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ANNUAL STATEMENT

For the Year Ended December 31, 2003

of the Condition and Affairs of the

LEADER PREFERRED INSURANCE COMPANY

NAIC Group Code..... 3495, 0084 (Current Period) (Prior Period) NAIC Company Code..... 10195 Employer's ID Number..... 34-1785809

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

Country of Domicile USA

Incorporated..... November 7, 1994 Commenced Business..... July 1, 1995

Statutory Home Office	580 Walnut Street ….. Cincinnati ..... OH ..... 45202 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	5205 North O'Connor Boulevard ….. Irving ..... TX ..... 75039 *(Street and Number) (City or Town, State and Zip Code)*	972-501-8300 *(Area Code) (Telephone Number)*
Mail Address	5205 North O'Connor Boulevard ….. Irving ..... TX ..... 75039 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	5205 North O'Connor Boulevard ….. Irving ..... TX ..... 75039 *(Street and Number) (City or Town, State and Zip Code)*	972-501-8300 *(Area Code) (Telephone Number)*
Internet Website Address	www.ipacc.com	
Statutory Statement Contact	William Joseph Herm *(Name)*	972-501-8311 *(Area Code) (Telephone Number) (Extension)*
	bill.herm@ipacc.com *(E-Mail Address)*	972-501-8329 *(Fax Number)*
Policyowner Relations Contact	5205 North O'Connor Boulevard ….. Irving ..... TX ..... 75039 *(Street and Number) (City or Town, State and Zip Code)*	800-527-5412 (x18402) *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President..... Tommy Joe Stone Treasurer..... Roger Hubert Prestridge Secretary..... Samuel James Simon

Donald Alan Baker	Vicki Windham Daniell	William Robert Kennedy	John Raymond Miner
Joseph Anthony Pietrangelo	Roger Smith	Michael Bernard Wedig	Shelia Heldenbrand Williams

DIRECTORS OR TRUSTEES

James Randall Gober	William Robert Kennedy	John Raymond Miner	Roger Hubert Prestridge
Samuel James Simon	Roger Smith	Tommy Joe Stone	

State of........ Alabama
County of..... Jefferson

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.

Signature	Signature	Signature
Tommy Joe Stone	Samuel James Simon	Roger Hubert Prestridge
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Treasurer

Subscribed and sworn to before me this

.....23rd.....day of ....February......................................., 2004

....

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.....

