



LIFE AND ACCIDENT AND HEALTH COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2005
OF THE CONDITION AND AFFAIRS OF THE
COLONIAL PENN LIFE INSURANCE COMPANY

NAIC Group Code 0233 (Current Period) 0233 (Prior Period) NAIC Company Code 62065 Employer's ID Number 23-1628836
Organized under the Laws of Pennsylvania, State of Domicile or Port of Entry Pennsylvania
Country of Domicile United States of America
Incorporated/Organized 12/03/1957 Commenced Business 09/02/1959
Statutory Home Office 399 Market Street, Philadelphia, PA 19181
Main Administrative Office 399 Market Street, Philadelphia, PA 19181 215-928-8000
Mail Address 399 Market Street, Philadelphia, PA 19181
Primary Location of Books and Records 399 Market Street, Philadelphia, PA 19181 215-928-8000
Internet Website Address www.conseco.com
Statutory Statement Contact Kirk Allen Anderson, 317-817-6100
Policymaker Relations Contact 399 Market Street, Philadelphia, PA 19181 312-396-6000

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Officers include Gregory Richard Barstead (President), Daniel Joseph Murphy (Treasurer), Karl William Kindig (Secretary), and Rebecca Sue Ward-Ross (Actuary).

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Other officers include Eric Ronald Johnson, Robert Eugene Burkett, Jr., Kenneth Lowell Short, Jr., Susan Carol Billman, Karen Marie Henneberg, James Joseph Valdez, John Michael Squarok, William Thomas Devanney, Jr., Alexis Mandell Berg, Gaetano John Fiordimondo, and David DeJong Humm.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Directors/Trustees include Gregory Richard Barstead, Eugene Martin Bullis, Gaetano John Fiordimondo, and Daniel Joseph Murphy.

State of Illinois

County of Cook ss

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

Gregory Richard Barstead
President

Karl William Kindig
Secretary

John Michael Squarok
Executive Vice President

a. Is this an original filing? Yes [X] No []

- b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

Subscribed and sworn to before me this
25th day of February, 2006

Jack W Dorwick, Notary Public, State of Illinois
My Commission Expires December 17, 2008

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	615,207,487		615,207,487	611,647,630
2. Stocks (Schedule D):				
2.1 Preferred stocks	27,798,197		27,798,197	30,441,357
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	19,348,468		19,348,468	21,149,416
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$270,860 encumbrances).....	4,060,178		4,060,178	4,207,041
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$(3,677,547) , Schedule E, Part 1), cash equivalents (\$, Schedule E, Part 2) and short-term investments (\$3,855,471 , Schedule DA).....	177,924		177,924	40,741,215
6. Contract loans, (including \$premium notes)	16,698,124		16,698,124	16,532,770
7. Other invested assets (Schedule BA)	152,487		152,487	393,659
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	683,442,865		683,442,865	725,113,088
11. Title plants less \$charged off (for Title insurers only).....				
12. Investment income due and accrued	9,170,614		9,170,614	9,147,759
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,019,150		1,019,150	988,998
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....	27,155,418		27,155,418	26,992,042
13.3 Accrued retrospective premium.....				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	47,700		47,700	504,078
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts	62,924		62,924	51,367
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon	261,231		261,231	379,993
16.2 Net deferred tax asset.....	38,353,133	35,156,317	3,196,816	4,663,076
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	673,895	320,263	353,632	183,426
19. Furniture and equipment, including health care delivery assets (\$)	922,124	922,124		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	859,669		859,669	6,656,737
22. Health care (\$) and other amounts receivable.....	2,044,880	2,044,880		
23. Aggregate write-ins for other than invested assets	1,321,406	1,321,406		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	765,335,009	39,764,989	725,570,020	774,680,564
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....				
26. Total (Lines 24 and 25)	765,335,009	39,764,989	725,570,020	774,680,564
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)				
2301. Cost of acquisition of trade name, net of amortization.....	1,321,406	1,321,406		
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	1,321,406	1,321,406		

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$607,619,941 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$298,658,724 Modco Reserve)	607,619,941	619,895,329
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$ Modco Reserve)	25,688,535	27,384,402
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	17,366,555	17,905,468
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	4,197,555	4,579,039
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)		
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$449,540 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	2,382,843	2,533,563
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance including \$7,154,156 assumed and \$946,929 ceded	8,101,085	11,133,360
9.4 Interest maintenance reserve (IMR Line 6)	8,431,094	6,552,798
10. Commissions to agents due or accrued-life contracts and annuity contracts \$3,242 accident and health \$46,562 and deposit-type contract funds \$	49,805	26,510
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	1,428,599	1,627,864
13. Transfers to Separate Accounts due or accrued (net) (Including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	250,780	1,135,313
15.1 Current federal and foreign income taxes including \$ on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income	15,000	15,000
17. Amounts withheld or retained by company as agent or trustee	24,243	982,618
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated	531,073	1,036,887
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$(0) and interest thereon \$	(0)	26,374,819
23. Dividends to stockholders declared and unpaid		7,500,000
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR, Line 16, Col. 7)	4,497,547	4,642,214
24.2 Reinsurance in unauthorized companies		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates	3,047,859	735,455
24.5 Drafts outstanding		
24.6 Liability for amounts held under uninsured accident and health plans		
24.7 Funds held under coinsurance	2,884,226	3,155,300
24.8 Payable for securities		
24.9 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	3,774,422	957,887
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	690,291,160	738,173,826
27. From Separate Accounts Statement		
28. Total Liabilities (Lines 26 and 27)	690,291,160	738,173,826
29. Common capital stock	2,500,000	2,500,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	29,877,065	29,877,065
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	2,901,796	4,129,673
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (total Lines 31+32+33+34+35-36) (Including \$ in Separate Accounts Statement)	32,778,861	34,006,738
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	35,278,861	36,506,738
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3)	725,570,021	774,680,564
DETAILS OF WRITE-INS		
2501. Unclaimed funds	3,762,792	957,887
2502. Derivative instruments - forwards	11,630	
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	3,774,422	957,887
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)		
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)		

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	90,051,276	81,821,698
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	42,148,592	43,156,652
4. Amortization of interest maintenance reserve (IMR) (Line 5)	(52,129)	(505,706)
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	24,751,890	25,329,631
7. Reserve adjustments on reinsurance ceded	(31,912,389)	(30,887,476)
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	4,856	
9. Total (Lines 1 to 8.3)	124,992,095	118,914,799
10. Death benefits	34,605,667	28,767,768
11. Matured endowments (excluding guaranteed annual pure endowments)	171,256	133,637
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	10,110,377	12,111,699
13. Disability benefits and benefits under accident and health contracts	10,858,374	11,675,987
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	12,152,291	10,223,416
16. Group conversions		
17. Interest and adjustments on contracts or deposit-type contract funds	379,490	412,747
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	(13,971,254)	(13,786,717)
20. Totals (Lines 10 to 19)	54,306,200	49,538,537
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	2,160,248	1,865,380
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	2,534,368	2,525,338
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4)	51,194,062	49,048,521
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	4,805,874	5,188,783
25. Increase in loading on deferred and uncollected premiums	2,526,548	759,666
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions		50
28. Totals (Lines 20 to 27)	117,527,300	108,926,275
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	7,464,795	9,988,524
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	7,464,795	9,988,524
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(1,432,310)	(1,177,455)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	8,897,105	11,165,979
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (701,979) (excluding taxes of \$ 1,291,140 transferred to the IMR)	615,858	2,010,874
35. Net income (Line 33 plus Line 34)	9,512,963	13,176,853
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	36,506,738	40,244,738
37. Net income (Line 35)	9,512,963	13,176,853
38. Change in net unrealized capital gains (losses)	(14,011)	259,966
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	(517,277)	(3,449,625)
41. Change in nonadmitted assets and related items	(1,208,222)	3,406,713
42. Change in liability for reinsurance in unauthorized companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)		
44. Change in asset valuation reserve	144,671	(1,203,907)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts Statement		
48. Change in surplus notes		
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance	(9,146,000)	(8,428,000)
52. Dividends to stockholders		(7,500,000)
53. Aggregate write-ins for gains and losses in surplus		
54. Net change in capital and surplus for the year (Lines 37 through 53)	(1,227,877)	(3,738,000)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	35,278,861	36,506,738
DETAILS OF WRITE-INS		
08.301. Administration fee	4,856	
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	4,856	
2701. Department of Insurance penalties		50
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. TOTALS (Lines 2701 thru 2703 plus 2798) (Line 27 above)		50
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. TOTALS (Lines 5301 thru 5303 plus 5398) (Line 53 above)		

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	87,213,492	81,058,591
2. Net investment income.....	42,496,232	43,131,699
3. Miscellaneous income.....	15,400,643	16,867,536
4. Total (Lines 1 to 3).....	145,110,367	141,057,826
5. Benefits and loss related payments.....	103,896,964	98,147,463
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	60,773,422	58,397,000
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$589,161 net of tax on capital gains (losses)	(961,910)	(1,641,069)
10. Total (Lines 5 through 9).....	163,708,476	154,903,394
11. Net cash from operations (Line 4 minus Line 10).....	(18,598,109)	(13,845,568)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	390,993,438	507,380,019
12.2 Stocks.....	3,961,875	1,181,830
12.3 Mortgage loans.....	2,930,948	2,466,029
12.4 Real estate.....		1
12.5 Other invested assets.....	389,273	1,263,693
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		701,477
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	398,275,534	512,993,049
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	391,925,274	502,334,182
13.2 Stocks.....	1,039,532	16,247,612
13.3 Mortgage loans.....	1,130,000	
13.4 Real estate.....	57,974	39,380
13.5 Other invested assets.....	153,559	205,265
13.6 Miscellaneous applications.....	25,305	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	394,331,644	518,826,439
14. Net increase (or decrease) in contract loans and premium notes.....	165,354	884,911
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	3,778,536	(6,718,301)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....	(26,374,818)	1,582,705
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	7,500,000	
16.6 Other cash provided (applied).....	8,131,100	1,728,011
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6).....	(25,743,718)	3,310,716
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(40,563,291)	(17,253,153)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	40,741,215	57,994,368
19.2 End of period (Line 18 plus Line 19.1).....	177,924	40,741,215

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Investing Transactions.....		
20.0002. Investments acquired in exchanges.....	11,794,185	8,298,946
20.0003. Investments disposed of in exchanges.....	(11,794,282)	(8,298,946)
20.0004. Capitalized interest.....	451,526	2,387,617
20.0005. Total noncash investing transaction.....	451,429	2,387,617

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

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

	1	2	Ordinary			6	Group		Accident and Health		12	
			3	4	5		7	8	9	10		11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	90,051,276	432,468	39,561,428	23,000			36,139,300		2,420,416		11,474,664	
2. Considerations for supplementary contracts with life contingencies												
3. Net investment income	42,148,592	832,469	20,630,247	6,498,834			9,015,920	1,316,708	158,355		1,689,959	2,006,100
4. Amortization of Interest Maintenance Reserve (IMR)	(52,129)	(1,170)	(29,293)	(5,935)			(12,676)	(1,203)	(159)		(1,693)	
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded	24,751,890		13,645,776	152,889			10,912,640				40,585	
7. Reserve adjustments on reinsurance ceded	(31,912,389)		(23,943,714)				(7,968,676)					
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts												
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income	4,856										4,856	
9. Totals (Lines 1 to 8.3)	124,992,095	1,263,767	49,864,444	6,668,788			48,086,508	1,315,505	2,578,612		13,208,370	2,006,100
10. Death benefits	34,605,667	534,151	19,655,236				14,416,280					
11. Matured endowments (excluding guaranteed annual pure endowments)	171,256		166,148				5,108					
12. Annuity benefits	10,110,377			7,920,472				2,189,905				
13. Disability benefits and benefits under accident and health contracts	10,858,375								1,674,778		9,183,596	
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	12,152,291	15,761	2,837,952	8,580,667			717,911					
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds	379,490		375,702	3,788								
18. Payments on supplementary contracts with life contingencies												
19. Increase in aggregate reserves for life and accident and health contracts	(13,971,254)	(141,981)	(7,461,670)	(10,098,445)			6,269,068	(842,358)	(256,134)		(1,439,734)	
20. Totals (Lines 10 to 19)	54,306,201	407,931	15,573,367	6,406,482			21,408,367	1,347,547	1,418,644		7,743,862	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	2,160,248		1,496,669				251,184		1,310		411,085	
22. Commissions and expense allowances on reinsurance assumed	2,534,368	510,225	1,903,708	110,653			9,782					
23. General insurance expenses	51,194,061	249,296	25,111,615	484,764			24,247,149	84,776	178,027		838,434	
24. Insurance taxes, licenses and fees, excluding federal income taxes (FIT)	4,805,873		2,179,373				2,375,941		43,884		206,675	
25. Increase in loading on deferred and uncollected premiums	2,526,548	(370)	1,696,114				830,804					
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions												
28. Totals (Lines 20 to 27)	117,527,299	1,167,082	47,960,847	7,001,899			49,123,227	1,432,323	1,641,865		9,200,056	
29. Net gain from operations before dividends to policyholders and FIT (Line 9 - Line 28)	7,464,795	96,685	1,903,597	(333,111)			(1,036,719)	(116,818)	936,748		4,008,314	2,006,100
30. Dividends to policyholders												
31. Net gain from operations after dividends to policyholders and before FIT (Line 29 - Line 30)	7,464,795	96,685	1,903,597	(333,111)			(1,036,719)	(116,818)	936,748		4,008,314	2,006,100
32. Federal income taxes incurred (excluding tax on capital gains)	(1,432,310)	(18,769)	(594,809)	64,377			414,539	22,415	(179,747)		(755,395)	(384,921)
33. Net gain from operations after dividends to policyholders and FIT and before realized capital gains or (losses) (Line 31 - Line 32)	8,897,106	115,454	2,498,406	(397,488)			(1,451,258)	(139,233)	1,116,495		4,763,709	2,391,021
DETAILS OF WRITE-INS												
08.301. Administration fee	4,856										4,856	
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	4,856										4,856	
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)												

(a) Includes the following amounts for FEGLI/SGLI: Line 1 810,342 , Line 10 809,512 , Line 16 , Line 23 , Line 24

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	619,895,329	13,158,069	331,314,268	114,256,410			138,619,283	22,547,299
2. Tabular net premiums or considerations	69,398,466	226,776	36,312,972	24,844			32,833,874	
3. Present value of disability claims incurred					XXX			
4. Tabular interest	31,677,281	465,577	15,090,582	7,033,878			7,456,668	1,630,576
5. Tabular less actual reserve released	7,933	(101,750)	4,225	(164,712)			1,120	269,050
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)								
8. Totals (Lines 1 to 7)	720,979,009	13,748,672	382,722,047	121,150,420			178,910,945	24,446,925
9. Tabular cost	53,288,198	431,220	30,455,731		XXX		22,401,247	
10. Reserves released by death	31,128,239	279,108	21,715,241	XXX	XXX		9,133,890	XXX
11. Reserves released by other terminations (net)	18,830,338	17,338	6,701,481	9,071,984			2,487,456	552,079
12. Annuity, supplementary contract and disability payments involving life contingencies	10,112,290	1,913		7,920,472				2,189,905
13. Net transfers to or (from) Separate Accounts								
14. Total Deductions (Lines 9 to 13)	113,359,065	729,579	58,872,453	16,992,456			34,022,593	2,741,984
15. Reserve December 31, current year	607,619,944	13,019,093	323,849,594	104,157,964			144,888,352	21,704,941

7

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 2,838,987	2,371,423
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 36,551,793	35,521,267
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 1,890,165	1,887,043
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c) 1,546,208	1,533,775
4. Real estate	(d) 1,889,027	1,889,027
5. Contract loans	1,142,396	1,142,396
6. Cash, cash equivalents and short-term investments	(e) 651,703	651,703
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	141,889	141,889
10. Total gross investment income	46,652,169	45,138,523
11. Investment expenses		(g) 2,068,485
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 229,663
13. Interest expense		(h) 486,947
14. Depreciation on real estate and other invested assets		(i) 204,837
15. Aggregate write-ins for deductions from investment income		
16. Total (Lines 11 through 15)		2,989,931
17. Net Investment Income - (Line 10 minus Line 16)		42,148,592
DETAILS OF WRITE-INS		
0901. Securities lending	19,640	19,640
0902. Miscellaneous investment income	122,249	122,249
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	141,889	141,889
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		

(a) Includes \$ 896,292 accrual of discount less \$ 930,126 amortization of premium and less \$ 1,368,029 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ 110,989 amortization of premium and less \$ paid for accrued dividends on purchases.
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ 1,108,065 for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ 229,663 investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ 204,837 depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds	(329,482)			(329,482)
1.1 Bonds exempt from U.S. tax				
1.2 Other bonds (unaffiliated)	3,065,643	(74,308)		2,991,335
1.3 Bonds of affiliates				
2.1 Preferred stocks (unaffiliated)	214,291			214,291
2.11 Preferred stocks of affiliates				
2.2 Common stocks (unaffiliated)	175,880			175,880
2.21 Common stocks of affiliates				
3. Mortgage loans				
4. Real estate				
5. Contract loans				
6. Cash, cash equivalents and short-term investments				
7. Derivative instruments			(36,935)	(36,935)
8. Other invested assets	(6,976)	(13,860)	15,380	(5,456)
9. Aggregate write-ins for capital gains (losses)				
10. Total capital gains (losses)	3,119,357	(88,168)	(21,555)	3,009,634
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)				

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

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

	1		2		3		4	5	6		7		8		9		10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business							
FIRST YEAR (other than single)																		
1. Uncollected	227,936		227,936															
2. Deferred and accrued	5,367,496		5,367,496															
3. Deferred, accrued and uncollected:																		
3.1 Direct	5,595,432		5,595,432															
3.2 Reinsurance assumed																		
3.3 Reinsurance ceded																		
3.4 Net (Line 1 + Line 2)	5,595,432		5,595,432															
4. Advance	75,432		75,432															
5. Line 3.4 - Line 4	5,520,000		5,520,000															
6. Collected during year:																		
6.1 Direct	9,743,907		9,743,907															
6.2 Reinsurance assumed	1,206		1,206															
6.3 Reinsurance ceded	677,883		677,883															
6.4 Net	9,067,230		9,067,230															
7. Line 5 + Line 6.4	14,587,230		14,587,230															
8. Prior year (uncollected + deferred and accrued - advance)	3,998,153		3,998,153															
9. First year premiums and considerations:																		
9.1 Direct	11,265,754		11,265,754															
9.2 Reinsurance assumed	1,206		1,206															
9.3 Reinsurance ceded	677,883		677,883															
9.4 Net (Line 7 - Line 8)	10,589,077		10,589,077															
SINGLE																		
10. Single premiums and considerations:																		
10.1 Direct																		
10.2 Reinsurance assumed																		
10.3 Reinsurance ceded																		
10.4 Net																		
RENEWAL																		
11. Uncollected	1,879,783	8,218	791,765			955,605				27,168							97,027	
12. Deferred and accrued	49,179,129		21,955,060			27,224,069												
13. Deferred, accrued and uncollected:																		
13.1 Direct	50,599,362		22,327,382			28,173,842				1,715							96,423	
13.2 Reinsurance assumed	459,916	8,218	419,443			5,832				25,453							970	
13.3 Reinsurance ceded	366																366	
13.4 Net (Line 11 + Line 12)	51,058,912	8,218	22,746,825			28,179,674				27,168							97,027	
14. Advance	2,307,411		1,112,591			715,232				116,795							332,740	
15. Line 13.4 - Line 14	48,751,501	(21,835)	21,634,234			27,464,442				(89,627)							(235,713)	
16. Collected during year:																		
16.1 Direct	134,839,218		57,412,776			65,804,744				184,145							11,437,553	
16.2 Reinsurance assumed	8,321,066	435,441	4,598,923	23,000		826,460				2,209,244							227,998	
16.3 Reinsurance ceded	65,047,007		33,364,955			31,473,040											209,012	
16.4 Net	78,113,277	435,441	28,646,744	23,000		35,158,164				2,393,389							11,456,539	
17. Line 15 + Line 16.4	126,864,778	413,606	50,280,978	23,000		62,622,606				2,303,762							11,220,826	
18. Prior year (uncollected + deferred and accrued - advance)	47,402,578	(18,862)	21,308,625			26,483,306				(116,653)							(253,838)	
19. Renewal premiums and considerations:																		
19.1 Direct	136,212,547		57,784,772			66,793,510				185,650							11,448,615	
19.2 Reinsurance assumed	8,294,574	432,468	4,552,536	23,000		818,830				2,234,765							232,975	
19.3 Reinsurance ceded	65,044,921		33,364,955			31,473,040											206,926	
19.4 Net (Line 17 - Line 18)	79,462,200	432,468	28,972,353	23,000		36,139,300				2,420,415							11,474,664	
TOTAL																		
20. Total premiums and annuity considerations:																		
20.1 Direct	147,478,301		69,050,526			66,793,510				185,650							11,448,615	
20.2 Reinsurance assumed	8,295,780	432,468	4,553,742	23,000		818,830				2,234,765							232,975	
20.3 Reinsurance ceded	65,722,804		34,042,838			31,473,040											206,926	
20.4 Net (Line 9.4 + 10.4 + 19.4)	90,051,277	432,468	39,561,430	23,000		36,139,300				2,420,415							11,474,664	

6

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

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

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums (Exhibit 4, Line 1)											
22. All other (Exhibit 4, Lines 2, 3 & 4)											
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	1,407,377		711,629			695,748					
23.2 Reinsurance assumed	393		393								
23.3 Net ceded less assumed	1,406,984		711,236			695,748					
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed											
24.3 Net ceded less assumed											
25. Renewal:											
25.1 Reinsurance ceded	23,344,513		12,934,147	152,889		10,216,892				40,585	
25.2 Reinsurance assumed	2,533,975	510,225	1,903,315	110,653		9,782					
25.3 Net ceded less assumed	20,810,538	(510,225)	11,030,832	42,236		10,207,110				40,585	
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	24,751,890		13,645,776	152,889		10,912,640				40,585	
26.2 Reinsurance assumed (Page 6, Line 22)	2,534,368	510,225	1,903,708	110,653		9,782					
26.3 Net ceded less assumed	22,217,522	(510,225)	11,742,068	42,236		10,902,858				40,585	
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	1,174,158		1,174,158								
28. Single											
29. Renewal	986,090		322,511			251,184		1,310		411,085	
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	2,160,248		1,496,669			251,184		1,310		411,085	

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			
1. Rent	2,231,205		6,085			2,237,290
2. Salaries and wages	17,258,940		261,951			17,520,891
3.11 Contributions for benefit plans for employees	1,833,905		26,544			1,860,449
3.12 Contributions for benefit plans for agents						
3.21 Payments to employees under non-funded benefit plans						
3.22 Payments to agents under non-funded benefit plans						
3.31 Other employee welfare	288,492		7,993			296,485
3.32 Other agent welfare	2,803					2,803
4.1 Legal fees and expenses	58,590		38			58,628
4.2 Medical examination fees	47,081		254			47,335
4.3 Inspection report fees						
4.4 Fees of public accountants and consulting actuaries	646,845		24,626			671,471
4.5 Expense of investigation and settlement of policy claims	128,746		6,857			135,603
5.1 Traveling expenses	125,654		2,804			128,458
5.2 Advertising	18,144,755		114			18,144,869
5.3 Postage, express, telegraph and telephone	2,639,392		16,055			2,655,447
5.4 Printing and stationery	452,885		13,253			466,138
5.5 Cost or depreciation of furniture and equipment	376,170		4,615			380,785
5.6 Rental of equipment	314,134		930			315,064
5.7 Cost or depreciation of EDP equipment and software	1,451,762		14,096			1,465,858
6.1 Books and periodicals	2,023		5			2,028
6.2 Bureau and association fees	4,017		47			4,064
6.3 Insurance, except on real estate	634,905		3,106			638,011
6.4 Miscellaneous losses	93,255		(17,571)			75,684
6.5 Collection and bank service charges	861,750		3,996			865,746
6.6 Sundry general expenses	974,412		(23,809)			950,603
6.7 Group service and administration fees						
6.8 Reimbursements by uninsured accident and health plans						
7.1 Agency expense allowance						
7.2 Agents' balances charged off (less \$ recovered)						
7.3 Agency conferences other than local meetings	11,470		20			11,490
9.1 Real estate expenses						
9.2 Investment expenses not included elsewhere			(13,172)	1,872,496		1,859,324
9.3 Aggregate write-ins for expenses	1,594,410		677,624	195,989		2,468,023
10. General expenses incurred	50,177,601		1,016,461	2,068,485	(a)	53,262,547
11. General expenses unpaid December 31, prior year	1,561,268		60,882	5,714		1,627,864
12. General expenses unpaid December 31, current year	1,371,586		57,013			1,428,599
13. Amounts receivable relating to uninsured accident and health plans, prior year						
14. Amounts receivable relating to uninsured accident and health plans, current year						
15. General expenses paid during year (Lines 10+11-12-13+14)	50,367,283		1,020,330	2,074,199		53,461,812
DETAILS OF WRITE-INS						
09.301. Investment advisory fees to affiliates	910,376		669,337	195,989		1,775,702
09.302. Other consulting and service fees	684,034		8,287			692,321
09.303.						
09.398. Summary of remaining write-ins for Line 9.3 from overflow page						
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	1,594,410		677,624	195,989		2,468,023

(a) Includes management fees of \$ 1,774,958 to affiliates and \$ to non-affiliates.

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health			
		3 All Other Lines of Business			
1. Real estate taxes				229,663	229,663
2. State insurance department licenses and fees	495,195	210			495,405
3. State taxes on premiums	2,648,225	233,097			2,881,322
4. Other state taxes, incl. \$ for employee benefits	194,420	271			194,691
5. U.S. Social Security taxes	1,170,354	17,888			1,188,242
6. All other taxes	47,121	(907)			46,214
7. Taxes, licenses and fees incurred	4,555,315	250,559		229,663	5,035,537
8. Taxes, licenses and fees unpaid December 31, prior year	1,092,704	42,609			1,135,313
9. Taxes, licenses and fees unpaid December 31, current year	238,281	12,499			250,780
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	5,409,738	280,669		229,663	5,920,070

EXHIBIT 4 - DIVIDENDS OR REFUNDS

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

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1		2	3	4	5	6
Valuation Standard		Total	Industrial	Ordinary	Credit (Group and Individual)	Group
LIFE INSURANCE:						
0100001.	1958 CSO 2.0% NLP	1978-1979		155		
0100002.	1958 CSO 2.5% NLP	1963-1980		2,312,541		16,570
0100003.	1958 CET 2.5%	1963-1980		88,068		3,215
0100004.	1958 CSO 3.0% NLP	1965-1985		15,783,772		255,391
0100005.	1958 CSO 3.0% CRVM	1972-1976		1,279,674		
0100006.	1958 CET 3.0%	1965-1985		187,632		
0100007.	1958 CSO 3.0% New Jersey	1966-1967		6,118		
0100008.	1958 CSO 3.5% NLP	1974-1982		68,717,703		
0100009.	1958 CSO 3.5% CRVM	1970-1988		29,306,314		
0100010.	1958 CET 3.5%	1970-1988		46,702		
0100011.	1958 CSO 4.5% NLP	1981-1982		1,449		
0100012.	1958 CSO 4.5% CRVM	1983-1984		9,041		
0100013.	1980 CSO ALB 4.5% CRVM	1995-NB		72,233,252		79,815,296
0100014.	1980 CSO ALB 4.75% CRVM	1995-NB		414,496		1,126,881
0100015.	1980 CSO ALB 5.0% CRVM	1992-1994		10,061,249		16,726,729
0100016.	1980 CSO ALB 5.5% CRVM	1987-1991		30,614,987		35,709,511
0100017.	1980 CSO ANB 5.5% CRVM	1987-1991		26,534,974		
0100018.	1980 CET ALB 4.5%	1995-NB		1,451,497		1,756,449
0100019.	1980 CET ALB 5.0%	1993-1994		240,725		427,715
0100020.	1980 CET ALB 5.5%	1987-1991		651,793		923,314
0100021.	Unearned Premium 1980 CSO 5.5%			37,050		
0100022.	1980 CSO ALB 6.0% CRVM	1983-1986		6,397,912		2,088,562
0100023.	1980 CSO ANB 6.0% CRVM	1983-1986		22,309,101		
0100024.	1980 CSO 6.0% CET	1983-1986		127,206		72,357
0100025.	Unearned Premium 1980 CSO 6.0%			17,616		
0100026.	1941 SI 3.5% CRVM CNF		5,382,012			
0100027.	1958 CET ALB 4.0% NL CNF			176,970		
0100028.	1958 CET ALB 4.5% NL CNF			453,404		
0100029.	1958 CET ALB 5.0% NL CNF			770,536		
0100030.	1958 CET ALB 5.5% NL CNF			592,127		
0100031.	1958 CET ALB 6.0% NL CNF			1,513,273		
0100032.	1958 CSO ANB 3.0% CRVM CNF			178,648		
0100033.	1958 CSO ANXB 3.0% CRVM CNF			12,672,272		
0100034.	1958 CSO ANXB 4.0% NL CNF			131,012		
0100035.	1958 CSO ANXB 4.5% CRVM CNF			147,332		
0100036.	1958 CSO ANXB 5.5% CRVM CNF			33,257		
0100037.	1961 CSI CET ANXB 3.5% NL CNF		760,130			
0100038.	1961 CSI ANXB 3.5% CRVM CNF		6,862,187			
0100039.	1961 CSI ANXB 4.0% CRVM CNF		14,673			
0100040.	1980 CET ALB 4.5% NL CNF			2,902,055		
0100041.	1980 CSO 50/50 ANXB 4.0% CRVM CNF			7,402,526		
0100042.	1980 CSO 50/50 ANXB 4.5% NL CNF			108,219		
0100043.	1980 CSO 50/50 ANXB 5.0% NL CNF			89,219		
0100044.	1980 CSO 50/50 ANXB 5.5% NL CNF			148,565		
0100045.	1980 CSO 50/50 ANXB 6.0% NL CNF			20,883		
0100046.	1980 CSO ALB 4.0% CRVM CNF			428,764		
0100047.	1980 CSO ALB 4.5% CRVM CNF			140		
0100048.	Unearned Premium			4,387		
0100049.	2001 CSO ALB 4.5% CRVM	2005-NB		473,593		455,128
0100050.	2001 CSO ALB 4.75% CRVM	2005-NB		16,423		27,153
0199997. Totals (Gross)			13,019,002	317,094,632		139,404,271
0199998. Reinsurance ceded				2,616,549		1,548,944
0199999. Totals (Net)			13,019,002	314,478,083		137,855,327
ANNUITIES (excluding supplementary contracts with life contingencies):						
0200001.	1949a ALB 3.5% Immediate	1965-1966	XXX	126,105	XXX	
0200002.	1971 GAM 3.5% Both	1975-1978	XXX		XXX	197,570
0200003.	1971 IAM 2% Immediate	1979	XXX	1,244	XXX	
0200004.	1971 IAM 7.75% / 5.75% Both	1981-1985	XXX	17,695,056	XXX	
0200005.	1971 GAM 7.75% / 5.75% Both	1986	XXX	21,488,475	XXX	21,488,475
0200006.	1983a 6.5% Deferred	1987, 1990	XXX	118,190	XXX	
0200007.	1983a 7% Deferred	1988-1989	XXX	3,749,117	XXX	
0200008.	1983a 7% / 5.25% Both	1988-1993	XXX	41,821,546	XXX	3,895
0200009.	1983a 7.75% / 5.75% Both	1986-1992	XXX	2,250,234	XXX	
0200010.	1983a 8.75% Immediate	1989	XXX	16,517	XXX	
0200011.	Deposit Administration Contracts (various)		XXX	20,280	XXX	15,001
0200012.	5.25% CARVM		XXX	335,390	XXX	
0200013.	5.50% CARVM		XXX	5,669,615	XXX	
0200014.	5.75% CARVM		XXX	5,777,625	XXX	
0200015.	6.00% CARVM		XXX	4,085,447	XXX	
0200016.	6.25% CARVM		XXX	7,048,485	XXX	
0200017.	6.50% CARVM		XXX	3,780,483	XXX	
0200018.	6.75% CARVM		XXX	18,399,099	XXX	
0299997. Totals (Gross)			132,599,374	110,894,433	XXX	21,704,941
0299998. Reinsurance ceded				6,736,470	XXX	
0299999. Totals (Net)			132,599,374	104,157,963	XXX	21,704,941
SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:						
0399997. Totals (Gross)						
0399998. Reinsurance ceded						
0399999. Totals (Net)						
ACCIDENTAL DEATH BENEFITS:						
0400001.	1959 ADB with 1958 CSO 2.5% NLP			600		
0400002.	1959 ADB with 1958 CSO 3% NLP			581		
0400003.	1959 ADB with 1958 CSO 3.5% NLP			1,791		
0400004.	1959 ADB with 1980 CSO ALB 4.5% CRVM			524,123		966,205
0499997. Totals (Gross)				527,095		966,205
0499998. Reinsurance ceded						
0499999. Totals (Net)				527,095		966,205
DISABILITY-ACTIVE LIVES:						
0500001.	1952 Disability Study with 1958 CSO 3%			1,570		11,266
0500002.	1952 Disability Study with 1958 CSO 3.5%			3,626		7,106
0500003.	1952 Disability Study with 1980 CSO 4.5%			5,196		18,372
0599997. Totals (Gross)				10,392		36,744
0599998. Reinsurance ceded						
0599999. Totals (Net)				10,392		36,744
DISABILITY-DISABLED LIVES:						
0600001.	1952 Disability Study with 1958 CSO 3%			18,457		4,085
0600002.	1952 Disability Study with 1958 CSO 3.5%			6,067		3,527
0600003.	Group Disability Element			120,500		120,500
0699997. Totals (Gross)				24,524		128,112
0699998. Reinsurance ceded						
0699999. Totals (Net)				24,524		128,112
MISCELLANEOUS RESERVES						

