Amount rejected										
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	0	0	(a)	0	0	0	0	0	0	0
21. Issued during year										
22. Other changes to in force (Net)										
23. In force December 31 of current year	0	0	(a)	0	0	0	0	0	0	0

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Hawaii

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	572,871				572,871
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	572,871	0	0	0	572,871
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year										
Settled during current year:										
18.1 By payment in full									0	0
18.2 By payment on compromised claims									0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	92	25,547,119	0	(a)	0	0	0	0	92	25,547,119
21. Issued during year	100	18,444,445							100	18,444,445
22. Other changes to in force (Net)	(8)	(1,400,000)							(8)	(1,400,000)
23. In force December 31 of current year	184	42,591,564	0	(a)	0	0	0	0	184	42,591,564

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Idaho

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	69,813				69,813
2. Annuity considerations	73				73
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	69,886	0	0	0	69,886
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year										
Settled during current year:										
18.1 By payment in full									0	0
18.2 By payment on compromised claims									0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	1	0	0	(a)	0	0	0	0	1	0
21. Issued during year	1	500,000	0						1	500,000
22. Other changes to in force (Net)									0	0
23. In force December 31 of current year	2	500,000	0	(a)	0	0	0	0	2	500,000

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Illinois

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	6,848,934				6,848,934
2. Annuity considerations	2,250				2,250
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	6,851,184	0	0	0	6,851,184
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	751,134				751,134
10. Matured endowments	0				0
11. Annuity benefits	9,784				9,784
12. Surrender values and withdrawals for life contracts	59,037				59,037
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	819,956	0	0	0	819,956
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	1	245	0	0	0	0	0	0	1	245
17. Incurred during current year	15	1,102,389							15	1,102,389
Settled during current year:										
18.1 By payment in full	14	750,889							14	750,889
18.2 By payment on compromised claims									0	0
18.3 Totals paid	14	750,889	0	0	0	0	0	0	14	750,889
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	14	750,889	0	0	0	0	0	0	14	750,889
19. Unpaid Dec. 31, current year (16+17-18.6)	2	351,745	0	0	0	0	0	0	2	351,745
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	3,293	1,069,646,230	0	(a)	0	0	0	0	3,293	1,069,646,230
21. Issued during year	1,124	394,322,793							1,124	394,322,793
22. Other changes to in force (Net)	(293)	(102,520,222)							(293)	(102,520,222)
23. In force December 31 of current year	4,124	1,361,448,801	0	(a)	0	0	0	0	4,124	1,361,448,801

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Indiana

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	3,694,806				3,694,806
2. Annuity considerations	9,082				9,082
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	3,703,888	0	0	0	3,703,888
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	1,655,738				1,655,738
10. Matured endowments					0
11. Annuity benefits	8,544				8,544
12. Surrender values and withdrawals for life contracts	482,035				482,035
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	2,146,317	0	0	0	2,146,317
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	3	213,782	0	0	0	0	0	0	3	213,782
17. Incurred during current year	21	1,516,956							21	1,516,956
Settled during current year:										
18.1 By payment in full	23	1,655,738							23	1,655,738
18.2 By payment on compromised claims									0	0
18.3 Totals paid	23	1,655,738	0	0	0	0	0	0	23	1,655,738
18.4 Reduction by compromise									0	0
18.5 Amount rejected	1	75,000							1	75,000
18.6 Total settlements	24	1,730,738	0	0	0	0	0	0	24	1,730,738
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	2,344	476,763,728	0	(a)	0	0	0	0	2,344	476,763,728
21. Issued during year	490	172,860,997							490	172,860,997
22. Other changes to in force (Net)	(206)	(50,324,491)							(206)	(50,324,491)
23. In force December 31 of current year	2,628	599,300,234	0	(a)	0	0	0	0	2,628	599,300,234

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Iowa

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	2,814,014				2,814,014
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	2,814,014	0	0	0	2,814,014
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	190,000				190,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	19,687				19,687
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	209,687	0	0	0	209,687
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	4	190,000							4	190,000
Settled during current year:										
18.1 By payment in full	4	190,000							4	190,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	4	190,000	0	0	0	0	0	0	4	190,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	4	190,000	0	0	0	0	0	0	4	190,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	1,152	260,166,366	0	(a)	0	0	0	0	1,152	260,166,366
21. Issued during year	319	86,704,418							319	86,704,418
22. Other changes to in force (Net)	(79)	(17,817,764)							(79)	(17,817,764)
23. In force December 31 of current year	1,392	329,053,020	0	(a)	0	0	0	0	1,392	329,053,020

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF **Kansas**

DURING THE YEAR **2002**

NAIC Group Code **0395**

**LIFE INSURANCE**

NAIC Company Code **84530**

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	2,186,797				2,186,797
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	2,186,797	0	0	0	2,186,797
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	460,000				460,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	2,474				2,474
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	462,474	0	0	0	462,474
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	4	460,000							4	460,000
Settled during current year:										
18.1 By payment in full	4	460,000							4	460,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	4	460,000	0	0	0	0	0	0	4	460,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	4	460,000	0	0	0	0	0	0	4	460,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	1,021	280,599,418	0	(a)	0	0	0	0	1,021	280,599,418
21. Issued during year	401	129,426,938							401	129,426,938
22. Other changes to in force (Net)	(92)	(30,179,310)							(92)	(30,179,310)
23. In force December 31 of current year	1,330	379,847,046	0	(a)	0	0	0	0	1,330	379,847,046

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF **Kentucky**

DURING THE YEAR **2002**

NAIC Group Code **0395**

**LIFE INSURANCE**

NAIC Company Code **84530**

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	3,448,617				3,448,617
2. Annuity considerations	2,000				2,000
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	3,450,617	0	0	0	3,450,617
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	1,132,533				1,132,533
10. Matured endowments					0
11. Annuity benefits	9,240				9,240
12. Surrender values and withdrawals for life contracts	360,450				360,450
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	1,502,223	0	0	0	1,502,223
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	19	1,357,533							19	1,357,533
Settled during current year:										
18.1 By payment in full	16	1,132,533							16	1,132,533
18.2 By payment on compromised claims									0	0
18.3 Totals paid	16	1,132,533	0	0	0	0	0	0	16	1,132,533
18.4 Reduction by compromise									0	0
18.5 Amount rejected	1	50,000							1	50,000
18.6 Total settlements	17	1,182,533	0	0	0	0	0	0	17	1,182,533
19. Unpaid Dec. 31, current year (16+17-18.6)	2	175,000	0	0	0	0	0	0	2	175,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	2,168	495,413,332	0	(a)	0	0	0	0	2,168	495,413,332
21. Issued during year	517	186,955,443							517	186,955,443
22. Other changes to in force (Net)	(188)	(63,272,106)							(188)	(63,272,106)
23. In force December 31 of current year	2,497	619,096,669	0	(a)	0	0	0	0	2,497	619,096,669

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Louisiana

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	2,206,912				2,206,912
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	2,206,912	0	0	0	2,206,912
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	410,000				410,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	8,486				8,486
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	418,486	0	0	0	418,486
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	3	129,000	0	0	0	0	0	0	3	129,000
17. Incurred during current year	5	481,000							5	481,000
Settled during current year:										
18.1 By payment in full	6	410,000							6	410,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	6	410,000	0	0	0	0	0	0	6	410,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected	1	100,000							1	100,000
18.6 Total settlements	7	510,000	0	0	0	0	0	0	7	510,000
19. Unpaid Dec. 31, current year (16+17-18.6)	1	100,000	0	0	0	0	0	0	1	100,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	989	242,225,848	0	(a)	0	0	0	0	989	242,225,848
21. Issued during year	307	99,354,024							307	99,354,024
22. Other changes to in force (Net)	(101)	(25,400,006)							(101)	(25,400,006)
23. In force December 31 of current year	1,195	316,179,866	0	(a)	0	0	0	0	1,195	316,179,866

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF **Maine**

DURING THE YEAR **2002**

NAIC Group Code **0395**

**LIFE INSURANCE**

NAIC Company Code **84530**

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	721,247				721,247
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	721,247	0	0	0	721,247
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	50,000				50,000
10. Matured endowments					0
11. Annuity benefits	6,000				6,000
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	56,000	0	0	0	56,000
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	3	336,500							3	336,500
Settled during current year:										
18.1 By payment in full	1	50,000							1	50,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	1	50,000	0	0	0	0	0	0	1	50,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected	1	125,000							1	125,000
18.6 Total settlements	2	175,000	0	0	0	0	0	0	2	175,000
19. Unpaid Dec. 31, current year (16+17-18.6)	1	161,500	0	0	0	0	0	0	1	161,500
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	322	108,758,012	0	(a)	0	0	0	0	322	108,758,012
21. Issued during year	185	49,929,856							185	49,929,856
22. Other changes to in force (Net)	(22)	(5,883,381)							(22)	(5,883,381)
23. In force December 31 of current year	485	152,804,487	0	(a)	0	0	0	0	485	152,804,487

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Maryland

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	2,611,059				2,611,059
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	2,611,059	0	0	0	2,611,059
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	1,042,000				1,042,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	196,392				196,392
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	1,238,392	0	0	0	1,238,392
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	11	1,061,000							11	1,061,000
Settled during current year:										
18.1 By payment in full	10	1,042,000							10	1,042,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	10	1,042,000	0	0	0	0	0	0	10	1,042,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	10	1,042,000	0	0	0	0	0	0	10	1,042,000
19. Unpaid Dec. 31, current year (16+17-18.6)	1	19,000	0	0	0	0	0	0	1	19,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	1,303	335,968,408	0	(a)	0	0	0	0	1,303	335,968,408
21. Issued during year	478	162,681,602							478	162,681,602
22. Other changes to in force (Net)	(112)	(41,227,710)							(112)	(41,227,710)
23. In force December 31 of current year	1,669	457,422,300	0	(a)	0	0	0	0	1,669	457,422,300

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Massachusetts

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	5,108,115				5,108,115
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	5,108,115	0	0	0	5,108,115
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	3,050,000				3,050,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	370,981				370,981
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	3,420,981	0	0	0	3,420,981
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	19	3,050,000							19	3,050,000
Settled during current year:										
18.1 By payment in full	19	3,050,000							19	3,050,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	19	3,050,000	0	0	0	0	0	0	19	3,050,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	19	3,050,000	0	0	0	0	0	0	19	3,050,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	2,513	661,367,303	0	(a)	0	0	0	0	2,513	661,367,303
21. Issued during year	800	273,593,174							800	273,593,174
22. Other changes to in force (Net)	(214)	(63,643,032)							(214)	(63,643,032)
23. In force December 31 of current year	3,099	871,317,445	0	(a)	0	0	0	0	3,099	871,317,445

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Michigan

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	8,451,095				8,451,095
2. Annuity considerations	51,709				51,709
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	8,502,804	0	0	0	8,502,804
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	4,857,762				4,857,762
10. Matured endowments					0
11. Annuity benefits	268,333				268,333
12. Surrender values and withdrawals for life contracts	684,144				684,144
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	14,703	0	0	0	14,703
14. All other benefits, except accident and health					0
15. Totals	5,824,942	0	0	0	5,824,942
<b>DETAILS OF WRITE-INS</b>					
1301. Waiver of Premium Disability Benefit	14,703				14,703
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	14,703	0	0	0	14,703

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	6	620,000	0	0	0	0	0	0	6	620,000
17. Incurred during current year	33	4,332,762							33	4,332,762
Settled during current year:										
18.1 By payment in full	36	4,857,762							36	4,857,762
18.2 By payment on compromised claims									0	0
18.3 Totals paid	36	4,857,762	0	0	0	0	0	0	36	4,857,762
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	36	4,857,762	0	0	0	0	0	0	36	4,857,762
19. Unpaid Dec. 31, current year (16+17-18.6)	3	95,000	0	0	0	0	0	0	3	95,000
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	6,535	1,426,706,017	0	0	0	0	0	0	6,535	1,426,706,017
21. Issued during year	1,280	422,634,926							1,280	422,634,926
22. Other changes to in force (Net)	(452)	(123,738,855)							(452)	(123,738,855)
23. In force December 31 of current year	7,363	1,725,602,088	0	0	0	0	0	0	7,363	1,725,602,088

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies				33,768	26,347
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	33,768	26,347



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Minnesota

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	786,601				786,601
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	786,601	0	0	0	786,601
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits	8,363				8,363
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	8,363	0	0	0	8,363
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	1	100,000							1	100,000
Settled during current year:										
18.1 By payment in full									0	0
18.2 By payment on compromised claims									0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	1	100,000	0	0	0	0	0	0	1	100,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	0	0	(a)	0	0	0	0	0	0	0
21. Issued during year	294	118,286,136							294	118,286,136
22. Other changes to in force (Net)	(5)	(3,403,120)							(5)	(3,403,120)
23. In force December 31 of current year	289	114,883,016	0	0	0	0	0	0	289	114,883,016