Sch. A-Pt. 1
NONE

Sch. A-Pt. 2
NONE

Sch. A-Pt. 3
NONE

Sch. B-Pt. 1
NONE

Sch. B-Pt. 2
NONE

Sch. BA-Pt. 1
NONE

Sch. BA-Pt. 2
NONE

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest 4	Interest 5	6	7	8	9	10	11	12	13	Interest 14	Interest 15	16	17	18	19	20	21
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued December 31, Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
U.S. Government - Issuer Obligations																				
003708 AA 2	ABLE EMP (GSA) 6.65 6-15-04 A03		6.650	DJ15	06/15/2004			26,906	26,906	101.7500	27,377	26,906	80	1,789				1	03/22/1996	6.650
0199999.	U.S. Government - Issuer Obligations							26,906	26,906	XXX	27,377	26,906	80	1,789	0	0	0	XXX	XXX	XXX
U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities																				
83162C GM 9	SBA SER 96-20A 6.30 1-01-16 AL 8-06		6.300	JJ	01/01/2016	12/31/2011		266,001	266,001	107.5630	286,119	266,001	8,379	17,222				1	01/19/1996	6.300
0299999.	U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities							266,001	266,001	XXX	286,119	266,001	8,379	17,222	0	0	0	XXX	XXX	XXX
0399999.	Total - U.S. Government							292,907	292,907	XXX	313,496	292,907	8,459	19,011	0	0	0	XXX	XXX	XXX
Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																				
Nevada																				
181000 JM 3	CLARK CNTY NEV HWY 5.00 07-01-11		5.000	JJ	07/01/2011			247,451	230,000	112.7670	259,364	248,119	3,833		(668)			1PE	08/27/2003	3.827
	Nevada							247,451	230,000	XXX	259,364	248,119	3,833	0	(668)	0	0	XXX	XXX	XXX
	Total States and US							247,451	230,000	XXX	259,364	248,119	3,833	0	(668)	0	0	XXX	XXX	XXX
2599999.	Special Revenue & Assessment Obligations - Issuer Obligations							247,451	230,000	XXX	259,364	248,119	3,833	0	(668)	0	0	XXX	XXX	XXX
3199999.	Total - Special Revenue & Special Assessment Obligations							247,451	230,000	XXX	259,364	248,119	3,833	0	(668)	0	0	XXX	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																				
United States																				
001957 AV 1	AT&T CORP 6.00 3-15-09 NC		6.000	SM15	03/15/2009			17,387	18,000	107.0000	19,260	16,997	318	1,080	95			2	06/04/1999	6.788
00209T AA 3	AT&T BROADBAND 8.375 3-15-13 NC		8.375	SM15	03/15/2013			181,000	181,000	121.6250	220,141	181,000	4,463	12,506				2	11/18/2002	8.375
032166 AQ 3	AMSOUTH BANK NA 4.85 04-01-13		4.850	OA	04/01/2013			249,878	260,000	99.2950	258,167	249,556	3,153	6,445	322			2	08/14/2003	5.390
084423 AD 4	BERKLEY W.R. 6.25 1-15-06 NC		6.250	JJ15	01/15/2006			99,091	100,000	105.5340	105,534	96,536	2,882	6,250	403			2PE	02/20/1996	6.735
293562 AC 8	ENRON OIL & GAS 6.50 12-01-07 NC		6.500	DJ	12/01/2007			240,869	250,000	110.6970	276,743	234,928	1,354	16,250	1,935			2	08/29/2000	7.596
31331F AC 5	FEDERAL EX PT 6.68 1-1-08 AL0306 SF		6.680	JJ	01/01/2008			186,335	184,258	110.6250	203,835	188,592	6,154	12,308	(443)			2	02/04/1998	6.356
449901 AC 1	ICI NORTH AMERICA 8.875 11-15-06 NC		8.875	NM15	11/15/2006			276,797	265,000	115.1550	305,161	298,886	3,005	23,519	(3,583)			2	04/18/1996	7.133
50075N AH 7	KRAFT FOODS INC 6.25 06-01-12 NC		6.250	DJ	06/01/2012			253,376	250,000	108.9860	272,465	253,850	1,302	15,625	(300)			2	05/23/2002	6.043
549463 AD 9	LUCENT TECH 5.50 11-15-08 NC		5.500	NM15	11/15/2008			231,742	250,000	93.3750	233,438	222,490	1,757	13,750	112,367			5	09/07/2000	7.309
718507 BJ 4	PHILLIPS PETROLEUM 6.375 3-30-09 NC		6.375	SM31	03/30/2009			255,828	250,000	109.0000	272,500	257,500	4,029	15,938	(925)			1PE	02/25/2002	5.852
759351 AA 7	REINSURANCE GRP OF AMER 7.25 4-01-06		7.250	OA	04/01/2006			299,734	300,000	108.2040	324,612	299,082	5,438	21,750	105			1	03/19/1996	7.294
76182K AM 7	RJ REYNOLDS TOBACCO 6.50 06-01-07 NC		6.500	DJ	06/01/2007			252,500	250,000	101.0000	252,500	253,725	1,354	16,250	(844)			3	05/31/2002	6.149
811410 AM 1	SEA LAND SER C 6.60 1-02-11 AL07		6.600	JJ02	01/02/2011			267,535	267,534	99.3750	265,862	267,534	8,780	17,657				2	02/11/1998	6.600
866810 AE 4	SUN MICROSYSTEMS 7.50 8-15-06 NC		7.500	AF15	08/15/2006			201,137	200,000	110.2420	220,484	202,230	5,667	15,000	(381)			2PE	12/01/2000	7.258
871928 AJ 6	IBM-TIERS 97 7.35 6-01-17 AL 8-19-10		7.350	DJ	06/01/2017			160,565	162,998	111.0000	180,928	160,167	998	11,980	102			1PE	08/09/1999	7.529
	United States							3,173,774	3,188,790	XXX	3,411,630	3,183,073	50,654	206,308	108,853	0	0	XXX	XXX	XXX
3999999.	Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations							3,173,774	3,188,790	XXX	3,411,630	3,183,073	50,654	206,308	108,853	0	0	XXX	XXX	XXX
4599999.	Total - Industrial & Miscellaneous (Unaffiliated)							3,173,774	3,188,790	XXX	3,411,630	3,183,073	50,654	206,308	108,853	0	0	XXX	XXX	XXX
Totals																				
5499999.	Total - Issuer Obligations							3,448,131	3,445,696	XXX	3,698,371	3,458,098	54,567	208,097	108,185	0	0	XXX	XXX	XXX
5599999.	Total - Single Class Mortgage-Backed/Asset-Backed Securities							266,001	266,001	XXX	286,119	266,001	8,379	17,222	0	0	0	XXX	XXX	XXX
6099999.	Grand Total - Bonds							3,714,132	3,711,697	XXX	3,984,490	3,724,099	62,946	225,319	108,185	0	0	XXX	XXX	XXX