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0700001. For excess of valuation net premiums over corresponding gross premiums on respective policies.....	93,559	91	93,468		
0700002. For non-deduction of deferred fractional premiums or return of premiums at the death of the insured.....	8,700,904		5,031,841		3,669,063
0700003. Immediate Payment of Claims.....	6,005,804		3,754,533		2,251,271
0799997. Totals (Gross)	14,800,267	91	8,879,842		5,920,334
0799998. Reinsurance ceded	65,147		65,147		
0799999. Totals (Net)	14,735,120	91	8,814,695		5,920,334
9999999. Totals (Net) - (Page 3, Line 1)	607,619,940	13,019,093	428,007,556		166,593,291



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes [] No [X]
- 1.2 If not, state which kind is issued
Non-participating
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes [] No [X]
- 2.2 If not, state which kind is issued
Non-participating
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes [X] No []
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the Instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes [] No [X]
 - 4.1 Amount of insurance? \$
 - 4.2 Amount of reserve? \$
 - 4.3 Basis of reserve:
 - 4.4 Basis of regular assessments:
 - 4.5 Basis of special assessments:
 - 4.6 Assessments collected during the year \$
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.
N/A
- 6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [X] No []
 - 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$ 13,708,923
 - 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$ 14,584,841
 Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts, or agreements in effect as of December 31 of the current year? Yes [] No [X]
 - 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements? \$
 - 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:
 - 7.3 State the amount of reserves established for this business: \$
 - 7.4 Identify where the reserves are reported in the blank:

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

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
LIFE CONTRACTS (Including supplementary contracts set upon a basis other than that used to determine benefits) (Exhibit 5)			
0199999 - Subtotal (Page 7, Line 6)	XXX	XXX	
ACCIDENT AND HEALTH CONTRACTS (Exhibit 6)			
0299999 - Subtotal	XXX	XXX	
DEPOSIT-TYPE CONTRACTS (Exhibit 7)			
NONE			
0399999 - Subtotal	XXX	XXX	
9999999 - Total (Column 4, only)			

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

EXHIBIT 6 - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserve	1,118,604	347,954				766,955	3,695		
2. Additional contract reserves (a)	23,417,078	1,434,971			2,039,648	19,932,041	10,418		
3. Additional actuarial reserves-Asset/Liability analysis									
4. Reserve for future contingent benefits									
5. Reserve for rate credits									
6. Aggregate write-ins for reserves									
7. Totals (Gross)	24,535,682	1,782,925			2,039,648	20,698,996	14,113		
8. Reinsurance ceded	1,244,103					1,244,103			
9. Totals (Net)	23,291,579	1,782,925			2,039,648	19,454,893	14,113		
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	3,715,061	397,651			1,908,524	1,404,270	4,616		
11. Additional actuarial reserves-Asset/Liability analysis									
12. Reserve for future contingent benefits	48,000	48,000							
13. Aggregate write-ins for reserves									
14. Totals (Gross)	3,763,061	445,651			1,908,524	1,404,270	4,616		
15. Reinsurance ceded	1,366,105	83,120			1,025,037	257,948			
16. Totals (Net)	2,396,956	362,531			883,487	1,146,322	4,616		
17. TOTAL (Net)	25,688,535	2,145,456			2,923,135	20,601,215	18,729		
18. TABULAR FUND INTEREST	1,149,832	71,887			112,774	964,581	590		
DETAILS OF WRITE-INS									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page									
0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above)									
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page									
1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above)									

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

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance						
2. Deposits received during the year						
3. Investment earnings credited to the account						
4. Other net change in reserves						
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments						
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8)						
10. Reinsurance balance at the beginning of the year						
11. Net change in reinsurance assumed						
12. Net change in reinsurance ceded						
13. Reinsurance balance at the end of the year (Lines 10+11-12)						
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)						

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	Ordinary				6	Group			10 Accident and Health Credit (Group and Individual)	11 Other
	1	2	3	4		5	7	8			9
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group		
1. Due and unpaid:										
1.1 Direct										
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net										
2. In course of settlement:										
2.1 Resisted	45,000		45,000							
2.11 Direct										
2.12 Reinsurance assumed										
2.13 Reinsurance ceded					(b)					
2.14 Net	45,000		45,000	(b)						
2.2 Other										
2.21 Direct	11,180,958		5,689,817			4,650,936		13,565		826,640
2.22 Reinsurance assumed	393,455	14,367	171,464			2,500		185,272		19,852
2.23 Reinsurance ceded	5,153							5,153		
2.24 Net	11,569,260	14,367	5,861,281	(b)	(b)	4,653,436		193,684	(b)	846,492
3. Incurred but unreported:										
3.1 Direct	8,985,744		4,395,573			2,019,948		50,937		2,519,286
3.2 Reinsurance assumed	1,032,505		374,736			2,214		594,394		61,161
3.3 Reinsurance ceded	68,400									68,400
3.4 Net	9,949,849		4,770,309	(b)	(b)	2,022,162		645,331	(b)	2,512,047
4. TOTALS	20,211,702		10,130,390			6,670,884		64,502		3,345,926
4.1 Direct	1,425,960	14,367	546,200			4,714		779,666		81,013
4.2 Reinsurance assumed	73,553							5,153		68,400
4.3 Reinsurance ceded	21,564,109	(a)	10,676,590	(a)	(a)	6,675,598		839,015		3,358,539
4.4 Net										

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ in Column 2, \$ in Column 3 and \$ in Column 7.
(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$ Individual Annuities \$ and Group Life \$ are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ Credit (Group and Individual) Accident and Health \$ and Other Accident and Health \$ 892,990 are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve). 362,531

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2			3		4 Ordinary		5			6			7		8		9		10		11
		Industrial Life (a)	Life Insurance (b)	Life Insurance (c)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other	Accident and Health (Group and Individual)	Other									
1. Settlements During the Year:																							
1.1 Direct	111,625,023		53,799,283	6,853,857								39,335,270	2,189,905		88,103							9,358,605	
1.2 Reinsurance assumed	8,473,352	529,427	3,337,297	1,790,472								822,027			1,768,698							225,431	
1.3 Reinsurance ceded	63,888,681		36,894,571	1,148,550								25,612,897			20,646							212,017	
1.4 Net	56,209,694	529,427	20,242,009	7,495,779								14,544,400	2,189,905		1,836,155							9,372,019	
2. Liability December 31, current year from Part 1:																							
2.1 Direct	20,211,702		10,130,390									6,670,884			64,502							3,345,926	
2.2 Reinsurance assumed	1,425,960	14,367	546,200									4,714			779,666							81,073	
2.3 Reinsurance ceded	73,553											5,153										68,400	
2.4 Net	21,564,109	14,367	10,676,590									6,675,588			839,015							3,358,539	
3. Amounts recoverable from reinsurers December 31, current year	47,700			40,542																		7,158	
4. Liability December 31, prior year:																							
4.1 Direct	21,021,512		10,541,292									6,789,881			117,650							3,572,689	
4.2 Reinsurance assumed	1,544,838	9,643	555,923									8,729			888,966							81,557	
4.3 Reinsurance ceded	81,843											6,243										75,600	
4.4 Net	22,484,507	9,643	11,097,215									6,798,610			1,000,393							3,578,646	
5. Amounts recoverable from reinsurers December 31, prior year	504,078			465,235																		38,843	
6. Incurred benefits:																							
6.1 Direct	110,815,213		53,388,381	6,853,857								39,216,273	2,189,905		34,955							9,131,842	
6.2 Reinsurance assumed	8,354,474	534,151	3,327,574	1,790,472								818,012			1,659,378							224,887	
6.3 Reinsurance ceded	63,424,013		36,894,571	723,857								25,612,897			19,556							173,132	
6.4 Net	55,745,674	534,151	19,821,384	7,920,472								14,421,388	2,189,905		1,674,777							9,183,597	

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 (b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 6.1 and \$ in Line 6.4.
 (c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 (d) Includes \$ premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale			
5. Cash, (Schedule E, Part 1), cash equivalents (Schedule E, Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants (for Title insurers only).....			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection			
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			
13.3 Accrued retrospective premium.....			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset.....	35,156,317	34,199,790	(956,527)
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software.....	320,263	329,865	9,602
19. Furniture and equipment, including health care delivery assets.....	922,124	669,298	(252,826)
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivables from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable.....	2,044,880	1,771,412	(273,468)
23. Aggregate write-ins for other than invested assets	1,321,406	1,586,406	265,000
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	39,764,989	38,556,771	(1,208,218)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
26. Total (Lines 24 and 25)	39,764,989	38,556,771	(1,208,218)
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)			
2301. Cost of acquisition of trade name, net of amortization.....	1,321,406	1,586,406	265,000
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	1,321,406	1,586,406	265,000

NOTES TO FINANCIAL STATEMENTS

Note #	Description	Page #
1	Summary of Significant Accounting Policies	19.1
2	Accounting Changes and Corrections of Errors	19.1
3	Business Combinations and Goodwill	19.1
4	Discontinued Operations	19.2
5	Investments	19.2
6	Joint Ventures, Partnerships and Limited Liability Companies	19.3
7	Investment Income	19.3
8	Derivative Instruments	19.3
9	Income Taxes	19.3
10	Information Concerning Parent, Subsidiaries and Affiliates	19.5
11	Debt	19.6
12	Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences And Other Postretirement Benefit Plans	19.6
13	Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations	19.7
14	Contingencies	19.7
15	Leases	19.8
16	Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk	19.8
17	Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities	19.9
18	Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans	19.9
19	Direct Premium Written/Produced by Managing General Agents/Third Party Administrators	19.9
20	September 11, 2001 Events	19.9
21	Other Items	19.9
22	Events Subsequent	19.10
23	Reinsurance	19.10
24	Retrospectively Rated Contracts & Contracts Subject to Redetermination	19.11
25	Change in Incurred Losses and Loss Adjustment Expenses 19.11	19.11
26	Intercompany Pooling Arrangements	19.11
27	Structured Settlements	19.11
28	Health Care Receivables	19.11
29	Participating Policies	19.11
30	Premium Deficiency Reserves	19.11
31	Reserves for Life Contracts and Deposit-Type Contracts	19.12
32	Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics	19.12
33	Premium and Annuity Considerations Deferred and Uncollected	19.13
34	Separate Accounts	19.13
35	Loss/Claim Adjustment Expenses	19.13

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Accounting Practices

- A. The financial statements of Colonial Penn Life Insurance Company ("Company") are presented on the basis of accounting practices prescribed or permitted by the Pennsylvania Commissioner of Insurance ("Commissioner").

The Commissioner recognizes only statutory accounting practices prescribed or permitted by the Commonwealth of Pennsylvania for reporting the financial condition and results of operations of an insurance company and determining its solvency under Pennsylvania Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures* manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the Commonwealth of Pennsylvania. However, Pennsylvania may adopt certain prescribed accounting practices that differ from NAIC SAP. In addition, the Commissioner has the right to permit other specific practices that deviate from prescribed practices. However, the Company has no such permitted practices.

- B. The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts. It also requires disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.
- C. Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method, except those rated NAIC class 6, which are stated at the lower quality of cost or fair value.
- (3) Common stocks are stated at fair value except that investments in stocks of subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis. The Company carries its common stock investment in C.P. Real Estate Services, Inc., a wholly-owned subsidiary, at statutory equity.
- (4) Preferred stocks are stated at cost or amortized cost except those rated NAIC class 4 or lower quality which are carried at the lower of cost or fair value.
- (5) Mortgage loans on real estate are stated at the aggregate unpaid balance, excluding accrued interest.
- (6) Loan-backed bonds and structured securities are stated at amortized cost using the interest method including anticipated prepayments at the date of purchase; significant changes in estimated cash flows from the original purchase assumptions are accounted for using the retrospective method. These assumptions are generally consistent with the current interest rate and economic environment.
- (7) Properties occupied by the Company are carried at depreciated cost. Properties held for sale are carried at the lower of depreciated cost or fair value. The estimated fair value is based on market quotes.
- (8) The Company has minor ownership interests in joint ventures, which are classified as other invested assets on the balance sheet. The Company carries these interests based on their proportionate share of the underlying audited GAAP equity of the investee or, if not available for interests acquired prior to January 1, 2001, GAAP equity.
- (9) All derivatives are stated at fair value.
- (10) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (11) The Company has not modified its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors

- A. During 2005, the Company did not record any material changes in accounting principles or correction of errors.

3. Business Combinations and Goodwill

- A. During 2005, the Company did not purchase any interest in another company.
- B. During 2005, the Company did not merge with any other insurance company.
- C. During 2005, the Company did not participate in an assumption reinsurance agreement.
- D. During 2005, the Company did not recognize an impairment loss on the transactions described above.

NOTES TO FINANCIAL STATEMENTS

4. Discontinued Operations

During 2005, the Company did not discontinue any operations.

5. Investments

A. Mortgage Loans including Mezzanine Real Estate Loans

- (1) One new commercial loan was made in 2005 with an interest rate of 5.77%. Fire insurance is required on all properties covered by mortgage loans at least equal to the excess of the loan over the maximum loan which would be permitted by law on the land without the buildings.
- (2) During 2005, the Company did not reduce the interest rate on any outstanding mortgage loans.
- (3) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured, guaranteed or purchase money mortgages, was: 66.47%.

	2005	2004
(4) Statement value of mortgages with interest more than 180 days past due, excluding accrued interest.	\$ 0	\$ 0
a. Total interest due on mortgages with interest more than 180 days past due.	0	0
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total.	0	0
(6) Impaired loans with a related allowance for credit losses.	0	0
a. Related allowance for credit losses.	0	0
(7) Impaired mortgage loans without an allowance for credit losses.	0	0
(8) Average investment in impaired loans.	0	0
(9) Interest income recognized during the period the loans were impaired.	0	0
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired.	0	0
(11) Allowance for credit losses:		
a. Balance at beginning of period.	0	0
b. Additions charged to operations.	0	0
c. Direct write-downs charged against the allowances.	0	0
d. Recoveries of amounts previously charged off.	0	0
e. Balance at end of period.	0	0

- (12) Interest income on impaired loans is reported as collected when cash is received.

B. Debt Restructuring

The Company has no investment in restructured loans.

C. Reverse Mortgages

The Company has no investment in reverse mortgages.

D. Loan-Backed Securities

- (1) The Company has not adjusted the cost of securities purchased prior to January 1, 1994 when applying the retrospective adjustment method.
- (2) Prepayment assumptions for single-class and multi-class loan-backed bonds and structured securities are periodically reviewed and adjusted to reflect current broker dealer and other third party estimates.
- (3) During 2005, the Company did not change from the retrospective method to prospective method due to negative yields on any securities.

E. Repurchase Agreements

- (1) The Company did not enter into repurchase agreements during 2005. The Company's policy requires that a minimum of 102% of the fair value of securities purchased under repurchase agreements be maintained as collateral.
- (2) The Company has not pledged any of its assets as collateral as of December 31, 2005.
- (3) The Company has not sold or repledged any assets to fund purchases of additional short-term investments.

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investment in joint ventures, partnerships or limited liability companies that exceeds 10% of its admitted assets.
- B. During 2005, the Company recognized an impairment write-down on one limited partnership in the amount of \$13,860. The impairment was based on a review of the underlying equity securities owned by this limited partnership and our determination that the decline in fair value of these securities was other than temporary.

During 2004, the Company recognized impairment write-downs on three limited partnerships totaling \$429,092. The impairments were based on a review of the underlying equity securities owned by this limited partnership and our determination that the decline in fair value of these securities was other than temporary.

7. Investment Income

The Company did not exclude any due and accrued income from investment income in 2005.

8. Derivative Instruments

Forward Contracts

- A. The Company limits the credit risk on the forward contracts by purchasing the contracts from dealers with an "A" rating or better.
- B. Forward contracts are purchased in an effort to hedge interest rate fluctuations on investment funding commitments from the date of the commitment to the date of funding. The Company sells short a U.S. Treasury bond at the commitment date in an amount and time period equal to its investment funding commitment. The short is bundled with a repurchase agreement on the same U.S. Treasury bond for the same time period. The change in interest rates on the U.S. Treasury bond is intended to offset any interest rate changes which affect the investments.
- C. The forward contracts do not meet the criteria of a hedging transaction in accordance with SSAP #86 and are therefore valued and reported using fair value accounting. Under fair value accounting, the forward contracts are recorded at cost and marked to market, with the change reported as an unrealized gain or loss. At the time the forward contract is terminated, any difference between cash received and the cost is recognized as a realized gain or loss.

9. Income Taxes

- A. The components of the net deferred tax asset recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31		Change
	2005	2004	
Total gross deferred tax assets	\$ 48,294,547	\$ 48,729,987	\$ (435,440)
Total gross deferred tax liabilities	9,941,414	9,867,121	74,293
Net deferred tax assets	38,353,133	38,862,866	(509,733)
Deferred tax assets nonadmitted	35,156,317	34,199,790	956,527
Net deferred tax assets admitted	\$ 3,196,816	\$ 4,663,076	\$ (1,466,260)

- B. Deferred tax liabilities are not recognized for the following amounts:

As of December 31, 2005, the Company had a balance of \$140,371,771 in its policyholder surplus account under the provisions of the Internal Revenue Code. This amount could become taxable to the extent that future shareholder dividends are paid from this account.

- C. The components of current and deferred income taxes are as follows:

Current income taxes incurred consist of the following major components:

	2005	2004
Tax expense on current year operating income	\$ (722,926)	\$ (224,105)
Prior year (over) under accrual of tax	(709,384)	(953,350)
Current income taxes incurred on operating income	(1,432,310)	(1,177,455)
Current income taxes incurred on net capital gains	1,298,143	(419,445)
True up of prior year tax on capital gains (losses)	65,504	0
Utilization of capital loss carryforwards	(774,486)	0
Total current income taxes incurred	\$ (843,149)	\$ (1,596,900)

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes, continued

The main components of the deferred tax assets and deferred tax liabilities are as follows:

Deferred tax assets	December 31	
	2005	2004
Reserves	\$ 24,793,217	\$ 24,716,006
Proxy DAC	13,494,000	14,024,087
Investments	1,593,606	1,390,624
Capital loss carryforward	5,515,666	6,183,433
Net operating loss carryforwards	383,447	0
Other	2,514,611	2,415,837
Gross deferred tax assets	48,294,547	48,729,987
Deferred tax assets non-admitted	35,156,317	34,199,790
Deferred tax assets admitted	13,138,230	14,530,197
Deferred tax liabilities		
Investments	3,019	30,301
Life insurance premiums due & uncollected	9,861,099	9,793,364
Other	77,296	43,456
Gross deferred tax liabilities	9,941,414	9,867,121
Net deferred tax assets admitted	\$ 3,196,816	\$ 4,663,076

The change in net deferred income tax from December 31, 2004 to December 31, 2005 is comprised of the following:

Change in net deferred tax assets	\$ (509,733)
Tax effect of unrealized gains (losses)	(7,544)
Change in net deferred income tax	\$ (517,277)

D. The significant book to tax adjustments for 2005 were as follows:

	2005	Effective Tax Rate
Provision computed at statutory rate	\$ 2,612,678	35.0 %
Tax effect of permanent differences	909	0.0 %
Tax effect of temporary differences:		
Difference in statutory and tax basis:		
Reserves	(96,566)	(1.3) %
Investment income	8,907	0.1 %
Deferred acquisition costs	(409,224)	(5.5) %
True up of prior year taxes	(709,384)	(9.5) %
Net operating loss carryforwards	383,447	5.1 %
Amortization of ceding commission	(3,201,100)	(42.9) %
Other	(21,977)	(0.3) %
Tax on income from operations	(1,432,310)	(19.3) %
Tax on current year capital gains (losses)	1,298,143	
True up of prior year tax on capital gains (losses)	65,504	
Utilization of capital loss carryforwards	(774,486)	
Change in net deferred tax assets	509,733	
Total federal income tax expense	\$ (333,416)	

E. (1) At December 31, 2005, the Company had \$1,095,564 of operating loss carry forwards originating in 2005 which expire, if unused, in 2020.

At December 31, 2005, the Company had \$15,759,047 of capital loss carry forwards originating in 2002 through 2004. If unused, \$11,181,972, \$3,399,551 and \$1,177,524 will expire in 2007, 2008 and 2009, respectively.

(2) The Company had no income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes, continued

- F. (1) The Company files a consolidated federal income tax return with its ultimate parent, Conseco, Inc. ("Conseco"), and all of its subsidiaries, of which ten are insurance companies.
- (2) The method of allocation between the companies is subject to a written agreement approved by the Board of Directors. The allocation between the companies is based upon separate return calculations with current credit for net losses subject to certain limitations. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, provided the consolidated life group had net income in the prior years, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Intercompany tax balances are settled quarterly. The federal income tax recoverable at December 31, 2005 of \$261,231 included a receivable of \$17,330 from Conseco Life Insurance Company of Texas ("Conseco Life of Texas"). The federal income tax recoverable at December 31, 2004 of \$379,993 included a receivable of \$131,891 from Conseco Life of Texas.

10. Information Concerning Parent, Subsidiaries and Affiliates

A., B., & C.

On November 17, 2004, the Company declared a dividend to its parent, Conseco Life of Texas, of \$7,500,000. The dividend was paid on January 3, 2005 in cash.

The Company had assumed reserves of \$45,096,143 and \$53,328,778 at December 31, 2005 and 2004, respectively, from an affiliate, Conseco Life Insurance Company ("Conseco Life"), under a reinsurance agreement. Premiums received under this agreement during 2005 and 2004 were \$23,000 and \$76,937, respectively.

The Company had ceded reserves of \$3,172,749 and \$2,718,914 at December 31, 2005 and 2004, respectively, to an affiliate, Conseco Life, under a reinsurance agreement. Premiums paid under this agreement during 2005 and 2004 were \$4,953,197 and \$4,398,403, respectively.

- D. The Company's receivable and payable balances with related parties are settled quarterly. Such balances, excluding intercompany tax balances, consist of the following:

	December 31, 2005		December 31, 2004	
	Receivable	Payable	Receivable	Payable
Parent	\$ 0	\$ 0	\$ 0	\$ 0
Affiliates	859,669	3,047,859	6,656,736	735,456
Total	<u>\$ 859,669</u>	<u>\$ 3,047,859</u>	<u>\$ 6,656,736</u>	<u>\$ 735,456</u>

- E. The Company has not made any guarantees or undertakings for the benefit of an affiliate, which would result in a material contingent exposure of the Company's or any affiliated insurer's assets to liability.
- F. Under an investment advisory services agreement, 40|86 Advisors, Inc., an affiliate, manages the Company's investments and provides investment accounting services for which expenses totaled \$1,717,629 and \$1,683,108 in 2005 and 2004, respectively. 40|86 Mortgage Capital, Inc., an affiliate, provides origination and servicing for the Company's mortgage loans for which expenses totaled \$57,329 and \$63,016 in 2005 and 2004, respectively.

Conseco Services, LLC, also an affiliate, provides certain administrative services to the Company. The agreement stipulates that fees for such services will be 110% of direct and directly allocable costs plus a reasonable charge for overhead. Expenses under this agreement totaled \$31,197,611 and \$29,197,849 in 2005 and 2004, respectively. The expenses under this agreement are allocated to the appropriate expense classifications on Exhibit 2 and 3 as if they had been borne directly by the Company.

- G. All outstanding shares of the Company are owned by Conseco Life of Texas, a Texas domiciled insurance company and an indirect wholly-owned subsidiary of Conseco.

On December 17, 2002, Conseco and CIHC, the former indirect parent of the Company, filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code. The Company is a separate legal entity and was not included in the petitions filed by Conseco or CIHC. On September 10, 2003, upon consummation of the sixth amended plan of reorganization, Conseco and CIHC emerged from bankruptcy.

On September 12, 2003, CIHC was merged into CIHC, Incorporated of Texas, which then converted to a Texas insurance company named CIHC Life Insurance Company of Texas ("CIHC Life") and was granted a certificate of authority as a Texas domiciled insurance company. Thereafter on the same date, Conseco Life Insurance Company of Texas was merged into CIHC Life and CIHC Life adopted its current name, Conseco Life Insurance Company of Texas.

- H. The Company does not own any common shares of an upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated ("SCA") company.
- I. During 2005, the Company did not have an investment in a SCA entity that exceeded 10% of admitted assets.
- J. The Company did not recognize any impairment write down for its investments in SCA companies during the statement period.

NOTES TO FINANCIAL STATEMENTS

11. Debt

A. Capital Notes

The Company has no capital notes outstanding.

B. All Other Debt

At December 31, 2005, the Company had no outstanding liability for borrowed money.

At December 31, 2004, the Company had an outstanding liability for borrowed money of \$26,374,818 relating to dollar repurchase agreements with brokers to sell and subsequently repurchase mortgage-backed securities. These securities were sold for cash with a specific date to repurchase similar securities. The securities were repurchased in January 2005 with an average finance rate of 5.50%.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company participated in a health care and life insurance benefit plan ("postretirement benefits") sponsored by its former parent until the sale of the Company to Consec. However, the Company retained the liability for vested benefits of certain current and retired employees. The liability for this unfunded plan is included in general expenses due and accrued.

A summary of obligations and assumptions of the postretirement benefit plan is as follows at December 31, 2005 and 2004:

Change in Benefit Obligation	2005	2004
a. Benefit obligation at the beginning of the year	\$ 116,147	\$ 115,922
b. Service cost	0	0
c. Interest cost	4,045	5,222
d. Contribution by plan participants	0	0
e. Actuarial gain (loss)	(3,574)	(4,997)
g. Benefits paid	(53,000)	0
g. Benefit obligation at the end of the year	<u>\$ 63,618</u>	<u>\$ 116,147</u>

The Company has no additional minimum pension liability.

The discount rate used in determining the accumulated post retirement benefit obligations was 4.5%

During 2005 and 2004, the Company paid premiums in the amount of \$24,239 and \$20,722, respectively, for retiree health care benefits.

B. Defined Contribution Plans

The Company has not sponsored a defined contribution plan.

C. Multiemployer Plans

The Company does not participate in a multiemployer plan.

D. Consolidated/Holding Company Plans

The Company's employees are eligible to participate in Consec's 401(k) savings plan. In addition, certain executive officers of the Company are included in Consec's deferred compensation plan. The Company has no legal obligation for benefits under these plans. Consec allocates a portion of these costs to the Company based on salary ratios. The Company's allocated expenses under these plans during 2005 and 2004 totaled \$3,298 and (\$7,479), respectively. The 2004 allocated expenses included credits due to a change in the allocated benefit rate charged to the Company.

NOTES TO FINANCIAL STATEMENTS

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

- (1) The Company's capital consists of 250,000 shares authorized, issued and outstanding, with a par value of \$10.00 per share.
- (2) The Company has no preferred stock outstanding.
- (3, 4) The maximum amount of dividends which can be paid by Commonwealth of Pennsylvania life insurance companies to shareholders without prior approval of the Commissioner is the greater of statutory net income for the preceding year or 10% of statutory surplus as regards policyholders at the end of the preceding year. Statutory net income for 2005 was \$9,512,963. Statutory surplus as regards policyholders as of December 31, 2005 was \$35,278,861. However, under State of Pennsylvania insurance regulations, dividends may be paid only from earned surplus without prior approval, the balance of which as of December 31, 2005 was \$2,901,796.
- (5) Unassigned surplus is held for the benefit of the Company's shareholder.
- (6) During 2005, the Company had no advances to surplus.
- (7) During 2005, the Company held no stock for special purposes.
- (8) During 2005, the Company had no special surplus funds.
- (9) As of December 31, 2005, the portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses was (\$42,888).
- (10) The Company has no surplus debentures or similar obligations outstanding.
- (11, 12) The Company has not restated surplus due to a quasi reorganization.

14. Contingencies

A. Contingent Commitments

As of December 31, 2005, the Company had an unfunded commitment on one commercial mortgage loan in the amount of \$1,470,000.

- (1) Total SSAP No. 88, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 46 and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: \$0

B. Assessments

The Company has no liability for guaranty fund assessments on insolvencies or an accrued premium tax credit.

C. Gain Contingencies

The Company has no gain contingencies.

D. All Other Contingencies

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

NOTES TO FINANCIAL STATEMENTS

15. Leases

Lessee Leasing Arrangements

- (1) The Company rents equipment under non-cancelable operating leases that are in effect through June, 2008. Rental expense for 2005 and 2004 was \$337,000 and \$488,000, respectively.

There are no contingent rental payments.

There is no material restriction imposed by the lease agreements.

- (2) At December 31, 2005, the minimum aggregate rental commitments are as follows:

Year Ending December 31	Amount	
2006	\$	74,832
2007		41,712
2008		20,856
Total	\$	137,400

b. The Company does not have any sub-lease agreements.

- (3) The Company has not entered into any material sale-leaseback transactions.

Lessor Leasing Arrangements

- (1) The Company has no operating leases as a significant part of its business activity.

- (2) The Company has no leveraged leases.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

- (1) The table below summarizes the amount at risk of the Company's financial instruments with off-balance sheet risk.

	Assets		Liabilities	
	2005	2004	2005	2004
a. Forwards	\$ 0	\$ 0	\$ 11,630	\$ 0

See Schedule DB of the Company's annual statement for additional detail.

- (2) The Company uses forward contracts to hedge interest rate fluctuations on investment funding commitments from the date of the commitment to the date of funding. Under forward contracts, the Company sells short a U.S. Treasury bond at the commitment date in an amount and time period equal to its investment funding commitment. The short is bundled with a repurchase agreement on the same U.S. Treasury bond for the same time period. The change in interest rates on the U.S. Treasury bond is intended to offset any interest rate changes which affect the investment. The forward contracts do not meet the criteria of a hedging transaction in accordance with SSAP #86 and are therefore valued and reported using fair value accounting.
- (3) The Company is exposed to credit-related losses in the event of nonperformance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. If the counterparties for the derivatives that the Company holds fail to meet their obligations, the Company may have to recognize a loss. The Company limits its exposure to such a loss by diversifying among several counterparties believed to be strong and creditworthy. At December 31, 2005, all of our counterparties were rated "A" or higher by Standard & Poor's Corporation. The credit exposure of derivatives is represented by the fair value of contracts with a positive fair value at the reporting date.
- (4) The Company is not required to put up any collateral and does not require collateral from counterparties for any of its derivative instruments.