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Mississippi

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	2,854,067				2,854,067
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	2,854,067	0	0	0	2,854,067
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	753,451				753,451
10. Matured endowments					0
11. Annuity benefits	6,000				6,000
12. Surrender values and withdrawals for life contracts	78,457				78,457
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	837,908	0	0	0	837,908
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	1	10,000	0	0	0	0	0	0	1	10,000
17. Incurred during current year	10	743,451							10	743,451
Settled during current year:										
18.1 By payment in full	11	753,451							11	753,451
18.2 By payment on compromised claims									0	0
18.3 Totals paid	11	753,451	0	0	0	0	0	0	11	753,451
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	11	753,451	0	0	0	0	0	0	11	753,451
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	1,464	378,019,987	0	(a)	0	0	0	0	1,464	378,019,987
21. Issued during year	335	88,143,000							335	88,143,000
22. Other changes to in force (Net)	(100)	(31,211,680)							(100)	(31,211,680)
23. In force December 31 of current year	1,699	434,951,307	0	(a)	0	0	0	0	1,699	434,951,307

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Missouri

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	3,614,206				3,614,206
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	3,614,206	0	0	0	3,614,206
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	1,370,000				1,370,000
10. Matured endowments					0
11. Annuity benefits	1,902				1,902
12. Surrender values and withdrawals for life contracts	146,875				146,875
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	1,942	0	0	0	1,942
14. All other benefits, except accident and health					0
15. Totals	1,520,719	0	0	0	1,520,719
<b>DETAILS OF WRITE-INS</b>					
1301. Waiver of Premium Disability Benefit	1,942				1,942
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	1,942	0	0	0	1,942

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	3	429,000	0	0	0	0	0	0	3	429,000
17. Incurred during current year	12	1,191,000							12	1,191,000
Settled during current year:										
18.1 By payment in full	14	1,370,000							14	1,370,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	14	1,370,000	0	0	0	0	0	0	14	1,370,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected	1	250,000							1	250,000
18.6 Total settlements	15	1,620,000	0	0	0	0	0	0	15	1,620,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	2,245	527,266,384	0	(a)	0	0	0	0	2,245	527,266,384
21. Issued during year	633	180,442,903							633	180,442,903
22. Other changes to in force (Net)	(199)	(47,334,658)							(199)	(47,334,658)
23. In force December 31 of current year	2,679	660,374,629	0	(a)	0	0	0	0	2,679	660,374,629

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Montana

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	676,334				676,334
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	676,334	0	0	0	676,334
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	2,332,334				2,332,334
10. Matured endowments					0
11. Annuity benefits	11,891				11,891
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	2,344,225	0	0	0	2,344,225
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	11	2,332,334							11	2,332,334
Settled during current year:										
18.1 By payment in full	11	2,332,334							11	2,332,334
18.2 By payment on compromised claims									0	0
18.3 Totals paid	11	2,332,334	0	0	0	0	0	0	11	2,332,334
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	11	2,332,334	0	0	0	0	0	0	11	2,332,334
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	422	97,876,825	0	(a)	0	0	0	0	422	97,876,825
21. Issued during year	113	30,461,036							113	30,461,036
22. Other changes to in force (Net)	(44)	(10,074,594)							(44)	(10,074,594)
23. In force December 31 of current year	491	118,263,267	0	(a)	0	0	0	0	491	118,263,267

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Nebraska

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	944,054				944,054
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	944,054	0	0	0	944,054
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	162,000				162,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	1,196				1,196
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	163,196	0	0	0	163,196
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	1	100,000	0	0	0	0	0	0	1	100,000
17. Incurred during current year	3	204,500							3	204,500
Settled during current year:										
18.1 By payment in full	3	162,000							3	162,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	3	162,000	0	0	0	0	0	0	3	162,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	3	162,000	0	0	0	0	0	0	3	162,000
19. Unpaid Dec. 31, current year (16+17-18.6)	1	142,500	0	0	0	0	0	0	1	142,500
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	587	159,584,077	0	(a)	0	0	0	0	587	159,584,077
21. Issued during year	204	57,643,676							204	57,643,676
22. Other changes to in force (Net)	(41)	(10,669,000)							(41)	(10,669,000)
23. In force December 31 of current year	750	206,558,753	0	(a)	0	0	0	0	750	206,558,753

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Nevada

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	453,579				453,579
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	453,579	0	0	0	453,579
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	33,110				33,110
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	33,110	0	0	0	33,110
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	1	33,110							1	33,110
Settled during current year:										
18.1 By payment in full	1	33,110							1	33,110
18.2 By payment on compromised claims									0	0
18.3 Totals paid	1	33,110	0	0	0	0	0	0	1	33,110
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	1	33,110	0	0	0	0	0	0	1	33,110
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	0	0	(a)	0	No. of Policies	0	0	0	0	0
21. Issued during year									0	0
22. Other changes to in force (Net)									0	0
23. In force December 31 of current year	0	0	(a)	0	0	0	0	0	0	0

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF New Hampshire

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	826,782				826,782
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	826,782	0	0	0	826,782
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	100,000				100,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	3,820				3,820
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	103,820	0	0	0	103,820
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	1	100,000							1	100,000
Settled during current year:										
18.1 By payment in full	1	100,000							1	100,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	1	100,000	0	0	0	0	0	0	1	100,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	1	100,000	0	0	0	0	0	0	1	100,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	317	94,505,673	0	(a)	0	0	0	0	317	94,505,673
21. Issued during year	102	25,224,593							102	25,224,593
22. Other changes to in force (Net)	(24)	(10,588,570)							(24)	(10,588,570)
23. In force December 31 of current year	395	109,141,696	0	(a)	0	0	0	0	395	109,141,696

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF New Jersey

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	4,871,433				4,871,433
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	4,871,433	0	0	0	4,871,433
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	510,000				510,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	11,665				11,665
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	521,665	0	0	0	521,665
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	1	141,000	0	0	0	0	0	0	1	141,000
17. Incurred during current year	5	565,175							5	565,175
Settled during current year:										
18.1 By payment in full	4	510,000							4	510,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	4	510,000	0	0	0	0	0	0	4	510,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	4	510,000	0	0	0	0	0	0	4	510,000
19. Unpaid Dec. 31, current year (16+17-18.6)	2	196,175	0	0	0	0	0	0	2	196,175
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	722	314,714,346	0	0	0	0	0	0	722	314,714,346
21. Issued during year	743	307,569,489							743	307,569,489
22. Other changes to in force (Net)	(77)	(39,703,428)							(77)	(39,703,428)
23. In force December 31 of current year	1,388	582,580,407	0	0	0	0	0	0	1,388	582,580,407

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF New Mexico

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	718,813				718,813
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	718,813	0	0	0	718,813
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	1,255,000				1,255,000
10. Matured endowments					0
11. Annuity benefits	10,200				10,200
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	1,265,200	0	0	0	1,265,200
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	1	47,000	0	0	0	0	0	0	1	47,000
17. Incurred during current year	7	1,208,000							7	1,208,000
Settled during current year:										
18.1 By payment in full	8	1,255,000							8	1,255,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	8	1,255,000	0	0	0	0	0	0	8	1,255,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	8	1,255,000	0	0	0	0	0	0	8	1,255,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	338	97,867,185	0	(a)	0	0	0	0	338	97,867,185
21. Issued during year	142	34,622,750							142	34,622,750
22. Other changes to in force (Net)	(34)	(10,152,439)							(34)	(10,152,439)
23. In force December 31 of current year	446	122,337,496	0	(a)	0	0	0	0	446	122,337,496

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF New York

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	2,385,705				2,385,705
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	2,385,705	0	0	0	2,385,705
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	450,000				450,000
10. Matured endowments					0
11. Annuity benefits	28,801				28,801
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	478,801	0	0	0	478,801
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	2	630,000							2	630,000
Settled during current year:										
18.1 By payment in full	1	450,000							1	450,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	1	450,000	0	0	0	0	0	0	1	450,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	1	450,000	0	0	0	0	0	0	1	450,000
19. Unpaid Dec. 31, current year (16+17-18.6)	1	180,000	0	0	0	0	0	0	1	180,000
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	0	0	(a)	0	0	0	0	0	0	0
21. Issued during year									0	0
22. Other changes to in force (Net)									0	0
23. In force December 31 of current year	0	0	(a)	0	0	0	0	0	0	0

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

DIRECT BUSINESS IN THE STATE OF North Carolina

DURING THE YEAR 2002

NAIC Group Code 0395

LIFE INSURANCE

NAIC Company Code 84530

Table with 5 columns: 1 Ordinary, 2 Credit Life (Group and Individual), 3 Group, 4 Industrial, 5 Total. Rows include: DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS, DIRECT DIVIDENDS TO POLICYHOLDERS, DIRECT CLAIMS AND BENEFITS PAID, and DETAILS OF WRITE-INS.

Table with 10 columns: 1 No., 2 Amount, 3 No. of Ind. Pols. & Gr. Certifs., 4 Amount, 5 No. of Certifs., 6 Amount, 7 No., 8 Amount, 9 No., 10 Amount. Rows include: DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED and POLICY EXHIBIT.

(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

Table with 5 columns: 1 Direct Premiums, 2 Direct Premiums Earned, 3 Dividends Paid Or Credited On Direct Business, 4 Direct Losses Paid, 5 Direct Losses Incurred. Rows include: 24. Group Policies, 24.1 Federal Employees Health Benefits Program premium, 24.2 Credit (Group and Individual), 24.3 Collectively Renewable Policies, 25.1 Non-cancellable, 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)



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF North Dakota

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	926,021				926,021
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	926,021	0	0	0	926,021
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	200,000				200,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	8,697				8,697
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	208,697	0	0	0	208,697
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	3	209,500							3	209,500
Settled during current year:										
18.1 By payment in full	2	200,000							2	200,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	2	200,000	0	0	0	0	0	0	2	200,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	2	200,000	0	0	0	0	0	0	2	200,000
19. Unpaid Dec. 31, current year (16+17-18.6)	1	9,500	0	0	0	0	0	0	1	9,500
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	574	156,625,598	0	(a)	0	0	0	0	574	156,625,598
21. Issued during year	158	39,735,037							158	39,735,037
22. Other changes to in force (Net)	(23)	(4,357,767)							(23)	(4,357,767)
23. In force December 31 of current year	709	192,002,868	0	(a)	0	0	0	0	709	192,002,868

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Ohio

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	13,386,080				13,386,080
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	13,386,080	0	0	0	13,386,080
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	4,850,530				4,850,530
10. Matured endowments					0
11. Annuity benefits	105,866				105,866
12. Surrender values and withdrawals for life contracts	658,020				658,020
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	561	0	0	0	561
14. All other benefits, except accident and health					0
15. Totals	5,614,977	0	0	0	5,614,977
<b>DETAILS OF WRITE-INS</b>					
1301. Waiver of Premium Disability Benefit	561				561
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	561	0	0	0	561

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	4	452,314	0	0	0	0	0	0	4	452,314
17. Incurred during current year	45	5,105,780							45	5,105,780
Settled during current year:										
18.1 By payment in full	42	4,850,530							42	4,850,530
18.2 By payment on compromised claims									0	0
18.3 Totals paid	42	4,850,530	0	0	0	0	0	0	42	4,850,530
18.4 Reduction by compromise									0	0
18.5 Amount rejected	2	350,000							2	350,000
18.6 Total settlements	44	5,200,530	0	0	0	0	0	0	44	5,200,530
19. Unpaid Dec. 31, current year (16+17-18.6)	5	357,564	0	0	0	0	0	0	5	357,564
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	6,928	1,782,307,474	0	(a)	0	0	0	0	6,928	1,782,307,474
21. Issued during year	1,748	569,493,976							1,748	569,493,976
22. Other changes to in force (Net)	(398)	(123,733,942)							(398)	(123,733,942)
23. In force December 31 of current year	8,278	2,228,067,508	0	(a)	0	0	0	0	8,278	2,228,067,508

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Oklahoma

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	1,621,218				1,621,218
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	1,621,218	0	0	0	1,621,218
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	1,075,000				1,075,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	17,807				17,807
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	1,092,807	0	0	0	1,092,807
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	5	1,220,000							5	1,220,000
Settled during current year:										
18.1 By payment in full	3	1,075,000							3	1,075,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	3	1,075,000	0	0	0	0	0	0	3	1,075,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	3	1,075,000	0	0	0	0	0	0	3	1,075,000
19. Unpaid Dec. 31, current year (16+17-18.6)	2	145,000	0	0	0	0	0	0	2	145,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	802	193,694,106	0	(a)	0	0	0	0	802	193,694,106
21. Issued during year	258	68,000,289							258	68,000,289
22. Other changes to in force (Net)	(48)	(8,887,226)							(48)	(8,887,226)
23. In force December 31 of current year	1,012	252,807,169	0	(a)	0	0	0	0	1,012	252,807,169

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Oregon

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	1,632,705				1,632,705
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	1,632,705	0	0	0	1,632,705
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	125,000				125,000
10. Matured endowments					0
11. Annuity benefits	15,000				15,000
12. Surrender values and withdrawals for life contracts	2,522				2,522
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	142,522	0	0	0	142,522
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	2	125,000							2	125,000
Settled during current year:										
18.1 By payment in full	2	125,000							2	125,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	2	125,000	0	0	0	0	0	0	2	125,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	2	125,000	0	0	0	0	0	0	2	125,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	942	292,827,046	0	(a)	0	0	0	0	942	292,827,046
21. Issued during year	282	92,128,835							282	92,128,835
22. Other changes to in force (Net)	(86)	(28,457,119)							(86)	(28,457,119)
23. In force December 31 of current year	1,138	356,498,762	0	(a)	0	0	0	0	1,138	356,498,762