Sch. D-Pt. 2-Sn. 1
NONE

Sch. D-Pt. 2-Sn. 2
NONE

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends
Bonds - Special Revenue and Special Assessment							
Nevada							
181000 JM 3	CLARK CNTY NEV HWY 5.00 07-01-11	08/27/2003	LEHMAN BROTHERS INC.		248,119	230,000	256
	Nevada				248,119	230,000	256
	Total States and US				248,119	230,000	256
3199999.	Total - Bonds - Special Revenue & Special Assessments				248,119	230,000	256
Bonds - Industrial and Miscellaneous							
United States							
032166 AQ 3	AMSOUTH BANK NA 4.85 04-01-13	08/14/2003	GOLDMAN SACHS & CO.		249,556	260,000	4,974
	United States				249,556	260,000	4,974
4599999.	Total - Bonds - Industrial & Miscellaneous				249,556	260,000	4,974
6099997.	Total - Bonds - Part 3				497,675	490,000	5,230
6099999.	Total - Bonds				497,675	490,000	5,230
7299999.	Total - Bonds, Preferred and Common Stocks				497,675	XXX	5,230

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year
Bonds - U.S. Government															
003708 AA 2	ABLE EMP (GSA) 6.65 6-15-04 A03	06/15/2003	SINKING FUND PAYMENT		25,203	25,203	25,203	25,203					0	838	
003708 AA 2	ABLE EMP (GSA) 6.65 6-15-04 A03	12/15/2003	SINKING FUND PAYMENT		26,041	26,041	26,041	26,041					0	1,732	
83162C GM 9	SBA SER 96-20A 6.30 1-01-16 AL 8-06	07/01/2003	PAYDOWNS		57,211	57,211	57,211	57,211					0	2,706	
0399999.	Total - Bonds - U.S. Government				108,455	108,455	108,455	108,455	0	0	0	0	0	5,276	XXX
Bonds - Industrial and Miscellaneous															
United States															
31331F AC 5	FEDERAL EX PT 6.68 1-1-08 AL0306 SF	07/01/2003	SINKING FUND PAYMENT		29,306	29,306	29,995	29,672	(35)			(366)	(366)	1,958	
811410 AM 1	SEA LAND SER C 6.60 1-02-11 AL07	01/02/2003	SINKING FUND PAYMENT		11,773	11,773	11,773	11,773					0	389	
871928 AJ 6	IBM-TIERS 97 7.35 6-01-17 AL 8-19-10	06/01/2003	SINKING FUND PAYMENT		3,378	3,378	3,320	3,327	1			52	52	124	
871928 AJ 6	IBM-TIERS 97 7.35 6-01-17 AL 8-19-10	12/01/2003	SINKING FUND PAYMENT		3,502	3,502	3,442	3,450	2			52	52	257	
	United States				47,959	47,959	48,530	48,222	(32)	0	0	(262)	(262)	2,728	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				47,959	47,959	48,530	48,222	(32)	0	0	(262)	(262)	2,728	XXX
6099997.	Total - Bonds - Part 4				156,414	156,414	156,985	156,677	(32)	0	0	(262)	(262)	8,004	XXX
6099999.	Total - Bonds				156,414	156,414	156,985	156,677	(32)	0	0	(262)	(262)	8,004	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				156,414	XXX	156,985	156,677	(32)	0	0	(262)	(262)	8,004	0