NOTES TO FINANCIAL STATEMENTS

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. During 2005, the Company had no transfers of receivables reported as sales.
- B. Transfer and Servicing of Financial Assets
 - (1) During 2005, the Company had no transfers or servicing of financial assets.
 - (2) The Company has entered into securities lending agreements whereby certain securities are loaned to third parties, primarily major brokerage firms. The Company's policy is to require a minimum collateral of 102% of the fair value of the securities loaned, calculated on a daily basis, in either cash or securities. The collateral of these third parties is not available to the Company unless there is a default with the borrower. Therefore, the Company does not record the value of the collateral or a related liability for this collateral on its financial statements. The fair value of the securities loaned to others at December 31, 2005 and 2004 was \$18,915,983 and \$5,302,153, respectively. The fair value of the collateral maintained against these securities was \$19,613,536 and \$5,448,831, respectively, or 104% and 103%, respectively, of the fair value of the securities loaned.
 - (3) During 2005, the Company had no transfers or servicing of financial assets.
 - (4) During 2005, the Company had no securitized financial assets.
- C. During 2005, the Company had no securities with NAIC designation 3 or below which were sold and reacquired within 30 days of the sale date.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The Company does not serve as an administrator of any uninsured or partially insured accident and health plans.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company does not have any direct premiums written by managing general agents or third party administrators.

20. September 11, 2001 Events

The Company does not insure risks in the State of New York and any other incurred losses related to this event are immaterial to the Company's financial position. The Company has not established any contingent reserves as the Company's current reserves are considered adequate for any losses not reported.

21. Other Items

- A. Extraordinary Items
 - The Company had no extraordinary items.
- B. Troubled Debt Restructuring: Debtors
 - The Company had no troubled debt restructuring.
- C. Other Disclosures
 - (1) Assets with statement values totaling \$13,811,364 and \$14,395,575 at December 31, 2005 and 2004, respectively, were on deposit with government authorities or trustees as required by law.
 - (2) Effective January 1, 2002, the Company entered into a modified coinsurance agreement to cede 80% of the Company's traditional life insurance business to an unaffiliated insurer. The Company received a ceding commission of \$83,000,000 on May 28, 2002. The applicable federal income tax expense of \$31,300,000 was also reported as commission and expense allowances on reinsurance ceded. The increase in surplus, net of tax, totaling \$51,700,000 was reported as an adjustment to surplus in accordance with SSAP #61.
- D. At December 31, 2005 and 2004, the Company had no admitted amounts for assets covered by SSAP #6.
- E. The Company had no business interruption insurance recoveries.

NOTES TO FINANCIAL STATEMENTS

21. Other Items, continued

F. Additional Disclosures for Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

(1) Defined Benefit Plan

- (a) The accumulated benefit obligation for fully vested employees was \$63,618. All participants in the plan are fully vested.
- (b) All participants in the plan are fully vested.
- (c) The measurement date used to determine other postretirement benefit measures for postretirement benefit plans that make up the plan assets and benefit obligations was December 31, 2005.
- (d) The plan has no assets.
- (e) The estimated future benefit payments are not material.
- (f) The Company does not expect to make contributions to the plan during the next fiscal year.

(2) Multiemployer Plans

The Company does not participate in a multiemployer plan.

22. Events Subsequent

No material subsequent events have occurred which would require an adjustment or disclosure.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?
Yes () No (X)
If yes, give full details.

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes () No (X)
If yes, give full details.

Section 2 - Ceded Reinsurance Report - Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
Yes () No (X)
 - a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the Company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.
\$0
 - b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$0
2. Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
Yes () No (X)
If yes, give full details.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance, continued

Section 3 - Ceded Reinsurance Report - Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of the statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making the estimate. \$0
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?
Yes () No (X)

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

B. Uncollectible Reinsurance

During 2005, the Company did not write off any reinsurance balances due.

C. Commutation of Ceded Reinsurance

During 2005, the Company did not report any income or expenses as a result of commutation of reinsurance.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company has no retrospectively rated contracts or contracts subject to redetermination.

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$162,764 from \$2,340,296 in 2004 to \$2,177,532 in 2005 as a result of ongoing analysis of recent loss development trends in the health lines of business. As additional information becomes known on individual claims, the original estimates are adjusted accordingly.

26. Intercompany Pooling Arrangements

The Company is not part of an affiliated intercompany pooling arrangement.

27. Structured Settlements

The Company has not reduced reserves through the purchase of an annuity as part of a structured settlement.

28. Health Care Receivables

The Company has no pharmaceutical rebate receivables or risk sharing receivables.

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

No premium deficiency reserves are necessary.

NOTES TO FINANCIAL STATEMENTS

31. Reserves for Life Contracts and Deposit-Type Contracts

- (1) The Company waives deduction of deferred and fractional premiums upon death of the insured and returns any portion of the final premium beyond the month of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) Extra premiums are charged for policies issued on substandard lives. These extra premiums are in addition to the gross premium for the true age. Mean reserves are determined by computing the regular mean reserves for the plan at the true age and holding, in addition, one-half of the extra premium.
- (3) As of December 31, 2005, the Company had \$67,794,500 of insurance in force in which the gross premiums were less than the net premiums according to the standard valuation set by the Commonwealth of Pennsylvania. Reserves to cover the above insurance in force totaled \$93,468 at year-end and are reported in Exhibit 5, Miscellaneous Reserves section.
- (4) The Tabular Interest, Tabular Cost and Tabular Less Actual Reserve Released have been determined by formula as described in the instructions.
- (5) Investment earnings credited to the account (Exhibit 7, line 3) has been determined by formula, which includes each valuation rate of interest and the mean of the funds held subject to each rate.
- (6) Other increases (net) on Page 7, line 7 and Exhibit 7, line 4 are insignificant.

32. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

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

	(1) Amount	(2) % of Total
	<hr/>	<hr/>
A. Subject to discretionary withdrawal:		
1. With market value adjustment	\$ 0	0.0 %
2. At book value less current surrender charge of 5% or more	455,780	0.3 %
3. At fair value	0	0.0 %
4. Total with adjustment or at fair value (total of 1 through 3)	<hr/> 455,780	<hr/> 0.3 %
5. At book value without adjustment (minimal or no charge or adjustment)	48,527,950	36.6 %
B. Not subject to discretionary withdrawal	<hr/> 83,615,644	<hr/> 63.1 %
C. Total (gross)	132,599,374	<u>100.0 %</u>
D. Reinsurance ceded	<hr/> 6,736,470	
E. Total (net)* (C)-(D)	<u>\$ 125,862,904</u>	

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

F. Life & Accident & Health Annual Statement:	<hr/> Amount
1. Exhibit 5, Annuities Section, Total (net)	\$ 125,862,904
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	0
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	<hr/> 0
4. Total	<u>\$ 125,862,904</u>

NOTES TO FINANCIAL STATEMENTS

33. Premium and Annuity Considerations Deferred and Uncollected

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2005 were as follows:

<u>Type</u>	<u>(1) Gross</u>	<u>(2) Net of Loading</u>
1. Industrial	\$ 8,218	\$ 4,702
2. Ordinary new business	5,595,432	441,557
3. Ordinary renewal	22,746,825	13,773,013
4. Credit Life	0	0
5. Group Life	28,179,674	13,855,796
6. Group Annuity	0	0
7. Totals	<u>\$ 56,530,149</u>	<u>\$ 28,075,068</u>

34. Separate Accounts

The Company has no separate accounts.

35. Loss/Claim Adjustment Expenses

The balance in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2005 and 2004 was \$462,506 and \$492,870, respectively. The Company incurred \$664,032 and paid \$696,852 of claim adjustment expenses in the current year of which \$186,692 of the paid amount was attributable to insured or covered events of prior years. The Company decreased the provision for insured events of prior years. The Company does not estimate anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	13,357,258	1.954	13,357,258	1.954
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	20,780,813	3.041	20,780,813	3.041
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)	7,258,321	1.062	7,258,321	1.062
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	444,431	0.065	444,431	0.065
1.43 Revenue and assessment obligations	6,993,307	1.023	6,993,307	1.023
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	2,672,208	0.391	2,672,208	0.391
1.512 Issued or guaranteed by FNMA and FHLMC	29,620,492	4.334	29,620,492	4.334
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	89,936,699	13.159	89,936,699	13.159
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other	53,086,227	7.767	53,086,227	7.767
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	329,357,674	48.191	329,357,674	48.191
2.2 Unaffiliated foreign securities	61,700,052	9.028	61,700,052	9.028
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated	27,798,196	4.067	27,798,196	4.067
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans	19,348,468	2.831	19,348,468	2.831
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by the company	4,060,178	0.594	4,060,178	0.594
5.2 Property held for the production of income (including \$ of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)				
6. Contract loans	16,698,124	2.443	16,698,124	2.443
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	177,924	0.026	177,924	0.026
9. Other invested assets	152,489	0.022	152,489	0.022
10. Total invested assets	683,442,861	100.000	683,442,861	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] NA []
- 1.3 State Regulating? Pennsylvania.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2003
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2003
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).07/30/2005
- 3.4 By what department or departments? Pennsylvania
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
BLC Financial Services, Inc.....	Chicago, IL.....					Yes
Conseco Equity Sales, Inc.....	Carmel, IN.....					Yes

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers, LLP
300 North Meridian Suite 1700
Indianapolis, IN 46204
- 10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?.....
Rebecca S. Ward-Ross, F.S.A., M.A.A.A. - Appointed Actuary
399 Market Street
Philadelphia, PA 19181
Vice President of Colonial Penn Life Insurance Company
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No []
TCF CON/GA, LLC
US Bancorp Missouri Tax Credit Fund 2002A, LLC
11.11 Name of real estate holding company
11.12 Number of parcels involved.....2
11.13 Total book/adjusted carrying value..... \$152,489
- 11.2 If yes, provide explanation
Limited liability companies with real estate investments as reported on Schedule BA, Part 1.
- 12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []

BOARD OF DIRECTORS

- 13. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
- 14. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
- 15. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or likely to conflict with the official duties of such person?..... Yes [X] No []

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 - 16.11 To directors or other officers .. \$
 - 16.12 To stockholders not officers ... \$
 - 16.13 Trustees, supreme or grand (Fraternal only) \$
- 16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 16.21 To directors or other officers ... \$
 - 16.22 To stockholders not officers \$
 - 16.23 Trustees, supreme or grand (Fraternal only) \$
- 17.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
- 17.2 If yes, state the amount thereof at December 31 of the current year:
 - 17.21 Rented from others \$
 - 17.22 Borrowed from others \$
 - 17.23 Leased from others \$
 - 17.24 Other \$
- 18.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [X] No []
- 18.2 If answer is yes,
 - 18.21 Amount paid as losses or risk adjustment \$11,824
 - 18.22 Amount paid as expenses \$
 - 18.23 Other amounts paid \$
- 19.1 Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 19.2 If yes, indicated any amounts receivable from parent included in the Page 2 amount:..... \$

GENERAL INTERROGATORIES

INVESTMENT

20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes [] No [X]

20.2 If no, give full and complete information relating thereto:
 The Company enters into securities lending arrangements whereby the securities are under the Company's exclusive control yet are not in our actual possession.

21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1) Yes [X] No []

- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Loaned to others \$ 18,279,738
 - 21.22 Subject to repurchase agreements \$
 - 21.23 Subject to reverse repurchase agreements \$
 - 21.24 Subject to dollar repurchase agreements \$
 - 21.25 Subject to reverse dollar repurchase agreements \$
 - 21.26 Pledged as collateral \$
 - 21.27 Placed under option agreements \$
 - 21.28 Letter stock or other securities restricted as to sale ... \$
 - 21.29 Other \$

21.3 For category (21.28) provide the following:

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

22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
 If no, attach a description with this statement.

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

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

GENERAL INTERROGATORIES

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 – General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [] No []

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

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

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

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

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year?

Yes [] No []

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

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

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

1 Central Registration Depository Number(s)	2 Name	2 Address
107740.....	40/86 Advisors, Inc.....	11825 N. Pennsylvania Street, Carmel, IN 46032.....

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?.....

Yes [] No []

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
25.2999	TOTAL	.....

25.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding Of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....

GENERAL INTERROGATORIES

26. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
26.1 Bonds.....	619,062,962	637,535,565	18,472,603
26.2 Preferred stocks.....	27,798,197	28,326,269	528,072
26.3 Totals	646,861,159	665,861,834	19,000,675

26.4 Describe the sources or methods utilized in determining fair values:

The fair value was determined from prices published by the NAIC Securities Valuation Office or from quotations received from nationally recognized pricing services and broker/dealer market makers, except for 4 bonds totaling \$500,070, which were determined using internally developed methods.....

27.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []

27.2 If no, list the exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$43,653

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
AM Best.....	16,000

29.1 Amount of payments for legal expenses, if any?\$123,383

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

1 Name	2 Amount Paid
.....	
.....	

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

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

1 Name	2 Amount Paid
.....	
.....	

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No []
 1.2 If yes, indicate premium earned on U. S. business only \$11,029,027
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$8,286,090

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$11,029,027
 1.62 Total incurred claims \$8,286,090
 1.63 Number of covered lives \$4,523

All years prior to most current three years:

1.64 Total premium earned \$
 1.65 Total incurred claims \$
 1.66 Number of covered lives \$

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$
 1.72 Total incurred claims \$
 1.73 Number of covered lives \$

All years prior to most current three years:

1.74 Total premium earned \$
 1.75 Total incurred claims \$
 1.76 Number of covered lives \$

2. Health Test:

		1 Current Year		2 Prior Year
2.1	Premium Numerator	\$12,855,451	\$	.....14,419,919
2.2	Premium Denominator	\$90,051,276	\$	.....81,821,698
2.3	Premium Ratio (2.1/2.2)	.....0.143		.....0.176
2.4	Reserve Numerator	\$5,316,158	\$	.....5,891,850
2.5	Reserve Denominator	\$640,137,466	\$	.....655,102,003
2.6	Reserve Ratio (2.4/2.5)	.....0.008		.....0.009

3.1 Does this reporting entity have Separate Accounts? Yes [] No []
 3.2 If yes, has a Separate Accounts Statement been filed with this Department? Yes [] No [] NA []
 3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$
 3.4 State the authority under which Separate Accounts are maintained:.....

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No []
 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No []

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?..... \$

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

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid: \$24,181,941
 4.22 Received: \$

5.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No []

5.2 If yes, what amount pertaining to these items is included in:
 5.21 Page 3, Line 1 \$
 5.22 Page 4, Line 1 \$

6. For stock reporting entities only:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$29,877,065

7. Total dividends paid stockholders since organization of the reporting entity:
 7.11 Cash: \$412,607,529
 7.12 Stock: \$1,535,993

GENERAL INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

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

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

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

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

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

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

9.1 Does the company have variable annuities with guaranteed benefits? Yes [] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefits	2 Guaranteed Living Benefits	Waiting Period Remaining	Account Value Related to Col.3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserved Credit

FIVE-YEAR HISTORICAL DATA

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

	1 2005	2 2004	3 2003	4 2002	5 2001
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary - whole Life and endowment (Line 34, Col. 4)	926,775	957,989	998,519	1,045,700	1,098,543
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	475,767	437,883	423,608	391,361	309,086
3. Credit life (Line 21, Col. 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	1,037,451	1,019,981	991,044	938,921	869,813
5. Industrial (Line 21, Col. 2)	29,195	30,394	31,482	32,620	33,732
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	306,541	294,522	364,276	734,086	866,282
7. Total (Line 21, Col. 10)	2,775,729	2,740,769	2,808,929	3,142,688	3,177,456
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2)	30,354	25,325	27,240	34,445	38,650
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)	108,433	83,600	109,649	166,250	188,846
10. Credit life (Line 2, Col. 6)					
11. Group (Line 2, Col. 9)	115,337	119,423	152,996	171,272	198,974
12. Industrial (Line 2, Col. 2)					
13. Total (Line 2, Col. 10)	254,124	228,348	289,885	371,967	426,470
Premium Income - Lines of Business					
(Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2)	432,468	423,143	386,867	528,588	622,032
15.1 Ordinary-life insurance (Line 20.4, Col. 3)	39,561,430	26,172,714	29,740,887	26,417,411	73,355,965
15.2 Ordinary-Individual Annuities (Line 20.4, Col. 4)	23,000	97,921	158,230	386,709	47,879
16. Credit life (group and individual) (Line 20.4, Col. 5)					
17.1 Group life insurance (Line 20.4, Col. 6)	36,139,300	39,410,043	27,894,532	25,034,353	65,954,663
17.2 Group annuities (Line 20.4, Col. 7)					
18.1 A & H-group (Line 20.4, Col. 8)	2,420,415	2,844,944	3,288,159	3,846,399	4,442,773
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9)					
18.3 A & H-other (Line 20.4, Col. 10)	11,474,664	12,872,933	14,232,194	15,766,457	17,185,414
19. Aggregate of all other lines of business (Line 20.4, Col. 11)					
20. Total	90,051,277	81,821,698	75,700,869	71,979,917	161,608,726
Balance Sheet (Pages 2 & 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3)	725,570,020	774,680,564	781,063,921	851,850,165	900,208,668
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	690,291,160	738,173,826	740,819,183	810,797,212	852,547,025
23. Aggregate life reserves (Page 3, Line 1)	607,619,941	619,895,329	632,102,607	656,569,387	684,818,426
24. Aggregate A & H reserves (Page 3, Line 2)	25,688,535	27,384,402	28,963,841	31,026,040	32,671,327
25. Deposit-type contract funds (Page 3, Line 3)					
26. Asset valuation reserve (Page 3, Line 24.1)	4,497,547	4,642,214	3,438,310	213,609	5,887,338
27. Capital (Page 3, Lines 29 and 30)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
28. Surplus (Page 3, Line 37)	32,778,861	34,006,738	37,744,738	38,552,953	45,161,643
Risk-Based Capital Analysis					
29. Total adjusted capital	39,776,408	41,148,952	43,683,048	41,266,562	53,548,981
30. Authorized control level risk - based capital	5,087,461	5,327,110	6,323,089	7,406,423	11,388,490
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)					
(Line No. / Page 2, Line 10, Col. 3) x 100.0					
31. Bonds (Line 1)	90.0	84.4	83.8	88.4	89.3
32. Stocks (Lines 2.1 and 2.2)	4.1	4.2	2.1	0.8	0.5
33. Mortgage loans on real estate (Lines 3.1 and 3.2)	2.8	2.9	3.2	3.1	1.8
34. Real estate (Lines 4.1, 4.2 and 4.3)	0.6	0.6	0.6	0.6	0.6
35. Cash, cash equivalents and short - term investments (Line 5)	0.0	5.6	7.9	4.9	5.4
36. Premium notes	XXX	XXX	XXX		
37. Contract loans (Line 6)	2.4	2.3	2.1	1.9	1.7
38. Other invested assets (Line 7)	0.0	0.1	0.2	0.2	0.3
39. Receivables for securities (Line 8)					0.4
40. Aggregate write-ins for invested assets (Line 9)					
41. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2005	2 2004	3 2003	4 2002	5 2001
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D Summary, Line 25, Col. 1)					
43. Affiliated preferred stocks (Schedule D Summary, Line 39, Col. 1)					
44. Affiliated common stocks (Schedule D Summary, Line 53, Col. 2)			4,559	4,559	4,560
45. Affiliated short-term investments (Subtotals included in Schedule DA Part 2 Col. 5, Line 11)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47			4,559	4,559	4,560
Total Non-admitted and Admitted Assets					
49. Total non admitted assets (Page 2, Line 26, Col. 2)	39,764,989	38,556,771	41,963,484	41,437,788	41,390,980
50. Total admitted assets (Page 2, Line 26, Col. 3)	725,570,020	774,680,564	781,063,921	851,850,165	900,208,668
Investment Data					
51. Net investment income (Exhibit of Net Investment Income)	42,148,592	43,156,652	46,907,883	52,938,721	54,670,734
52. Realized capital gains (Losses)	3,031,189	2,959,167	1,149,189	(19,523,905)	(5,561,420)
53. Unrealized capital gains (Losses)	(21,555)	259,964	1,519,275	(192,293)	(2,467,556)
54. Total of above Lines 51, 52 & 53	45,158,226	46,375,783	49,576,347	33,222,523	46,641,758
Benefits and Reserve Increases (Page 6)					
55. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15, Col.1 minus Lines 10, 11, 12, 13, 14, and 15, Cols. 9, 10 & 11)	57,039,591	51,236,524	65,214,111	70,142,939	153,373,967
56. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	10,858,375	11,675,987	12,082,584	13,689,467	15,329,880
57. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3)	(7,603,651)	(8,307,858)	(10,181,899)	(8,310,622)	(7,174,682)
58. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	(1,695,868)	(1,579,438)	(2,062,199)	(1,645,287)	(1,397,488)
59. Dividends to policyholders (Line 30, Col. 1)					
Operating Percentages					
60. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/ (Page 6, Col.1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0	34.6	34.4	32.4	52.8	51.5
61. Lapse percent (ordinary only). (Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21) x 100.0	7.9	8.2	8.9	10.7	7.3
62. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	66.9	65.1	58.2	62.3	65.1
63. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2)			XXX	XXX	XXX
64. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2)	11.5	23.7	17.8	57.9	38.4
A & H Claim Reserve Adequacy					
65. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2)	1,057,200	882,250	1,116,064	1,321,251	1,835,096
66. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2)	1,431,756	1,651,613	2,013,251	2,479,711	3,175,821
67. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	4,131,487	4,531,839	4,253,871	5,071,731	5,815,313
68. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)	5,692,424	5,982,998	6,856,159	6,978,538	7,189,865
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial life (Col. 2)	115,454	127,037	212,355	(258,980)	117,965
70. Ordinary - life (Col. 3)	2,498,406	15,417,275	9,307,284	3,787,819	306,155
71. Ordinary - individual annuities (Col. 4)	(397,488)	(675,412)	193,580	928,309	(552,599)
72. Ordinary-supplementary contracts (Col. 5)					
73. Credit life (Col. 6)					
74. Group life (Col. 7)	(1,451,258)	(7,969,449)	(5,099,321)	(12,376,421)	(7,988,678)
75. Group annuities (Col. 8)	(139,233)	238,268	126,248	289,537	156,773
76. A & H-group (Col. 9)	1,116,495	931,873	1,370,346	504,416	38,359
77. A & H-credit (Col. 10)					
78. A & H-other (Col. 11)	4,763,709	3,096,382	4,223,536	(1,431,147)	1,388,924
79. Aggregate of all other lines of business (Col. 12)	2,391,021				
80. Total (Col. 1)	8,897,106	11,165,974	10,334,028	(8,556,467)	(6,533,101)

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE

	1		2		3		4		5		6		Group			10	
	Industrial		Industrial		Ordinary		Ordinary		Credit Life (Group and Individual)		Credit Life (Group and Individual)		Group		Group		Total
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Policies and Group Certificates	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Policies and Group Certificates	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Certificates	Amount of Insurance (a)	Amount of Insurance (a)
1. In force end of prior year	52,034	30,394	576,477	1,395,872									20	263,947	1,314,503	2,740,769	
2. Issued during year			38,903	138,787										36,283	115,337	254,124	
3. Reinsurance assumed																	
4. Revived during year			1,004	8,263										1,227	9,607	17,870	
5. Increased during year (net)				44,329										(122)	70,771	115,100	
6. Subtotals, Lines 2 to 5			39,907	191,379										37,388	195,715	387,094	
7. Additions by dividends during year	XXX		XXX											XXX			
8. Aggregate write-ins for increases																	
9. Totals (Lines 1 and 6 to 8)	52,034	30,394	616,384	1,587,251									20	301,335	1,510,218	3,127,863	
Deductions during year:																	
10. Death																	
11. Maturity	853	469	25,743	55,172									XXX	16,948	39,734	95,375	
12. Disability			5,487	800									XXX	87	27	827	
13. Expiry	453	318	8,003	18,303									XXX	7,416	16,327	34,948	
14. Surrender	41	41	7,149	25,038										6,046	18,160	43,239	
15. Lapse	564	371	9,668	85,336										10,242	91,978	177,745	
16. Conversion														XXX	XXX		
17. Decreased (net)																	
18. Reinsurance																	
19. Aggregate write-ins for decreases																	
20. Totals, (Lines 10 to 19)	1,911	1,199	56,050	184,709										40,739	166,226	352,134	
21. In force end of year, (Line 9 minus Line 20)	50,123	29,195	560,334	1,402,542									20	260,596	1,343,992	2,775,729	
22. Reinsurance ceded end of year	XXX		XXX	750,896									XXX	XXX	649,956	1,400,852	
23. Line 21 minus Line 22	XXX	29,195	XXX	651,646									XXX	XXX	694,036	1,374,877	
DETAILS OF WRITE-INS																	
0801.																	
0802.																	
0803.																	
0898.																	
0899.																	
1901.																	
1902.																	
1903.																	
1998.																	
1999.																	
(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)																	
(b) Group \$; Individual \$																	

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	XXX		XXX	
25. Other paid-up insurance	34,929	20,374	242,108	126,663
26. Debit ordinary insurance	XXX	XXX	79,763	154,768

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 2)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies - decreasing			16	84
28. Term policies - other	11,674	108,433	19,508	379,501
29. Other term insurance - decreasing	XXX		XXX	
30. Other term insurance	XXX		XXX	3,924
31. Totals, Line 27 to 30	11,674	108,433	19,524	383,509
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX		XXX	
33. Totals, extended term insurance	XXX	XXX	45,393	92,259
34. Totals, whole life and endowment	27,229	30,354	495,417	926,775
35. Total (Lines 31 to 34)	38,903	138,787	560,334	1,402,543

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 2)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial			29,195	
37. Ordinary	138,787		1,402,542	
38. Credit Life (Group and Individual)				
39. Group	115,337		1,343,992	
40. Totals (Lines 36 to 39)	254,124		2,775,729	

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis		XXX		XXX
43. Federal Employees' Group Life Insurance included in Line 21			2,912	306,541
44. Servicemen's Group Life Insurance included in Line 21				
45. Group Permanent Insurance included in Line 21			218,921	537,448

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	98,238
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.
47.1 60% of additional amount or 60% of computed value; \$2,500 per unit on children.....
47.2 Actual amount for spouse benefit; 2.1 children per unit for child's benefit

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium			14,847	250,018			21,694	365,402
49. Disability Income								
50. Extended Benefits			XXX	XXX				
51. Other								
52. Total		(b)	14,847	250,018		(b)	21,694	365,402

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

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

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

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year				
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)				
Deductions during year:				
6. Decreased (net)				
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)				
9. In force end of year				
10. Amount on deposit		(a)		(a)
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	347	2,538	7	1,168
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	347	2,538	7	1,168
Deductions during year:				
6. Decreased (net)	33	351		42
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	33	351		42
9. In force end of year	314	2,187	7	1,126
Income now payable:				
10. Amount of income payable	(a) 2,985,396	XXX	XXX	(a) 2,720,921
Deferred fully paid:				
11. Account balance	XXX	(a) 71,152,254	XXX	(a) 2,975,250
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Ordinary		Group		Credit	
	1 Policies	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	9,446	12,990,560	63	2,733,521		
2. Issued during year	5	637		913		
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Total (Lines 1 to 4)	9,451	XXX	63	XXX		XXX
Deductions during year:						
6. Conversions	XXX	XXX		XXX	XXX	XXX
7. Decreased (net)	1,395	XXX		XXX		XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Total (Lines 6 thru 8)	1,395	XXX		XXX		XXX
10. In force end of year	8,056	(a) 11,553,870	63	(a) 2,285,614		(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year		
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Total (Lines 1 to 4)		
Deductions During Year:		
6. Decreased (net)		
7. Reinsurance ceded		
8. Totals (Lines 6 and 7)		
9. In force end of year		
10. Amount of account balance	(a)	(a)

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

FORM FOR CALCULATING THE INTEREST MAINTENANCE RESERVE

Interest Maintenance Reserve

	1 Amount
1. Reserve as of December 31, Prior Year	6,552,798
2. Current Year's Realized Pre-Tax Capital Gains/(Losses) of \$3,117,309 Transferred into the Reserve Net of Taxes of \$ 1,291,140	1,826,169
3. Adjustment for Current Year's Liability Gains/(Losses) Released From the reserve	
4. Balance before Reduction for Amount Transferred to Summary of Operations (Line 1 + Line 2 + Line 3)	8,378,967
5. Current Year's Amortization Released to Summary of Operations (Amortization, Line 1, Column 4)	(52,129)
6. Reserve as of December 31, Current Year (Line 4 minus Line 5)	8,431,096

AMORTIZATION

Year of Amortization	1 Reserve as of December 31, Prior Year	2 Current Year's Realized Capital Gains/(Losses) Transferred into the Reserve Net of Taxes	3 Adjustment for Current Year's Liability Gains/(Losses) Released From the Reserve	4 Balance Before Reduction for Current Year's Amortization (Cols. 1+2+3)
1. 2005	(248,277)	196,148		(52,129)
2. 2006	(6,109)	547,132		541,023
3. 2007	254,823	524,816		779,639
4. 2008	297,541	388,236		685,778
5. 2009	295,727	248,175		543,902
6. 2010	392,851	96,136		488,987
7. 2011	447,618	15,498		463,116
8. 2012	443,855	11,955		455,810
9. 2013	423,038	7,603		430,641
10. 2014	411,247	3,417		414,664
11. 2015	410,171	(1,463)		408,708
12. 2016	400,998	(4,990)		396,008
13. 2017	383,650	(7,777)		375,873
14. 2018	362,569	(10,277)		352,292
15. 2019	335,714	(13,254)		322,459
16. 2020	317,422	(16,389)		301,032
17. 2021	301,885	(18,605)		283,280
18. 2022	293,894	(19,801)		274,093
19. 2023	290,787	(20,966)		269,821
20. 2024	269,832	(22,567)		247,265
21. 2025	222,115	(24,135)		197,980
22. 2026	164,036	(22,571)		141,465
23. 2027	93,175	(17,355)		75,820
24. 2028	26,717	(12,220)		14,496
25. 2029	(6,042)	(6,616)		(12,658)
26. 2030	(11,082)	(623)		(11,705)
27. 2031	(11,064)	2,327		(8,737)
28. 2032	(6,612)	1,846		(4,767)
29. 2033	443	1,364		1,807
30. 2034	1,876	843		2,719
31. 2035 and Later		281		281
32. Total (Lines 1 to 31)	6,552,798	1,826,169		8,378,967

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN 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	4,154,111	238,989	4,393,100	(0)	249,115	249,115	4,642,214
2. Realized Capital Gains/(Losses) Net of Taxes - General Account	514,685		514,685	114,769	(13,596)	101,173	615,858
3. Realized Capital Gains/(Losses) Net of Taxes - Separate Accounts							
4. Unrealized Capital Gains/(Losses) Net of Deferred Taxes - General Account	(24,008)		(24,008)				(14,011)
5. Unrealized Capital Gains/(Losses) Net of Deferred Taxes - Separate Accounts					9,997	9,997	
6. Capital gains credited/(losses charged) to contract benefits, payments or reserves							
7. Basic Contribution	811,376	61,915	873,291				873,291
8. Accumulated Balances (Lines 1 through 5, - 6 + 7)	5,456,164	300,904	5,757,068	114,769	245,516	360,285	6,117,353
9. Maximum Reserve	3,942,642	218,638	4,161,279		336,265	336,265	4,497,544
10. Reserve Objective	2,723,369	135,439	2,858,808		336,265	336,265	3,195,072
11. 20% of (Line 10 - Line 8)	(546,559)	(33,093)	(579,652)	(22,954)	18,150	(4,804)	(584,456)
12. Balance Before Transfers (Lines 8 + 11)	4,909,605	267,811	5,177,416	91,815	263,666	355,481	5,532,897
13. Transfers				(72,599)	72,599		XXX
14. Voluntary Contribution							
15. Adjustment down to Maximum/up to Zero	(966,964)	(49,173)	(1,016,137)	(19,216)		(19,216)	(1,035,353)
16. Reserve as of December 31, Current Year (Lines 12 + 13 + 14 + 15)	3,942,641	218,638	4,161,279	0	336,265	336,265	4,497,544