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Pennsylvania

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	9,747,398				9,747,398
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	9,747,398	0	0	0	9,747,398
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	2,500,916				2,500,916
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	130,960				130,960
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	2,631,875	0	0	0	2,631,875
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	4	814,940	0	0	0	0	0	0	4	814,940
17. Incurred during current year	27	2,115,976							27	2,115,976
Settled during current year:										
18.1 By payment in full	28	2,500,916							28	2,500,916
18.2 By payment on compromised claims									0	0
18.3 Totals paid	28	2,500,916	0	0	0	0	0	0	28	2,500,916
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	28	2,500,916	0	0	0	0	0	0	28	2,500,916
19. Unpaid Dec. 31, current year (16+17-18.6)	3	430,000	0	0	0	0	0	0	3	430,000
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	4,772	1,300,952,593	0	(a)	0	0	0	0	4,772	1,300,952,593
21. Issued during year	1,509	455,599,007							1,509	455,599,007
22. Other changes to in force (Net)	(341)	(103,423,559)							(341)	(103,423,559)
23. In force December 31 of current year	5,940	1,653,128,041	0	(a)	0	0	0	0	5,940	1,653,128,041

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Puerto Rico

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	2,123				2,123
2. Annuity considerations	250				250
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	2,373	0	0	0	2,373
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise										
18.5 Amount rejected										
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	0	0	0	0	0	0	0	0	0	0
21. Issued during year										
22. Other changes to in force (Net)										
23. In force December 31 of current year	0	0	0	0	0	0	0	0	0	0

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Rhode Island

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	866,896				866,896
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	866,896	0	0	0	866,896
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	220,000				220,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	28,215				28,215
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	248,215	0	0	0	248,215
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	3	220,000							3	220,000
Settled during current year:										
18.1 By payment in full	3	220,000							3	220,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	3	220,000	0	0	0	0	0	0	3	220,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	3	220,000	0	0	0	0	0	0	3	220,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	759	159,296,779	0	(a)	0	0	0	0	759	159,296,779
21. Issued during year	131	43,092,677							131	43,092,677
22. Other changes to in force (Net)	(59)	(13,428,845)							(59)	(13,428,845)
23. In force December 31 of current year	831	188,960,611	0	(a)	0	0	0	0	831	188,960,611

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF South Carolina

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	3,236,692				3,236,692
2. Annuity considerations	1,050				1,050
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	3,237,742	0	0	0	3,237,742
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	1,075,000				1,075,000
10. Matured endowments					0
11. Annuity benefits	38,369				38,369
12. Surrender values and withdrawals for life contracts	67,600				67,600
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	1,649	0	0	0	1,649
14. All other benefits, except accident and health					0
15. Totals	1,182,618	0	0	0	1,182,618
<b>DETAILS OF WRITE-INS</b>					
1301. Waiver of Premium Disability Benefit	1,649				1,649
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	1,649	0	0	0	1,649

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	2	291,472	0	0	0	0	0	0	2	291,472
17. Incurred during current year	8	783,600							8	783,600
Settled during current year:										
18.1 By payment in full	10	1,075,000							10	1,075,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	10	1,075,000	0	0	0	0	0	0	10	1,075,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	10	1,075,000	0	0	0	0	0	0	10	1,075,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	72	0	0	0	0	0	0	0	72
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	1,874	458,615,569	0	0	0	0	0	0	1,874	458,615,569
21. Issued during year	413	124,152,689							413	124,152,689
22. Other changes to in force (Net)	(145)	(47,117,488)							(145)	(47,117,488)
23. In force December 31 of current year	2,142	535,650,770	0	0	0	0	0	0	2,142	535,650,770

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF South Dakota

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	1,425,354				1,425,354
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	1,425,354	0	0	0	1,425,354
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	320,000				320,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	10,486				10,486
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	330,486	0	0	0	330,486
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	4	370,000							4	370,000
Settled during current year:										
18.1 By payment in full	3	320,000							3	320,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	3	320,000	0	0	0	0	0	0	3	320,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	3	320,000	0	0	0	0	0	0	3	320,000
19. Unpaid Dec. 31, current year (16+17-18.6)	1	50,000	0	0	0	0	0	0	1	50,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	694	152,203,988	0	(a)	0	0	0	0	694	152,203,988
21. Issued during year	201	47,008,393							201	47,008,393
22. Other changes to in force (Net)	(36)	(6,950,653)							(36)	(6,950,653)
23. In force December 31 of current year	859	192,261,728	0	(a)	0	0	0	0	859	192,261,728

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Tennessee

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	5,295,145				5,295,145
2. Annuity considerations	1,200				1,200
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	5,296,345	0	0	0	5,296,345
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	650,863				650,863
10. Matured endowments					0
11. Annuity benefits	4,200				4,200
12. Surrender values and withdrawals for life contracts	272,109				272,109
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	927,172	0	0	0	927,172
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	2	58,863	0	0	0	0	0	0	2	58,863
17. Incurred during current year	13	592,000							13	592,000
Settled during current year:										
18.1 By payment in full	15	650,863							15	650,863
18.2 By payment on compromised claims									0	0
18.3 Totals paid	15	650,863	0	0	0	0	0	0	15	650,863
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	15	650,863	0	0	0	0	0	0	15	650,863
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	3,002	749,045,749	0	(a)	0	0	0	0	3,002	749,045,749
21. Issued during year	935	327,687,093							935	327,687,093
22. Other changes to in force (Net)	(287)	(87,314,959)							(287)	(87,314,959)
23. In force December 31 of current year	3,650	989,417,883	0	(a)	0	0	0	0	3,650	989,417,883

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Texas

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	13,852,481				13,852,481
2. Annuity considerations	100				100
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	13,852,581	0	0	0	13,852,581
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	5,642,154				5,642,154
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	474,667				474,667
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	670	0	0	0	670
14. All other benefits, except accident and health					0
15. Totals	6,117,491	0	0	0	6,117,491
<b>DETAILS OF WRITE-INS</b>					
1301. Waiver of Premium Disability Benefit	670				670
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	670	0	0	0	670

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	3	966,001	0	0	0	0	0	0	3	966,001
17. Incurred during current year	57	7,897,993							57	7,897,993
Settled during current year:										
18.1 By payment in full	48	5,442,154							48	5,442,154
18.2 By payment on compromised claims	1	200,000							1	200,000
18.3 Totals paid	49	5,642,154	0	0	0	0	0	0	49	5,642,154
18.4 Reduction by compromise		800,000							0	800,000
18.5 Amount rejected	2	785,000							2	785,000
18.6 Total settlements	51	7,227,154	0	0	0	0	0	0	51	7,227,154
19. Unpaid Dec. 31, current year (16+17-18.6)	9	1,636,840	0	0	0	0	0	0	9	1,636,840
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	5,606	1,742,445,031	0	(a)	0	0	0	0	5,606	1,742,445,031
21. Issued during year	1,981	674,859,045							1,981	674,859,045
22. Other changes to in force (Net)	(506)	(175,869,414)							(506)	(175,869,414)
23. In force December 31 of current year	7,081	2,241,434,662	0	(a)	0	0	0	0	7,081	2,241,434,662

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF U.S. Virgin Islands

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	5,588				5,588
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	5,588	0	0	0	5,588
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise										
18.5 Amount rejected										
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	0	0	(a)	0	0	0	0	0	0	0
21. Issued during year										
22. Other changes to in force (Net)										
23. In force December 31 of current year	0	0	(a)	0	0	0	0	0	0	0

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Utah

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	770,385				770,385
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	770,385	0	0	0	770,385
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year										
Settled during current year:										
18.1 By payment in full										0
18.2 By payment on compromised claims										0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise										0
18.5 Amount rejected										0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	338	110,766,111	0	(a)	0	0	0	0	338	110,766,111
21. Issued during year	209	64,065,535							209	64,065,535
22. Other changes to in force (Net)	(46)	(16,755,201)							(46)	(16,755,201)
23. In force December 31 of current year	501	158,076,445	0	(a)	0	0	0	0	501	158,076,445

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Vermont

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	71,535				71,535
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	71,535	0	0	0	71,535
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year										
Settled during current year:										
18.1 By payment in full									0	0
18.2 By payment on compromised claims									0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	1	100,000	0	(a)	0	0	0	0	1	100,000
21. Issued during year									0	0
22. Other changes to in force (Net)									0	0
23. In force December 31 of current year	1	100,000	0	(a)	0	0	0	0	1	100,000

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Virginia

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	562,934				562,934
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	562,934	0	0	0	562,934
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits	3,600				3,600
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	3,600	0	0	0	3,600
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	1	475,000							1	475,000
Settled during current year:										
18.1 By payment in full									0	0
18.2 By payment on compromised claims									0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	1	475,000	0	0	0	0	0	0	1	475,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	0	0	(a)	0	No. of Policies	0	0	0	0	0
21. Issued during year	121	38,238,401							121	38,238,401
22. Other changes to in force (Net)	(1)	(139,860)							(1)	(139,860)
23. In force December 31 of current year	120	38,098,541	(a)	0	0	0	0	0	120	38,098,541

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Washington

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	2,885,427				2,885,427
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	2,885,427	0	0	0	2,885,427
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	803,000				803,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts	12,510				12,510
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	815,510	0	0	0	815,510
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	5	933,000							5	933,000
Settled during current year:										
18.1 By payment in full	4	803,000							4	803,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	4	803,000	0	0	0	0	0	0	4	803,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	4	803,000	0	0	0	0	0	0	4	803,000
19. Unpaid Dec. 31, current year (16+17-18.6)	1	130,000	0	0	0	0	0	0	1	130,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	1,382	451,812,762	0	(a)	0	0	0	0	1,382	451,812,762
21. Issued during year	633	218,952,379							633	218,952,379
22. Other changes to in force (Net)	(83)	(31,949,441)							(83)	(31,949,441)
23. In force December 31 of current year	1,932	638,815,700	0	(a)	0	0	0	0	1,932	638,815,700

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF West Virginia

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	304,299				304,299
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	304,299	0	0	0	304,299
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	100,000				100,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	100,000	0	0	0	100,000
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	1	9,400	0	0	0	0	0	0	1	9,400
17. Incurred during current year	1	100,600							1	100,600
Settled during current year:										
18.1 By payment in full	1	100,000							1	100,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	1	100,000	0	0	0	0	0	0	1	100,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected	1	10,000							1	10,000
18.6 Total settlements	2	110,000	0	0	0	0	0	0	2	110,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	85	15,564,773	0	0	0	0	0	0	85	15,564,773
21. Issued during year	92	15,312,122							92	15,312,122
22. Other changes to in force (Net)	(6)	(1,025,000)							(6)	(1,025,000)
23. In force December 31 of current year	171	29,851,895	0	0	0	0	0	0	171	29,851,895

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Wisconsin

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	3,546,343				3,546,343
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	3,546,343	0	0	0	3,546,343
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	730,000				730,000
10. Matured endowments					0
11. Annuity benefits	9,000				9,000
12. Surrender values and withdrawals for life contracts	106,018				106,018
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	845,018	0	0	0	845,018
<b>DETAILS OF WRITE-INS</b>					
1301.					
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	1	106	0	0	0	0	0	0	1	106
17. Incurred during current year	7	730,000							7	730,000
Settled during current year:										
18.1 By payment in full	7	730,000							7	730,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	7	730,000	0	0	0	0	0	0	7	730,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected	1	106							1	106
18.6 Total settlements	8	730,106	0	0	0	0	0	0	8	730,106
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	1,942	483,655,960	0	(a)	0	0	0	0	1,942	483,655,960
21. Issued during year	606	190,408,893							606	190,408,893
22. Other changes to in force (Net)	(136)	(41,611,807)							(136)	(41,611,807)
23. In force December 31 of current year	2,412	632,453,046	0	(a)	0	0	0	0	2,412	632,453,046

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Wyoming

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	578,783				578,783
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	578,783	0	0	0	578,783
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	500,000				500,000
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	500,000	0	0	0	500,000
<b>DETAILS OF WRITE-INS</b>					
1301.					0
1302.					0
1303.					0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	1	500,000							1	500,000
Settled during current year:										
18.1 By payment in full	1	500,000							1	500,000
18.2 By payment on compromised claims									0	0
18.3 Totals paid	1	500,000	0	0	0	0	0	0	1	500,000
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	1	500,000	0	0	0	0	0	0	1	500,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	120	42,604,718	0	0	0	0	0	0	120	42,604,718
21. Issued during year	44	17,884,000							44	17,884,000
22. Other changes to in force (Net)	(4)	(950,000)							(4)	(950,000)
23. In force December 31 of current year	160	59,538,718	0	0	0	0	0	0	160	59,538,718

(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	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies					
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-cancellable					
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)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Grand Aliens