Sch. D-Pt. 5
NONE

Sch. D-Pt. 6-Sn. 1
NONE

Sch. D-Pt. 6-Sn. 2
NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	Interest 5 Rate of	Interest 6 How Paid	7 Maturity Date	8 Book/Adjusted Carrying Value	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Par Value	12 Actual Cost	Interest 13 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Interest 14 Gross Amount Received	15 Paid for Accrued Interest	16 NAIC Designation	17 Effective Rate of Interest
Exempt Money Market Mutual Funds																
United States																
825252 30 7..	AIM Short-Term Investments Trust Treasury Portfolio..........	12/30/2003	Bank of New York....................................	...0.810	Mtly..	12/31/2004	1,148,642	....	....	1,148,642	1,148,642	750	14,326	....	....1.....	.........0.810
	United States..........						1,148,642	0	0	1,148,642	1,148,642	750	14,326	0	....XXX.	......XXX.....
7799999.	Exempt Money Market Mutual Funds..........						1,148,642	0	0	1,148,642	1,148,642	750	14,326	0	....XXX.	......XXX.....
Class One Money Market Mutual Funds																
United States																
09248U 61 9..	Blackrock Provident Institutional Fund.................................	12/18/2003	Bank of New York....................................	...0.950	Mtly..	12/31/2004	250,944	....	....	250,944	250,944	250	2,452	....	....1.....	.........0.950
825251 84 6..	AIM Short-Term Investments Co. Prime Portfolio.................	11/25/2003	Bank of New York....................................	...0.890	Mtly..	12/31/2004	241,632	....	....	241,632	241,632	204	709	....	....1.....	.........0.890
	United States..........						492,576	0	0	492,576	492,576	454	3,161	0	....XXX.	......XXX.....
7899999.	Class One Money Market Mutual Funds..........						492,576	0	0	492,576	492,576	454	3,161	0	....XXX.	......XXX.....
8099999.	Grand Total - Short-Term Investments..........						1,641,218	(a)...............0	0	1,641,218	1,641,218	1,204	17,487	0	....XXX.	......XXX.....

(a) Includes $..............0 other than accrual of discount and amortization of premium.

Sch. DB-Pt. A-Sn. 1
NONE

Sch. DB-Pt. A-Sn. 2
NONE

Sch. DB-Pt. A-Sn. 3
NONE

Sch. DB-Pt. B-Sn. 1
NONE

Sch. DB-Pt. B-Sn. 2
NONE

Sch. DB-Pt. B-Sn. 3
NONE

Sch. DB-Pt. C-Sn. 1
NONE

Sch. DB-Pt. C-Sn. 2
NONE

Sch. DB-Pt. C-Sn. 3
NONE

Sch. DB-Pt. D-Sn. 1
NONE

Sch. DB-Pt. D-Sn. 2
NONE

Sch. DB-Pt. D-Sn. 3
NONE

Sch. DB-Pt. E-Sn. 1
NONE

SCHEDULE DM

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.

	1 Statement (Admitted) Value	2 Fair Value (a)	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
1. Bonds	5,353,600	5,625,708	272,108
2. Preferred stocks			0
3. Totals	5,353,600	5,625,708	272,108

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.

Generally, market values for publicly traded investment grade bonds were obtained from Interactive Data Services, Inc., a national and municipal security pricing service or EJV Partners, L.P., a national and taxable municipal security pricing service. Market values for privately placed investment grade bonds were obtained from broker quotes or determined by comparison to similar investments in the public market by security analysts of American Money Management Corporation, manager of the Company's investment portfolio.

SCHEDULE E - PART 1 - CASH

1 Depository		2 Rate of Interest	3 Amount of Interest Received During Year	4 Amount of Interest Accrued December 31 of Current Year	5 Balance	6 *
Open Depositories						
Bank of New York	New York, NY	0.050	1		500	XXX
0199999. Total - Open Depositories		XXX	1	0	500	XXX
0399999. Total Cash on Deposit		XXX	1	0	500	XXX
0599999. Total Cash		XXX	1	0	500	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	9,348	4. April	7,829	7. July	7,829	10. October	503
2. February	7,827	5. May	7,829	8. August	500	11. November	504
3. March	15,798	6. June	7,831	9. September	501	12. December	500

Sch. E-Pt. 2
NONE

Sch. E-Pt. 3
NONE