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

Line Number	NAIC Designation	Description	1	2	3	4	5		6		7	8	9	10
			Book/Adjusted Carrying Value	Reclassify Related Party Encumbrances	Add Third Party Encumbrances	Balance for AVR Reserve Calculations (Cols. 1+2+3)	Factor	Amount (Cols. 4x5)	Factor	Amount (Cols. 4x7)	Factor	Maximum Reserve Amount (Cols. 4x9)		
LONG-TERM BONDS														
1		Exempt Obligations	36,810,281	XXX	XXX	36,810,281	0.0000		0.0000		0.0000		0.0000	
2	1	Highest Quality	368,621,373	XXX	XXX	368,621,373	0.0004	147,449	0.0023	847,829	0.0030		0.0030	1,105,864
3	2	High Quality	184,647,439	XXX	XXX	184,647,439	0.0019	350,830	0.0058	1,070,955	0.0090		0.0090	1,661,827
4	3	Medium Quality	23,278,948	XXX	XXX	23,278,948	0.0093	216,494	0.0230	535,416	0.0340		0.0340	791,484
5	4	Low Quality	1,849,445	XXX	XXX	1,849,445	0.0213	39,393	0.0530	98,021	0.0750		0.0750	138,708
6	5	Lower Quality		XXX	XXX		0.0432		0.1100				0.1700	
7	6	In or Near Default		XXX	XXX		0.0000		0.2000				0.2000	
8		Total Unrated Multi-Class Securities Acquired by Conversion		XXX	XXX		XXX		XXX				XXX	
9		Total Bonds (Sum of Lines 1 through 8) (Page 2, Line 1, Net Admitted Asset)	615,207,487	XXX	XXX	615,207,487	XXX	754,166	XXX	2,552,221	XXX		XXX	3,697,884
PREFERRED STOCK														
10	1	Highest Quality	21,737,616	XXX	XXX	21,737,616	0.0004	8,695	0.0023	49,997	0.0030		0.0030	65,213
11	2	High Quality	1,060,580	XXX	XXX	1,060,580	0.0019	2,015	0.0058	6,151	0.0090		0.0090	9,545
12	3	Medium Quality	5,000,000	XXX	XXX	5,000,000	0.0093	46,500	0.0230	115,000	0.0340		0.0340	170,000
13	4	Low Quality		XXX	XXX		0.0213		0.0530				0.0750	
14	5	Lower Quality		XXX	XXX		0.0432		0.1100				0.1700	
15	6	In or Near Default		XXX	XXX		0.0000		0.2000				0.2000	
16		Affiliated Life with AVR		XXX	XXX		0.0000		0.0000				0.0000	
17		Total Preferred Stocks (Sum of Lines 10 thru 16) (Page 2, Line 2.1, Net Admitted Asset)	27,798,197	XXX	XXX	27,798,197	XXX	57,210	XXX	171,148	XXX		XXX	244,758
SHORT-TERM BONDS														
18		Exempt Obligations	3,855,471	XXX	XXX	3,855,471	0.0000		0.0000		0.0000		0.0000	
19	1	Highest Quality		XXX	XXX		0.0004		0.0023		0.0030		0.0030	
20	2	High Quality		XXX	XXX		0.0019		0.0058		0.0090		0.0090	
21	3	Medium Quality		XXX	XXX		0.0093		0.0230		0.0340		0.0340	
22	4	Low Quality		XXX	XXX		0.0213		0.0530		0.0750		0.0750	
23	5	Lower Quality		XXX	XXX		0.0432		0.1100		0.1700		0.1700	
24	6	In or Near Default		XXX	XXX		0.0000		0.2000		0.2000		0.2000	
25		Total Short-term Bonds (Sum of lines 18 thru 24)	3,855,471	XXX	XXX	3,855,471	XXX		XXX		XXX		XXX	

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)	5 Basic Contribution		7 Reserve Objective		10 Maximum Reserve Amount (Cols. 4x9)
							Factor	Amount (Cols. 4x5)	Factor	Amount (Cols. 4x7)	
26		Exchange Traded									
27	1	Highest Quality		XXX	XXX		0.0004	0.0023	0.0030		
28	2	High Quality		XXX	XXX		0.0004	0.0023	0.0030		
29	3	Medium Quality		XXX	XXX		0.0019	0.0058	0.0090		
30	4	Low Quality		XXX	XXX		0.0093	0.0230	0.0340		
31	5	Lower Quality		XXX	XXX		0.0213	0.0530	0.0750		
32	6	In or Near Default		XXX	XXX		0.0432	0.1100	0.1700		
33		Total Derivative Instruments		XXX	XXX		XXX	0.2000	0.2000		
34		TOTAL (Line 9 + 17 + 25 + 33)	646,861,155	XXX	XXX	646,861,155	XXX	811,376	2,723,369	XXX	3,942,642
		MORTGAGE LOANS									
35		In Good Standing:									
36		Farm Mortgages		XXX	XXX		0.0032 (a)	0.0070 (a)	0.0113 (a)		
37		Residential Mortgages - Insured or Guaranteed		XXX	XXX		0.0003	0.0006	0.0010		
38		Residential Mortgages - All Other		XXX	XXX		0.0013	0.0030	0.0040		
39		Commercial Mortgages - Insured or Guaranteed		XXX	XXX		0.0003	0.0006	0.0010		
40		Commercial Mortgages - All Other	19,348,468	XXX	XXX	19,348,468	0.0032 (a)	0.0070 (a)	0.0113 (a)		218,638
41		In Good Standing With Restructured Terms:		XXX	XXX		0.0179 (b)	0.0397 (b)	0.0640 (b)		
42		Overdue, Not in Process:									
43		Farm Mortgages		XXX	XXX		0.0420	0.0760	0.1200		
44		Residential Mortgages - Insured or Guaranteed		XXX	XXX		0.0005	0.0012	0.0020		
45		Residential Mortgages - All Other		XXX	XXX		0.0025	0.0058	0.0090		
46		Commercial Mortgages - Insured or Guaranteed		XXX	XXX		0.0005	0.0012	0.0020		
47		Commercial Mortgages - All Other		XXX	XXX		0.0420	0.0760	0.1200		
48		In Process of Foreclosure:									
49		Farm Mortgages		XXX	XXX		0.0000	0.1700	0.1700		
50		Residential Mortgages - Insured or Guaranteed		XXX	XXX		0.0000	0.0040	0.0040		
51		Residential Mortgages - All Other		XXX	XXX		0.0000	0.0130	0.0130		
52		Commercial Mortgages - Insured or Guaranteed		XXX	XXX		0.0000	0.0040	0.0040		
53		Commercial Mortgages - All Other		XXX	XXX		0.0000	0.1700	0.1700		
54		Total Schedule B Mortgages (Sum of Lines 35 thru 50) (Page 2, Line 3, Net Admitted Asset)	19,348,468	XXX	XXX	19,348,468	XXX	61,915	135,439	XXX	218,638
55		Total Schedule DA Mortgages		XXX	XXX		(c)			(c)	
56		TOTAL Mortgage Loans on Real Estate (Line 51 + 52)	19,348,468	XXX	XXX	19,348,468	XXX	61,915	135,439	XXX	218,638

(a) Times the Company's Experience Adjustment Factor (EAF).
(b) Column 9 is the greater of 6.4% 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.

**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	5		6		7		8		9		10
			Book/Adjusted Carrying Value	Reclassify Related Party Encumbrances				Add Third Party Encumbrances	Balance for AVR Reserve Calculations (Col. 1 + 2 + 3)	Factor	Amount (Cols. 4 x 5)	Factor	Amount (Cols. 4 x 7)	Factor	Amount (Cols. 4 x 9)			
		COMMON STOCK																
1		Unaffiliated - Public		XXX	XXX			0.0000				0.1000 (d)				0.1000 (d)		
2		Unaffiliated - Private		XXX	XXX			0.0000				0.1600				0.1600		
3		Federal Home Loan Bank		XXX	XXX			0.0000				0.0050				0.0050		
4		Affiliated - Life with AVR		XXX	XXX			0.0000				0.0000				0.0000		
5		Affiliated - Investment Subsidiary:																
6		Fixed Income - Exempt Obligations						XXX				XXX				XXX		
7		Fixed Income - Highest Quality						XXX				XXX				XXX		
8		Fixed Income - High Quality						XXX				XXX				XXX		
9		Fixed Income - Medium Quality						XXX				XXX				XXX		
10		Fixed Income - Low Quality						XXX				XXX				XXX		
11		Fixed Income - In/Near Default						XXX				XXX				XXX		
12		Fixed Income - Lower Quality						0.0000				0.1000 (d)				0.1000 (d)		
13		Unaffiliated Common Stock - Public						0.0000				0.1600				0.1600		
14		Unaffiliated Common Stock - Private						(c)				(c)				(c)		
15		Mortgage Loans						(e)				(e)				(e)		
16		Real Estate		XXX	XXX			0.0000				0.1300				0.1300		
17		Affiliated - Certain Other (See SVO Purposes and Procedures Manual)		XXX	XXX			0.0000				0.1600				0.1600		
18		Affiliated - All Other						0.0000				0.1600				0.1600		
		Total Common Stock (Sum of Lines 1 thru 17)/(Page 2, Line 2.2, Net Admitted Asset)						XXX				XXX				XXX		
		REAL ESTATE																
19		Home Office Property (General Account only)	4,060,178			270,860	4,331,038	0.0000				0.0750	324,828		0.0750		324,828	
20		Investment Properties						0.0000				0.0750			0.0750			
21		Properties Acquired in Satisfaction of Debt						0.0000				0.1100			0.1100			
22		Total Real Estate (Sum of Lines 19 thru 21)	4,060,178		270,860	270,860	4,331,038	XXX				XXX		324,828	XXX		324,828	
		OTHER INVESTED ASSETS																
23		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS																
24	1	Exempt Obligations		XXX	XXX			0.0000				0.0000			0.0000			
25	2	High Quality		XXX	XXX			0.0004				0.0023			0.0023			
26	3	Medium Quality		XXX	XXX			0.0019				0.0058			0.0058			
27	4	Low Quality		XXX	XXX			0.0093				0.0230			0.0230			
28	5	Lower Quality		XXX	XXX			0.0213				0.0530			0.0530			
29	6	In or Near Default		XXX	XXX			0.0432				0.1100			0.1100			
30		Total with Bond characteristics (Sum of Lines 23 thru 29)		XXX	XXX			XXX				XXX			XXX			

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)
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS											
31	1	Highest Quality		XXX	XXX		0.0004		0.0023		0.0030
32	2	High Quality		XXX	XXX		0.0019		0.0058		0.0090
33	3	Medium Quality		XXX	XXX		0.0093		0.0230		0.0340
34	4	Low Quality		XXX	XXX		0.0213		0.0530		0.0750
35	5	Lower Quality		XXX	XXX		0.0432		0.1100		0.1700
36	6	In or Near Default		XXX	XXX		0.0000		0.2000		0.2000
37		Affiliated Life with AVR		XXX	XXX		0.0000		0.0000		0.0000
38		Total with Preferred Stock characteristics (Sum of Lines 31 thru 37)		XXX	XXX		XXX		XXX		XXX
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS In Good Standing:											
39		Farm Mortgages		XXX	XXX		0.0032		0.0070		0.0113
40		Residential Mortgages - Insured or Guaranteed		XXX	XXX		0.0003		0.0006		0.0010
41		Residential Mortgages - All Other		XXX	XXX		0.0013		0.0030		0.0040
42		Commercial Mortgages - Insured or Guaranteed		XXX	XXX		0.0003		0.0006		0.0010
43		Commercial Mortgages - All Other		XXX	XXX		0.0032		0.0070		0.0113
44		In Good Standing With Restructured Terms		XXX	XXX		0.0179		0.0397		0.0640
45		Overdue, Not in Process:									
46		Farm Mortgages		XXX	XXX		0.0420		0.0760		0.1200
47		Residential Mortgages - Insured or Guaranteed		XXX	XXX		0.0005		0.0012		0.0020
48		Residential Mortgages - All Other		XXX	XXX		0.0025		0.0058		0.0090
49		Commercial Mortgages - Insured or Guaranteed		XXX	XXX		0.0005		0.0012		0.0020
50		Commercial Mortgages - All Other		XXX	XXX		0.0420		0.0760		0.1200
51		Farm Mortgages		XXX	XXX		0.0000		0.1700		0.1700
52		Residential Mortgages - Insured or Guaranteed		XXX	XXX		0.0000		0.0040		0.0040
53		Residential Mortgages - All Other		XXX	XXX		0.0000		0.0130		0.0130
54		Commercial Mortgages - Insured or Guaranteed		XXX	XXX		0.0000		0.0040		0.0040
55		Commercial Mortgages - All Other		XXX	XXX		0.0000		0.1700		0.1700
		Total with Mortgage Loan Characteristics (Sum of Lines 39 thru 54)		XXX	XXX		XXX		XXX		XXX

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		5		6		7		8		9		10	
			Book/Adjusted Carrying Value	Reclassify Related Party Encumbrances			Add Third Party Encumbrances	Balance for AVR Reserve Calculations (Col. 1 + 2 + 3)	Factor	Amount (Cols. 4 x 5)	Factor	Amount (Cols. 4 x 7)	Factor	Amount (Cols. 4 x 9)						
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCKS																		
56		Unaffiliated Public		XXX	XXX	XXX		0.0000			0.1000 (d)						0.1000 (d)			
57		Unaffiliated Private		XXX	XXX	XXX		0.0000			0.1600						0.1600			
58		Affiliated Life with AVR		XXX	XXX	XXX		0.0000			0.0000						0.0000			
59		Affiliated Certain Other (See SVO Purposes & Procedures Manual)		XXX	XXX	XXX		0.0000			0.1300						0.1300			
60		Affiliated Other - All Other		XXX	XXX	XXX		0.0000			0.1600						0.1600			
61		Total with Common Stock characteristics (Sum of Lines 56 thru 60)		XXX	XXX	XXX		XXX			XXX						XXX			
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE																		
62		Home Office Property (General Account only)																		
63		Investment Properties	152,489				152,489	0.0000			0.0750						0.0750			
64		Properties Acquired in Satisfaction of Debt						0.0000			0.0750						0.0750			
65		Total with Real Estate Characteristics (Lines 62 thru 64)	152,489				152,489	XXX			XXX						XXX			
		ALL OTHER INVESTMENTS																		
66		Other Invested Assets - Schedule BA		XXX				0.0000			0.1300						0.1300			
67		Other Short Term Invested Assets - Schedule DA		XXX				0.0000			0.1300						0.1300			
68		Total All Other (Sum of Lines 66 + 67)		XXX				XXX			XXX						XXX			
69		Total Other Invested Assets - Schedules BA & DA (Sum of Lines 30, 38, 55, 61, 65 and 68)	152,489				152,489	XXX			XXX						XXX			

(a) Times the Company's Experience Adjustment Factor (EAF).
(b) Column 9 is the greater of 6.4% without any EAF adjustments or a Company's EAF adjusted in Good Standing (GS) 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 .10, Maximum .20).
(e) Determined using same factors and breakdowns used for directly owned real estate.

Asset Valuation Reserve (Continued)
Basic Contribution, 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
NONE								
0599999 - Totals								

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31, prior year.....	4,207,038
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 11	(204,837)
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 14	57,974
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 12	
6.2 Totals, Part 3, Column 8	
7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 13	
8. Book/adjusted carrying value at end of current period	4,060,175
9. Total valuation allowance	
10. Subtotal (Lines 8 plus 9)	4,060,175
11. Total nonadmitted amounts	
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	4,060,175

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year	21,149,416
2. Amount loaned during year:	
2.1 Actual cost at time of acquisitions	1,130,000
2.2 Additional investment made after acquisitions	1,130,000
3. Accrual of discount and mortgage interest points and commitment fees	
4. Increase (decrease) by adjustment	
5. Total profit (loss) on sale	
6. Amounts paid on account or in full during the year	2,930,947
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	19,348,469
10. Total valuation allowance	
11. Subtotal (Lines 9 plus 10)	19,348,469
12. Total nonadmitted amounts	
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column).....	19,348,469

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Long-Term Invested Assets

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	393,659
2. Cost of acquisitions during year:	
2.1 Actual cost at time of acquisitions	153,559
2.2 Additional investment made after acquisitions	153,559
3. Accrual of discount	
4. Increase (decrease) by adjustment	1,520
5. Total profit (loss) on sale	(6,976)
6. Amounts paid on account or in full during the year	389,273
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	152,489
10. Total valuation allowance	
11. Subtotal (Lines 9 plus 10)	152,489
12. Total nonadmitted amounts	
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	152,489

SCHEDULE D - SUMMARY BY COUNTRY

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

Description	1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States 2. Canada 3. Other Countries 4. Totals	36,810,280 36,654,745 7,258,322 44,068,602	36,654,745 37,526,527 7,288,179 44,814,706	36,587,524 7,163,833 43,751,357
States, Territories and Possessions (Direct and guaranteed)	5. United States 6. Canada 7. Other Countries 8. Totals			
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States 10. Canada 11. Other Countries 12. Totals	444,432 436,176 444,432	436,176 447,408 447,408	400,000 400,000
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States 14. Canada 15. Other Countries 16. Totals	129,565,871 129,565,871	131,240,506 128,641,552 128,641,552	131,668,690 131,668,690
Public Utilities (unaffiliated)	17. United States 18. Canada 19. Other Countries 20. Totals	50,403,099 4,363,651 54,766,750	51,687,092 4,835,434 56,522,526	50,435,031 4,420,925 54,856,391
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 22. Canada 23. Other Countries 24. Totals	329,025,430 19,406,043 37,930,358 386,361,831	339,384,020 21,253,402 40,571,707 401,209,129	329,329,382 19,373,005 44,585,025 390,515,075
Parent, Subsidiaries and Affiliates	25. Totals			
	26. Total Bonds	615,207,486	633,680,166	620,899,513
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 28. Canada 29. Other Countries 30. Totals			
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 32. Canada 33. Other Countries 34. Totals	20,597,682 2,200,515 22,798,197	21,785,609 2,340,660 24,126,269	20,906,019 2,336,060 23,242,079
Industrial and Miscellaneous (unaffiliated)	35. United States 36. Canada 37. Other Countries 38. Totals	5,000,000 5,000,000	4,200,000 4,200,000	5,000,000 5,000,000
Parent, Subsidiaries and Affiliates	39. Totals			
	40. Total Preferred Stocks	27,798,197	28,326,269	28,242,079
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States 42. Canada 43. Other Countries 44. Totals			
Banks, Trust and Insurance Companies (unaffiliated)	45. United States 46. Canada 47. Other Countries 48. Totals			
Industrial and Miscellaneous (unaffiliated)	49. United States 50. Canada 51. Other Countries 52. Totals			
Parent, Subsidiaries and Affiliates	53. Totals		4,559	
	54. Total Common Stocks		4,559	
	55. Total Stocks	27,798,197	28,326,269	28,246,638
	56. Total Bonds and Stocks	643,005,683	662,006,435	643,927,777

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year.....	642,088,999	7. Amortization of premium.....	1,041,115
2. Cost of bonds and stocks acquired, Column 7, Part 3.....	392,964,810	8. Foreign Exchange Adjustment:	
3. Accrual of discount.....	896,292	8.1 Column 15, Part 1.....	
4. Increase (decrease) by adjustment:.....		8.2 Column 19, Part 2, Sec. 1.....	
4.1 Columns 12 - 14, Part 1.....		8.3 Column 16, Part 2, Sec. 2.....	
4.2 Columns 15 - 17, Part 2, Sec. 1.....		8.4 Column 15, Part 4.....	
4.3 Column 15, Part 2, Sec. 2.....		9. Book/adjusted carrying value at end of current period.....	643,005,698
4.4 Columns 11 - 13, Part 4.....(74,308)	(74,308)	10. Total valuation allowance.....	
5. Total gain (loss), Col. 19, Part 4.....	3,126,332	11. Subtotal (Lines 9 plus 10).....	643,005,698
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4.....	394,955,312	12. Total nonadmitted amounts.....	
		13. Statement value of bonds and stocks, current period.....	643,005,698

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN 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)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1	4,415,226	17,344,157	8,622,063	8,272,108	2,012,198	40,665,752	6.6	59,154,604	9.5	40,665,752	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	4,415,226	17,344,157	8,622,063	8,272,108	2,012,198	40,665,752	6.6	59,154,604	9.5	40,665,752	
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1			2,011,049	493,166		2,504,235	0.4	2,012,771	0.3	2,504,235	
2.2 Class 2		582,458	3,165,271	307,973	25,198	4,080,900	0.7	3,525,356	0.6	3,520,948	559,951
2.3 Class 3	97,715	498,702	76,771			673,188	0.1	763,674	0.1	673,188	
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals	97,715	1,081,160	5,253,091	801,159	25,198	7,258,323	1.2	6,301,801	1.0	6,698,371	559,951
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1			444,432			444,432	0.1	1,012,244	0.2	444,432	
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals			444,432			444,432	0.1	1,012,244	0.2	444,432	
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1	251,387	2,539,022	5,212,298	41,986,012	79,290,502	129,279,221	20.9	141,222,750	22.8	129,279,220	
5.2 Class 2	2,337	21,791	39,022	223,500		286,650	0.0	635,288	0.1	286,651	
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals	253,724	2,560,813	5,251,320	42,209,512	79,290,502	129,565,871	20.9	141,858,018	22.9	129,565,871	

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN 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 (Unaffiliated), Schedules D & DA (Group 6)	1		2		3		4		5		6		7		8		9		10		11	
	1 Year or Less		Over 1 Year Through 5 Years		Over 5 Years Through 10 Years		Over 10 Years Through 20 Years		Over 20 Years		Total Current Year		Col. 6 as a % of Line 10.7		Total from Col. 6 Prior Year		% From Col. 7 Prior Year		Total Publicly Traded		Total Privately Placed (a)	
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)																						
6.1 Class 1	98,399	1,396,745	7,672,985	3,267,346	8,442,720	20,878,195	3.4	11,492,206	1.9	16,941,204	3,936,991											
6.2 Class 2	159,061	2,371,272	14,392,593	3,028,118	13,937,490	33,888,554	5.5	33,644,940	5.4	30,416,384	3,472,171											
6.3 Class 3																						
6.4 Class 4																						
6.5 Class 5																						
6.6 Class 6																						
6.7 Totals	257,480	3,768,017	22,065,578	6,295,464	22,380,210	54,766,749	8.8	45,310,500	7.3	47,357,588	7,409,162											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)																						
7.1 Class 1	565,518	30,178,973	104,379,370	36,597,400	37,977,234	209,698,495	33.9	187,350,303	30.2	188,407,437	21,291,058											
7.2 Class 2	430,861	7,725,510	64,737,249	24,497,463	49,000,253	146,391,336	23.6	148,090,817	23.9	128,550,273	17,841,061											
7.3 Class 3		2,253,606	6,277,157	5,710,521	6,030,419	20,271,703	3.3	11,824,867	1.9	14,682,152	5,589,551											
7.4 Class 4		816,038	593,064		440,343	1,849,445	0.3	10,509,690	1.7	1,849,445												
7.5 Class 5																						
7.6 Class 6																						
7.7 Totals	996,379	40,974,127	175,986,840	66,805,384	93,448,249	378,210,979	61.1	357,775,677	57.7	333,489,307	44,721,670											
8. Credit Tenant Loans, Schedules D & DA (Group 8)																						
8.1 Class 1	356,125	1,088,641	1,417,938	2,450,268	503,826	5,816,798	0.9	6,168,126	1.0													
8.2 Class 2																						
8.3 Class 3	125,376	605,577	1,057,782	545,323		2,334,058	0.4	2,450,443	0.4													
8.4 Class 4																						
8.5 Class 5																						
8.6 Class 6																						
8.7 Totals	481,501	1,694,218	2,475,720	2,995,591	503,826	8,150,856	1.3	8,618,569	1.4													
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)																						
9.1 Class 1																						
9.2 Class 2																						
9.3 Class 3																						
9.4 Class 4																						
9.5 Class 5																						
9.6 Class 6																						
9.7 Totals																						

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN 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)
10. Total Bonds Current Year											
10.1 Class 1	5,686,655	52,547,538	129,760,135	93,066,320	128,226,480	409,287,128	66.1	XXX	XXX	378,242,280	31,044,845
10.2 Class 2	592,279	10,701,031	82,334,135	28,057,054	62,962,941	184,647,440	29.8	XXX	XXX	162,774,256	21,873,183
10.3 Class 3	223,091	3,357,885	7,411,710	6,035,844	6,030,419	23,278,949	3.8	XXX	XXX	15,355,340	7,923,609
10.4 Class 4		816,038	593,064		440,343	1,849,445	0.3	XXX	XXX	1,849,445	
10.5 Class 5								XXX	XXX		
10.6 Class 6								XXX	XXX		
10.7 Totals	6,502,025	67,422,492	220,099,044	127,379,218	197,660,183	619,062,962	100.0	XXX	XXX	558,221,321	60,841,637
10.8 Line 10.7 as a % of Col. 6	1.1	10.9	35.6	20.6	31.9	100.0		XXX	XXX	90.2	9.8
11. Total Bonds Prior Year											
11.1 Class 1	38,757,171	127,115,555	126,620,374	74,857,511	41,062,393	XXX	XXX	408,413,004	65.9	382,139,941	26,273,065
11.2 Class 2	471,432	14,273,727	75,938,166	20,225,027	74,988,029	XXX	XXX	185,896,381	30.0	165,250,526	20,645,855
11.3 Class 3	207,399	2,467,634	6,226,884	1,023,972	5,286,449	XXX	XXX	15,212,338	2.5	12,016,002	3,196,336
11.4 Class 4		1,732,546	2,750,726	5,574,662	451,756	XXX	XXX	10,509,690	1.7	2,820,377	7,689,314
11.5 Class 5								(c)			
11.6 Class 6								(c)			
11.7 Totals	39,436,002	145,589,462	211,536,150	101,681,172	121,788,627	XXX	XXX	620,031,413	100.0	562,226,844	57,804,570
11.8 Line 11.7 as a % of Col. 8	6.4	23.5	34.1	16.4	19.6	XXX	XXX	100.0	XXX	90.7	9.3
12. Total Publicly Traded Bonds											
12.1 Class 1	4,848,451	47,919,347	115,859,041	85,639,727	123,975,714	378,242,280	61.1	382,139,941	61.6	378,242,280	XXX
12.2 Class 2	456,243	9,454,476	69,310,870	26,575,607	56,977,061	162,774,257	26.3	165,250,526	26.7	162,774,257	XXX
12.3 Class 3	97,715	2,506,041	4,341,988	2,379,197	6,030,419	15,355,340	2.5	12,016,002	1.9	15,355,340	XXX
12.4 Class 4		816,038	593,064		440,343	1,849,445	0.3	2,820,376	0.5	1,849,445	XXX
12.5 Class 5											XXX
12.6 Class 6											XXX
12.7 Totals	5,402,409	60,695,902	190,104,943	114,594,531	187,423,537	558,221,322	90.2	562,226,845	90.7	558,221,322	XXX
12.8 Line 12.7 as a % of Col. 6	1.0	10.9	34.1	20.5	33.6	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	0.9	9.8	30.7	18.5	30.3	90.2	XXX	XXX	XXX	90.2	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	838,203	4,628,190	13,901,094	7,426,592	4,250,766	31,044,845	5.0	26,273,065	4.2	XXX	31,044,845
13.2 Class 2	136,036	1,246,554	13,023,265	1,481,447	5,985,880	21,873,182	3.5	20,645,854	3.3	XXX	21,873,182
13.3 Class 3	125,376	851,843	3,069,742	3,876,647		7,923,608	1.3	3,196,337	0.5	XXX	7,923,608
13.4 Class 4								7,689,314	1.2	XXX	
13.5 Class 5										XXX	
13.6 Class 6										XXX	
13.7 Totals	1,099,615	6,726,587	29,994,101	12,784,686	10,236,646	60,841,635	9.8	57,804,570	9.3	XXX	60,841,635
13.8 Line 13.7 as a % of Col. 6	1.8	11.1	49.3	21.0	16.8	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.2	1.1	4.8	2.1	1.7	9.8	XXX	XXX	XXX	XXX	9.8

(a) Includes \$ 60,841,637 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 2,100,000 current year, \$ prior year of bonds with Z designations and \$ 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.