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	36,434	0	0	0	36,434
2. Annuity considerations	0	0	0	0	0
3. Deposit-type contract funds	0	XXX	0	XXX	0
4. Other considerations	0	0	0	0	0
5. Totals (Sum of Lines 1 to 4)	36,434	0	0	0	36,434
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit	0	0	0	0	0
6.2 Applied to pay renewal premiums	0	0	0	0	0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period	0	0	0	0	0
6.4 Other	0	0	0	0	0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit	0	0	0	0	0
7.2 Applied to provide paid-up annuities	0	0	0	0	0
7.3 Other	0	0	0	0	0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	0	0	0	0	0
10. Matured endowments	0	0	0	0	0
11. Annuity benefits	0	0	0	0	0
12. Surrender values and withdrawals for life contracts	0	0	0	0	0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health	0	0	0	0	0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.	0				0
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	0	0	0	0	0	0	0	0	0	0
Settled during current year:										
18.1 By payment in full	0	0	0	0	0	0	0	0	0	0
18.2 By payment on compromised claims	0	0	0	0	0	0	0	0	0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise	0	0	0	0	0	0	0	0	0	0
18.5 Amount rejected	0	0	0	0	0	0	0	0	0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	0	0	(a)	0	0	0	0	0	0	0
21. Issued during year	0	0	0	0	0	0	0	0	0	0
22. Other changes to in force (Net)	0	0	0	0	0	0	0	0	0	0
23. In force December 31 of current year	0	0	(a)	0	0	0	0	0	0	0

(a) Includes Individual Credit Life Insurance: prior year \$ 0 current year \$ 0  
 Includes Group Credit Life Insurance: Loans less than or equal to 60 months at issue, prior year \$ 0 current year \$ 0  
 Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS, prior year \$ 0 current year \$ 0

**ACCIDENT AND HEALTH INSURANCE**

	1	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies	0	0	0	0	0
24.1 Federal Employees Health Benefits Program premium	0	0	0	0	0
24.2 Credit (Group and Individual)	0	0	0	0	0
24.3 Collectively Renewable Policies	0	0	0	0	0
Other Individual Policies:					
25.1 Non-cancellable	0	0	0	0	0
25.2 Guaranteed renewable	0	0	0	0	0
25.3 Non-renewable for stated reasons only	0	0	0	0	0
25.4 Other accident only	0	0	0	0	0
25.5 All other	0	0	0	0	0
25.6 Totals (Sum of Lines 25.1 to 25.5)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2002

NAIC Group Code 0395

**LIFE INSURANCE**

NAIC Company Code 84530

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	167,301,198	0	0	0	167,301,198
2. Annuity considerations	73,915	0	0	0	73,915
3. Deposit-type contract funds	0	XXX	0	XXX	0
4. Other considerations	0	0	0	0	0
5. Totals (Sum of Lines 1 to 4)	167,375,112	0	0	0	167,375,112
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit	0	0	0	0	0
6.2 Applied to pay renewal premiums	0	0	0	0	0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period	0	0	0	0	0
6.4 Other	0	0	0	0	0
6.5 Totals (Sum of 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit	0	0	0	0	0
7.2 Applied to provide paid-up annuities	0	0	0	0	0
7.3 Other	0	0	0	0	0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	62,431,793	0	0	0	62,431,793
10. Matured endowments	0	0	0	0	0
11. Annuity benefits	580,258	0	0	0	580,258
12. Surrender values and withdrawals for life contracts	5,332,109	0	0	0	5,332,109
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	41,131	0	0	0	41,131
14. All other benefits, except accident and health	0	0	0	0	0
15. Totals	68,385,290	0	0	0	68,385,290
<b>DETAILS OF WRITE-INS</b>					
1301.	0	0	0	0	0
1302. Waiver of Premium Disability Benefit	41,131	0	0	0	41,131
1303.	0	0	0	0	0
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	41,131	0	0	0	41,131

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	55	8,232,742	0	0	0	0	0	0	55	8,232,742
17. Incurred during current year	501	64,055,557	0	0	0	0	0	0	501	64,055,557
Settled during current year:										
18.1 By payment in full	487	62,139,293	0	0	0	0	0	0	487	62,139,293
18.2 By payment on compromised claims	2	292,500	0	0	0	0	0	0	2	292,500
18.3 Totals paid	489	62,431,793	0	0	0	0	0	0	489	62,431,793
18.4 Reduction by compromise	0	807,500	0	0	0	0	0	0	0	807,500
18.5 Amount rejected	12	1,845,106	0	0	0	0	0	0	12	1,845,106
18.6 Total settlements	501	65,084,399	0	0	0	0	0	0	501	65,084,399
19. Unpaid Dec. 31, current year (16+17-18.6)	55	7,203,901	0	0	0	0	0	0	55	7,203,901
<b>POLICY EXHIBIT</b>						No. of Policies				
20. In force December 31, prior year	80,939	21,593,228,875	0	(a) 0	0	0	0	0	80,939	21,593,228,875
21. Issued during year	25,386	8,238,754,809	0	0	0	0	0	0	25,386	8,238,754,809
22. Other changes to in force (Net)	(6,519)	(2,050,032,908)	0	0	0	0	0	0	(6,519)	(2,050,032,908)
23. In force December 31 of current year	99,806	27,781,950,776	0	(a) 0	0	0	0	0	99,806	27,781,950,776

(a) Includes Individual Credit Life Insurance: prior year \$ 0 current year \$ 0  
 Includes Group Credit Life Insurance: Loans less than or equal to 60 months at issue, prior year \$ 0 current year \$ 0  
 Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS, prior year \$ 0 current year \$ 0

**ACCIDENT AND HEALTH INSURANCE**

	1	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies	0	0	0	33,768	26,347
24.1 Federal Employees Health Benefits Program premium	0	0	0	0	0
24.2 Credit (Group and Individual)	0	0	0	0	0
24.3 Collectively Renewable Policies	0	0	0	0	0
Other Individual Policies:					
25.1 Non-cancellable	0	0	0	0	0
25.2 Guaranteed renewable	0	0	0	0	0
25.3 Non-renewable for stated reasons only	0	0	0	0	0
25.4 Other accident only	0	0	0	0	0
25.5 All other	0	0	0	0	0
25.6 Totals (Sum of Lines 25.1 to 25.5)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	33,768	26,347

**FORM FOR CALCULATING THE INTEREST MAINTENANCE RESERVE**

**Interest Maintenance Reserve**

	1 Amount
1. Reserve as of December 31, Prior Year .....	45,233
2. Current Year's Realized Pre-Tax Capital Gains/(Losses) of \$ .....296,181 Transferred into the Reserve Net of Taxes of \$ .....	296,181
3. Adjustment for Current Year's Liability Gains/(Losses) Released From the reserve .....	2
4. Balance before Reduction for Amount Transferred to Summary of Operations (Line 1 + Line 2 + Line 3) .....	341,417
5. Current Year's Amortization Released to Summary of Operations (Amortization, Line 1, Column 4) .....	61,133
6. Reserve as of December 31, Current Year (Line 4 minus Line 5)	280,284

**AMORTIZATION**

Year of Amortization	1	2	3	4
	Reserve as of December 31, Prior Year	Current Year's Realized Capital Gains/(Losses) Transferred into the Reserve Net of Taxes	Adjustment for Current Year's Liability Gains/(Losses) Released From the Reserve	Balance Before Reduction for Current Year's Amortization (Cols. 1+2+3)
1. 2002 .....	35,433	25,739	(39)	61,133
2. 2003 .....	20,016	54,523	42	74,581
3. 2004 .....	12,420	52,520	0	64,940
4. 2005 .....	9,894	44,194	0	54,088
5. 2006 .....	6,381	35,758	0	42,139
6. 2007 .....	4,128	26,478	0	30,606
7. 2008 .....	4,043	19,768	0	23,811
8. 2009 .....	3,945	15,721	0	19,666
9. 2010 .....	3,275	11,674	0	14,949
10. 2011 .....	1,967	7,316	0	9,282
11. 2012 .....	1,098	2,490	0	3,589
12. 2013 .....	142	0	0	142
13. 2014 .....	(920)	0	0	(920)
14. 2015 .....	(2,132)	0	0	(2,132)
15. 2016 .....	(3,645)	0	0	(3,645)
16. 2017 .....	(5,264)	0	0	(5,264)
17. 2018 .....	(6,259)	0	0	(6,259)
18. 2019 .....	(6,042)	0	0	(6,042)
19. 2020 .....	(5,214)	0	0	(5,214)
20. 2021 .....	(4,427)	0	0	(4,427)
21. 2022 .....	(3,608)	0	0	(3,608)
22. 2023 .....	(2,986)	0	0	(2,986)
23. 2024 .....	(2,815)	0	0	(2,815)
24. 2025 .....	(2,848)	0	0	(2,848)
25. 2026 .....	(2,998)	0	0	(2,998)
26. 2027 .....	(2,870)	0	0	(2,870)
27. 2028 .....	(2,313)	0	0	(2,313)
28. 2029 .....	(1,713)	0	0	(1,713)
29. 2030 .....	(1,071)	0	0	(1,071)
30. 2031 .....	(385)	0	0	(385)
31. 2032 and Later	0	0	0	0
32. Total (Lines 1 to 31)	45,233	296,181	2	341,417

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**ASSET VALUATION RESERVE**

	Default Component			Equity Component			7 Total Amount (Cols. 3+6)
	1 Other Than Mortgage Loans	2 Mortgage Loans	3 Total (Cols. 1+2)	4 Common Stock	5 Real Estate and Other Invested Assets	6 Total (Cols. 4+5)	
1. Reserve as of December 31, Prior Year .....	263,724	(50)	263,674	(3,105)	0	(3,105)	260,569
2. Realized Capital Gains/(Losses) Net of Taxes - General Account .....	(956,374)		(956,374)			0	(956,374)
3. Realized Capital Gains/(Losses) Net of Taxes - Separate Accounts .....			0			0	0
4. Unrealized Capital Gains/(Losses) - General Account .....		23	23			0	23
5. Unrealized Capital Gains/(Losses) - Separate Accounts .....			0			0	0
6. Capital gains credited/(losses charged) to contract benefits, payments or reserves .....			0			0	0
7. Basic Contribution .....	290,022	1,287	291,309	0	0	0	291,309
8. Accumulated Balances (Lines 1 through 5, minus 6 plus 7) .....	(402,628)	1,260	(401,368)	(3,105)	0	(3,105)	(404,473)
9. Maximum Reserve .....	1,297,367	4,597	1,301,964	0	0	0	1,301,964
10. Reserve Objective .....	768,536	2,860	771,396	0	0	0	771,396
11. 20% of (Line 10 - Line 8) .....	234,233	320	234,553	621	0	621	235,174
12. Balance Before Transfers (Lines 8 + 11) .....	(168,395)	1,580	(166,815)	(2,484)	0	(2,484)	(169,299)
13. Transfers .....	1,580	(1,580)	0			0	XXX
14. Voluntary Contribution .....			0			0	0
15. Adjustment down to Maximum/up to Zero .....	166,815		166,815	2,484		2,484	169,299
16. Reserve as of December 31, Current Year (Lines 12 + 13 + 14 + 15)	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

**ASSET VALUATION RESERVE  
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS  
DEFAULT COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
<b>LONG - TERM BONDS</b>												
1		Exempt Obligations .....	56,130,801	XXX	XXX	56,130,801	0.0000	0	0.0000	0	0.0000	0
2	1	Highest Quality .....	116,294,648	XXX	XXX	116,294,648	0.0005	58,147	0.0015	174,442	0.0030	348,884
3	2	High Quality .....	54,049,795	XXX	XXX	54,049,795	0.0020	108,100	0.0060	324,299	0.0100	540,498
4	3	Medium Quality .....	2,765,573	XXX	XXX	2,765,573	0.0105	29,039	0.0280	77,436	0.0400	110,623
5	4	Low Quality .....	1,549,109	XXX	XXX	1,549,109	0.0270	41,826	0.0630	97,594	0.0900	139,420
6	5	Lower Quality .....	789,712	XXX	XXX	789,712	0.0670	52,911	0.1200	94,765	0.2000	157,942
7	6	In or Near Default .....		XXX	XXX	0	0.0000	0	0.3000	0	0.3000	0
8		Total Unrated Multi-Class Securities Acquired by Conversion .....		XXX	XXX	0	XXX	0	XXX	0	XXX	0
9		Total Bonds (Sum of Lines 1 through 8) (Page 2, Line 1, Net Admitted Asset)	231,579,638	XXX	XXX	231,579,638	XXX	290,022	XXX	768,536	XXX	1,297,367
<b>PREFERRED STOCK</b>												
10	1	Highest Quality .....		XXX	XXX	0	0.0020	0	0.0060	0	0.0090	0
11	2	High Quality .....		XXX	XXX	0	0.0065	0	0.0170	0	0.0250	0
12	3	Medium Quality .....		XXX	XXX	0	0.0185	0	0.0400	0	0.0600	0
13	4	Low Quality .....		XXX	XXX	0	0.0400	0	0.0880	0	0.1350	0
14	5	Lower Quality .....		XXX	XXX	0	0.0850	0	0.1600	0	0.2500	0
15	6	In or Near Default .....		XXX	XXX	0	0.0000	0	0.3000	0	0.3000	0
16		Affiliated Life with AVR .....		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
17		Total Preferred Stocks (Sum of Lines 10 thru 16) (Page 2, Line 2.1, Net Admitted Asset)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
<b>SHORT - TERM BONDS</b>												
18		Exempt Obligations .....		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
19	1	Highest Quality .....		XXX	XXX	0	0.0005	0	0.0015	0	0.0030	0
20	2	High Quality .....		XXX	XXX	0	0.0020	0	0.0060	0	0.0100	0
21	3	Medium Quality .....		XXX	XXX	0	0.0105	0	0.0280	0	0.0400	0
22	4	Low Quality .....		XXX	XXX	0	0.0270	0	0.0630	0	0.0900	0
23	5	Lower Quality .....		XXX	XXX	0	0.0670	0	0.1200	0	0.2000	0
24	6	In or Near Default .....		XXX	XXX	0	0.0000	0	0.3000	0	0.3000	0
25		Total Short - Term Bonds (Sum of lines 18 thru 24)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