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN 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	Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues										
	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 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
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Issuer Obligations	4,415,226	16,974,399	8,619,709	7,984,209	2,012,198	37,993,543	6.1	55,588,301	9.0	37,993,544	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities		369,758	2,354	287,899	2,012,198	2,672,209	0.4	3,566,304	0.6	2,672,209	
1.7 Totals	4,415,226	17,344,157	8,622,063	8,272,108	2,012,198	40,665,752	6.6	59,154,605	9.5	40,665,753	
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations	97,715	1,081,160	5,253,091	801,159	25,198	7,258,323	1.2	6,301,801	1.0	6,698,371	559,951
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined											
2.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
2.5 Defined											
2.6 Other											
2.7 Totals	97,715	1,081,160	5,253,091	801,159	25,198	7,258,323	1.2	6,301,801	1.0	6,698,371	559,951
3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)											
3.1 Issuer Obligations											
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined											
3.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
3.5 Defined											
3.6 Other											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Issuer Obligations			444,432			444,432	0.1	1,012,244	0.2	444,432	
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined											
4.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
4.5 Defined											
4.6 Other											
4.7 Totals			444,432			444,432	0.1	1,012,244	0.2	444,432	
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations	201,878	1,280,597	1,145,487	4,011,573	353,774	6,993,309	1.1	7,484,056	1.2	6,993,308	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities		885,658	138,009	448,878	28,147,948	29,620,493	4.8	34,945,520	5.6	29,620,492	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined	51,846	374,030	3,967,824	37,749,062	50,788,780	92,931,542	15.0	99,361,138	16.0	92,931,543	
5.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
5.5 Defined		20,528				20,528	0.0	67,305	0.0	20,528	
5.6 Other											
5.7 Totals	253,724	2,560,813	5,251,320	42,209,513	79,290,502	129,565,872	20.9	141,858,019	22.9	129,565,871	

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN 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 (Group 6)	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
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations	257,480	3,768,017	22,065,579	6,295,464	22,380,211	54,766,751	8.8	45,310,501	7.3	47,357,588	7,409,162
6.2 Single Class Mortgage-Backed/Asset-Based Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
6.5 Defined											
6.6 Other											
6.7 Totals	257,480	3,768,017	22,065,579	6,295,464	22,380,211	54,766,751	8.8	45,310,501	7.3	47,357,588	7,409,162
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	996,378	36,491,325	135,937,416	61,558,066	90,162,092	325,145,277	52.5	320,821,917	51.7	282,625,859	42,519,420
7.2 Single Class Mortgage-Backed/Asset-Based Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
7.3 Defined			10,950,878	4,997,464	3,286,157	19,234,499	3.1	8,953,409	1.4	19,234,499	
7.4 Other			5,070,307			5,070,307	0.8	5,061,383	0.8	5,070,307	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
7.5 Defined		497,081	18,188,514	249,853		18,935,448	3.1	15,739,382	2.5	18,438,367	497,081
7.6 Other		3,985,720	5,839,724			9,825,444	1.6	7,199,585	1.2	8,120,276	1,705,169
7.7 Totals	996,378	40,974,126	175,986,839	66,805,383	93,448,249	378,210,975	61.1	357,775,676	57.7	333,489,308	44,721,670
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations	481,500	1,694,218	2,475,719	2,995,591	503,826	8,150,854	1.3	8,618,568	1.4		8,150,854
8.7 Totals	481,500	1,694,218	2,475,719	2,995,591	503,826	8,150,854	1.3	8,618,568	1.4		8,150,854
9. Parents, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Based Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
9.5 Defined											
9.6 Other											
9.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN 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

	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total From Col. 6 Prior Year	% From Col. 6 Prior Year	Total Publicly Traded	Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	6,450,177	61,289,716	175,941,433	83,646,062	113,425,101	440,752,489	71.2	XXX	XXX	382,113,102	58,639,387
10.2 Single Class Mortgage-Backed/Asset-Backed Securities		1,255,416	140,363	736,777	30,160,146	32,292,702	5.2	XXX	XXX	32,292,701	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
10.3 Defined	51,846	374,030	14,918,702	42,746,526	54,074,937	112,166,041	18.1	XXX	XXX	112,166,042	
10.4 Other			5,070,307			5,070,307	0.8	XXX	XXX	5,070,307	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined		497,081	18,188,514	249,853		18,935,448	3.1	XXX	XXX	18,438,367	497,081
10.6 Other		4,006,248	5,839,724			9,845,972	1.6	XXX	XXX	8,140,804	1,705,169
10.7 Totals	6,502,023	67,422,491	220,099,043	127,379,218	197,660,184	619,062,959	100.0	XXX	XXX	558,221,323	60,841,637
10.8 Line 10.7 as a % of Col. 6	1.1	10.9	35.6	20.6	31.9	100.0	XXX	XXX	XXX	90.2	9.8
11. Total Bonds Prior Year											
11.1 Issuer Obligations	23,664,388	76,854,302	148,444,571	75,282,169	120,891,958	XXX	XXX	445,137,388	71.8	387,828,839	57,308,548
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	8,223,441	19,790,917	7,402,482	2,878,592	216,392	XXX	XXX	38,511,824	6.2	38,511,824	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
11.3 Defined	6,598,845	36,597,039	41,281,250	23,163,061	674,352	XXX	XXX	108,314,547	17.5	108,314,547	
11.4 Other		5,061,383				XXX	XXX	5,061,383	0.8	5,061,383	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined	949,329	3,141,592	11,285,186	357,350	5,925	XXX	XXX	15,739,382	2.5	15,243,361	496,021
11.6 Other		4,144,229	3,122,661			XXX	XXX	7,266,890	1.2	7,266,890	
11.7 Totals	39,436,003	145,589,462	211,536,150	101,681,172	121,788,627	XXX	XXX	620,031,414	100.0	562,226,844	57,804,569
11.8 Line 11.7 as a % of Col. 8	6.4	23.5	34.1	16.4	19.6	XXX	XXX	100.0	XXX	90.7	9.3
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	5,350,563	55,060,208	147,652,500	70,861,376	103,188,454	382,113,101	61.7	387,828,839	62.5	382,113,101	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities		1,255,416	140,362	736,776	30,160,146	32,292,700	5.2	38,511,824	6.2	32,292,700	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
12.3 Defined	51,846	374,030	14,918,703	42,746,526	54,074,938	112,166,043	18.1	108,314,546	17.5	112,166,043	XXX
12.4 Other			5,070,307			5,070,307	0.8	5,061,383	0.8	5,070,307	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined		4,006,248	18,188,514	249,853		18,438,367	3.0	15,243,361	2.5	18,438,367	XXX
12.6 Other		4,134,556	4,134,556			8,140,804	1.3	7,266,891	1.2	8,140,804	XXX
12.7 Totals	5,402,409	60,695,902	190,104,942	114,594,531	187,423,538	558,221,322	90.2	562,226,844	90.7	558,221,322	XXX
12.8 Line 12.7 as a % of Col. 6	1.0	10.9	34.1	20.5	33.6	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	0.9	9.8	30.7	18.5	30.3	90.2	XXX	XXX	XXX	90.2	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	1,099,615	6,229,507	28,288,932	12,784,687	10,236,646	58,639,387	9.5	57,308,550	9.2	XXX	58,639,387
13.2 Single Class Mortgage-Backed/Asset-Backed Securities										XXX	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES										XXX	
13.3 Defined										XXX	
13.4 Other										XXX	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES										XXX	
13.5 Defined		497,081				497,081	0.1	496,021	0.1	XXX	497,081
13.6 Other		1,705,169				1,705,169	0.3			XXX	1,705,169
13.7 Totals	1,099,615	6,726,588	29,994,101	12,784,687	10,236,646	60,841,637	9.8	57,804,571	9.3	XXX	60,841,637
13.8 Line 13.7 as a % of Col. 6	1.8	11.1	49.3	21.0	16.8	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.2	1.1	4.8	2.1	1.7	9.8	XXX	XXX	XXX	XXX	9.8

SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

Short-Term Investments					
	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	8,383,784	8,383,784			
2. Cost of short-term investments acquired	651,232,587	651,232,587			
3. Increase (decrease) by adjustment					
4. Increase (decrease) by foreign exchange adjustment					
5. Total profit (loss) on disposal of short-term investments					
6. Consideration received on disposal of short-term investments	655,760,899	655,760,899			
7. Book/adjusted carrying value, current year	3,855,471	3,855,471			
8. Total valuation allowance					
9. Subtotal (Lines 7 plus 8)	3,855,471	3,855,471			
10. Total nonadmitted amounts					
11. Statement value (Lines 9 minus 10)	3,855,471	3,855,471			
12. Income collected during year	216,349	216,349			
13. Income earned during year	216,349	216,349			

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

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors and Insurance Futures Options Owned

1. Book value, December 31, prior year (Line 8, prior year)
2. Cost/Option Premium (Section 2, Column 7)
3. Increase/(Decrease) by Adjustment (Section 1, Column 12) (Section 1, Column 13)
4. Gain/(Loss) on Termination:
 - 4.1 Recognized (Section 3, Column 14)
 - 4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)
5. Consideration Received on Terminations (Section 3, Column 12)
6. Used to Adjust Basis on Open Contracts (Section 1, Column 13)
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:
 - 7.1 Recognized
 - 7.2 Used to Adjust Basis of Hedged Item
8. Book value, December 31, current year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Options, Caps, Floors and Insurance Futures Options Written

1. Book value, December 31, prior year (Line 8, prior year)
2. Consideration received (Section 2, Column 7)
3. Increase/(Decrease) by Adjustment (Section 1, Column 12) (Section 1, Column 13)
4. Gain/(Loss) on Termination:
 - 4.1 Recognized (Section 3, Column 14)
 - 4.2 Used to Adjust Basis (Section 3, Column 15)
5. Consideration Paid on Terminations (Section 3, Column 12)
6. Used to Adjust Basis on Open Contracts (Section 1, Column 13)
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:
 - 7.1 Recognized
 - 7.2 Used to Adjust Basis
8. Book value, December 31, current year

NONE

SCHEDULE DB - PART C - VERIFICATION BETWEEN YEARS

Swaps and Forwards

1. Book value, December 31, prior year (Section 4, Line 8, prior year)	
2. Cost or (Consideration Received) (Section 2, Column 7)	25,305
3. Increase/(Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13)	(36,935)
4. Gain/(Loss) on Termination:	
4.1 Recognized (Section 3, Column 14)	
4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)	
5. Consideration Received (or Paid) on Terminations (Section 3, Column 12)	
6. Used to Adjust Basis of Hedged Item on Open Contracts (Section 1, Column 13)	
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:	
7.1 Recognized	
7.2 Used to Adjust Basis of Hedged Item	
8. Book value, December 31, Current Year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)	(11,630)

SCHEDULE DB - PART D - VERIFICATION BETWEEN YEARS

Futures Contracts and Insurance Futures Contracts

1. Book value, December 31, prior year (Section 4, Line 8, prior year)	
2. Change in total Variation Margin on Open Contracts (Difference between Section 1, Column 10 - Section 3, Column 11)	
3.1 Change in Variation Margin on Open Contracts used to Adjust Basis of Hedged Item (Section 3, Column 11)	
3.2 Change in Variation Margin on Open Contracts Recognized (Difference between years (Section 1, Column 10)	
4.1 Variation Margin on Contracts Terminated During the Year (Section 3, Column 6)	
4.2 Less:	
4.21 Gain/(Loss) Recognized in Current Year (Section 3, Column 11)	
4.22 Gain/(Loss) Used to Adjust Basis of Hedge (Section 3, Column 12)	
4.3 Subtotal (Line 4.1 minus Line 4.2)	
5.1 Net additions to Cash Deposits (Section 2, Column 7)	
5.2 Less: Net Reductions to Cash Deposits (Section 3, Column 9)	
6. Subtotal (Lines 1 - 2 + 3.1 + 3.2 - 4.3 + 5.2)	
7. Disposition of Gain/(Loss) on Contracts Terminated in Prior Year:	
7.1 Recognized	
7.2 Used to Adjust Basis of Hedged Item	
8. Book value, December 31, Current Year (Lines 6 + 7.1 + 7.2)	

SCHEDULE DB - PART E - VERIFICATION BETWEEN YEARS

Statement Value and Fair Value of Open Contracts

	Statement Value
1. Part A, Section 1, Column 10	
2. Part B, Section 1, Column 10	
3. Part C, Section 1, Column 10	(11,630)
4. Part D, Section 1, Column 9 - 12	
5. Lines (1) - (2) + (3) + (4)	(11,630)
6. Part E, Section 1, Column 4	
7. Part E, Section 1, Column 5	(11,630)
8. Lines (5) - (6) - (7)	
	Fair Value
9. Part A, Section 1, Column 11	
10. Part B, Section 1, Column 11	
11. Part C, Section 1, Column 11	(11,630)
12. Part D, Section 1, Column 9	
13. Lines (9) - (10) + (11) + (12)	(11,630)
14. Part E, Section 1, Column 7	
15. Part E, Section 1, Column 8	(11,630)
16. Lines (13) - (14) - (15)	

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
TL17892750	RUE	MA	1999	10,000	159		Non disclosure of medical information
LC21524398	BERRY	MI	2000	3,000	131		Non disclosure of medical information
TL19240920	BERRY	MI	2000	3,000	243		Non disclosure of medical information
FT24153039	CANADY	TX	2000	20,000	53		Non disclosure of medical information
TF22191190	KAMANN	OH	2000	10,000	104		Non disclosure of medical information
TL20607420	LINDERMAN	MI	2000	25,000	224		Non disclosure of medical information
TL27448769	FEREBEE	MD	2001	10,000	91		Non disclosure of medical information
TL24678020	GREENE	MD	2001	10,000	104		Non disclosure of medical information
FT26121240	JACKSON	SC	2001	25,000	82		Non disclosure of medical information
LC21112173	KILLINGS	NJ	2001	5,000	298		Non disclosure of medical information
WT26503126	MICH	MI	2001	25,000	1		Non disclosure of medical information
TF25406847	PARKER	OH	2001	15,000	200		Non disclosure of medical information
FT26703958	SEARCY	TX	2001	25,000	43		Non disclosure of medical information
TF2458872B	ST CYR	MI	2001	5,000	51		Non disclosure of medical information
TO15242929	STOKES	NY	2001	5,000	119		Non disclosure of medical information
WT24852409	TURNER	OH	2001	20,000	1		Non disclosure of medical information
WT2494812B	WILSON	KS	2001	20,000	1		Non disclosure of medical information
WT28075733	BANKS	TX	2002	5,000	130		Non disclosure of medical information
FT27967479	BAUMANN	OH	2002	25,000	450		Non disclosure of medical information
TL30450634	BOZEMAN	OH	2002	5,000	39		Non disclosure of medical information
TO04871258	HARRIS	NY	2002	6,000	401		Non disclosure of medical information
WT28009684	HOOD	OH	2002	10,000	44		Non disclosure of medical information
FT25935383	MAHER	TX	2002	15,000	244		Non disclosure of medical information
TL29070909	ROBERTS	PA	2002	5,000	118		Non disclosure of medical information
FT29999882	SEALY	TX	2002	25,000	115		Non disclosure of medical information
LC30001473	SEALY	TX	2002	25,000	225		Non disclosure of medical information
TF27522370	WARD	WV	2002	5,000	99		Non disclosure of medical information
TT30127400	JOHNSON	MD	2002	5,000	22		Non disclosure of medical information
LC25847739	ARTIS	PA	2002	5,000	813		Non disclosure of medical information
FT29634779	JACKSON	SC	2002	25,000	118		Non disclosure of medical information
TW29285157	UITTO	WI	2002	3,000	1		Non disclosure of medical information
TF27522370	WARD	WV	2002	5,000	99		Non disclosure of medical information
FT25402881	CASTLEMAN	FL	2002	25,000	83		Non disclosure of medical information
FT28072858	TOLIVER	NC	2002	10,000	10,000		Non disclosure of medical information
FT27722212	PHILIP	MI	2002	10,000	830		Non disclosure of medical information
TF31378766	CANTRELL	TX	2003	20,000	0		Non disclosure of medical information
FT30273356	JAMES	OR	2003	5,000	37		Non disclosure of medical information
LC29126637	CRANKFIELD	FL	2003	5,000	482		Non disclosure of medical information
TW30250286	GRIGSBY	OH	2003	25,000	1		Non disclosure of medical information
TF30877386	ROBERS	MA	2003	10,000	181		Non disclosure of medical information
TF31680233	SYKES	MI	2003	25,000	33		Non disclosure of medical information
TF31378766	CANTRELL	TX	2003	20,000	27		Non disclosure of medical information
TL32912406	SHELTON	KY	2004	5,000	36		Non disclosure of medical information
FT33188023	BROWN	SC	2004	10,000	14		Non disclosure of medical information
FT33188023	BROWN	SC	2004	10,000	14		Non disclosure of medical information
FT33435152	MCGILL	TX	2004	10,000	34		Non disclosure of medical information
FT33272326	ROBINSON	OK	2004	25,000	104		Non disclosure of medical information
TF32925809	BRANTLEY	SC	2004	25,000	60		Non disclosure of medical information
TO43113484	YUMAN	NY	2004	10,000	343		Non disclosure of medical information
TL32171457	HALLAHAN	ND	2004	25,000	672		Non disclosure of medical information
FT32760599	LEWIS	WV	2004	5,000	42		Non disclosure of medical information
FT30884282	THURMAN	MI	2004	25,000	578		Non disclosure of medical information
TL31644866	GENTILINI	NJ	2004	25,000	1,530		Non disclosure of medical information
TF29849727	HUTH	OH	2004	25,000	549		Non disclosure of medical information
FT31149560	STAYLOR	FL	2004	25,000	512		Non disclosure of medical information
FT31149560	STAYLOR	FL	2004	25,000	512		Non disclosure of medical information
FT33609304	ECHOLS	MI	2004	10,000	161		Non disclosure of medical information
0199999 - Disposed of: Death Claims - Ordinary				820,000	21,656		XXX
TL18825843	MCPHERSON	IL	1999	3,000	68		Non disclosure of medical information
TF22465661	ROBBINS	NJ	2000	10,000	37		Non disclosure of medical information
TF22084609	WINGATE	LA	2000	25,000	62		Non disclosure of medical information
TW24294131	WILLIAMS	IN	2001	10,000	23		Non disclosure of medical information
TL26533517	AVERYHEART	IL	2001	5,000	19		Non disclosure of medical information
TF27573716	BOOKER	AL	2001	5,000	14		Non disclosure of medical information
TF24678379	CARR	AL	2001	25,000	278		Non disclosure of medical information
ND26788725	DUITCH	CO	2001	25,000	1,005		Non disclosure of medical information
TF23497311	HILL	IL	2001	5,000	153		Non disclosure of medical information
TF25624470	JOHNSON	GA	2001	25,000	625		Non disclosure of medical information
WT26751936	LINCOGEL	CA	2001	25,000	1		Non disclosure of medical information
TF24739386	MATTINGLY	MO	2001	5,000	40		Non disclosure of medical information
TF25682909	MILLER	RI	2001	6,250	120		Non disclosure of medical information
TF25682909	MILLER	RI	2001	18,750	361		Non disclosure of medical information
LC26321846	ORELLANA	MO	2001	15,000	45		Non disclosure of medical information
TF27342525	VARBLE	TN	2001	20,000	61		Non disclosure of medical information
TW29462555	TRUJILLO	CO	2002	5,000	1		Non disclosure of medical information
WT28112566	BETTS	GA	2002	5,000	1		Non disclosure of medical information
WT28009765	HARVEY	IL	2002	20,000	1		Non disclosure of medical information
TL24007893	JACKSON	IL	2002	5,000	535		Non disclosure of medical information
WT27976524	MARKS	LA	2002	25,000	1		Non disclosure of medical information
TF24550356	OTA	CA	2002	25,000	1,294		Non disclosure of medical information
TF27098473	PHILION	CT	2002	10,000	131		Non disclosure of medical information
TF27485679	ROBBINS	GA	2002	5,000	42		Non disclosure of medical information
TF23858236	SALYERS	KY	2002	5,000	247		Non disclosure of medical information
TF2824040B	SCHENKER	AZ	2002	25,000	194		Non disclosure of medical information
TF26201227	TEZINO	CA	2002	25,000	487		Non disclosure of medical information
FT28292483	TIGNER	GA	2002	25,000	153		Non disclosure of medical information
TF2658544B	USHER	AZ	2002	10,000	590		Non disclosure of medical information
TF27485679	ROBBINS	GA	2002	5,000	42		Non disclosure of medical information
TF27520725	MCNALLY	TN	2002	25,000	275		Non disclosure of medical information
TF26892203	JAMES	GA	2002	5,000	36		Non disclosure of medical information
TF26892203	JAMES	GA	2002	5,000	36		Non disclosure of medical information
TL30080993	GARCIA	CA	2002	10,000	156		Non disclosure of medical information
TL2790920B	WILLIAMS	DC	2002	10,000	234		Non disclosure of medical information
FT30889578	WILSON	LA	2003	25,000	30		Non disclosure of medical information
FT30889578	WILSON	LA	2003	25,000	30		Non disclosure of medical information
FT31243647	ELMSTROM	CA	2003	25,000	93		Non disclosure of medical information
FT32183346	BURR	TN	2003	15,000	27		Non disclosure of medical information
FT30313846	LEWIS	LA	2003	25,000	72		Non disclosure of medical information
FT31437387	KIM	CA	2003	25,000	43		Non disclosure of medical information
TL27708167	CARR	NM	2003	25,000	2,505		Non disclosure of medical information
TW27912430	CARR	NM	2003	25,000	2,096		Non disclosure of medical information
LC31192833	SHATWELL	OK	2003	25,000	348		Non disclosure of medical information
TF29725718	OWENBY	TN	2003	10,000	47		Non disclosure of medical information
TF29725718	OWENBY	TN	2003	10,000	47		Non disclosure of medical information
TF31689036	FAHRENKAMP	CO	2003	5,000	8		Non disclosure of medical information
TF32792043	BROCK	NJ	2003	1,000	4		Non disclosure of medical information
FT32966618	SCOTT	TN	2003	25,000	13		Non disclosure of medical information
FT30119993	CAVERO	NJ	2003	15,000	329		Non disclosure of medical information
FT30119993	CAVERO	NJ	2003	15,000	329		Non disclosure of medical information

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

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
FT29087522	SHEEHAN	CA	2003	25,000	3,205		Non disclosure of medical information
FT29312666	HUMPHREY	GA	2003	10,000	183		Non disclosure of medical information
FT32332449	ALEXANDER	LA	2003	20,000	98		Non disclosure of medical information
FT29190501	PHILLIPS	TN	2004	25,000	616		Non disclosure of medical information
TL30587303	SCHAFFER	CO	2004	25,000	3,282		Non disclosure of medical information
FT32493612	MAJDA	TN	2004	25,000	112		Non disclosure of medical information
FT32872940	SMITH	IL	2004	25,000	161		Non disclosure of medical information
FT32827430	SMITH	GA	2004	25,000	54		Non disclosure of medical information
FT32479750	THRAKILL	AZ	2004	25,000	885		Non disclosure of medical information
TF34256734	BEAUREGARD	CA	2004	5,000	13		Non disclosure of medical information
TF3345728B	JAMES	IL	2004	5,000	70		Non disclosure of medical information
FT31282995	BRYANT	KY	2004	20,000	337		Non disclosure of medical information
FT34441849	WINGFIELD	GA	2004	18,000	26		Non disclosure of medical information
FT31739723	DUBOSE	AL	2004	5,000	535		Non disclosure of medical information
0399999 - Disposed of: Death Claims - Group				1,032,000	22,967		XXX
0599999 - Death Claims - Disposed Of				1,852,000	44,623		XXX
2699999 - Claims Disposed of During Current Year				1,852,000	44,623		XXX
TF33752754	MORGAN	TX	2005	25,000		25,000	Non disclosure of medical information
TW35854279	PATRICK	NC	2005	20,000		20,000	Non disclosure of medical information
2799999 - Resisted: Death Claims - Ordinary				45,000		45,000	XXX
3199999 - Death Claims - Resisted				45,000		45,000	XXX
5299999 - Claims Resisted During Current Year				45,000		45,000	XXX
5399999 Totals				1,897,000	44,623	45,000	XXX

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT

	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	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS																		
1.	Premiums written	13,841,346	XXX	2,403,449	XXX	XXX	XXX	42,788	XXX	11,366,453	XXX	28,056	XXX	XXX	XXX	XXX	XXX	XXX
2.	Premiums earned	14,304,982	XXX	2,493,435	XXX	XXX	XXX	42,788	XXX	11,739,514	XXX	29,245	XXX	XXX	XXX	XXX	XXX	XXX
3.	Incurred claims	10,710,189	74.9	1,605,944	64.4			302,021	705.9	8,777,125	74.8	25,099	85.8					
4.	Cost containment expenses																	
5.	Incurred claims and cost containment expenses (Lines 3 and 4)	10,710,189	74.9	1,605,944	64.4			302,021	705.9	8,777,125	74.8	25,099	85.8					
6.	Increase in contract reserves	(1,137,770)	(8.0)	(114,276)	(4.6)			(21,574)	(50.4)	(999,447)	(8.5)	(2,473)	(8.5)					
7.	Commissions (a)	371,810	2.6	1,310	0.1			5,220	12.2	370,500	3.2							
8.	Other general insurance expenses	1,016,461	7.1	178,026	7.1			1,287	3.0	831,112	7.1	2,103	7.2					
9.	Taxes, licenses and fees	250,559	1.8	43,884	1.8			6,507	15.2	204,870	1.7	518	1.8					
10.	Total other expenses incurred	1,638,830	11.5	223,220	9.0					1,406,482	12.0	2,621	9.0					
11.	Aggregate write-ins for deductions																	
12.	Gain from underwriting before dividends or refunds	3,093,733	21.6	778,547	31.2			(244,166)	(570.6)	2,555,354	21.8	3,998	13.7					
13.	Dividends or refunds																	
14.	Gain from underwriting after dividends or refunds	3,093,733	21.6	778,547	31.2			(244,166)	(570.6)	2,555,354	21.8	3,998	13.7					
DETAILS OF WRITE-INS																		
1101.																		
1102.																		
1103.																		
1198.	Summary of remaining write-ins for Line 11 from overflow page																	
1199.	Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)																	

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

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT (continued)

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts			
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
PART 2 - RESERVES AND LIABILITIES								
A. Premium Reserves:								
1. Unearned premiums	2,471,011	362,321			2,104,995	3,695		
2. Advance premiums	449,540	116,795			331,639	1,106		
3. Reserve for rate credits	2,920,551	479,116			2,436,634	4,801		
4. Total premium reserves, current year	3,384,187	569,102			2,809,695	5,390		
5. Total premium reserves, prior year	(463,636)	(89,986)			(373,061)	(589)		
6. Increase in total premium reserves								
B. Contract Reserves:								
1. Additional reserves	20,820,568	1,420,605			17,349,897	10,418		
2. Reserve for future contingent benefits								
3. Total contract reserves, current year	20,820,568	1,420,605			17,349,897	10,418		
4. Total contract reserves, prior year	21,958,338	1,534,881			18,349,344	12,891		
5. Increase in contract reserves	(1,137,770)	(114,276)			(999,447)	(2,473)		
C. Claim Reserves and Liabilities:								
1. Total current year	6,594,510	1,201,546			4,113,421	16,498		
2. Total prior year	7,124,180	1,431,756			4,491,590	17,938		
3. Increase	(529,670)	(230,210)			(378,169)	(1,440)		

PART 3 - TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES	
1. Claims paid during the year:	
1.1 On claims incurred prior to current year	3,011,155
1.2 On claims incurred during current year	728,104
	1,108,051
2. Claim reserves and liabilities, December 31, current year:	
2.1 On claims incurred prior to current year	2,177,532
2.2 On claims incurred during current year	329,096
	872,450
3. Test:	
3.1 Line 1.1 and 2.1	5,188,687
3.2 Claim reserves and liabilities, December 31, prior year	1,057,200
	1,431,756
3.3 Line 3.1 minus Line 3.2	(374,556)

PART 4 - REINSURANCE	
A. Reinsurance Assumed:	
1. Premiums written	2,448,602
2. Premiums earned	2,219,551
3. Incurred claims	2,303,840
4. Commissions	1,592,635
B. Reinsurance Ceded:	
1. Premiums written	207,612
2. Premiums earned	212,559
3. Incurred claims	191,903
4. Commissions	40,585

SCHEDULE H - PART 5 - HEALTH CLAIMS

	1 Medical	2 Dental	3 Other	4 Total
A. Direct:				
1. Incurred Claims			9,083,874	9,083,874
2. Beginning Claim Reserves and Liabilities			7,151,093	7,151,093
3. Ending Claim Reserves and Liabilities			6,788,257	6,788,257
4. Claims Paid			9,446,710	9,446,710
B. Assumed Reinsurance:				
5. Incurred Claims			1,818,221	1,818,221
6. Beginning Claim Reserves and Liabilities			1,421,821	1,421,821
7. Ending Claim Reserves and Liabilities			1,245,912	1,245,912
8. Claims Paid			1,994,130	1,994,130
C. Ceded Reinsurance:				
9. Incurred Claims			191,903	191,903
10. Beginning Claim Reserves and Liabilities			1,487,576	1,487,576
11. Ending Claim Reserves and Liabilities			1,446,816	1,446,816
12. Claims Paid			232,663	232,663
D. Net:				
13. Incurred Claims.....			10,710,192	10,710,192
14. Beginning Claim Reserves and Liabilities			7,085,338	7,085,338
15. Ending Claim Reserves and Liabilities			6,587,353	6,587,353
16. Claims Paid			11,208,177	11,208,177
E. Net Incurred Claims and Cost Containment Expenses:				
17. Incurred Claims and Cost Containment Expenses.....			10,710,192	10,710,192
18. Beginning Reserves and Liabilities			7,085,338	7,085,338
19. Ending Reserves and Liabilities			6,587,353	6,587,353
20. Paid Claims and Cost Containment Expenses			11,208,177	11,208,177

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE S - PART 1 - SECTION 1

Reinsurance Assumed for Life Insurance, Annuities, Deposit Funds and Other Liabilities without Life or Disability Contingencies, and Related Benefits Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Location	6 Type of Reinsurance Assumed	7 Amount in Force at End of Year	8 Reserve	9 Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance	
65900	04-2289444	12/31/1997	Conseco Life Insurance Company	Carmel, IN - Indiana	CO/I		45,096,143	23,000				
			Affiliates									
62235	01-0278678	06/01/1966	UNUM Life Insurance Company	Portland, ME - Maine	CO/G	30,576	19,992	.669	3,021			
93670	13-3072894	04/30/1993	John Hancock Life Ins. Co. of America	Wilmington, DE - Delaware	CO/I		1,224,974					
61808	43-0708954	07/31/1992	Charter National Life Insurance Company	Northbrook, IL - Illinois	CO/I	1,431,028	898,456					
64831	43-0708954	07/31/1992	Charter National Life Insurance Company	Northbrook, IL - Illinois	CO/I		6,005,880	665,345	136,793			
64831	13-2556978	01/01/1997	IntramERICA Life Insurance Company	Northbrook, IL - Illinois	CO/I	11,819,975	208,200	7,819	1,683			
64831	13-2556978	01/01/1997	IntramERICA Life Insurance Company	Northbrook, IL - Illinois	CO/G	501,578	38,884					
64831	13-2556978	01/01/1997	IntramERICA Life Insurance Company	Northbrook, IL - Illinois	CO/I	306,540,544	40,549,722	810,342	373,877			
65978	13-5581829	10/01/1999	Metropolitan Life Insurance Company	New York, NY - New York	CO/G	179,706,646	256,084	4,137,356	49,897			
70408	81-0170040	07/01/1999	Fortis Benefit Insurance Company	Atlanta, GA - Georgia	CO/I	4,256,670	49,853,245	183,535	565,281			
			Total General Account									
0299999			Non-Affiliates									
0399999			Total General Account									
0799999			Totals									
						504,287,017	94,949,388	5,828,066	565,281			

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed for Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Location	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
62235	01-0278678	12/30/1966	UNIM Life Insurance Company	Portland, ME - Maine	C0/G	200	2	6,618	17,018		
64831	13-2556978	01/01/1997	IntramERICA Life Insurance Company	Northbrook, IL - Illinois	C0/I	1,528	421	11,947	101		
20796	22-1721971	01/01/1997	Colonial Penn Franklin Insurance Company	Richmond, VA - Virginia	C0/I	201,402	23,288	155,449	73,883		
34789	23-2044095	01/01/1997	Colonial Penn Insurance Company	Richmond, VA - Virginia	C0/G	2,224,276	337,022	1,236,973	760,189		
34789	23-2044095	01/01/1997	Colonial Penn Insurance Company	Richmond, VA - Virginia	C0/I	30,045	4,542	67,340	7,019		
0299999	Total - Non-Affiliates					2,467,740	368,452	1,553,221	860,679		
0399999	Totals					2,467,740	368,452	1,553,221	860,679		

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN 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	8 Reserve Credit Taken		10 Premiums	11 Outstanding Surplus Relief		13 Modified Coinsurance Reserve	14 Funds Withheld Under Coinsurance
							8 Current Year	9 Previous Year		11 Current Year	12 Prior Year		
65900	04-2299444	01/01/1998	Conseco Life Insurance Company	Carmel, IN - Indiana	CO/L	128,400,562	1,623,806	1,364,958	2,254,921				
65900	04-2299444	01/01/1998	Conseco Life Insurance Company	Carmel, IN - Indiana	CO/G	148,518,863	1,548,943	1,353,956	2,688,276				
0799999			General Account, Affiliates			276,919,424	3,172,749	2,718,914	4,953,197				
62308	06-0303370	01/01/1974	Connecticut General Life Insurance Co.	Hartford, CT - Connecticut	CO/L			14,602	762				
62308	06-0303370	01/01/1974	Connecticut General Life Insurance Co.	Hartford, CT - Connecticut	YRT/L	23,900	436	565	2,243				
22713	23-0723970	02/01/1968	Insurance Company of North America	Philadelphia, PA - Pennsylvania	YRT/L	2,467,238	37,200	38,504	37,375				
65676	35-0472300	04/01/1992	Lincoln National Life Insurance Company	Fort Wayne, IN - Indiana	YRT/L	22,698,776			462,358				
65676	35-0472300	04/01/1992	Lincoln National Life Insurance Company	Fort Wayne, IN - Indiana	ACOF/W/L		2,869,163	3,140,237					
80675	38-0455060	01/01/1985	Crown Life Insurance Company	Toronto, Ontario - Canada	YRT/L	200,714	1,548	1,646					
63479	58-0869673	12/31/1995	United Teacher Associates Insurance Co.	Austin, TX - Texas	ACO/L		3,867,307	4,090,582	207,820				
93572	43-1235868	01/01/2001	RGA Reinsurance Company	St Louis, MO - Missouri	CO/L	59,400,000	1,018,706	978,199	59,832,123			298,658,724	
65765	38-0797940	01/01/2002	Reassure America Life Insurance Company	Jacksonville, IL - Illinois	MCO/L	1,039,142,531	7,794,360	8,264,335	60,562,681			298,658,724	
0299999			General Account, Non-Affiliates			1,123,933,159	10,967,109	10,983,249	65,515,878			298,658,724	
0399999			Total General Account			1,400,852,583	10,967,109	10,983,249	65,515,878	16,430,000	25,576,000	298,658,724	
0799999			Totals			1,400,852,583	10,967,109	10,983,249	65,515,878	16,430,000	25,576,000	298,658,724	

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN 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	10 Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									Current Year	Prior Year		
62235	01-0278678	01/15/1971	UNUM Life Insurance Company	Portland, ME - Maine	CO/G			83,120				
62308	06-0303370	01/01/1974	Connecticut General Life Insurance Co.	Hartford, CT - Connecticut	CO/L	92,691		1,025,037				
65676	35-0472300	04/01/1992	Lincoln National Life Insurance Company	Fort Wayne, IN - Indiana	YRT/L	114,235	40,738	1,461,313				
68276	48-1024891	01/01/1998	Employers Reassurance Corporation	Overland Park, KS - Kansas	CO/L	206,926	40,738	2,569,470				
0299999	- Total - Non-Affiliates					206,926	40,738	2,569,470				
0399999	Totals					206,926	40,738	2,569,470				

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE S - PART 4

Reinsurance Ceded to Unauthorized Companies

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

SCHEDULE S - PART 5

Five Year Exhibit of Reinsurance Ceded Business (000 Omitted)

	1 2005	2 2004	3 2003	4 2002	5 2001
A. OPERATIONS ITEMS					
1. Premiums and annuity considerations for life and accident and health contracts	65,723	72,443	80,607	89,099	3,542
2. Commissions and reinsurance expense allowances	24,752	25,330	26,286	60,648	2,694
3. Contract claims	63,424	67,609	73,173	70,901	1,800
4. Surrender benefits and withdrawals for life contracts	5,532	5,763	6,676	6,465	536
5. Dividends to policyholders					
6. Reserve adjustments on reinsurance ceded	(31,912)	(30,887)	(28,496)	(28,494)	
7. Increase in aggregate reserve for life and accident and health contracts	(137)	794	(323)	(266)	(386)
B. BALANCE SHEET ITEMS					
8. Premiums and annuity considerations for life and accident and health contracts deferred and uncollected	0	2	2	3	2
9. Aggregate reserves for life and accident and health contracts	13,577	13,715	12,921	13,245	13,511
10. Liability for deposit-type contracts					
11. Contract claims unpaid	74	82	78	91	92
12. Amounts recoverable on reinsurance	48	504	98	396	108
13. Experience rating refunds due or unpaid					
14. Policyholders' dividends (not included in Line 10)					
15. Commissions and reinsurance expense allowances unpaid					
16. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
17. Funds deposited by and withheld from (F)					
18. Letters of credit (L)					
19. Trust agreements (T)					
20. Other (O)					

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	683,442,865		683,442,865
2. Reinsurance (Line 14)	110,624	(110,624)	
3. Premiums and considerations (Line 13)	28,174,568	366	28,174,934
4. Net credit for ceded reinsurance	XXX	13,764,645	13,764,645
5. All other admitted assets (balance)	13,841,963		13,841,963
6. Total assets excluding Separate Accounts (Line 24)	725,570,020	13,654,387	739,224,407
7. Separate Account assets (Line 25)			
8. Total assets (Line 26)	725,570,020	13,654,387	739,224,407
LIABILITIES, CAPITAL AND SURPLUS (PAGE 3)			
9. Contract reserves (Lines 1 and 2)	633,308,476	13,577,318	646,885,794
10. Liability for deposit-type contracts (Line 3)			
11. Claim reserves (Line 4)	21,564,110	73,553	21,637,663
12. Policyholder dividends/reserves (Lines 5 through 7)			
13. Premium & annuity considerations received in advance (Line 8)	2,382,843	3,516	2,386,359
14. Other contract liabilities (Line 9)	16,532,179		16,532,179
15. Reinsurance in unauthorized companies (Line 24.2)			
16. Funds held under reinsurance treaties with unauthorized reinsurers (Line 24.3)		XXX	
17. All other liabilities (balance)	16,503,552		16,503,552
18. Total liabilities excluding Separate Accounts (Line 26)	690,291,160	13,654,387	703,945,547
19. Separate Account liabilities (Line 27)			
20. Total liabilities (Line 28)	690,291,160	13,654,387	703,945,547
21. Capital & surplus (Line 38)	35,278,861	XXX	35,278,861
22. Total liabilities, capital & surplus (Line 39)	725,570,021	13,654,387	739,224,408
NET CREDIT FOR CEDED REINSURANCE			
23. Contract reserves	13,577,318		
24. Claim reserves	73,553		
25. Policyholder dividends/reserves			
26. Premium and annuity considerations received in advance	3,516		
27. Liability for deposit-type contracts			
28. Other contract liabilities			
29. Reinsurance ceded assets	110,624		
30. Other ceded reinsurance recoverables			
31. Total ceded reinsurance recoverables	13,765,011		
32. Premiums and considerations	366		
33. Reinsurance in unauthorized companies			
34. Other ceded reinsurance payables/offsets			
35. Total ceded reinsurance payable/offsets	366		
36. Total net credit for ceded reinsurance	13,764,645		

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Life Contracts		Direct Business Only		
		2 Life Insurance Premiums	3 Annuity Considerations	4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Deposit-Type Contract Funds	6 Other Considerations
1. Alabama	AL	Yes	2,391,934		37,802	
2. Alaska	AK	Yes	144,666		3,664	
3. Arizona	AZ	Yes	2,085,538		164,840	
4. Arkansas	AR	Yes	1,470,658		28,762	
5. California	CA	Yes	12,436,099		570,060	
6. Colorado	CO	Yes	1,181,443		42,895	
7. Connecticut	CT	Yes	2,510,411		22,448	
8. Delaware	DE	Yes	810,653		10,855	
9. District of Columbia	DC	Yes	1,216,258		5,689	
10. Florida	FL	Yes	8,445,044		1,759,126	
11. Georgia	GA	Yes	4,729,996		847,890	
12. Hawaii	HI	Yes	365,776		6,587	
13. Idaho	ID	Yes	370,933		10,242	
14. Illinois	IL	Yes	7,155,748		859,477	
15. Indiana	IN	Yes	2,876,195		185,698	
16. Iowa	IA	Yes	890,206		67,499	
17. Kansas	KS	Yes	1,179,641		14,675	
18. Kentucky	KY	Yes	1,907,298		52,423	
19. Louisiana	LA	Yes	2,033,636		941,099	
20. Maine	ME	Yes	647,087		6,698	
21. Maryland	MD	Yes	5,529,716		42,573	
22. Massachusetts	MA	Yes	3,164,087		16,054	
23. Michigan	MI	Yes	6,277,519		337,896	
24. Minnesota	MN	Yes	1,336,394		140,864	
25. Mississippi	MS	Yes	1,198,700		183,121	
26. Missouri	MO	Yes	1,835,164		516,281	
27. Montana	MT	Yes	296,155		19,054	
28. Nebraska	NE	Yes	496,055		164,202	
29. Nevada	NV	Yes	1,003,802		44,337	
30. New Hampshire	NH	Yes	611,269		2,769	
31. New Jersey	NJ	Yes	6,629,803		130,163	
32. New Mexico	NM	Yes	705,320		40,650	
33. New York	NY	No	372,616		71,528	
34. North Carolina	NC	Yes	4,637,251		724,376	
35. North Dakota	ND	Yes	169,212		93,594	
36. Ohio	OH	Yes	5,980,483		367,701	
37. Oklahoma	OK	Yes	1,254,956		122,926	
38. Oregon	OR	Yes	1,211,871		87,807	
39. Pennsylvania	PA	Yes	13,293,950		123,896	
40. Rhode Island	RI	Yes	716,859		2,631	
41. South Carolina	SC	Yes	3,044,244		56,644	
42. South Dakota	SD	Yes	197,182		46,684	
43. Tennessee	TN	Yes	2,534,849		419,853	
44. Texas	TX	Yes	6,434,350		769,919	
45. Utah	UT	Yes	411,386		16,772	
46. Vermont	VT	Yes	296,495		2,082	
47. Virginia	VA	Yes	4,268,510		239,412	
48. Washington	WA	Yes	556,065		73,184	
49. West Virginia	WV	Yes	1,149,268		86,615	
50. Wisconsin	WI	Yes	1,983,085		1,005,362	
51. Wyoming	WY	Yes	180,784		12,132	
52. American Samoa	AS	No	1,087			
53. Guam	GU	No	1,384			
54. Puerto Rico	PR	Yes	21,493		1,489	
55. US Virgin Islands	VI	Yes	305,524		600	
56. Canada	CN	No				
57. Aggregate Other Alien	OT	XXX	5,292		3,389	
58. Subtotal	(a) .52		132,961,400		11,604,989	
90. Reporting entity contributions for employee benefit plans	XXX					
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX					
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX					
93. Premium or annuity considerations waived under disability or other contract provisions	XXX				15,603	
94. Aggregate of other amounts not allocable by State	XXX					
95. Totals (Direct Business)	XXX		132,961,400		11,620,592	
96. Plus Reinsurance Assumed	XXX		5,862,030	23,000	2,438,350	
97. Totals (All Business)	XXX		138,823,430	23,000	14,058,942	
98. Less Reinsurance Ceded	XXX		65,482,868		209,012	
99. Totals (All Business) less Reinsurance Ceded	XXX		73,340,562	23,000 (b)	13,849,930	
DETAILS OF WRITE-INS						
5701. Policyholders relocated overseas	XXX		5,292		3,389	
5702.	XXX					
5703.	XXX					
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX					
5799. Totals (Lines 5701 through 5703 plus 5798)(Line 57 above)	XXX		5,292		3,389	
9401.	XXX					
9402.	XXX					
9403.	XXX					
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX					
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX					

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

Allocation of life and health insurance premiums from individual policyholders and group certificate holders is made to the state according to the location of the lives at the current billing address on record.

Allocation of ordinary annuity considerations are made to the state according to the address at the time of collection.

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

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Line 1, indicate which: Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10. The Company is an authorized reinsurer in New York.

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

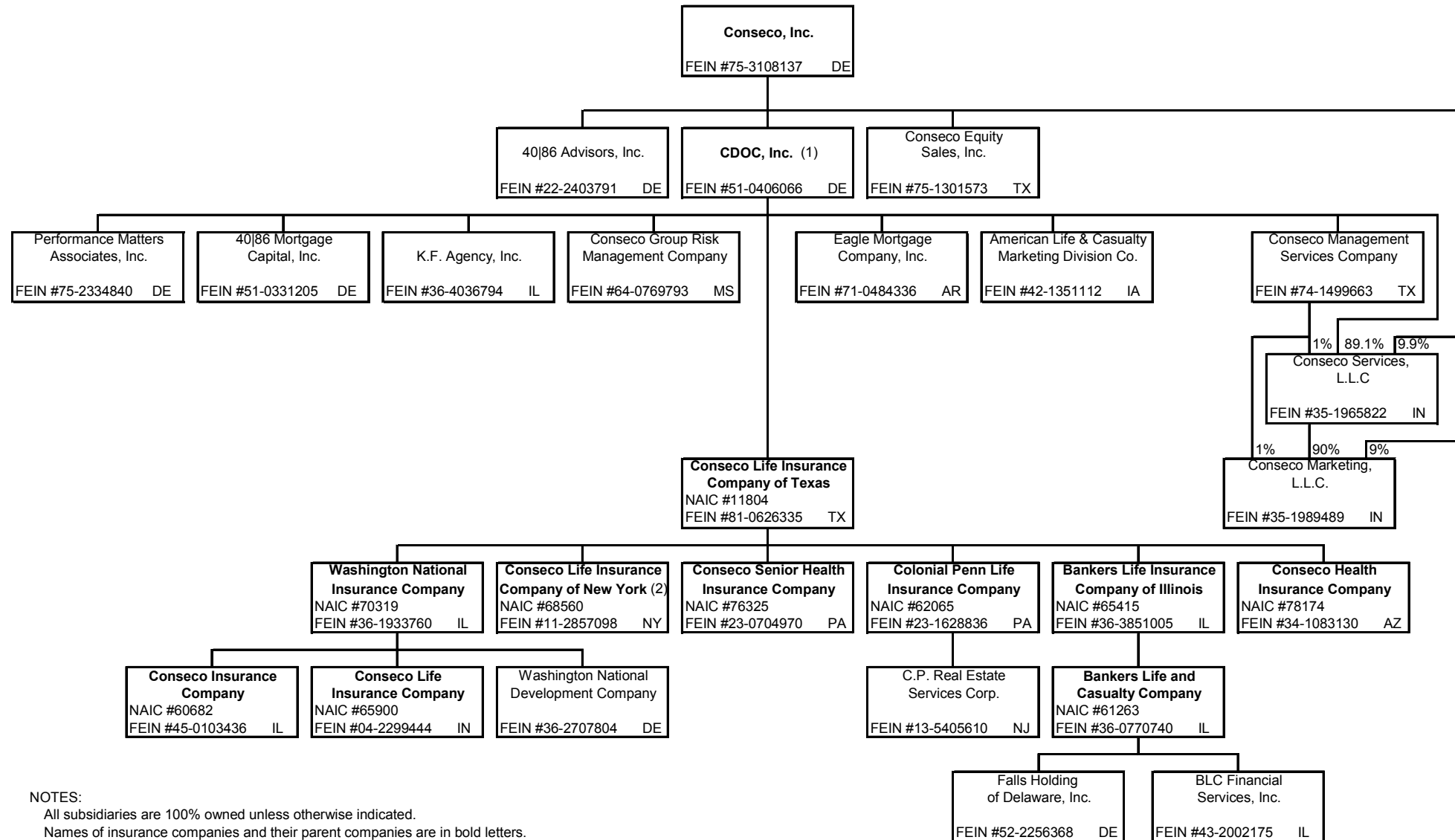
**SCHEDULE T – PART 2
INTERSTATE COMPACT PRODUCTS – EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.		Direct Business Only					Totals
		1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
1. Alabama	AL	2,391,934		1,120			2,393,054
2. Alaska	AK	144,666					144,666
3. Arizona	AZ	2,085,538		5,162			2,090,700
4. Arkansas	AR	1,470,658					1,470,658
5. California	CA	12,436,099					12,436,099
6. Colorado	CO	1,181,443					1,181,443
7. Connecticut	CT	2,510,411					2,510,411
8. Delaware	DE	810,653					810,653
9. District of Columbia	DC	1,216,258					1,216,258
10. Florida	FL	8,445,044		113,196			8,558,240
11. Georgia	GA	4,729,996		6,035			4,736,031
12. Hawaii	HI	365,776					365,776
13. Idaho	ID	370,933					370,933
14. Illinois	IL	7,155,748		1,432			7,157,180
15. Indiana	IN	2,876,195					2,876,195
16. Iowa	IA	890,206					890,206
17. Kansas	KS	1,179,641					1,179,641
18. Kentucky	KY	1,907,298					1,907,298
19. Louisiana	LA	2,033,636					2,033,636
20. Maine	ME	647,087					647,087
21. Maryland	MD	5,529,716					5,529,716
22. Massachusetts	MA	3,164,087					3,164,087
23. Michigan	MI	6,277,519		1,895			6,279,414
24. Minnesota	MN	1,336,394					1,336,394
25. Mississippi	MS	1,198,700					1,198,700
26. Missouri	MO	1,835,164					1,835,164
27. Montana	MT	296,155		2,000			298,155
28. Nebraska	NE	496,055					496,055
29. Nevada	NV	1,003,802					1,003,802
30. New Hampshire	NH	611,269					611,269
31. New Jersey	NJ	6,629,803					6,629,803
32. New Mexico	NM	705,320					705,320
33. New York	NY	372,616					372,616
34. North Carolina	NC	4,637,251					4,637,251
35. North Dakota	ND	169,212					169,212
36. Ohio	OH	5,980,483					5,980,483
37. Oklahoma	OK	1,254,956					1,254,956
38. Oregon	OR	1,211,871					1,211,871
39. Pennsylvania	PA	13,293,950					13,293,950
40. Rhode Island	RI	716,859					716,859
41. South Carolina	SC	3,044,244					3,044,244
42. South Dakota	SD	197,182					197,182
43. Tennessee	TN	2,534,849					2,534,849
44. Texas	TX	6,434,350					6,434,350
45. Utah	UT	411,386		1,250			412,636
46. Vermont	VT	296,495					296,495
47. Virginia	VA	4,268,510					4,268,510
48. Washington	WA	556,065					556,065
49. West Virginia	WV	1,149,268					1,149,268
50. Wisconsin	WI	1,983,085					1,983,085
51. Wyoming	WY	180,784					180,784
52. American Samoa	AS	1,087					1,087
53. Guam	GU	1,384					1,384
54. Puerto Rico	PR	21,493					21,493
55. U.S. Virgin Islands	VI	305,524					305,524
56. Canada	CN						
57. Other Alien	OT	5,292		3,389			8,681
58. Totals		132,961,400		135,479			133,096,879

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

PART 1 - ORGANIZATIONAL CHART



NOTES:

All subsidiaries are 100% owned unless otherwise indicated.
Names of insurance companies and their parent companies are in bold letters.

(1) CFIHC, Inc. merged into CDOC, Inc. effective June 23, 2005.

(2) Consecos Life Insurance Company of New York became a direct subsidiary of Consecos Life Insurance Company of Texas effective June 30, 2005.

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
	42-1351112	American Life & Casualty Marketing Division Co.....					21,512,073				21,512,073	
65415	36-3851005	Bankers Life Insurance Company of Illinois.....		(6,500,000)		(117,746)					(6,617,746)	
61263	36-0770740	Bankers Life & Casualty Company.....	175,486	160,480,000	5,840,670		(255,401,740)	23,598			(88,881,986)	(17,135)
	43-2002175	BLC Financial Services, Inc.....		20,000							20,000	
	51-0406066	CDOC, Inc.....		(108,900,000)			(152,836)			54,787,093	(54,265,743)	
62065	23-1628836	Colonial Penn Life Insurance Company.....					(32,125,011)	(10,801,831)			(42,926,842)	(41,923,394)
	75-3108137	Conseco, Inc.....					1,192,666				1,192,666	
60682	45-0103436	Conseco Insurance Company.....	(24,824,514)		33,278,773		(61,262,198)				(52,807,939)	
78174	34-1083130	Conseco Health Insurance Company.....	(10,000,000)		(682,418)		(79,266,965)	(15,605,164)			(105,554,547)	
65900	04-2299444	Conseco Life Insurance Company.....			(4,684,668)		(75,596,407)	29,785,920			(50,495,155)	56,400,706
68560	11-2857098	Conseco Life Insurance Company of New York.....		7,000,000			(4,032,904)				2,967,096	
11804	81-0626335	Conseco Life Insurance Company of Texas.....	101,771,068	(83,821,068)			11,583,530			(54,787,093)	(25,253,563)	
76325	23-0704970	Conseco Senior Health Insurance Company.....	(7,122,040)	31,721,068	502,608		(27,101,621)	367,993			(1,631,992)	8,233,639
	35-1965822	Conseco Services, L.L.C.....					493,949,756				493,949,756	
70319	36-1933760	Washington National Insurance Company.....	(60,000,000)		(7,733,628)		(46,358,047)	(3,770,516)			(117,862,191)	(22,693,816)
	22-2403791	40|86 Advisors, Inc.....					50,708,562				50,708,562	
	51-0331205	40|86 Mortgage Capital, Inc.....					2,468,888				2,468,888	
		40|86 High Yield Income Fund, L.L.C.....			(16,125,659)						(16,125,659)	
		40|86 Core Fixed Income Fund, L.L.C.....			(10,395,678)						(10,395,678)	
9999999 Control Totals												
									XXX			

64

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** 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 the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?YES.....
- 2. Will the Risk-based Capital Report be filed with the NAIC by March 1?YES.....
- 3. Will the Risk-based Capital Report be filed with the state of domicile, if required, by March 1?YES.....
- 4. Will an actuarial opinion be filed by March 1?YES.....

APRIL FILING

- 5. Will Management's Discussion and Analysis be filed by April 1?YES.....
- 6. Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1?YES.....
- 7. Will the Adjustment Form (if required) be filed with the state of domicile and the NAIC by April 1?YES.....
- 8. Will the Investment Risks Interrogatories be filed by April 1?YES.....

JUNE FILING

- 9. Will an audited financial report be filed by June 1?YES.....

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

- 10. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?NO.....
- 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?YES.....
- 12. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?NO.....
- 13. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 to Exhibit 5 be filed by March 1?NO.....
- 14. Will the actuarial opinion on non-guaranteed elements as required in interrogatory #3 to Exhibit 5 be filed by March 1?YES.....
- 15. Will the Workers' Compensation Carve-Out Supplement be filed by March 1?NO.....
- 16. Will Supplemental Schedule O be filed with the state of domicile and the NAIC by March 1?YES.....

APRIL FILING

- 17. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?YES.....
- 18. Will the Interest-Sensitive Life Insurance Products Report Forms be filed with the state of domicile and the NAIC by April 1?YES.....
- 19. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?NO.....
- 20. Will the Accident and Health Policy Experience Exhibit be filed by April 1?YES.....

EXPLANATIONS:

- 10.
- 12.
- 13.
- 15.
- 19.

BAR CODE:

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

10. 
6 2 0 6 5 2 0 0 5 4 2 0 0 0 0 0 0

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19. 
6 2 0 6 5 2 0 0 5 2 3 0 5 8 0 0 0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE A - PART 1

Showing All Real Estate OWNED December 31 of Current Year

1 Description of Property	2 Code	3 Location		5 Date Acquired	6 Date of Last Appraisal	7 Actual Cost	8 Amount of Encumbrances	9 Book/Adjusted Carrying Value Less Encumbrances	10 Fair Value Less Encumbrances	11 Increase (Decrease) by Adjustment	12 Increase (Decrease) by Foreign Exchange Adjustment	13 Amounts Received During Year	14 Expended for Additions, Permanent Improvements and Changes in Encumbrances During Year	15 Gross Income Earned Less Interest Incurred on Encumbrances	16 Taxes, Repairs and Expenses Incurred
		3 City	4 State												
Home Office Property.....		Philadelphia.....	Pennsylvania.....	..07/01/1994..	..07/10/2002..	10,800,544	270,860	4,060,178	8,229,141	(204,837)			57,974	1,889,027	475,583
0299999 - Property occupied by the reporting entity - Administrative						10,800,544	270,860	4,060,178	8,229,141	(204,837)			57,974	1,889,027	475,583
0399999 - Total property occupied by the reporting entity						10,800,544	270,860	4,060,178	8,229,141	(204,837)			57,974	1,889,027	475,583
9999999 Totals						10,800,544	270,860	4,060,178	8,229,141	(204,837)			57,974	1,889,027	475,583

E01

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE B - PART 1

Showing All Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	2 Code	3 Location		5 Loan Type	6 Date Acquired	7 Rate of Interest	8 Book Value/Recorded Investment Excluding Accrued Interest	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Value of Land and Buildings	12 Date of Last Appraisal or Valuation	
		City	State									
405005		Homewood	AL		09/27/2001	8.100	949,686			1,259,600	07/31/2001	
405006		Diamond Bar	CA		03/12/2002	7.500	3,781,703			5,346,341	01/23/2002	
405002		Sylvester	GA		12/20/2001	7.500	1,569,481			2,270,000	01/01/2002	
405004		St Matthews	KY		05/16/2002	7.500	4,637,734			6,576,000	08/27/2001	
1025		Brooklyn Park	MN		11/15/2005	5.770	1,130,000			1,700,000	10/01/2005	
406010		Watertown	NY		03/04/1999	7.250	1,850,556			3,095,000	02/20/1999	
405003		Austin	TX		04/09/2002	7.250	3,075,935			5,000,000	02/22/2002	
405001		Marion	VA		11/07/2001	7.500	2,353,373			3,410,000	10/01/2001	
0599999 - Mortgages in good standing - Commercial Mortgages - All Other							19,348,468			28,656,941	XXX	
0899999 - Total - Mortgages in Good Standing							19,348,468				28,656,941	XXX
0999999 - Restructured mortgages - Farm Mortgages												XXX
1099999 - Restructured mortgages - Residential Mortgages - Insured or Guaranteed												XXX
1199999 - Restructured mortgages - Residential Mortgages - All Other												XXX
1299999 - Restructured mortgages - Commercial Mortgages - Insured or Guaranteed												XXX
1399999 - Restructured mortgages - Commercial Mortgages - All Other												XXX
1499999 - Restructured mortgages - Mezzanine Loans												XXX
1599999 - Restructured mortgages not shown in Lines 0999999 thru 1499999												XXX
1699999 - Total - Restructured Mortgages												XXX
1799999 - Mortgages with overdue interest over 90 days - Farm Mortgages												XXX
1899999 - Mortgages with overdue interest over 90 days - Residential Mortgages - Insured or Guaranteed												XXX
1999999 - Mortgages with overdue interest over 90 days - Residential Mortgages - All Other												XXX
2099999 - Mortgages with overdue interest over 90 days - Commercial Mortgages - Insured or Guaranteed												XXX
2199999 - Mortgages with overdue interest over 90 days - Commercial Mortgages - All Other												XXX
2299999 - Mortgages with overdue interest over 90 days - Mezzanine Loans												XXX
2399999 - Mortgages with overdue interest over 90 days not shown in Lines 1799999 thru 2299999												XXX
2499999 - Total - Mortgages w/overdue interest over 90 days, not in the process of foreclosure												XXX
2599999 - Mortgages in the process of foreclosure - Farm Mortgages												XXX
2699999 - Mortgages in the process of foreclosure - Residential - Insured or Guaranteed												XXX
2799999 - Mortgages in the process of foreclosure - Residential - All Other												XXX
2899999 - Mortgages in the process of foreclosure - Commercial Mortgages - Insured or Guaranteed												XXX
2999999 - Mortgages in the process of foreclosure - Commercial Mortgages - All Other												XXX
3099999 - Mortgages in the process of foreclosure - Mezzanine Loans												XXX
3199999 - Mortgages in the process of foreclosure not shown on Lines 2599999 thru 3099999												XXX
3299999 - Total - Mortgages in the process of foreclosure												XXX
9999999 Totals							19,348,468				28,656,941	XXX

General Interrogatory:

- Mortgages in good standing\$ unpaid taxes\$ interest due and unpaid.
- Restructured mortgages\$ unpaid taxes\$ interest due and unpaid.
- Mortgages with overdue interest over 90 days not in process of foreclosure\$ unpaid taxes\$ interest due and unpaid.
- Mortgages in process of foreclosure\$ unpaid taxes\$ interest due and unpaid.

E04

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE B - PART 2

Showing ALL Mortgage Loans SOLD, Transferred or Paid in Full During the Year

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book Value/Recorded Investment Excluding Accrued Interest at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2 City	3 State										
406003.....	Wellsburg.....	WV		11/18/1997	1,125,274			1,089,562	1,089,562			
406006.....	Carrollton.....	OH		12/19/1997	1,302,451			1,262,285	1,262,285			
0199999 - Mortgages closed by repayment					2,427,725			2,351,847	2,351,847			
9999999 Totals					2,427,725			2,351,847	2,351,847			

E05

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1 CUSIP Identification	2 Name or Description	3 Code	4 Location		6 Name of Vendor or General Partner	7 NAIC Desig- nation	8 Date Originally Acquired	9 Type and Strategy	10 Actual Cost	11 Additional Investment During Year Actual Cost	12 Fair Value	13 Amount of Encumbrances	14 Book/Adjusted Carrying Value Less Encumbrances	15 Increase (Decrease) by Adjustment	16 Increase (Decrease) by Foreign Exchange Adjustment	17 Investment Income	18 Commitment for Additional Investment	19 Percentage use of Ownership
			City	State														
..000000-00-0...	TCF CON/GA, LLC		Charlotte	North Carolina	TCF CON/GA, LLC		02/24/2005		153,559		152,164		152,164	(1,395)				7.780
..000000-00-0...	US Bancorp Missouri Tax Credit Fund 2002A, LLC		St. Louis	Missouri	US Bancorp Community Development Corp.		07/29/2002		461		325		325	(39)				0.010
2799999 - Low	Income Housing Tax Credit - Unaffiliated								154,020		152,489		152,489	(1,434)				XXX
3199999 - Total Unaffiliated									154,020		152,489		152,489	(1,434)				XXX
3299999 - Total Affiliated																		XXX
3399999 Totals									154,020		152,489		152,489	(1,434)				XXX

E06

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Year

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Book/Adjusted Carrying Value Less Encumbrances on Disposal	11 Consideration Received	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Investment Income
		3 City	4 State											
000000-00-0...	Hubregsen Bonnet Equity Partners, L.P.	New York	New York	Redemption	03/01/2002	393,295	2,954		243,008	236,032		(6,976)	(6,976)	
1599999 - Joint Venture Interests - Common Stock	- Unaffiliated					393,295	2,954		243,008	236,032		(6,976)	(6,976)	
3199999 - Unaffiliated Totals						393,295	2,954		243,008	236,032		(6,976)	(6,976)	
3299999 - Affiliated Totals														
3399999 Totals						393,295	2,954		243,008	236,032		(6,976)	(6,976)	