**ASSET VALUATION RESERVE (continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**DEFAULT COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1+2+3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4x5)	7 Factor	8 Amount (Cols. 4x7)	9 Factor	10 Amount (Cols. 4x9)
<b>DERIVATIVE INSTRUMENTS</b>												
26		Exchange Traded		XXX	XXX	0	0.0005	0	0.0015	0	0.0030	0
27	1	Highest Quality		XXX	XXX	0	0.0005	0	0.0015	0	0.0030	0
28	2	High Quality		XXX	XXX	0	0.0020	0	0.0060	0	0.0100	0
29	3	Medium Quality		XXX	XXX	0	0.0105	0	0.0280	0	0.0400	0
30	4	Low Quality		XXX	XXX	0	0.0270	0	0.0630	0	0.0900	0
31	5	Lower Quality		XXX	XXX	0	0.0670	0	0.1200	0	0.2000	0
32	6	In or Near Default		XXX	XXX	0	0.0000	0	0.3000	0	0.3000	0
33		Total Derivative Instruments	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
34		TOTAL (Line 9 + 17 + 25 +33)	231,579,638	XXX	XXX	231,579,638	XXX	290,022	XXX	768,536	XXX	1,297,367
<b>MORTGAGE LOANS</b>												
In Good Standing:												
35		Farm Mortgages	204,306		XXX	204,306	0.0063 (a)	1,287	0.0140 (a)	2,860	0.0225 (a)	4,597
36		Residential Mortgages - Insured or Guaranteed			XXX	0	0.0003	0	0.0006	0	0.0010	0
37		Residential Mortgages - All Other			XXX	0	0.0013	0	0.0030	0	0.0050	0
38		Commercial Mortgages - Insured or Guaranteed			XXX	0	0.0003	0	0.0006	0	0.0010	0
39		Commercial Mortgages - All Other			XXX	0	0.0063 (a)	0	0.0140 (a)	0	0.0225 (a)	0
40		In Good Standing With Restructured Terms			XXX	0	0.2800 (b)	0	0.6200 (b)	0	1.0000 (b)	0
Overdue, Not in Process:												
41		Farm Mortgages			XXX	0	0.0420	0	0.0915	0	0.1500	0
42		Residential Mortgages - Insured or Guaranteed			XXX	0	0.0005	0	0.0012	0	0.0020	0
43		Residential Mortgages - All Other			XXX	0	0.0025	0	0.0060	0	0.0100	0
44		Commercial Mortgages - Insured or Guaranteed			XXX	0	0.0005	0	0.0012	0	0.0020	0
45		Commercial Mortgages - All Other			XXX	0	0.0420	0	0.0915	0	0.1500	0
In Process of Foreclosure:												
46		Farm Mortgages			XXX	0	0.0000	0	0.2000	0	0.2000	0
47		Residential Mortgages - Insured or Guaranteed			XXX	0	0.0000	0	0.0040	0	0.0040	0
48		Residential Mortgages - All Other			XXX	0	0.0000	0	0.0200	0	0.0200	0
49		Commercial Mortgages - Insured or Guaranteed			XXX	0	0.0000	0	0.0040	0	0.0040	0
50		Commercial Mortgages - All Other			XXX	0	0.0000	0	0.2000	0	0.2000	0
51		Total Schedule B Mortgages (Sum of Lines 35 thru 50) (Page 2, Line 3, Net Admitted Asset)	204,306	0	XXX	204,306	XXX	1,287	XXX	2,860	XXX	4,597
52		Total Schedule DA Mortgages			XXX	0	(c)	0	(c)	0	(c)	0
53		Total Mortgage Loans on Real Estate (Line 51 + 52)	204,306	0	XXX	204,306	XXX	1,287	XXX	2,860	XXX	4,597

(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 Column 9.

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

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**ASSET VALUATION RESERVE  
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS  
EQUITY AND OTHER INVESTED ASSET 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 (Col. 1 + 2 + 3)	5 Factor	6 Amount (Cols. 4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
<b>COMMON STOCK</b>												
1		Unaffiliated - Public .....		XXX	XXX	0	0.0000	0	0.2000 <sup>(d)</sup>	0	0.2000 <sup>(d)</sup>	0
2		Unaffiliated - Private .....		XXX	XXX	0	0.0000	0	0.2500	0	0.2500	0
3		Affiliated - Life with AVR .....		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
Affiliated - Investment Subsidiary:												
4		Fixed Income - Exempt Obligations .....	0	0	0	0	XXX	0	XXX	0	XXX	0
5		Fixed Income - Highest Quality .....	0	0	0	0	XXX	0	XXX	0	XXX	0
6		Fixed Income - High Quality .....	0	0	0	0	XXX	0	XXX	0	XXX	0
7		Fixed Income - Medium Quality .....	0	0	0	0	XXX	0	XXX	0	XXX	0
8		Fixed Income - Low Quality .....	0	0	0	0	XXX	0	XXX	0	XXX	0
9		Fixed Income - Lower Quality .....	0	0	0	0	XXX	0	XXX	0	XXX	0
10		Fixed Income - In/Near Default .....	0	0	0	0	XXX	0	XXX	0	XXX	0
11		Unaffiliated Common Stock - Public .....				0	0.0000	0	0.2000 <sup>(d)</sup>	0	0.2000 <sup>(d)</sup>	0
12		Unaffiliated Common Stock - Private .....				0	0.0000	0	0.2500	0	0.2500	0
13		Mortgage Loans .....				0	<sup>(c)</sup>	0	<sup>(c)</sup>	0	<sup>(c)</sup>	0
14		Real Estate .....				0	<sup>(e)</sup>	0	<sup>(e)</sup>	0	<sup>(e)</sup>	0
15		Affiliated - Certain Other (See SVO Purposes and Procedures Manual) .....		XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
16		Affiliated - All Other .....		XXX	XXX	0	0.0000	0	0.2500	0	0.2500	0
17		Total Common Stock (Sum of Lines 1 thru 16)(Page 2, Line 2.2, Net Admitted Asset)	0	0	0	0	XXX	0	XXX	0	XXX	0
<b>REAL ESTATE</b>												
18		Home Office Property (General Account only) .....				0	0.0000	0	0.0750	0	0.0750	0
19		Investment Properties .....				0	0.0000	0	0.0750	0	0.0750	0
20		Properties Acquired in Satisfaction of Debt .....				0	0.0000	0	0.1100	0	0.1100	0
21		Total Real Estate (Sum of Lines 18 thru 20)	0	0	0	0	XXX	0	XXX	0	XXX	0
<b>OTHER INVESTED ASSETS</b>												
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS</b>												
22		Exempt Obligations .....		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
23	1	Highest Quality .....		XXX	XXX	0	0.0005	0	0.0015	0	0.0030	0
24	2	High Quality .....		XXX	XXX	0	0.0020	0	0.0060	0	0.0100	0
25	3	Medium Quality .....		XXX	XXX	0	0.0105	0	0.0280	0	0.0400	0
26	4	Low Quality .....		XXX	XXX	0	0.0270	0	0.0630	0	0.0900	0
27	5	Lower Quality .....		XXX	XXX	0	0.0670	0	0.1200	0	0.2000	0
28	6	In or Near Default .....		XXX	XXX	0	0.0000	0	0.3000	0	0.3000	0
29		Total with Bond characteristics (Sum of Lines 22 thru 28)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0

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**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET 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 (Col. 1 + 2 + 3)	5 Factor	6 Amount (Cols. 4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS</b>												
30	1	Highest Quality .....		XXX	XXX	0	0.0020	0	0.0060	0	0.0090	0
31	2	High Quality .....		XXX	XXX	0	0.0065	0	0.0170	0	0.0250	0
32	3	Medium Quality .....		XXX	XXX	0	0.0185	0	0.0400	0	0.0600	0
33	4	Low Quality .....		XXX	XXX	0	0.0400	0	0.0880	0	0.1350	0
34	5	Lower Quality .....		XXX	XXX	0	0.0850	0	0.1600	0	0.2500	0
35	6	In or Near Default .....		XXX	XXX	0	0.0000	0	0.3000	0	0.3000	0
36		Affiliated Life with AVR .....		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
37		Total with Preferred Stock characteristics (Sum of Lines 30 thru 36)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS</b>												
<b>In Good Standing:</b>												
38		Farm Mortgages .....			XXX	0	0.0063 (a)	0	0.0140 (a)	0	0.0225 (a)	0
39		Residential Mortgages - Insured or Guaranteed .....			XXX	0	0.0003	0	0.0006	0	0.0010	0
40		Residential Mortgages - All Other .....		XXX	XXX	0	0.0013	0	0.0030	0	0.0050	0
41		Commercial Mortgages - Insured or Guaranteed .....			XXX	0	0.0003	0	0.0006	0	0.0010	0
42		Commercial Mortgages - All Other .....			XXX	0	0.0063 (a)	0	0.0140 (a)	0	0.0225 (a)	0
43		In Good Standing With Restructured Terms .....			XXX	0	0.2800 (b)	0	0.6200 (b)	0	1.0000 (b)	0
<b>Overdue, Not in Process:</b>												
44		Farm Mortgages .....			XXX	0	0.0420	0	0.0915	0	0.1500	0
45		Residential Mortgages - Insured or Guaranteed .....			XXX	0	0.0005	0	0.0012	0	0.0020	0
46		Residential Mortgages - All Other .....			XXX	0	0.0025	0	0.0060	0	0.0100	0
47		Commercial Mortgages - Insured or Guaranteed .....			XXX	0	0.0005	0	0.0012	0	0.0020	0
48		Commercial Mortgages - All Other .....			XXX	0	0.0420	0	0.0915	0	0.1500	0
<b>In Process of Foreclosure:</b>												
49		Farm Mortgages .....			XXX	0	0.0000	0	0.2000	0	0.2000	0
50		Residential Mortgages - Insured or Guaranteed .....			XXX	0	0.0000	0	0.0040	0	0.0040	0
51		Residential Mortgages - All Other .....			XXX	0	0.0000	0	0.0200	0	0.0200	0
52		Commercial Mortgages - Insured or Guaranteed .....			XXX	0	0.0000	0	0.0040	0	0.0040	0
53		Commercial Mortgages - All Other .....			XXX	0	0.0000	0	0.2000	0	0.2000	0
54		Total with Mortgage Loan Characteristics ( Sum of Lines 38 thru 53)	0	0	XXX	0	XXX	0	XXX	0	XXX	0

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**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Col. 1 + 2 + 3)	BASIC CONTRIBUTION		RESERVE OBJECTIVE		MAXIMUM RESERVE	
							5 Factor	6 Amount (Cols. 4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCKS</b>												
55		Unaffiliated Public .....		XXX	XXX	0	0.0000	0	0.2000 <sup>(d)</sup>	0	0.2000 <sup>(d)</sup>	0
56		Unaffiliated Private .....		XXX	XXX	0	0.0000	0	0.2500	0	0.2500	0
57		Affiliated Life with AVR .....		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
58		Affiliated Certain Other (See SVO Purposes & Procedures Manual) .....		XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
59		Affiliated Other - All Other .....		XXX	XXX	0	0.0000	0	0.2500	0	0.2500	0
60		Total with Common Stock Characteristics (Sum of Lines 55 thru 59)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE</b>												
61		Home Office Property (General Account only) .....				0	0.0000	0	0.0750	0	0.0750	0
62		Investment Properties .....				0	0.0000	0	0.0750	0	0.0750	0
63		Properties Acquired in Satisfaction of Debt .....				0	0.0000	0	0.1100	0	0.1100	0
64		Total with Real Estate Characteristics of Real Estate (Lines 61 thru 63)	0	0	0	0	XXX	0	XXX	0	XXX	0
<b>ALL OTHER INVESTMENTS</b>												
65		Other Invested Assets - Schedule BA .....		XXX		0	0.0000	0	0.2000	0	0.2000	0
66		Other Short Term Invested Assets - Schedule DA .....		XXX		0	0.0000	0	0.2000	0	0.2000	0
67		Total All Other (Sum of Lines 65 + 66) .....	0	XXX	0	0	XXX	0	XXX	0	XXX	0
68		Total Other Invested Assets - Schedules BA & DA (Sum of Lines 29, 37, 54, 60, 64 and 67)	0	0	0	0	XXX	0	XXX	0	XXX	0

(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 Column 9.