E07

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	*	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity	
3128X2-E8-4	FED HOME LOAN MTG CORP			1	1	499,000	98.8470	494,236	500,000	499,145		.82			5.125	5.150	MS	7,901	25,625	02/24/2004	03/10/2014	
3128X2-K4-6	FED HOME LOAN MTG CORP			1	1	1,991,900	97.0430	1,940,861	2,000,000	1,992,453		.413			5.200	5.240	MS	33,511	104,000	09/22/2004	03/05/2019	
3128X3-4T-7	FED HOME LOAN MTG CORP			1	1	999,600	98.1250	981,258	1,000,000	999,627		.27			5.230	5.230	FA	19,467	26,150	02/10/2005	02/17/2015	
31339Y-B5-0	FED HOME LOAN BANK			1	1	998,000	96.2180	962,188	1,000,000	998,233		.98			5.125	5.140	JJ	23,347	51,250	06/24/2003	07/17/2018	
31339Y-FB-3	FED HOME LOAN BANK			1	1	997,000	96.7810	967,813	1,000,000	997,343		.146			5.250	5.270	JJ	22,896	52,500	06/30/2003	07/24/2018	
3133X1-BV-8	FED HOME LOAN BANK			1	1	3,510,815	98.2770	3,439,707	3,500,000	3,509,989		(826)			4.500	4.450	MS	45,938	157,500	02/24/2005	09/16/2013	
31344A-MF-8	FED HOME LOAN MTG CORP			1	1	4,257,440	101.5720	4,062,896	4,000,000	4,072,733		(58,808)			6.250	4.640	MS	80,556	250,000	09/09/2002	03/05/2012	
3136F6-L2-3	FED NATL MTG ASSOC			1	1	1,498,500	99.0930	1,486,406	1,500,000	1,498,593		.93			5.500	5.510	MS	25,438	41,250	02/24/2005	03/10/2015	
3136F6-MW-6	FED NATL MTG ASSOC			1	1	998,516	99.0620	990,625	1,000,000	998,653		.123			5.500	5.510	MN	6,722	55,000	11/19/2004	11/17/2014	
3136F6-PF-0	FED NATL MTG ASSOC			1	1	999,000	98.8430	988,438	1,000,000	999,112		.104			5.185	5.200	JD	4,033	51,850	11/16/2004	12/03/2012	
3136F6-Y8-6	FED NATL MTG ASSOC			1	1	3,996,000	99.1870	3,967,500	4,000,000	3,996,181		.181			5.700	5.710	MS	58,900	114,000	03/21/2005	03/28/2017	
71646X-AA-6	AMETHYST TITLE XI			2	1	218,751	97.2620	212,762	218,751	218,751					4.240	4.240	JJ	4,277	9,275	09/18/2003	01/15/2016	
912827-2U-5	US TREASURY NOTE			0	1	5,360,938	102.9530	5,147,656	5,000,000	5,065,499		(44,806)			6.625	5.610	MN	43,008	331,250	01/21/1998	05/15/2007	
912827-3E-0	US TREASURY NOTE			0	1	4,806,477	102.6710	4,620,234	4,500,000	4,569,664		(39,865)			6.125	5.120	FA	104,108	275,625	04/16/1999	08/15/2007	
912827-Z6-2	US TREASURY NOTE			0	1	532,280	101.5460	548,353	540,000	538,922		1,296			6.500	6.760	AO	7,521	35,152	01/24/2000	10/15/2006	
912828-AC-4	US TREASURY NOTE			0	1	154,992	99.9530	149,930	150,000	151,517		(1,062)			4.375	3.610	MN	852	6,563	07/30/2002	05/15/2007	
912828-AH-3	US TREASURY NOTE			0	1	757,980	98.2180	726,819	740,000	746,237		(3,712)			3.250	2.710	FA	9,084	24,050	09/25/2002	08/15/2007	
912828-AN-0	US TREASURY NOTE			0	1	2,075,371	97.5310	2,048,156	2,100,000	2,090,236		4,985			3.000	3.985	MN	8,180	63,000	09/29/2002	11/15/2007	
912828-BK-5	US TREASURY NOTE			0	1	75,220	96.8430	72,633	75,000	75,124		(43)			3.125	3.060	MS	699	2,344	09/24/2003	09/15/2008	
912828-BV-1	US TREASURY NOTE			0	1	10,055	100.0000	10,000	10,000	10,035		(11)			3.250	3.120	JJ	150	325	02/02/2004	01/15/2009	
912828-CX-6	US TREASURY NOTE			0	1	110,804	96.6090	106,270	110,000	110,624		(152)			3.375	3.210	AO	796	3,713	10/25/2004	10/15/2009	
0199999 - Total Bonds - U.S. Government - Issuer Obligations						34,848,639	XXX	33,924,741	33,943,751	34,138,071		(141,737)			XXX	XXX	XXX	507,384	1,680,422	XXX	XXX	
36213E-RX-6	GNMA #552302			2	1	2,013,608	102.3120	2,052,156	2,005,772	2,012,198		(18)			6.000	5.870	MON	10,029	120,346	07/09/2002	01/15/2032	
362170-N9-9	GNMA #208416			2	1	44,263	109.9470	44,325	40,315	43,623		(646)			9.500	6.420	MON	319	3,830	12/31/1997	08/15/2017	
362178-GG-4	GNMA #215399			2	1	5,132	110.6640	5,211	4,708	5,086		(59)			9.500	6.740	MON	37	447	12/31/1997	02/15/2020	
36218L-UM-5	GNMA #225688			2	1	36,830	109.9470	36,882	33,545	36,359		(1,317)			9.500	6.410	MON	266	3,187	12/31/1997	08/15/2017	
36218X-EE-5	GNMA #235133			2	1	2,413	109.9470	2,417	2,198	2,354		(106)			9.500	6.580	MON	17	209	12/31/1997	10/15/2017	
36218X-KW-8	GNMA #235309			2	1	3,256	109.9470	3,261	2,966	3,210		(50)			9.500	6.580	MON	23	282	12/31/1997	10/15/2017	
36219K-WZ-5	GNMA #251864			2	1	1,101	108.3110	1,115	1,029	1,090		(12)			8.500	6.590	MON	7	88	12/31/1997	06/15/2018	
36219W-Z9-4	GNMA #261868			2	1	8,946	110.2150	9,005	8,170	8,776		(70)			9.500	6.010	MON	65	776	12/31/1997	09/15/2018	
36219Y-C4-6	GNMA #262991			2	1	817	103.0130	768	746	767		(54)			9.500	5.830	MON	6	71	12/31/1997	12/15/2018	
36220E-V8-7	GNMA #276139			2	1	19,963	110.6640	20,267	18,314	19,742		(260)			9.500	6.690	MON	145	1,740	12/31/1997	01/15/2020	
36220E-WW-3	GNMA #276161			2	1	54,360	110.6640	55,188	49,869	53,681		(846)			9.500	6.970	MON	395	4,738	12/31/1997	03/15/2020	
36220J-R6-5	GNMA #279609			2	1	500	108.4940	508	468	494		(24)			8.500	6.420	MON	3	40	12/31/1997	12/15/2019	
36220P-K7-6	GNMA #283918			2	1	48,158	110.4580	48,671	44,063	48,009		(242)			9.500	5.230	MON	349	4,186	12/31/1997	11/15/2019	
36220S-KX-3	GNMA #286610			2	1	9,912	110.6640	10,063	9,093	9,883		(57)			9.500	5.480	MON	72	864	12/31/1997	07/15/2020	
36220W-HV-2	GNMA #290144			2	1	17,813	110.6640	18,084	16,342	17,681		(187)			9.500	6.080	MON	129	1,552	12/31/1997	07/15/2020	
36220Y-RW-7	GNMA #292192			2	1	40,564	110.6640	41,182	37,214	40,165		(480)			9.500	7.090	MON	295	3,535	12/31/1997	08/15/2020	
36224S-WZ-4	GNMA #337365			2	1	3,268	105.2180	3,343	3,177	3,207		(53)			7.500	6.050	MON	20	238	12/31/1997	04/15/2008	
36225A-QX-1	GNMA #780470			2	1	366,984	103.2180	377,558	365,784	365,784		(329)			6.500	6.270	MON	1,981	23,776	11/05/1997	07/15/2009	
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities						2,677,888	XXX	2,730,004	2,643,773	2,672,209		(4,810)			XXX	XXX	XXX	14,158	169,905	XXX	XXX	
0399999 - Total - U.S. Government Bonds						37,526,527	XXX	36,654,745	36,587,524	36,810,280		(146,547)				XXX	XXX	XXX	521,542	1,850,327	XXX	XXX
168863-AP-3	REP OF CHILE		F	2	1FE	496,180	110.5300	552,650	500,000	497,568		.312			7.125	7.220	JJ	16,823	35,625	10/11/2001	01/11/2012	
195325-AW-5	REP OF COLOMBIA		F	2	3FE	678,769	112.5000	746,812	663,833	673,188		(2,740)			9.750	9.200	AO	14,743	64,724	07/31/2001	04/09/2011	
46513E-FD-9	ST OF ISRAEL		F	1	1FE	495,815	96.6890	483,445	500,000	496,705		.361			4.625	4.730	JD	1,028	23,125	06/11/2003	06/15/2013	
50064F-AE-4	REP OF KOREA		F	1	1FE	493,155	102.7710	513,857	500,000	493,188		.31			5.625	5.740	MN	4,609		10/26/2005	11/03/2025	
560904-AF-1	MALAYSIA		F	1	1FE	1,025,630	111.9070	1,119,070	1,000,000	1,016,777		(2,395)			7.500	7.120	JJ	34,583	75,000	10/11/2001	07/15/2011	
731011-AN-2	REP OF POLAND		F	2	2FE	2,996,130	101.7000	3,051,000	3,000,000	2,997,286		.265			5.250	5.260	JJ	72,625	157,500	10/22/2003	01/15/2014	
78307A-CZ-4	RUSSIAN FEDERATION 144A		F	2	2FE	559,750	112.7500	563,750	500,000	559,951		.201			5.000	5.630	MS	6,319		12/15/2005	03/31/2030	
910860-AD-0	UNITED MEXICAN STATES		F	2	2FE	542,750	117.3000	586,500	500,000	523,663		(4,673)			9.875	8.470	FA	20,573	49,375	03/20/2001	02/01/2010	
0499999 - Total Bonds - All Other Government - Issuer Obligations						7,288,179	XXX	7,617,084	7,163,833	7,258,324		(8,638)			XXX	XXX	XXX	171,303	405,34			

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
047681-GT-2	ATLANTA & FULTON CNTY GA REC AUTH REV.			1	1FE	512,250		546,270	500,000	506,677		(1,450)			7.000	6.600	JD	2,917	35,000	08/30/2001	12/01/2028
086518-BB-0	BEXAR CNTY TX REV			2	1FE	957,390		1,038,681	940,000	954,315		(783)			7.250	7.050	FA	25,746	68,150	05/02/2001	08/15/2022
243323-AX-0	DECATUR TX HOSP AUTH HOSP REV			2	1	249,920		286,281	270,000	259,787		2,123			7.750	9.700	MS	6,975	20,925	12/22/2000	09/01/2009
30421V-AC-3	FAIRFIELD CA PENSION OBLIG REV			1	1FE	846,240		868,875	860,000	846,700		460			5.220	5.370	JD	3,741	37,161	03/22/2005	06/01/2020
38012C-CK-3	GMH MILITARY HSG NAVY NE REV			2	1FE	204,834		203,728	200,000	204,733		(101)			6.000	5.790	AO	2,533	11,467	03/28/2005	10/15/2028
414191-AK-2	HARRIS CNTY TX IND DEV AUTH DEER PARK REV			1	1FE	512,300		502,795	500,000	508,751		(2,721)			5.683	5.030	JD	2,368	28,415	08/30/2004	03/01/2023
441110-DG-5	HOT SPRINGS AR INDL DEV REV			1	1FE	505,360		519,250	500,000	505,108		(252)			6.100	5.950	AO	7,625	15,250	03/31/2005	04/01/2025
592646-MM-2	METRO WASHINGTON DC ARPT AUTH SYS REV			1	1FE	502,000		514,325	500,000	501,886		(114)			5.590	5.530	AO	6,988	13,121	03/31/2005	10/01/2025
648539-AL-8	NEW ROCHELLE NY INDL DEV AGY PKG LSE RE			2	1FE	1,027,000		1,206,390	1,000,000	1,023,503		(1,027)			7.250	6.970	AO	18,125	72,500	03/04/2002	10/01/2022
745190-GX-0	PUERTO RICO COMWLTH HWY & TRAN REV			1	1FE	178,913		166,361	150,000	170,290		(2,768)			5.500	3.180	JJ	4,125	8,250	10/04/2002	07/01/2012
745190-GX-0	PUERTO RICO COMWLTH HWY & TRAN REV			0	1FE	477,100		443,628	400,000	454,106		(7,383)			5.500	3.180	JJ	11,000	22,000	10/04/2002	07/01/2012
758582-BB-5	REEVES CNTY TX CTF5 PTRR REV			1	1FE	312,673		331,458	325,000	317,656		1,833			7.250	8.030	MJSD	1,964	23,563	12/21/2000	06/01/2011
873825-CX-7	TAHOE FOREST CA HOSP DIST REV			2	1FE	451,069		489,111	455,000	453,144		906			7.680	7.900	JJ	17,472	34,944	12/18/2000	07/01/2009
88880P-AA-2	TOBACCO SETTLEMENT FIN CORP REV			1	2FE	288,227		287,006	286,651	286,651					6.360	6.120	MN	2,330	18,231	04/30/2002	05/15/2025
2599999 - Total Bonds - Special Revenue - Issuer Obligations						7,025,276		7,404,159	6,886,651	6,993,307		(11,277)			XXX	XXX	XXX	113,909	408,977	XXX	XXX
31280C-HG-7	FHLMC #E59231			2	1	11,532		11,584	11,053	11,273		(176)			8.500	6.510	MON	78	939	12/31/1997	07/01/2009
31280C-S4-2	FHLMC #E59539			2	1	9,937		9,982	9,524	9,733		(110)			8.500	6.530	MON	67	810	12/31/1997	08/01/2009
31280C-Z7-7	FHLMC #E59766			2	1	48,357		48,577	46,348	47,356		(984)			8.500	6.500	MON	328	3,940	12/31/1997	09/01/2009
31280F-NU-2	FHLMC #E61303			2	1	56,902		58,627	57,145	57,145		(17)			6.500	6.390	MON	310	3,714	12/31/1997	09/01/2010
31283G-BY-2	FHLMC #G00035			2	1	38,548		38,065	36,653	37,387		(743)			8.500	6.040	MON	260	3,116	12/31/1997	04/01/2017
31283H-5J-0	FHLMC #G01749			2	1	23,622,836		23,190,801	23,402,890	23,613,428		(30,362)			5.500	5.270	MON	107,263	536,316	06/09/2005	01/01/2035
31287N-UJ-9	FHLMC #C63291			2	1	267		268	265	267					6.000	5.760	MON	1	16	01/04/2002	01/01/2032
31287U-C6-7	FHLMC #C68193			2	1	134,121		136,756	135,444	134,279		247			8.000	6.140	MON	677	8,127	05/06/2002	06/01/2032
31288G-DU-1	FHLMC #E78215			2	1	138,186		141,588	138,009	138,009		(12)			6.500	6.390	MON	748	8,971	08/16/1999	09/01/2014
31292G-K4-7	FHLMC #C00315			2	1	202,765		209,721	202,500	202,888		716			6.500	6.660	MON	1,108	13,299	12/31/1997	04/01/2024
31292G-KF-2	FHLMC #C00294			2	1	74,628		77,092	75,211	74,666		185			6.500	6.630	MON	407	4,889	12/31/1997	02/01/2024
31292H-O3-1	FHLMC #C01374			2	1	389,991		390,391	386,645	389,320		(484)			6.000	5.780	MON	1,933	23,199	05/08/2002	06/01/2032
31293D-LD-2	FHLMC #C17524			2	1	515		525	520	516		1			8.000	6.140	MON	3	31	11/06/1998	11/01/2028
31293N-ZR-4	FHLMC #C25252			2	1	5,741		5,927	5,782	5,746		11			6.500	6.600	MON	31	376	08/12/1999	04/01/2029
31293T-GN-1	FHLMC #C29205			2	1	788,467		803,394	795,685	789,358		1,786			6.000	6.140	MON	3,978	47,741	09/09/1999	07/01/2029
31293V-HT-2	FHLMC #C30242			2	1	914,929		932,250	923,305	915,948		1,738			6.000	6.130	MON	4,617	55,398	09/09/1999	08/01/2029
31294J-KU-1	FHLMC #E00307			2	1	40,861		42,638	42,386	41,617		631			5.500	6.930	MON	194	2,331	12/31/1997	03/01/2009
31294J-LX-4	FHLMC #E00342			2	1	63,283		63,522	60,655	61,893		(1,202)			8.500	6.610	MON	430	5,156	12/31/1997	09/01/2009
31297E-NH-5	FHLMC #A26692			2	1	2,300,219		2,319,253	2,297,001	2,299,087		(1,866)			8.000	5.900	MON	11,485	137,820	10/08/2004	09/01/2034
31335K-EB-8	FHLMC #E20130			2	1	23,963		24,072	22,968	23,442		(327)			6.500	6.580	MON	163	1,952	12/31/1997	08/01/2009
31356H-4W-4	FHLMC #D55337			2	1	17,667		18,189	17,054	17,620		(42)			8.000	7.020	MON	114	1,364	12/31/1997	07/01/2024
31356J-JP-9	FHLMC #D55670			2	1	11,612		11,955	11,209	11,604		(9)			8.000	6.430	MON	75	897	12/31/1997	08/01/2024
31356K-A4-2	FHLMC #D56327			2	1	2,751		2,832	2,655	2,750		(3)			8.000	6.300	MON	18	212	12/31/1997	09/01/2024
31356K-NZ-9	FHLMC #D56708			2	1	1,858		1,912	1,793	1,829		(57)			8.000	6.380	MON	12	143	12/31/1997	09/01/2024
31356K-OA-1	FHLMC #D56749			2	1	12,852		13,232	12,406	12,807		(74)			8.000	6.900	MON	83	993	12/31/1997	09/01/2024
31356K-VB-3	FHLMC #D56910			2	1	3,817		3,917	3,672	3,808		(8)			8.000	6.450	MON	24	294	12/31/1997	10/01/2024
31356K-X8-8	FHLMC #D57003			2	1	2,880		2,965	2,780	2,879		(74)			8.000	6.240	MON	19	222	12/31/1997	10/01/2024
31356L-3Q-9	FHLMC #D58007			2	1	23,904		24,610	23,074	23,863		(760)			8.000	6.790	MON	154	1,846	12/31/1997	12/01/2024
31356L-3S-5	FHLMC #D58009			2	1	6,220		6,403	6,004	6,212		(5)			8.000	6.700	MON	40	480	12/31/1997	12/01/2024
31356L-GU-6	FHLMC #D57411			2	1	7,927		7,927	7,652	7,911		(22)			8.000	6.840	MON	51	612	12/31/1997	11/01/2024
31356L-MF-2	FHLMC #D57558			2	1	11,620		11,963	11,216	11,620		(2)			8.000	6.170	MON	75	897	12/31/1997	11/01/2024
31356L-SZ-2	FHLMC #D57736			2	1	41,148		42,363	39,720	41,071		(371)			8.000	6.800	MON	265	3,178	12/31/1997	11/01/2024
31365P-PW-2	FNMA #133737			2	1	29,464		30,153	27,114	29,178		(364)			9.500	6.810	MON	215	2,576	12/31/1997	09/01/2019
31366U-DW-5	FNMA #158608			2	1	12,252		12,052	11,781	11,826		(99)			8.000	6.370	MON	79	942	08/01/1992	04/01/2007
31366U-SW-7	FNMA #159033			2	1	4,339		4,268	4,173	4,185		(12)			8.000	6.340	MON	28	334	08/01/1992	04/01/2007
31366V-R2-2	FNMA #159905			2	1	1,883		1,852	1,810	1,818		(6)			8.000	6.350	MON	12	145	08/01/1992	05/01/2007
31369V-YM-7	FNMA #222216			2	1	17,206		17,427	16,940	17,000		(98)			7.000	6.080	MON	99	1,186	12/31/1997	08/01/2008
31370C-LN-8	FNMA #227233			2	1	19,089		19,334	18,793	18,868		(106)			7.000	6.080	MON				

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
31370H-GS-2	FNMA #231609			2	1	10,715	102.8750	10,852	10,549	10,581		(62)			7.000	6.070	MON	62	738	12/31/1997	08/01/2008
31370V-UJ-5	FNMA #242785			2	1	25,954	102.8750	26,287	25,552	25,673	(158)				7.000	6.100	MON	149	1,789	12/31/1997	10/01/2008
313730-Z9-0	FNMA #300568			2	1	20,689	102.8750	21,009	20,421	20,501	(52)				7.000	6.470	MON	119	1,429	12/01/1995	12/01/2010
31374J-3F-6	FNMA #315898			2	1	17,792	102.8750	18,066	17,561	17,627	(52)				7.000	6.460	MON	102	1,229	12/01/1995	10/01/2010
31374R-DB-6	FNMA #321498			2	1	57,930	102.8750	58,823	57,179	57,377	(130)				7.000	6.470	MON	334	4,003	12/01/1995	01/01/2011
31374S-JU-6	FNMA #322575			2	1	47,439	102.8750	48,171	46,824	46,988	(109)				7.000	6.460	MON	273	3,278	12/01/1995	11/01/2010
31374U-HP-4	FNMA #324338			2	1	14,043	102.8750	14,260	13,861	13,904	(61)				7.000	6.440	MON	81	970	12/01/1995	10/01/2010
31374W-4K-5	FNMA #326726			2	1	17,925	102.8750	18,202	17,693	17,752	(52)				7.000	6.450	MON	103	1,238	12/01/1995	11/01/2010
31374X-UT-5	FNMA #327394			2	1	18,185	102.8750	18,466	17,950	18,014	(60)				7.000	6.460	MON	105	1,256	12/01/1995	12/01/2010
31375A-DB-9	FNMA #328727			2	1	3,968	102.8750	4,029	3,917	3,932	(17)				7.000	6.450	MON	23	274	12/01/1995	11/01/2010
31375A-GV-5	FNMA #328812			2	1	25,094	102.8750	25,481	24,769	24,854	(70)				7.000	6.460	MON	144	1,734	12/01/1995	11/01/2010
31375A-HK-9	FNMA #328834			2	1	53,266	102.8750	54,088	52,576	52,760	(185)				7.000	6.460	MON	307	3,680	12/01/1995	11/01/2010
31375A-L4-9	FNMA #328947			2	1	9,378	102.8750	9,522	9,256	9,287	(26)				7.000	6.460	MON	54	648	12/01/1995	11/01/2010
31375A-VB-8	FNMA #329212			2	1	46,399	102.8750	47,114	45,798	45,962	(153)				7.000	6.470	MON	267	3,206	12/01/1995	11/01/2010
31375D-EC-3	FNMA #331431			2	1	68,038	102.8750	69,087	67,156	67,394	(128)				7.000	6.480	MON	392	4,701	12/01/1995	12/01/2010
31375D-RJ-9	FNMA #331799			2	1	20,843	102.8750	21,165	20,573	20,618	(76)				7.000	6.460	MON	120	1,440	12/01/1995	12/01/2010
31375E-F3-0	FNMA #332386			2	1	52,717	102.8750	53,530	52,034	52,199	(124)				7.000	6.450	MON	304	3,642	12/01/1995	12/01/2010
31375E-N6-4	FNMA #332613			2	1	29,190	102.8750	29,640	28,811	28,905	(100)				7.000	6.470	MON	168	2,017	12/01/1995	12/01/2010
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities						29,640,128	XXX	29,292,518	29,410,354	29,620,493		(34,782)			XXX	XXX	XXX	138,696	913,465	XXX	XXX
31339M-BP-2	CMO FHLNC 2386 PG			2	1	117,567	100.8760	122,364	121,301	120,195	2,000				6.000	7.060	MON	607	7,278	11/27/2001	09/15/2030
3133TH-M5-3	CMO FHLNC 2112 J			2	1	3,267,086	101.3700	3,491,246	3,444,041	3,352,767	38,570				6.000	6.900	MON	17,220	206,643	04/08/1999	01/15/2029
3133TH-V7-9	CMO FHLNC 2113 OG			2	1	9,671,875	100.2610	10,026,161	10,000,000	9,785,564	19,622				6.000	6.390	MON	50,000	600,000	01/14/1999	01/15/2029
3133TL-M6-2	CMO FHLNC 2173 Z			2	1	1,134,455	103.4210	1,271,019	1,228,974	1,181,299	24,975				6.500	8.270	MON	6,657	79,167	07/02/2001	07/15/2029
3133TT-D2-4	CMO FHLNC 2316 PB			2	1	52,241	99.9090	51,800	51,846	51,846					6.500	6.060	MON	281	3,370	09/06/2001	09/15/2030
3133TT-FZ-9	CMO FHLNC 2315 PG			2	1	787,377	104.7000	828,527	791,333	788,533	1,156				7.000	7.050	MON	4,616	55,393	07/02/2001	05/15/2031
31358G-PP-6	CMO FNMA 91-39 J			2	1	462,234	107.8610	469,046	434,858	459,419	(5,609)				9.000	6.740	MON	3,261	39,137	12/31/1997	05/25/2021
31358S-MA-0	CMO FNMA 00-46 PC			2	1	1,965,837	105.1560	2,004,559	1,906,266	1,935,403	(31,235)				7.500	6.510	MON	11,914	142,970	01/17/2001	12/25/2030
31359P-F9-2	CMO FNMA 97-46 PN			2	1	199,978	102.1670	200,428	196,177	198,526	(569)				6.500	5.710	MON	1,063	12,752	09/30/1998	07/18/2012
31359S-5F-3	CMO FNMA 01-24 PD			2	1	995,313	104.7070	1,047,076	1,000,000	995,339	7				7.000	7.000	MON	5,833	70,000	07/02/2001	06/25/2031
31359S-BZ-2	CMO FNMA 01-6 ZC			2	1	850,987	103.4930	953,964	921,763	875,183	19,510				6.500	8.150	MON	4,993	59,915	07/02/2001	09/25/2030
31359S-ZW-3	CMO FNMA 01-17 PH			2	1	253,835	99.9570	254,044	254,153	253,835	359				6.500	6.380	MON	1,377	16,520	04/09/2001	06/25/2030
31359U-T2-1	CMO FNMA 98-61 PL			2	1	4,439,607	101.9780	4,703,855	4,612,578	4,527,186	24,272				6.000	6.560	MON	23,663	276,755	10/08/1998	11/25/2028
313920-CW-8	CMO FNMA 01-31 ZC			2	1	1,841,199	106.3610	2,135,808	2,008,074	1,877,256	17,635				6.500	7.760	MON	10,877	126,043	06/20/2001	07/25/2031
313921-3T-3	CMO FNMA 01-60 PX			2	1	2,775,000	102.0670	3,062,029	3,000,000	2,815,265	10,885				6.000	6.860	MON	15,000	180,000	11/27/2001	11/25/2031
31392A-UJ-5	CMO FNMA 01-63 TC			2	1	1,860,859	101.8340	2,036,694	2,000,000	1,886,978	7,056				6.000	6.810	MON	10,000	120,000	11/28/2001	12/25/2031
31392F-DQ-7	CMO FNMA 02-71 UC			2	1	246,641	98.6730	246,683	250,000	247,308	277				5.000	5.140	MON	1,042	12,500	11/06/2002	11/25/2017
31393D-5A-5	CMO FNMA 03-76 DV			2	1	880,207	96.9160	907,067	935,923	887,985	3,931				5.000	6.210	MON	3,900	46,796	08/21/2003	09/25/2025
31393X-MJ-3	CMO FNMA 04-19 AY			2	1	455,625	91.0790	455,399	500,000	460,516	2,750				4.000	5.010	MON	1,667	20,000	03/03/2004	04/25/2019
31394B-YU-2	CMO FNMA 04-91 BK			2	1	971,094	93.0470	930,473	1,000,000	972,259	1,165				4.500	4.850	MON	3,750	22,500	06/27/2005	07/25/2031
31394C-F8-0	CMO FNMA 05-24 AJ			2	1	721,875	96.7090	725,325	750,000	722,983	1,108				5.000	5.390	MON	3,125	25,000	04/14/2005	10/25/2031
31394C-GZ-9	CMO FNMA 05-13 PC			2	1	997,969	98.2210	982,219	1,000,000	997,969					5.000	4.970	MON	4,167	37,500	03/03/2005	03/25/2031
31394D-W8-9	CMO FNMA 05-50 DM			2	1	964,688	92.8520	928,529	1,000,000	965,000	313				5.000	5.280	MON	4,167	12,500	09/21/2005	06/25/2035
31394K-CS-1	CMO FHLNC 2690 TV			2	1	908,125	93.4880	934,880	1,000,000	922,294	6,704				4.500	5.700	MON	3,750	45,000	10/09/2003	11/15/2025
31394W-N9-5	CMO FHLNC 2777 VL			2	1	3,445,859	92.1320	3,224,650	3,500,000	3,448,245	2,385				5.000	5.150	MON	14,583	145,834	02/18/2005	02/15/2026
31394Y-K7-8	CMO FHLNC 2791 KG			2	1	14,985,938	97.2760	14,591,538	15,000,000	14,985,938					5.500	5.480	MON	68,750	618,750	03/11/2005	04/15/2033
31395C-SM-4	CMO FHLNC 2828 EW			2	1	6,981,406	98.5570	6,898,992	7,000,000	6,981,682	276				5.500	5.500	MON	32,083	288,750	03/11/2005	02/15/2033
31395E-DG-9	CMO FHLNC 2845 MK			2	1	292,875	97.3870	292,161	300,000	293,456	470				5.000	5.280	MON	1,250	15,000	10/14/2004	01/15/2032
31395F-GR-9	CMO FHLNC 2855 OK			2	1	512,531	97.3760	511,227	525,000	513,511	786				5.000	5.270	MON	2,188	26,250	10/14/2004	02/15/2032
31395F-VG-6	CMO FHLNC 2856 LB			2	1	653,250	96.8960	649,209	670,000	654,679	1,174				5.000	5.300	MON	2,792	33,500	10/14/2004	02/15/2032
31395K-T3-7	CMO FHLNC 2901 UC			2	1																

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates			
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	*	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity	
383739-2A-6	CMO GNMA 01-24 PE			2	1	1,990,000	105.4660	2,109,323	2,000,000	1,990,880		216			7.000	7.020	MON	11,667	140,000	07/05/2001	05/20/2031	
38373M-JE-1	CMO GNMA 03-88 D			2	1	2,994,844	101.9080	3,057,252	3,000,000	2,994,844					5.484	5.480	MON	13,712	164,393	10/09/2003	11/16/2036	
38374B-VY-6	CMO GNMA 03-66 MV			2	1	929,080	99.6390	928,344	931,701	929,080		84			5.500	5.490	MON	4,270	51,244	08/29/2003	09/20/2023	
3837HO-H4-8	CMO GNMA 97-4 PT			2	1	8,455,052	100.6970	9,654,485	9,587,585	8,955,710		274,590			5.850	7.830	MON	46,739	560,874	06/03/1999	03/16/2027	
2799999	Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities					91,959,106	XXX	94,522,939	95,350,789	92,931,545		430,615			XXX	XXX	XXX		452,725	4,512,418	XXX	XXX
362994-MA-0	FHA PL - REILLY #45			2	1	17,044	100.0000	20,892	20,892	20,528		676			5.180	8.820	MON	90	1,079	06/09/1989	01/01/2013	
3099999	Total Bonds - Special Revenue - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					17,044	XXX	20,892	20,892	20,528		676			XXX	XXX	XXX		90	1,079	XXX	XXX
3199999	Total - Special Revenue Bonds					128,641,554	XXX	131,240,508	131,668,686	129,565,873		385,232			XXX	XXX	XXX		705,420	5,835,939	XXX	XXX
0010EP-AB-4	AEP TEXAS CENTRAL CO				2FE	249,097	101.1900	252,975	250,000	249,288		80			5.500	5.540	FA	5,194	13,750	10/07/2003	02/15/2013	
010392-EC-8	ALABAMA PWR CO				1FE	1,951,100	102.8520	2,057,040	2,000,000	1,952,807		697			5.700	5.870	FA	43,067	114,000	07/22/2003	02/15/2033	
010392-EP-9	ALABAMA PWR CO			1	1FE	1,000,000	96.5830	965,830	1,000,000	1,000,000					5.650	5.650	MS	16,636	28,093	03/08/2005	03/15/2035	
144141-CU-0	CAROLINA PWR & LIGHT				1FE	2,498,350	105.9320	2,648,300	2,500,000	2,498,673		18			6.125	6.120	MS	45,087	153,125	11/07/2003	09/15/2033	
144141-CW-6	CAROLINA PWR & LIGHT				1FE	999,050	99.2960	992,960	1,000,000	999,123		73			5.150	5.160	AO	12,875	27,038	03/17/2005	04/01/2015	
153616-AL-9	CENTRAL HUDSON				1FE	1,000,000	96.7040	967,046	1,000,000	1,000,000					5.050	5.050	MS	16,833	41,803	10/29/2004	11/04/2019	
209111-EK-5	CON EDISON CO OF NY				1FE	1,995,400	101.4510	2,029,020	2,000,000	1,995,471		71			5.375	5.400	JD	13,438		11/14/2005	12/15/2015	
209615-BS-1	CONSOLIDATED NAT GAS				2FE	2,239,360	105.3750	2,107,500	2,000,000	2,230,279		(5,059)			6.800	6.800	JD	6,044	136,000	02/10/2004	12/15/2027	
210518-CE-4	CONSUMERS ENERGY				2FE	2,526,196	99.0760	2,476,900	2,500,000	2,524,967		(1,229)			5.500	5.370	FA	51,944	68,750	03/16/2005	08/15/2036	
264399-ED-4	DUKE ENERGY CORP				2FE	962,330	107.4020	1,074,020	1,000,000	963,779		473			6.450	6.740	AO	13,617	64,500	01/24/2003	10/15/2012	
271790-AD-9	E COAST PWR LLC			2	2FE	542,252	103.6210	583,869	563,466	548,587		2,849			7.066	7.800	MUSD	10,064	29,861	05/03/2001	03/31/2012	
29364D-AE-0	ENTERGY ARKANSAS			1	2FE	514,466	95.6640	478,320	500,000	508,268		(3,283)			5.400	4.640	MN	4,500	27,000	01/23/2004	05/01/2018	
29364L-AP-7	ENTERGY GULF STATES			1	2FE	149,234	98.4110	147,617	150,000	149,403		68			6.000	6.070	JD	750	9,000	09/04/2003	12/01/2012	
29364L-AS-1	ENTERGY GULF STATES			1	2FE	1,997,500	97.6170	1,952,340	2,000,000	1,997,784		243			5.600	5.610	JD	9,333	116,978	11/08/2004	12/01/2014	
29364M-AD-2	ENTERGY LOUISIANA			1	2FE	249,945	95.6160	239,040	250,000	249,953		2			5.500	5.500	AO	3,438	13,750	03/17/2004	04/01/2019	
30161M-AB-9	EXELON GENERATION CO LLC				2FE	5,014,608	107.8240	5,391,200	5,000,000	5,009,972		(1,460)			6.950	6.900	JD	15,444	347,500	06/05/2002	06/15/2011	
337932-AC-1	FIRSTENERGY CORP				2FE	842,973	117.9970	884,978	750,000	841,488		(931)			7.375	6.390	MN	7,068	46,094	07/08/2005	11/15/2031	
373334-FZ-9	GEORGIA PWR CO			1	1FE	995,080	98.6580	986,580	1,000,000	995,115		35			5.800	5.830	AO	12,244	28,356	04/12/2005	04/15/2035	
485260-BH-5	KANSAS GAS & ELEC			1	2FE	500,000	99.1120	495,562	500,000	500,000					5.647	5.640	MS	7,216		11/16/2005	03/29/2021	
49455W-AE-6	KINDER MORGAN 144A				2FE	2,498,150	102.4830	2,562,093	2,500,000	2,498,173		23			6.400	6.400	JJ	9,778		12/07/2005	01/05/2036	
665772-BN-8	NTHRN STATES PWR MINNESOTA				1FE	753,750	119.3350	895,013	750,000	753,551		(83)			7.125	7.070	JJ	26,719	53,438	12/11/2002	07/01/2025	
665772-CA-5	NTHRN STATES PWR				1FE	1,996,120	96.1430	1,922,860	2,000,000	1,996,125		5			5.250	5.260	JJ	46,667		07/14/2005	07/15/2035	
677050-AB-2	OGLETHORPE PWR CORP			1	2FE	596,952	103.2870	609,393	590,000	593,678		(662)			6.974	6.830	JD	114	41,147	02/20/1998	06/30/2011	
677347-CB-0	OHIO EDISON				2FE	1,986,400	100.6020	2,012,040	2,000,000	1,986,554		154			5.450	5.540	MN	18,167		11/10/2005	05/01/2015	
677415-CJ-8	OHIO PWR CO			1	2FE	991,800	102.1530	1,021,530	1,000,000	992,055		103			6.375	6.430	JJ	29,396	63,750	07/08/2003	07/15/2033	
682680-AL-7	ONEOK INC				2FE	575,025	108.1190	540,595	500,000	557,597		(9,407)			7.125	4.640	AO	7,521	35,625	02/04/2004	04/15/2011	
69362B-AM-4	PSEG PWR				2FE	998,077	108.3720	1,083,720	1,000,000	998,592		169			6.950	6.970	JD	5,792	69,500	11/22/2002	06/01/2012	
694308-GE-1	PAC GAS & ELEC				2FE	2,487,800	103.4960	2,587,400	2,500,000	2,487,957		157			6.050	6.080	MS	50,417	151,250	03/18/2004	03/01/2034	
743263-AD-7	PROGRESS ENERGY INC				2FE	509,215	107.8920	539,460	500,000	505,707		(894)			7.100	6.830	MS	11,833	35,500	07/02/2001	03/01/2011	
744560-AN-6	PUBLIC SVC ELEC & GAS				1FE	747,030	99.2730	744,551	750,000	747,350		239			5.000	5.050	FA	14,167	37,083	08/16/2004	08/15/2014	
797440-BG-8	SAN DIEGO GAS & ELEC				1FE	1,996,020	101.1730	2,023,460	2,000,000	1,996,056		36			5.300	5.320	MN	12,956		11/14/2005	11/15/2015	
81675*-AC-8	SEMINOLE ELEC INC SER B PVT				2Z	500,000	100.0000	500,000	500,000	500,000					6.030	6.030	JD	251		12/08/2005	12/30/2033	
842400-ES-8	STHRN CA EDISON				2FE	2,000,980	105.8270	2,116,540	2,000,000	2,000,980					6.000	5.990	JJ	55,333	120,000	02/06/2004	01/15/2034	
844895-AS-1	SW GAS CORP				2FE	1,503,850	111.6630	1,674,945	1,500,000	1,502,799		(332)			7.625	7.580	MN	14,615	114,375	05/01/2002	05/15/2012	
845437-BE-1	SWESTRN ELEC PWR				2FE	1,059,622	99.8390	1,088,245	1,090,000	1,064,035		2,070			5.375	5.700	AO	12,368	58,588	10/15/2003	04/15/2015	
89566E-AA-6	TRISTATE GEN & TRANS ASSN 144A			2	1FE	2,000,000	102.9590	2,059,180	2,000,000	2,000,000					6.040	6.040	JJ	50,669	120,800	10/14/2003	01/31/2018	
906548-CA-8	UNION ELEC CO				1FE	1,007,300	97.4970	974,970	1,000,000	1,006,933		(360)			5.100	5.020	FA	21,250	51,000	11/02/2004	08/01/2018	
29244T-AB-7	EMPRESA NACIONAL ELEC			F	2FE	947,200	105.3570	1,053,570	1,000,000	948,782		388			7.325	7.760	FA	30,521	73,250	08/24/2001	02/01/2037	
29244T-AH-4	EMPRESA NACIONAL ELEC			F	2FE	1,008,710	109.0640	1,090,640	1,000,000	1,003,880		(1,001)			8.500	8.360	AO	21,250	85,000	11/19/1999	04/01/2009	
754052-AC-2	RAS LAFFAN LIQ NAT GAS 144A			2	1FE	1,532,175	115.3140	1,729,710	1,500,000	1,518,092					8.290	8.030	MS	36,632	124,410	02/25/1998	03/15/2014	
754052-AG-3	RAS LAFFAN LIQ NAT GAS 144A			F	2	418,627	96.5230	406,289	420,925	418,900		738			3.437	3.670	MS	4,260	14,467	01/27/2005	09/15/2009	
92931D-AE-2	WSTRN PWR DISTR HLDG 144A			F	2FE	472,395	111.0450	555,225	500,000	473,998	</											