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

(d) Times the company's weighted average portfolio beta (Minimum .15, Maximum .30).

(e) Determined using same factors and breakdowns used for directly owned real estate.

**Asset Valuation Reserve (continued)**  
**Basic Contributions, Reserve Objective and Maximum Reserve Calculations Replications (Synthetic) Assets**

1 RSAT Number	2 Type	3 CUSIP	4 Description of Asset(s)	5 NAIC Designation or Other Description of Asset	6 Value of Asset	7 AVR Basic Contribution	8 AVR Reserve Objective	9 AVR Maximum Reserve
<b>NONE</b>								
0599999 - Totals								

## 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.....	
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 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).....	

**NONE**

## SCHEDULE B VERIFICATION BETWEEN YEARS

1. Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year.....	210,000
2. Amount loaned during year:	
2.1 Actual cost at time of acquisitions.....	
2.2 Additional investment made after acquisitions.....	0
3. Accrual of discount and mortgage interest points and commitment fees.....	
4. Increase (decrease) by adjustment.....	0
5. Total profit (loss) on sale.....	
6. Amounts paid on account or in full during the year.....	4,668
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.....	205,332
10. Total valuation allowance.....	(1,027)
11. Subtotal (Lines 9 plus 10).....	204,305
12. Total nonadmitted amounts.....	
13. Statement value of mortgages owned at end of current period.....	204,305

## SCHEDULE BA VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	
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.....	
10. Total valuation allowance.....	
11. Subtotal (Lines 9 plus 10).....	
12. Total nonadmitted amounts.....	
13. Statement value of long-term invested assets at end of current period.....	

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Class 1	986,656	8,014,251	28,600,790	10,184,523	8,344,580	56,130,800	24.2	10,341,934	6.0	56,130,802	
1.2 Class 2						0	0.0	0	0.0		
1.3 Class 3						0	0.0	0	0.0		
1.4 Class 4						0	0.0	0	0.0		
1.5 Class 5						0	0.0	0	0.0		
1.6 Class 6						0	0.0	0	0.0		
1.7 Totals	986,656	8,014,251	28,600,790	10,184,523	8,344,580	56,130,800	24.2	10,341,934	6.0	56,130,802	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Class 1		996,633				996,633	0.4	995,712	0.6	996,633	
2.2 Class 2						0	0.0	0	0.0		
2.3 Class 3						0	0.0	0	0.0		
2.4 Class 4						0	0.0	0	0.0		
2.5 Class 5						0	0.0	0	0.0		
2.6 Class 6						0	0.0	0	0.0		
2.7 Totals	0	996,633	0	0	0	996,633	0.4	995,712	0.6	996,633	0
<b>3. States, Territories and Possessions etc., Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Class 1						0	0.0	0	0.0		
3.2 Class 2						0	0.0	0	0.0		
3.3 Class 3						0	0.0	0	0.0		
3.4 Class 4						0	0.0	0	0.0		
3.5 Class 5						0	0.0	0	0.0		
3.6 Class 6						0	0.0	0	0.0		
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Class 1						0	0.0	0	0.0		
4.2 Class 2						0	0.0	0	0.0		
4.3 Class 3						0	0.0	0	0.0		
4.4 Class 4						0	0.0	0	0.0		
4.5 Class 5						0	0.0	0	0.0		
4.6 Class 6						0	0.0	0	0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Class 1	782,549	6,974,471	3,796,670	3,088,174	1,244,933	15,886,797	6.9	23,732,107	13.8	15,886,796	
5.2 Class 2						0	0.0	0	0.0		
5.3 Class 3						0	0.0	0	0.0		
5.4 Class 4						0	0.0	0	0.0		
5.5 Class 5						0	0.0	0	0.0		
5.6 Class 6						0	0.0	0	0.0		
5.7 Totals	782,549	6,974,471	3,796,670	3,088,174	1,244,933	15,886,797	6.9	23,732,107	13.8	15,886,796	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Class 1	1,007,631	5,024,604	2,989,862	1,996,499		11,018,596	4.8	6,021,190	3.5	11,018,596	
6.2 Class 2		3,266,316			985,549	4,251,865	1.8	5,383,813	3.1	4,251,865	
6.3 Class 3						0	0.0	0	0.0		
6.4 Class 4						0	0.0	0	0.0		
6.5 Class 5						0	0.0	0	0.0		
6.6 Class 6						0	0.0	0	0.0		
6.7 Totals	1,007,631	8,290,920	2,989,862	1,996,499	985,549	15,270,461	6.6	11,405,003	6.6	15,270,461	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Class 1	1,696,835	42,474,991	21,654,364	8,000,953	14,565,478	88,392,621	38.2	87,456,080	50.8	87,412,770	979,851
7.2 Class 2	2,462,211	25,663,808	14,214,224	4,437,360	3,020,326	49,797,929	21.5	33,578,211	19.5	49,797,929	
7.3 Class 3	499,888	1,247,027			1,018,658	2,765,573	1.2	2,867,521	1.7	2,765,573	
7.4 Class 4		563,609	985,500			1,549,109	0.7	614,000	0.4	1,549,109	
7.5 Class 5	749,212	40,500				789,712	0.3	1,115,023	0.6	789,712	
7.6 Class 6						0	0.0	0	0.0		
7.7 Totals	5,408,146	69,989,935	36,854,088	12,438,313	18,604,462	143,294,944	61.9	125,630,835	73.0	142,315,093	979,851
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Class 1						0	0.0	0	0.0		
8.2 Class 2						0	0.0	0	0.0		
8.3 Class 3						0	0.0	0	0.0		
8.4 Class 4						0	0.0	0	0.0		
8.5 Class 5						0	0.0	0	0.0		
8.6 Class 6						0	0.0	0	0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Class 1						0	0.0	0	0.0		
9.2 Class 2						0	0.0	0	0.0		
9.3 Class 3						0	0.0	0	0.0		
9.4 Class 4						0	0.0	0	0.0		
9.5 Class 5						0	0.0	0	0.0		
9.6 Class 6						0	0.0	0	0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	4,473,671	63,484,950	57,041,686	23,270,149	24,154,991	172,425,447	74.5	XXX	XXX	171,445,597	979,851
10.2 Class 2	2,462,211	28,930,124	14,214,224	4,437,360	4,005,875	54,049,794	23.3	XXX	XXX	54,049,794	.0
10.3 Class 3	499,888	1,247,027	.0	.0	1,018,658	2,765,573	1.2	XXX	XXX	2,765,573	.0
10.4 Class 4	.0	563,609	985,500	.0	.0	1,549,109	0.7	XXX	XXX	1,549,109	.0
10.5 Class 5	749,212	40,500	.0	.0	.0	789,712	0.3	XXX	XXX	789,712	.0
10.6 Class 6	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	8,184,982	94,266,210	72,241,410	27,707,509	29,179,524	231,579,635	100.0	XXX	XXX	230,599,785	979,851
10.8 Line 10.7 as a % of Col. 6	3.5	40.7	31.2	12.0	12.6	100.0	XXX	XXX	XXX	99.6	0.4
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	8,547,609	68,076,140	30,586,665	11,072,101	10,264,508	XXX	XXX	128,547,023	74.7	127,547,023	1,000,000
11.2 Class 2	836,515	18,322,947	12,580,710	5,089,776	2,132,076	XXX	XXX	38,962,024	22.6	38,962,024	.0
11.3 Class 3	.0	1,848,575	.0	.0	1,018,946	XXX	XXX	2,867,521	1.7	2,867,522	.0
11.4 Class 4	.0	.0	614,000	.0	.0	XXX	XXX	614,000	0.4	614,000	.0
11.5 Class 5	.0	1,115,023	.0	.0	.0	XXX	XXX	1,115,023	0.6	1,115,023	.0
11.6 Class 6	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	9,384,124	89,362,685	43,781,375	16,161,877	13,415,530	XXX	XXX	172,105,591	100.0	171,105,592	1,000,000
11.8 Line 11.7 as a % of Col. 8	5.5	51.9	25.4	9.4	7.8	XXX	XXX	100.0	XXX	99.4	0.6
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	4,473,671	62,505,099	57,041,686	23,270,149	24,154,991	171,445,596	74.0	127,547,022	74.1	171,445,596	XXX
12.2 Class 2	2,462,211	28,930,124	14,214,224	4,437,360	4,005,875	54,049,794	23.3	38,962,024	22.6	54,049,794	XXX
12.3 Class 3	499,888	1,247,027	.0	.0	1,018,658	2,765,573	1.2	2,867,521	1.7	2,765,573	XXX
12.4 Class 4	.0	563,609	985,500	.0	.0	1,549,109	0.7	614,000	0.4	1,549,109	XXX
12.5 Class 5	749,212	40,500	.0	.0	.0	789,712	0.3	1,115,023	0.6	789,712	XXX
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	8,184,982	93,286,359	72,241,410	27,707,509	29,179,524	230,599,784	99.6	171,105,590	99.4	230,599,784	XXX
12.8 Line 12.7 as a % of Col. 6	3.5	40.5	31.3	12.0	12.7	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	3.5	40.3	31.2	12.0	12.6	99.6	XXX	XXX	XXX	99.6	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1	.0	979,851	.0	.0	.0	979,851	0.4	1,000,000	0.6	XXX	979,851
13.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.7 Totals	.0	979,851	.0	.0	.0	979,851	0.4	1,000,000	0.6	XXX	979,851
13.8 Line 13.7 as a % of Col. 6	0.0	100.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.4	0.0	0.0	0.0	0.4	XXX	XXX	XXX	XXX	0.4

(a) Includes \$ 979,851 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$ 10,933,479 current year, \$ 4,928,540 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.

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**SCHEDULE D - PART 1A - SECTION 2**

**Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues**

Distribution by Type	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 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Issuer Obligations	986,656	5,921,022	28,083,023	9,883,886		44,874,587	19.4	7,436,649	4.3	44,874,588	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities		2,093,229	517,767	300,637	8,344,580	11,256,213	4.9	2,905,285	1.7	11,256,214	
1.7 Totals	986,656	8,014,251	28,600,790	10,184,523	8,344,580	56,130,800	24.2	10,341,934	6.0	56,130,802	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Issuer Obligations		996,633				996,633	0.4	995,712	0.6	996,633	
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
2.3 Defined						0	0.0	0	0.0		
2.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
2.5 Defined						0	0.0	0	0.0		
2.6 Other						0	0.0	0	0.0		
2.7 Totals	0	996,633	0	0	0	996,633	0.4	995,712	0.6	996,633	0
<b>3. States, Territories, and Possessions Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Issuer Obligations						0	0.0	0	0.0		
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
3.3 Defined						0	0.0	0	0.0		
3.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
3.5 Defined						0	0.0	0	0.0		
3.6 Other						0	0.0	0	0.0		
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Issuer Obligations						0	0.0	0	0.0		
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
4.3 Defined						0	0.0	0	0.0		
4.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
4.5 Defined						0	0.0	0	0.0		
4.6 Other						0	0.0	0	0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Issuer Obligations		2,001,005	994,322		1,244,148	4,239,475	1.8	7,944,239	4.6	4,239,474	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	15,787,868	9.2		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
5.3 Defined	782,549	4,973,466	2,802,348	3,088,174	786	11,647,323	5.0	0	0.0	11,647,322	
5.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
5.5 Defined						0	0.0	0	0.0		
5.6 Other						0	0.0	0	0.0		
5.7 Totals	782,549	6,974,471	3,796,670	3,088,174	1,244,934	15,886,798	6.9	23,732,107	13.8	15,886,796	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

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

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Issuer Obligations .....	1,007,631	8,290,920	2,989,862	1,996,499	985,549	15,270,461	6.6	11,405,004	6.6	15,270,462	
6.2 Single Class Mortgage-Backed/Asset-Based Securities .....						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES .....						0	0.0	0	0.0		
6.3 Defined .....						0	0.0	0	0.0		
6.4 Other .....						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES .....						0	0.0	0	0.0		
6.5 Defined .....						0	0.0	0	0.0		
6.6 Other .....						0	0.0	0	0.0		
6.7 Totals .....	1,007,631	8,290,920	2,989,862	1,996,499	985,549	15,270,461	6.6	11,405,004	6.6	15,270,462	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Issuer Obligations .....	5,109,039	69,344,175	34,901,070	11,197,833	18,370,297	138,922,414	60.0	120,498,296	70.0	138,922,414	
7.2 Single Class Mortgage-Backed/Asset-Based Securities .....				979,851		979,851	0.4	999,907	0.6		979,851
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES .....											
7.3 Defined .....	299,107	596,941			234,166	1,130,214	0.5	1,868,011	1.1	1,130,214	
7.4 Other .....						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES .....											
7.5 Defined .....		48,819	1,953,018	260,629		2,262,466	1.0	0	0.0	2,262,467	
7.6 Other .....						0	0.0	2,264,623	1.3		
7.7 Totals .....	5,408,146	69,989,935	36,854,088	12,438,313	18,604,463	143,294,945	61.9	125,630,837	73.0	142,315,095	979,851
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Issuer Obligations .....						0	0.0	0	0.0		
8.7 Totals .....	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parents, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Issuer Obligations .....						0	0.0	0	0.0		
9.2 Single Class Mortgage-Backed/Asset-Based Securities .....						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES .....											
9.3 Defined .....						0	0.0	0	0.0		
9.4 Other .....						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES .....											
9.5 Defined .....						0	0.0	0	0.0		
9.6 Other .....						0	0.0	0	0.0		
9.7 Totals .....	0	0	0	0	0	0	0.0	0	0.0	0	0

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

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

**Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues**

Distribution by Type	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 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations	7,103,326	86,553,755	66,968,277	23,078,218	20,599,994	204,303,570	88.2	XXX	XXX	204,303,571	.0
10.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	.0	2,093,229	517,767	1,280,488	8,344,580	12,236,064	5.3	XXX	XXX	11,256,214	979,851
10.3 Defined	1,081,656	5,570,407	2,802,348	3,088,174	234,952	12,777,537	5.5	XXX	XXX	12,777,536	.0
10.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.5 Defined	.0	48,819	1,953,018	260,629	.0	2,262,466	1.0	XXX	XXX	2,262,467	.0
10.6 Other	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.7 Totals	8,184,982	94,266,210	72,241,410	27,707,509	29,179,526	231,579,637	100.0	XXX	XXX	230,599,788	979,851
10.8 Line 10.7 as a % of Col. 6	3.5	40.7	31.2	12.0	12.6	100.0	XXX	XXX	XXX	99.6	0.4
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations	6,074,714	78,365,974	37,112,198	13,391,630	13,335,384	XXX	XXX	148,279,900	86.2	148,279,899	.0
11.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	3,918,160	8,531,801	5,086,036	2,081,882	75,181	XXX	XXX	19,693,060	11.4	19,693,060	.0
11.3 Defined	366,813	1,365,233	88,347	42,652	4,966	XXX	XXX	1,868,011	1.1	1,868,010	.0
11.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.5 Defined	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.6 Other	20,149	103,966	1,494,795	645,713	0	XXX	XXX	2,264,623	1.3	1,264,622	1,000,000
11.7 Totals	10,379,836	88,366,974	43,781,376	16,161,877	13,415,531	XXX	XXX	172,105,594	100.0	171,105,591	1,000,000
11.8 Line 11.7 as a % of Col. 8	6.0	51.3	25.4	9.4	7.8	XXX	XXX	100.0	XXX	99.4	0.6
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations	7,103,327	86,553,756	66,968,277	23,078,218	20,599,994	204,303,572	88.2	148,279,899	86.2	204,303,572	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	.0	1,113,378	517,767	1,280,488	8,344,580	11,256,213	4.9	19,693,060	11.4	11,256,213	XXX
12.3 Defined	1,081,656	5,570,407	2,802,348	3,088,174	234,952	12,777,537	5.5	1,868,010	1.1	12,777,537	XXX
12.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.5 Defined	.0	48,819	1,953,018	260,629	.0	2,262,466	1.0	.0	0.0	2,262,466	XXX
12.6 Other	.0	.0	.0	.0	.0	.0	0.0	1,264,622	0.7	.0	XXX
12.7 Totals	8,184,983	93,286,360	72,241,410	27,707,509	29,179,526	230,599,788	99.6	171,105,591	99.4	230,599,788	XXX
12.8 Line 12.7 as a % of Col. 6	3.5	40.5	31.3	12.0	12.7	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	3.5	40.3	31.2	12.0	12.6	99.6	XXX	XXX	XXX	99.6	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	.0	979,851	.0	.0	.0	979,851	0.4	.0	0.0	XXX	979,851
13.3 Defined	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.5 Defined	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.6 Other	.0	.0	.0	.0	.0	.0	0.0	1,000,000	0.6	XXX	.0
13.7 Totals	.0	979,851	.0	.0	.0	979,851	0.4	1,000,000	0.6	XXX	979,851
13.8 Line 13.7 as a % of Col. 6	0.0	100.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.4	0.0	0.0	0.0	0.4	XXX	XXX	XXX	XXX	0.4

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**SCHEDULE DA - PART 2**

**Verification of SHORT-TERM INVESTMENTS Between Years**

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year .....	0	0	0	0	0
2. Cost of short-term investments acquired .....	1,997,333	1,997,333			
3. Increase (decrease) by adjustment .....	2,667	2,667			
4. Increase (decrease) by foreign exchange adjustment .....	0				
5. Total profit (loss) on disposal of short-term investments .....	0				
6. Consideration received on disposal of short-term investments .....	2,000,000	2,000,000			
7. Book/adjusted carrying value, current year .....	0	0	0	0	0
8. Total valuation allowance .....	0				
9. Subtotal (Lines 7 plus 8) .....	0	0	0	0	0
10. Total nonadmitted amounts .....	0				
11. Statement value (Lines 9 minus 10) .....	0	0	0	0	0
12. Income collected during year .....	0				
13. Income earned during year .....	0				

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: .....

Schedule DB - Part A - VBY

**NONE**

Schedule DB - Part B - VBY

**NONE**

Schedule DB - Part C - VBY

**NONE**

Schedule DB - Part D - VBY

**NONE**

Schedule DB - Part E - VBY

**NONE**

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

**SCHEDULE F**

Showing all claims for death losses and all other contract claims resisted or compromised during the year, and all claims for death losses and all other contract claims resisted December 31 of current year

1	2	3	4	5	6	7	8
Contract Numbers	Claim Numbers	State of Residence of Claimant	Year of Claim for Death or Disability	Amount Claimed	Amount Paid During the Year	Amount Resisted Dec. 31 of Current Year	Why Compromised or Resisted
61007	n/a	WI	2001	106	0		Material Misrepresentation
142205	n/a	MO	2001	250,000			Material Misrepresentation
152913	n/a	IN	2001	75,000			Material Misrepresentation
159960	n/a	OH	2002	100,000			Suicide
171340	n/a	OH	2001	250,000			Material Misrepresentation
172447	n/a	WV	2001	10,000			Material Misrepresentation
176407	n/a	NC	2002	100,000			Suicide
176536	n/a	TX	2002	35,000			Material Misrepresentation
178091	n/a	LA	2002	100,000			Material Misrepresentation
197796	n/a	TX	2002	750,000			Suicide
202460	n/a	KY	2002	50,000			Material Misrepresentation
210234	n/a	ME	2002	125,000			Material Misrepresentation
58183	n/a	TX	1998	1,000,000	200,000		Suicide
105015	n/a	AR	2001	100,000	92,500		Material Misrepresentation
<b>0199999 - Disposed of: Death Claims - Ordinary</b>				2,945,106	292,500		XXX
<b>0599999 - Death Claims - Disposed Of</b>				2,945,106	292,500		XXX
<b>2699999 - Claims Disposed of During Current Year</b>				2,945,106	292,500		XXX
<b>5399999 Totals</b>				2,945,106	292,500		XXX

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT**

	Total		Group Accident and Health		Credit Accident and Health (Group and Individual)		Collectively Renewable		Other Individual Contracts										
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other		
									9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %	
<b>PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS</b>																			
1. Premiums written	.0	XXX		XXX		XXX		XXX		XXX		XXX		XXX		XXX		XXX	
2. Premiums earned	.0	XXX	.0	XXX	.0	XXX	.0	XXX	.0	XXX	.0	XXX	.0	XXX	.0	XXX	.0	XXX	.0
3. Incurred claims	3,615	.0.0	3,615	.0.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Increase in contract reserves	.0	.0.0	.0	.0.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Commissions (a)	.0	.0.0		.0.0		.0.0		.0.0		.0.0		.0.0		.0.0		.0.0		.0.0	
6. General insurance expenses	1,608	.0.0	1,608	.0.0		.0		.0		.0		.0		.0		.0		.0	
7. Taxes, licenses and fees	.0	.0.0		.0.0		.0		.0		.0		.0		.0		.0		.0	
8. Total expenses incurred	1,608	.0.0	1,608	.0.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. Aggregate write-ins for deductions	.0	.0.0	.0	.0.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Gain from underwriting before dividends or refunds	(5,223)	.0.0	(5,223)	.0.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
11. Dividends or refunds	.0	.0.0		.0.0		.0		.0		.0		.0		.0		.0		.0	
12. Gain from underwriting after dividends or refunds	(5,223)	0.0	(5,223)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
<b>DETAILS OF WRITE-INS</b>																			
0901.																			
0902.																			
0903.																			
0998. Summary of remaining write-ins for Line 9 from overflow page	.0	.0.0	.0	.0.0	.0	.0.0	.0	.0.0	.0	.0.0	.0	.0.0	.0	.0.0	.0	.0.0	.0	.0.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0

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

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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
<b>PART 2 - RESERVES AND LIABILITIES</b>									
A. Premium Reserves:									
1. Unearned premiums	0								
2. Advance premiums	0								
3. Reserve for rate credits	0								
4. Total premium reserves, current year	0	0	0	0	0	0	0	0	0
5. Total premium reserves, prior year	0	0	0	0	0	0	0	0	0
6. Increase in total premium reserves	0	0	0	0	0	0	0	0	0
B. Contract Reserves:									
1. Additional reserves	0								
2. Reserve for future contingent benefits	0								
3. Total contract reserves, current year	0	0	0	0	0	0	0	0	0
4. Total contract reserves, prior year	0	0	0	0	0	0	0	0	0
5. Increase in contract reserves	0	0	0	0	0	0	0	0	0
C. Claim Reserves and Liabilities:									
1. Total current year	28,621	28,621							
2. Total prior year	29,363	29,363	0	0	0	0	0	0	0
3. Increase	(742)	(742)	0	0	0	0	0	0	0

<b>PART 3 - TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES</b>									
1. Claims paid during the year:									
1.1 On claims incurred prior to current year	4,357	4,357							
1.2 On claims incurred during current year	0								
2. Claim reserves and liabilities, December 31, current year:									
2.1 On claims incurred prior to current year	28,621	28,621							
2.2 On claims incurred during current year	0								
3. Test:									
3.1 Line 1.1 and 2.1	32,978	32,978	0	0	0	0	0	0	0
3.2 Claim reserves and liabilities, December 31, prior year	29,363	29,363	0	0	0	0	0	0	0
3.3 Line 3.1 minus Line 3.2	3,615	3,615	0	0	0	0	0	0	0

<b>PART 4 - REINSURANCE</b>									
A. Reinsurance Assumed:									
1. Premiums written	0								
2. Premiums earned	0								
3. Incurred claims	0								
4. Commissions	0								
B. Reinsurance Ceded:									
1. Premiums written	0								
2. Premiums earned	0								
3. Incurred claims	22,732	22,732							
4. Commissions	0								

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**SCHEDULE H - PART 5 - HEALTH CLAIMS**

	1 Medical	2 Dental	3 Other	4 Total
<b>A. Direct:</b>				
1. Incurred Claims .....			26,347	26,347
2. Beginning Claim Reserves and Liabilities .....	0	0	293,635	293,635
3. Ending Claim Reserves and Liabilities .....			286,214	286,214
4. Claims Paid .....	0	0	33,768	33,768
<b>B. Assumed Reinsurance:</b>				
5. Incurred Claims .....				0
6. Beginning Claim Reserves and Liabilities .....	0	0	0	0
7. Ending Claim Reserves and Liabilities .....				0
8. Claims Paid .....	0	0	0	0
<b>C. Ceded Reinsurance:</b>				
9. Incurred Claims .....			22,732	22,732
10. Beginning Claim Reserves and Liabilities .....	0	0	267,540	267,540
11. Ending Claim Reserves and Liabilities .....			260,861	260,861
12. Claims Paid .....	0	0	29,411	29,411
<b>D. Net:</b>				
13. Incurred Claims.....	0	0	3,615	3,615
14. Beginning Claim Reserves and Liabilities .....	0	0	26,095	26,095
15. Ending Claim Reserves and Liabilities .....	0	0	25,353	25,353
16. Claims Paid	0	0	4,357	4,357

## SCHEDULE O - PART 1

### Development of Incurred Losses Section A - Group 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 .....	25,172	0	0	0	0
2. 1998 .....	84,672	(1,732)	5,701	6,738	4,357
3. 1999 .....	XXX	0	0	0	0
4. 2000 .....	XXX	XXX	0	0	0
5. 2001 .....	XXX	XXX	XXX	0	0
6. 2002 .....	XXX	XXX	XXX	XXX	0

### Section B - Other Accident and Health

1. Prior .....	<b>NONE</b>				
2. 1998 .....					
3. 1999 .....					
4. 2000 .....					
5. 2001 .....			XXX		
6. 2002 .....			XXX	XXX	XXX

### Section C - Credit Accident and Health

1. Prior .....	<b>NONE</b>				
2. 1998 .....					
3. 1999 .....					
4. 2000 .....					
5. 2001 .....			XXX		
6. 2002 .....			XXX	XXX	XXX

(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 Accident and Health

Year in Which Losses Were Incurred	Sum of Cumulative 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	94,324	(1,191)	5,586	XXX	XXX
2. 1999	XXX	0	0	0	XXX
3. 2000	XXX	XXX	0	0	
4. 2001	XXX	XXX	XXX	0	
5. 2002	XXX	XXX	XXX	XXX	

Section B - Other Accident and Health

1. 1998	XXX			XXX	XXX
2. 1999	XXX	XXX			XXX
3. 2000	XXX	XXX	XXX		
4. 2001	XXX	XXX	XXX		
5. 2002	XXX	XXX	XXX	XXX	

**NONE**

Section C - Credit Accident and Health

1. 1998	XXX			XXX	XXX
2. 1999	XXX	XXX			XXX
3. 2000	XXX	XXX	XXX		
4. 2001	XXX	XXX	XXX		
5. 2002	XXX	XXX	XXX	XXX	

**NONE**

### 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	STANDARD FACTOR	3,303,464
3. Individual Annuity		
4. Supplementary Contracts		
5. Credit Life		
6. Group Life		
7. Group Accident and Health	STANDARD FACTOR	28,621
8. Credit Accident and Health		
9. Other Accident and Health		
10. Total		3,332,085

Schedule S - Part 1 - Section 1

**NONE**

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
78077	.86-0222062	01/01/1999	MONY Life Insurance Co. of America	New York, NY	10,011,130	4,704,072
0199999 - Life and Annuity Affiliates					10,011,130	4,704,072
90611	.41-1366075	10/01/1990	Allianz Life Reassurance Co. of America	Minneapolis, MN	216,782	0
90670	.43-1178580	10/01/1990	ERC Life Reinsurance Corporation	Overland Park, KS	116,166	0
88340	.59-2859797	01/22/1997	Reassurance Company of Hannover	Orlando, FL	825,828	21,836
88340	.59-2859797	01/01/2000	Reassurance Company of Hannover	Orlando, FL	210,179	126,884
64688	.75-6020048	01/01/1997	Winterthur Insurance Company of the U.S.	Dallas, TX	1,186,007	21,836
93572	.43-1235868	02/01/1996	Reinsurance Group of America, Inc.	Chesterfield, MO	167,411	31,225
80659	.38-0397420	01/01/2001	Canada Life Assurance Company	Regina, Saskatchewan, Canada	265,782	126,884
97039	.06-1067046	01/01/1996	Lincoln National Reassurance Co.	Fort Wayne, IN		192,949
0299999 - Life and Annuity - Non-Affiliates					2,988,155	521,614
0399999 - Life and Annuity					12,999,285	5,225,686
	AA-9995055	10/01/1991	American Disability Reinsurance Underwriters Syndicate	Wayne, NJ	3,268	
0599999 - Accident and Health - Non-Affiliates					3,268	
0699999 - Totals - Accident and Health					3,268	
0799999 - Totals					13,002,553	5,225,686

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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 Re- insurance 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 Previous Year		11 Current Year	12 Prior Year		
78077	86-0222062	01/01/1999	Mony Life Insurance Company of America	Phoenix, AZ	MC0/I	15,815,339,165	0	0	100,145,040	0	0	91,284,222	
0199999 - General Account, Affiliates						15,815,339,165			100,145,040			91,284,222	
61492	44-0188050	01/01/1985	Business Men's Assurance Company of America	Kansas City, MO	YRT/I	2,240,429	19,991	16,844	29,404				
61492	44-0188050	01/01/1985	Business Men's Assurance Company of America	Kansas City, MO	CO/I								
86258	06-0949141	11/01/1986	General & Cologne Life Re	Stamford, CT	YRT/I	3,956,400	39,061	35,488	7,082				
86258	06-0949141	11/01/1986	General & Cologne Life Re	Stamford, CT	CO/I	4,520,830	22,882	20,022	29,509				
90670	43-1178580	10/01/1990	ERC Life Reinsurance Corporation	Overland Park, KS	YRT/I	30,740,014	201,875	242,776	240,330				
90670	43-1178580	10/01/1990	ERC Life Reinsurance Corporation	Overland Park, KS	CO/I	100,752,924	746,362	779,368	426,201				
90611	41-1366075	10/01/1990	Allianz Life Reinsurance Company of NA	Minneapolis, MN	YRT/I	99,771	2,518	287,012	18,499				
90611	41-1366075	10/01/1990	Allianz Life Reinsurance Company of NA	Minneapolis, MN	CO/I	7,150,000	40,872	821,557	(16,043)				
93572	43-1235868	02/01/1996	Reinsurance Group of America, Inc.	Chesterfield, MO	YRT/I	7,973,456	38,901	61,703	50,504				
93572	43-1235868	02/01/1996	Reinsurance Group of America, Inc.	Chesterfield, MO	CO/I	48,147,143	392,650	411,034	175,006				
88340	59-2859797	10/01/1996	Hannover Life Reassurance Company of America	Orlando, FL	CO/I	150,658,578	1,317,617	3,402,985	1,041,116				
88340	59-2859797	01/22/1997	Hannover Life Reassurance Company of America	Orlando, FL	YRT/I	203,006,395	817,674	830,187	675,257				
88340	59-2859797	01/01/1998	Hannover Life Reassurance Company of America	Orlando, FL	ADB/I	0	5,162	0	8,044				
88340	59-2859797	01/01/2000	Hannover Life Reassurance Company of America	Orlando, FL	CO/I	2,780,067,822	12,561,068	5,530,145	6,949,442				
88340	59-2859797	04/01/2000	Hannover Life Reassurance Company of America	Orlando, FL	YRT/I	59,551,000	130,280	69,873	73,906				
80659	38-0397420	01/01/1996	Canada Life Assurance Company	Regina, Saskatchewan, Canada	YRT/I	1,472,426	43,567	39,819	25,522				
80659	38-0397420	01/01/1996	Canada Life Assurance Company	Regina, Saskatchewan, Canada	CO/I	7,100,000	27,614	140,092	36,348				
80659	38-0397420	01/01/2001	Canada Life Assurance Company	Regina, Saskatchewan, Canada	YRT/I	1,356,012,213	4,825,222	2,511,433	1,667,280				
97039	06-1067046	01/01/1996	Lincoln National Reassurance Company	Fort Wayne, IN	CO/I	97,084,435	6,915,374	6,332,606	1,436,864				
64688	75-6020048	01/01/1997	Winterthur Insurance Company of the U.S.	Dallas, TX	YRT/I	275,633,793	1,526,065	1,694,909	1,895,279				
64688	75-6020048	01/01/1997	Winterthur Insurance Company of the U.S.	Dallas, TX	CO/I	1,436,815,367	6,782,818	5,323,286	4,361,784				
0299999 - General Account, Non-Affiliates						6,572,982,996	36,457,573	28,551,138	19,131,334				
0399999 - Total General Account						22,388,322,161	36,457,573	28,551,138	119,276,374			91,284,222	
0799999 Totals						22,388,322,161	36,457,573	28,551,138	119,276,374			91,284,222	

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**SCHEDULE S - PART 3 - SECTION 2**

Reinsurance Ceded Accident and Health Insurance 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	7 Premiums	8 Unearned Premiums (estimated)	9 Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		
0199999 - Total Affiliates												
	AA-9995055	10/01/1990	American Disability Reinsurance Underwriters Syndicate	Wayne, NJ	.CO/G			0				
0299999 - Total - Non-Affiliates												
								257,593				
0399999 Totals												
								257,593				

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

**SCHEDULE S - PART 4**

Reinsurance Ceded to Unauthorized Companies

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

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## SCHEDULE S - PART 5

## Five Year Exhibit of Reinsurance Ceded Business (000 Omitted)

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>A. OPERATIONS ITEMS</b>					
1. Premiums and annuity considerations for life and accident and health contracts .....	119,276	84,288	54,451	15,023	5,956
2. Commissions and reinsurance expense allowances .....	61,369	52,415	37,303	12,142	0
3. Contract claims .....	35,857	28,021	14,941	9,233	5,550
4. Surrender benefits and withdrawals for life contracts .....	193	168	0	0	0
5. Dividends to policyholders .....	0	0	0	0	0
6. Reserve adjustments on reinsurance ceded .....	44,403	26,485	12,533	3,181	0
7. Increase in aggregate reserve for life and accident and health contracts .....	7,900	8,146	6,494	4,141	958
<b>B. BALANCE SHEET ITEMS</b>					
8. Premiums and annuity considerations for life and accident and health contracts deferred and uncollected .....	29,077	22,396	16,027	4,110	0
9. Aggregate reserves for life and accident and health contracts .....	36,715	28,815	20,670	13,883	9,753
10. Liability for deposit-type contracts .....	0	0	0	0	0
11. Contract claims unpaid .....	5,226	6,868	3,797	6,658	2,150
12. Amounts recoverable on reinsurance .....	13,003	3,668	2,344	826	161
13. Experience rating refunds due or unpaid .....	0	0	0	0	0
14. Policyholders' dividends (not included in Line 10) .....	0	0	0	0	0
15. Commissions and reinsurance expense allowances unpaid .....	5,183	7,068	0	0	0
16. Unauthorized reinsurance offset .....	0	0	0	0	0
<b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
17. Funds deposited by and withheld from (F) .....	0	0	0	0	0
18. Letters of credit (L) .....	0	0	0	0	0
19. Trust agreements (T) .....	0	0	0	0	0
20. Other (O) .....	0	0	0	0	0

**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)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 11) .....	245,751,193		245,751,193
2. Reinsurance ceded (Line 12) .....	18,204,999	(18,204,999)	0
3. Life & annuity premiums deferred & uncollected (Line 16) .....	6,089,255	29,077,437	35,166,692
4. Accident and health premiums due and unpaid (Line 17) .....	0	0	0
5. Net credit for ceded reinsurance .....	XXX	31,068,414	31,068,414
6. All other admitted assets (balance) .....	7,100,023		7,100,023
7. Total assets excluding Separate Accounts (Line 25) .....	277,145,470	41,940,851	319,086,322
8. Separate Account assets (Line 26) .....	0		0
9. Total assets (Line 27) .....	277,145,470	41,940,851	319,086,322
<b>LIABILITIES, CAPITAL AND SURPLUS (PAGE 3)</b>			
10. Contract reserves (Lines 1 and 2) .....	235,208,666	36,715,166	271,923,832
11. Liability for deposit-type contracts (Line 3) .....	2,695,746		2,695,746
12. Claim reserves (Line 4) .....	3,303,464	5,225,685	8,529,149
13. Policyholder dividends/reserves (Lines 5 through 7) .....	0		0
14. Premium & annuity considerations received in advance (Line 8) .....	667,718	0	667,718
15. Other contract liabilities (Line 9) .....	4,224,625		4,224,625
16. Reinsurance in unauthorized companies (Line 24.2) .....	0	0	0
17. Funds held under reinsurance with unauthorized reinsurers (Line 24.3) .....	0	XXX	0
18. All other liabilities (balance) .....	6,838,425		6,838,425
19. Total liabilities excluding Separate Accounts (Line 26) .....	252,938,644	41,940,851	294,879,495
20. Separate Account liabilities (Line 27) .....	0		0
21. Total liabilities (Line 28) .....	252,938,644	41,940,851	294,879,495
22. Capital & surplus (Line 38) .....	24,206,827	XXX	24,206,827
23. Total liabilities, capital & surplus (Line 39) .....	277,145,470	41,940,851	319,086,322
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
24. Contract reserves .....	36,715,166		
25. Claim reserves .....	5,225,685		
26. Policyholder dividends/reserves .....	0		
27. Premium and annuity considerations received in advance .....	0		
28. Liability for premium & other deposit funds .....			
29. Other contract liabilities .....	0		
30. Reinsurance ceded assets .....	18,204,999		
31. Other ceded reinsurance recoverables .....	0		
32. Total ceded reinsurance recoverables .....	60,145,851		
33. Life & annuity premiums deferred & uncollected .....	29,077,437		
34. Accident and health premiums due and unpaid .....	0		
35. Reinsurance in unauthorized companies .....	0		
36. Other ceded reinsurance payables/offsets .....	0		
37. Total ceded reinsurance payable/offsets .....	29,077,437		
38. Total net credit for ceded reinsurance .....	31,068,414		



# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your annual 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.

**MARCH FILING**

- 1. Will Schedule SIS (Stockholders Information Supplement) be filed 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? .....Yes.....
- 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? .....Yes.....
- 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 by interrogatory #3 to Exhibit 5 be filed by March 1? .....Yes.....
- 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 state by April 1? .....Yes.....
- 15. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1? .....Yes.....
- 16. Will the Life, Health and Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1? .....Yes.....
- 17. Will the Adjustment Form (if required) be filed with the state of domicile and the NAIC by April 1? .....Yes.....
- 18. Will the Accident and Health Policy Experience Exhibit be filed by April 1? .....No.....
- 19. Will the Investment Risk Interrogatories be filed by April 1? .....Yes.....

**JUNE FILING**

- 20. Will an audited financial report be filed by June 1? .....Yes.....

**EXPLANATIONS:**

**BAR CODE:**



# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

12.   
8 4 5 3 0 2 0 0 2 3 3 0 5 8 0 0 0

18.   
8 4 5 3 0 2 0 0 2 2 1 0 0 0 0 0 0

**OVERFLOW PAGE FOR WRITE-INS**

L011 Additional Aggregate Lines for Page 11 Line 09.3.

\*EXGENEXP

09.304. General Consulting.....	123,153				123,153
09.397. Summary of remaining write-ins for Line 9.3 from page 11	123,153	0	0	0	123,153