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	*	F	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity	
01958X-AV-9	ALLIED WASTE N AMER	LS			4FE	125,000		131,250	125,000	125,000					8.500	8.490	JD	885	10,625		04/11/2002	12/01/2008
020002-AK-7	ALLSTATE CORP				1FE	585,125		538,395	500,000	556,299		(13,011)			7.200	4.060	JD	3,000	36,000		09/17/2003	12/01/2009
020002-AR-2	ALLSTATE CORP				1FE	2,481,575		98,9710	2,474,275	2,483,592		1,482			5.000	5.090	FA	47,222	124,653		08/11/2004	08/15/2014
020039-AE-3	ALLTEL CORP				1FE	1,149,480		111,6090	1,116,090	1,145,754		(3,726)			7.000	5.140	MS	20,611	35,000		08/23/2005	03/15/2016
020039-AJ-2	ALLTEL CORP				1FE	1,987,560		108,6900	2,173,800	1,988,663		194			6.800	6.840	MN	22,667	136,000		04/22/1999	05/01/2029
02635P-SK-0	AMER GENL FIN CORP				1FE	1,995,900		94,7940	1,895,888	2,000,000		535			4.000	4.030	MS	23,556	80,000		03/11/2004	03/15/2011
029163-AD-4	AMERICAN RE CORP				2FE	550,655		114,5950	572,975	500,000		(116)			7.450	6.550	JD	1,656	18,625		11/04/2005	12/15/2026
03073E-AC-9	AMERISOURCEBERGEN CORP 144A				2FE	250,000		100,0000	250,000	250,000					5.625	5.620	MS	4,180			09/15/2005	09/15/2012
030955-AJ-7	AMERITECH CAP FDG				1FE	835,275		105,5260	791,445	750,000		(1,755)			6.875	5.990	AO	10,885	51,563		11/13/2002	10/15/2027
030955-AJ-7	AMERITECH CAP FDG	LS			1FE	835,275		105,5260	791,445	750,000		(1,755)			6.875	5.990	AO	10,885	51,563		11/13/2002	10/15/2027
035229-CV-3	ANHEUSER BUSCH				1FE	1,956,960		99,7450	1,994,900	2,000,000		2,532			5.050	5.280	AO	21,322	101,000		10/15/2003	10/15/2016
037389-AS-2	AON CORP				2FE	1,307,148		112,0550	1,288,633	1,150,000		(4,971)			7.375	5.090	JD	4,005	42,406		09/15/2005	12/14/2012
039483-AM-4	ARCHER DANIELS MIDLAND				1FE	235,602		122,6780	200,000	233,407		(758)			7.500	6.080	MS	4,417	15,000		11/14/2002	03/15/2027
039483-AR-3	ARCHER DANIELS MIDLAND				1FE	485,035		112,6810	563,405	500,000		240			6.625	6.860	MN	5,521	33,125		03/15/2002	05/01/2029
039483-AU-6	ARCHER DANIELS MIDLAND				1FE	974,020		95,9170	1,000,000	974,108		88			5.375	5.550	MS	14,781			09/19/2005	05/01/2035
039580-AD-0	ARCHSTONE-SMITH TRUST				2FE	232,143		98,6170	227,805	231,000		(27)			5.250	5.180	MN	2,021	5,727		07/12/2005	05/01/2015
039580-AD-0	ARCHSTONE-SMITH TRUST	LS			2FE	772,807		98,6170	758,365	769,000		(91)			5.250	5.180	MN	6,729	19,065		07/12/2005	05/01/2015
05348E-AG-4	AVALONBAY COMMUNITIES				2FE	544,610		104,3950	521,978	500,000		(4,735)			6.125	4.770	MN	5,104	30,625		10/26/2004	11/01/2012
05348E-AG-4	AVALONBAY COMMUNITIES	LS			2FE	497,575		104,3950	521,978	498,186		208			6.125	6.190	MN	5,104	30,625		10/26/2004	11/01/2012
05523U-AD-2	BAE SYS HLDGS INC 144A				2FE	2,999,400		97,9950	3,000,000	2,999,510		110			5.200	5.200	FA	67,600			07/20/2005	08/15/2015
05544T-AA-6	BH ARMY GUESTHOUSES LLC SER 99A1 PVT			2	1FE	1,198,636		115,5080	1,391,477	1,204,659		(454)			7.300	7.340	JD	244	87,940		06/02/1999	12/31/2030
060505-BS-2	BANK OF AMER CORP			2	1FE	2,476,625		96,9830	2,424,575	2,500,000		808			4.750	4.860	FA	51,128			07/19/2005	08/01/2015
064057-BD-3	BANK OF NEW YORK CO INC				1FE	1,272,378		102,5180	1,281,475	1,250,000		1,269,848			5.500	5.310	JD	5,729	68,750		10/15/2003	12/01/2017
06541E-AA-0	BANK UNITED CORP				1FE	3,755,990		109,3790	3,828,297	3,500,000		(32,305)			8.000	6.790	MS	82,444	280,000		03/22/2001	03/15/2009
066050-CP-8	BANK OF AMER CORP				1FE	1,556,028		106,2920	1,594,380	1,500,000		(5,584)			7.125	6.640	MS	35,625	106,875		12/31/1997	03/01/2009
066365-BX-4	BANKERS TRUST CORP				1FE	2,383,860		117,1170	2,342,340	2,373,973		(9,887)			7.500	5.060	MN	19,167	75,000		08/23/2005	11/15/2015
073902-KF-4	BEAR STEARNS CO INC	LS			1FE	996,630		99,7780	997,780	1,000,000		44			5.300	5.340	AO	8,981			10/24/2005	10/30/2015
079860-AD-4	BELLSOUTH CORP				1FE	1,005,150		109,7710	1,097,710	1,000,000		(71)			6.875	6.830	AO	14,514	68,750		06/26/2002	10/15/2031
079860-AK-8	BELLSOUTH CORP				1FE	2,936,610		99,9090	2,997,270	3,000,000		2,937,579			6.000	6.150	MN	23,000	180,000		12/02/2004	11/15/2034
079860-AL-6	BELLSOUTH CORP				1FE	507,605		98,1500	490,750	500,000		(384)			5.200	5.020	JD	1,156	25,494		02/18/2005	12/15/2016
080555-AE-5	BELO CORP				2FE	1,100,870		108,8340	1,088,340	1,000,000		(1,809)			7.500	6.930	JD	6,458	77,500		01/27/1999	06/01/2027
096629-AA-8	BOARDWALK PIPELINES LLC				2FE	2,002,292		99,1780	1,983,560	2,000,000		60			5.500	5.480	FA	45,833			09/15/2005	02/01/2017
10112R-AE-4	BOSTON PPTY INC				2FE	198,685		96,3070	192,614	200,000		89			5.000	5.070	JD	833	10,000		09/10/2003	06/01/2015
101137-AB-3	BOSTON SCIENTIFIC CORP				1FE	249,625		99,0640	247,660	250,000		249,666			5.450	5.470	JD	606	13,625		06/22/2004	06/15/2014
101137-AD-9	BOSTON SCIENTIFIC CORP				1FE	1,992,260		94,9490	1,898,980	2,000,000		1,992,665			5.125	5.160	JJ	48,118	66,625		11/16/2004	01/12/2017
120568-AM-2	BUNGE LTD FIN CORP				2FE	1,747,010		98,9090	1,730,908	1,750,000		1,747,364			5.350	5.296	AO	19,765	93,625		11/10/2004	04/15/2014
12189P-AD-4	BURLINGTON NTHRN SANTE FE			2	1FE	1,229,958		105,2460	1,280,727	1,216,889		(1,300)			6.230	6.060	JJ	37,906	75,747		10/25/2001	07/02/2018
125509-BG-3	CIGNA CORP				2FE	1,986,140		106,0320	2,120,640	2,000,000		1,990,951			6.375	6.470	AO	26,917	127,500		11/28/2001	10/15/2011
125581-AB-4	CIT GRP INC				1FE	1,337,071		113,4130	1,474,369	1,300,000		(3,297)			7.750	7.330	AO	24,908	100,750		08/01/2002	04/02/2012
127210-AB-8	CADBURY SCHWEPES US FIN 144A				2FE	1,492,790		99,4400	1,491,600	1,500,000		608			5.125	5.180	AO	19,219	76,875		04/22/2004	10/01/2013
133131-AP-7	CAMDEN PTY TRUST				2FE	246,405		95,9960	239,990	250,000		246,522			5.000	5.180	JD	556	6,528		08/30/2005	06/15/2015
141781-AR-5	CARGILL INC 144A				1FE	101,428		95,0810	101,125	100,000		(127)			4.375	4.190	JD	365	4,375		06/23/2003	06/01/2013
144418-AK-6	CARRAMERICA REALTY CORP				2FE	613,840		107,1040	615,848	575,000		(3,780)			7.125	6.130	JJ	18,891	40,969		01/28/2003	01/15/2012
14743R-AB-9	CASE CORP				3FE	140,625		93,2500	139,875	150,000		355			5.438	5.250	JJ	5,015			05/25/2005	01/15/2016
14912L-2D-2	CATERPILLAR FIN SVCS CORP				1FE	1,998,600		97,6920	1,953,856	2,000,000		1,999,364			3.100	3.120	MN	7,922	62,000		04/22/2004	05/15/2017
152312-AH-7	CENTEX CORP				2FE	506,235		108,7490	543,745	500,000		(553)			7.500	7.320	JJ	17,292	37,500		01/31/2002	01/15/2002
15640P-AA-6	CENTURA BANKS				1FE	996,320		106,6660	1,066,661	1,000,000		395			6.500	6.550	MS	19,139	65,000		03/24/1999	03/15/2009
156686-AM-9	CENTURYTEL INC ENTP SER G				2FE	3,118,490		102,0440	3,061,320	3,000,000		(2,248)			6.875	6.540	JJ	95,104	206,250		12/02/2004	01/15/2028
172062-AF-8	CINCINNATI FINL CORP				1FE	988,100		112,6020	1,126,020	1,000,000		158			6.920	6.920	MN	8,842	69,109		05/09/2005	05/15/2028
17248R-AJ-5	CINGULAR WIRELESS LLC				1FE	2,492,976		112,7500	2,818,750	2,500,000		2,493,621			7.125	7.140	JD	7,917	178,125		09/09/2002	12/15/2031
17453B-AH-4	CITIZENS COMM				3FE	425,000		104,2500	521,250	500,000		461,139			7.625	11,120	FA	14,403	38,125		08/20/2002	08/15/2008
195869-AG-7	COLONIAL PIPELINE 144A				1FE	1,999,460		131,1710	2,623,420	2,000,000		2,000,000			7.630	7.630	MN	13,141	152,600		04/01/2002	04/15/2032
20029P-AG-4	COMCAST CABLE COMM				2FE	1,218,570		123,0310	1,230,310	1,000,000		(11,781)			8.875	6.360	MN	14,792	88,750		06/03/2004	05/01/2017
20449E-BT-2	COMPASS BANK				1FE	500,600		100,1360	500,680	500,000		(10)			5.500	5.480	AO	6,875	14,514		03/14/2005	04/01/2020
205887-BA-9	CONAGRA FOODS INC				2FE	1,088,220		106,5170	1,065,170	1,000,000		(4,356)			6.750	5.040	MS	19,875	33,750		08/23/2005	09/15/2011
21036P-AB-4	CONSTELLATION BRANDS INC SER B				3FE	300,000		104,2500	312,750	300,000					8.000	8.000	FA	9,067	24,000		08/09/2001	02/15/20

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
224044-AH-7	COX COMM INC.				2FE	1,002,010		1,032,790	1,000,000	1,001,946		(36)			6.800	6.780	FA	28,333	68,000	04/08/1999	08/01/2028
224050-AH-7	COX ENTP INC 144A				2FE	495,205		528,005	500,000	497,872		521			7.375	7.510	JD	1,639	36,875	11/30/1999	06/15/2009
22541L-AB-9	CREDIT SUISSE FIRST BOSTON USA INC.				1FE	494,980		515,000	500,000	496,701		452			6.125	6.260	MN	3,913	30,625	11/01/2001	11/15/2011
22541L-BK-8	CREDIT SUISSE FIRST BOSTON USA INC.				1FE	987,305		990,330	1,000,000	987,576		271			5.125	5.290	FA	19,076		10/14/2005	08/15/2015
233835-AW-7	DAIMLERCHRYSLER NA HDLG.				2FE	1,999,360		2,094,100	2,000,000	1,999,510		46			6.500	6.500	MN	16,611	130,000	10/30/2003	11/15/2013
23719E-AA-1	DARDEN RESTAURANTS				2FE	297,174		328,741	300,000	298,248		263			7.450	7.580	AO	5,588	22,350	07/05/2001	04/01/2011
251591-AH-6	DEVELOPERS DIVERS REALTY				2FE	24,491		24,014	25,000	24,600		109			3.875	4.430	JJ	406	484	01/27/2005	01/30/2009
2515E0-AA-7	DEUTSCHE BANK FINL LLC				1FE	495,510		507,335	500,000	496,332		302			5.375	5.470	FA	9,705	26,875	02/19/2003	03/02/2015
25179S-AD-2	DEVON FIN CORP ULC.				2FE	1,009,310		1,270,700	1,000,000	1,009,006		(108)			7.875	7.790	MS	19,906	78,750	03/12/2002	09/30/2031
254067-AH-4	DILLARDS INC.				3FE	245,000		240,000	250,000	245,101		101			7.130	7.370	FA	7,427	8,913	07/26/2005	08/01/2018
25467L-A*-7	DISCOVERY COMM INC PVT				2Z	600,000		612,900	600,000	600,000					6.010	6.010	JD	3,105		11/04/2005	12/01/2015
256605-AN-6	DOLE FOODS CO			1	4FE	251,875		242,500	250,000	251,786		(89)			7.250	7.010	JD	806	9,063	09/15/2005	06/15/2010
25746U-AW-9	DOMINION RESOURCES INC.				2FE	499,185		484,410	500,000	499,215		30			5.150	5.170	JJ	11,945		07/11/2005	07/15/2015
257867-AR-2	DONNELLEY & SONS.				2FE	2,995,216		2,887,275	3,000,000	2,995,253		36			5.500	5.520	MN	21,083		12/13/2005	05/15/2015
260003-AF-5	DOVER CORP.				1FE	1,909,300		1,963,400	2,000,000	1,909,414		114			5.375	5.690	AO	23,292		12/01/2005	10/15/2035
260543-BE-2	DOW CHEM.				1FE	769,005		877,208	750,000	767,282		(502)			7.375	7.140	MS	18,438	55,313	02/08/2002	03/01/2023
260543-BJ-1	DOW CHEM.		LS.		1FE	955,038		1,144,579	950,000	954,877		(78)			7.375	7.320	MN	11,677	70,063	04/17/2002	11/01/2029
261561-AB-0	DRESDNER BANK-NY				1FE	295,695		314,510	250,000	291,598		(3,247)			7.250	5.050	MS	5,337	18,125	09/21/2004	09/15/2015
26439R-AH-9	DUKE CAP LLC.				2FE	578,485		596,775	500,000	567,400		(2,963)			8.000	6.500	AO	10,000	40,000	11/06/2001	10/01/2019
26439X-AD-5	DUKE ENERGY FIELD SVCS.				2FE	1,002,410		1,070,250	1,000,000	1,001,523		(243)			6.875	6.830	FA	28,646	68,750	04/04/2001	02/01/2011
26441Y-AD-9	DUKE REALTY CORP.				2FE	760,200		804,060	750,000	756,689		(1,041)			6.950	6.740	MS	15,348	52,125	04/03/2002	03/15/2011
268766-BN-1	EOP OPER LP				2FE	529,995		552,240	500,000	517,303		(3,087)			8.100	7.200	FA	16,875	40,500	04/17/2001	08/01/2010
268766-BJ-5	EOP OPER LP				2FE	1,008,450		1,070,340	1,000,000	1,005,587		(804)			7.000	6.870	JJ	32,278	70,000	11/28/2001	07/15/2011
26884A-AE-3	ERP OPER LP				1FE	107,646		112,408	100,000	106,578		(367)			7.125	6.320	AO	1,504	7,125	11/08/2002	10/15/2017
26884A-AH-6	ERP OPER LP		LS.		1FE	541,545		543,215	500,000	539,252		(2,293)			6.584	5.490	AO	7,133	16,460	04/08/2005	04/13/2015
26884A-AM-5	ERP OPER LP				1FE	494,685		536,645	500,000	496,803		496			6.950	7.100	MS	11,487	34,750	04/17/2001	03/02/2011
278766-AY-4	ECHOSTAR DBS CORP				3FE	238,378		230,100	240,000	238,481		103			6.625	6.720	AO	3,975	7,950	06/03/2005	10/01/2014
291011-AQ-7	EMERSON ELEC CO				1FE	1,475,025		1,628,430	1,500,000	1,476,114		351			6.000	6.120	FA	34,000	90,000	08/14/2002	08/15/2032
293791-AB-5	ENTERPRISE PROD OPER.				2FE	829,055		870,336	800,000	818,323		(2,914)			7.500	6.950	FA	25,000	60,000	02/14/2002	02/01/2011
293791-AN-9	ENTERPRISE PROD OPER LP				2FE	504,577		499,610	500,000	504,308		(269)			5.600	5.470	AO	5,911	28,856	03/11/2005	10/15/2014
302569-AA-6	FPL ENERGY VIRGINIA FDG 144A			2	2FE	330,316		360,025	330,316	330,316					7.520	7.520	JD	12,489	12,420	07/19/2001	06/30/2019
30616P-AD-9	FALL CREEK CLO LTD 05-2A SERVES C 144A				2FE	670,000		670,000	670,000	670,000					6.730	6.730	MJSD	2,730	13,773	09/06/2005	09/10/2017
30616P-AE-7	FALL CREEK CLO LTD 05-2A SERVES D1 144A				3FE	100,000		100,000	100,000	100,000					9.230	9.230	MJSD	560	2,254	09/06/2005	09/10/2017
31410H-AS-0	FEDERATED DEPT STORES.				2FE	981,470		1,061,810	1,000,000	988,416		1,736			6.625	6.880	AO	16,563	66,250	05/24/2002	04/01/2011
316770-AG-4	FIFTH THIRD BANK SER BKNT.			1	1FE	498,820		484,232	500,000	498,913		56			5.200	5.220	MS	8,667	26,000	02/27/2004	03/01/2019
32055R-AH-0	FIRST INDUS LP				2FE	496,550		532,640	500,000	497,566		299			6.875	6.970	AO	7,257	34,375	04/04/2002	04/15/2012
320809-AA-4	FIRST MA BANK				1FE	997,340		1,118,540	1,000,000	998,288		245			7.625	7.660	JD	3,389	76,250	06/19/2001	06/15/2011
337358-BL-8	WACHOVIA CORP			1	1FE	1,300,940		1,343,836	1,300,000	1,300,641		(261)			6.300	6.270	AO	17,290	81,900	05/28/2002	04/15/2008
33738M-AB-7	FIRST UNION NATL BANK BKNT				3FE	1,018,460		1,129,949	1,000,000	1,016,646		(316)			6.500	6.360	JD	5,417	65,000	12/10/1998	12/01/2028
338032-BA-2	FISHER SCIENTIFIC INTL 144A			1	1FE	247,718		250,000	250,000	247,787		70			6.125	6.250	JJ	7,061		06/27/2005	07/01/2015
344866-AA-8	NFL FOOTBALL TRUST III PVT.				1Z	1,000,000		1,005,100	1,000,000	1,000,000					5.240	5.240	MN	5,822		10/19/2005	10/05/2015
349631-AG-6	FORTUNE BRANDS				2FE	983,540		1,057,480	1,000,000	984,717		283			6.625	6.750	JJ	30,549	66,250	11/13/2001	07/15/2028
35687M-AE-7	FREESCALE SEMICONDUCTOR.			1	3FE	102,193		105,000	100,000	101,830		(335)			6.875	6.400	JJ	3,170	6,760	11/22/2004	07/15/2011
36158F-AA-8	GE GLOB INS HDLG.				2FE	261,743		281,038	250,000	260,849		(253)			7.000	6.600	FA	6,611	17,500	01/08/2002	02/15/2026
362320-AZ-6	VERIZON COMM.				1FE	2,996,610		3,217,470	3,000,000	2,997,513		126			6.800	6.850	AO	43,320	205,200	05/05/1999	04/01/2019
369550-AK-4	GENL DYNAMICS CORP.				1FE	2,995,410		2,869,620	3,000,000	2,996,436		404			4.250	4.260	MN	16,292	127,500	05/12/2003	05/15/2013
369626-P6-5	GE CAP CORP.				1FE	2,988,960		2,968,611	3,000,000	2,989,690		730			4.875	4.920	MS	47,531	73,125	03/02/2005	03/04/2015
370425-RZ-5	GENL MOTORS ACCEPT CORP.				3FE	2,109,840		1,915,760	2,000,000	2,105,161		(1,302)			8.000	7.530	MN	26,667	160,000	11/14/2001	11/01/2031
379352-AL-1	GLOB MARINE INC.				2FE	4,524,050		5,781,350	5,000,000	4,564,739		7,005			7.000	7.830	JD	29,167	350,000	10/23/1998	06/01/2028
381317-AQ-9	GOLDEN W FINL CORP.				1FE	968,730		98,0270	1,000,000	973,551		3,194			4.750	5.220	AO	11,875	47,500	06/25/2004	10/01/2012
38141G-CM-4	GOLDMAN SACHS GRP INC.				1FE	503,360		507,095	500,000	502,751		(236)			5.500	5.420	MN	3,514	27,500	01/29/2003	11/15/2014
40429C-AA-0	HSBC FIN CORP.				1FE	248,830		262,500	250,000	249,280		108			6.750	6.810	MN	2,156	16,875	05/02/2001	05/15/2011
41011W-BJ-8	JOHN HANCOCK GLOB FDG II 144A				1FE	547,234		550,473	550,000	547,752		187			5.250	5.300	FA	10,106	28,875	02/10/2003	02/25/2015
416515-AL-8	HARTFORD FINL SVCS GRP				1FE	99,654		95,884	100,000	99,715		31			4.625	4.670	JJ	2,133	4,625	03/01/2004	07/15/2013
416515-AL-8	HARTFORD FINL SVCS GRP		LS.		1FE	249,136		239,710	250,000	249,288		77			4.625	4.670	JJ	5,332	11,563	03/01/2004	07/15/2013
421915-EC-9	HEALTH CARE PPTY INV INC.				2FE	516,025		507,280	500,000	515,162		(863)			6.000	5.570	MS	10,000	15,000	04/07/2005	03/01/2015

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ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
421946-AE-4	HEALTHCARE REALTY TRUST				2FE	1,243,550	110.7610	1,384,513	1,250,000	1,245,875		596			8.125	8.200	MN	16,927	101,563	05/10/2001	05/01/2011
42217K-AL-0	HEALTH CARE REIT INC.				2FE	1,042,670	100.0610	1,000,610	1,000,000	1,036,120	(3,592)				6.000	5.430	MN	7,667	60,000	02/03/2004	11/15/2013
422317-AC-1	HEARST ARGYLE TELEVISION				2FE	493,120	106.7100	533,550	500,000	494,803	266				7.000	7.130	JJ	16,139	35,000	01/09/1998	01/15/2018
422317-AC-1	HEARST ARGYLE TELEVISION	LS			2FE	912,272	106.7100	987,067	925,000	915,386	491				7.000	7.130	JJ	29,857	64,750	01/09/1998	01/15/2018
423077-AG-3	HJ HEINZ FIN CO				1FE	572,065	109.8310	549,155	500,000	571,732	(333)				6.750	5.690	MS	9,938		09/15/2005	03/15/2032
432848-AX-7	HILTON HOTELS CORP.				2FE	569,525	107.8490	539,245	500,000	563,931	(5,594)				7.625	5.380	JD	3,177	38,125	03/24/2005	12/01/2012
441080-AD-2	HOSPIRA INC.				2FE	1,052,430	103.2830	1,032,830	1,000,000	1,051,171	(1,259)				5.900	5.140	JD	2,622	29,500	09/15/2005	06/15/2014
44106M-AF-9	HOSPITALITY PPTYS			1	2FE	745,470	106.5390	799,043	750,000	746,535	367				6.750	6.830	FA	19,125	50,625	01/16/2003	02/15/2013
44108E-AD-1	HOST MARRIOTT LP				3FE	440,000	103.5000	455,400	440,000	440,000					9.500	9.490	JJ	19,274	41,800	06/20/2002	01/15/2007
446430-FD-0	HUNTINGTON NATL BANK				1FE	99,686	95.1470	95,148	100,000	99,729	16				4.950	4.970	MS	1,485	4,950	03/12/2003	03/15/2018
448574-AA-1	HYATT EQUITIES LLC 144A				2FE	254,058	102.0270	255,068	250,000	251,419	(902)				6.875	6.450	JD	764	17,188	11/01/2002	06/15/2007
450679-AT-2	ITT INDUS INC.				2FE	567,890	119.3780	596,890	500,000	564,547	(1,606)				7.400	6.250	MN	4,728	37,000	10/27/2003	11/15/2025
451713-AC-5	IKON OFFICE SOL				3FE	2,620,668	82.8270	2,435,114	2,940,000	2,646,714	4,641				8.200	8.290	MN	35,770	214,620	03/08/1999	11/01/2027
460146-AP-8	INTL PAPER CO				2FE	933,410	102.7380	1,027,380	1,000,000	939,737	1,576				6.875	7.490	MN	11,458	68,750	07/25/2001	11/01/2023
46521P-AA-5	ISTAR FINL INC				2FE	482,000	108.1100	518,928	480,000	480,888	(291)				8.750	8.660	FA	15,867	42,000	08/09/2001	08/15/2008
478165-AE-3	JOHNSON SC & SON INC 144A				2FE	245,233	98.5050	246,263	250,000	245,940	472				5.000	5.280	JD	556	12,500	06/24/2004	12/15/2012
482732-AE-4	K2 CORP.			1	3FE	262,075	99.5000	248,750	250,000	260,879	(1,196)				7.375	6.540	JJ	9,219	9,219	01/27/2005	07/01/2014
48666K-AH-2	KB HOME				3FE	842,125	94.2870	801,440	850,000	843,033	671				5.750	5.870	FA	20,365	48,875	09/14/2004	02/01/2014
49228R-AC-7	KERN RIVER FDG CORP 144A			2	1FE	839,491	106.5890	867,690	814,052	835,164	(2,458)				6.676	6.190	MON	4,680	49,817	06/04/2002	07/31/2016
49228R-AE-3	KERN RIVER FDG CORP 144A			2	1FE	1,803,641	98.0140	1,740,075	1,775,333	1,801,368	(2,080)				4.893	4.640	MON	7,480	79,628	02/17/2004	04/30/2018
492386-AT-4	KERR MCGEE CORP				3FE	1,037,880	118.6650	1,186,650	1,000,000	1,036,288	(453)				7.875	7.550	MS	23,188	78,750	11/15/2001	09/15/2031
49306C-AD-3	KEY BANK NA				1FE	1,042,310	108.4660	1,084,667	1,000,000	1,026,466	(4,284)				7.000	6.380	FA	29,167	70,000	11/20/2001	02/01/2011
49306C-AG-6	KEY BANK NA				1FE	497,000	91.1580	455,790	500,000	497,379	152				4.625	4.625	JD	1,028	23,125	06/03/2003	06/15/2018
49337W-AE-0	KEYSPAN CORP.				1	3,039,330	99.9600	2,998,800	3,000,000	3,030,240	(9,090)				4.900	4.450	FMAN	18,375	110,250	03/21/2005	05/16/2008
49446R-AG-4	KIMCO REALTY CORP.				2FE	249,478	104.3860	260,965	250,000	249,610	44				6.000	6.020	MN	1,292	15,000	11/18/2002	11/30/2012
494550-AK-2	KINDER MORGAN ENERGY PTNRS				2FE	278,665	109.3310	273,328	250,000	270,662	(2,723)				7.125	5.530	MS	5,245	17,813	11/13/2002	03/15/2012
499040-AP-8	KNIGHT RIDDER INC				2FE	245,605	84.8170	212,043	250,000	245,681	76				5.750	5.950	MS	5,271		10/04/2005	09/01/2017
50075N-AL-8	KRAFT FOODS INC				2FE	595,752	100.0380	600,228	600,000	596,802	346				5.250	5.330	AO	7,875	31,500	01/27/2005	10/01/2013
501044-BM-2	KROGER CO				2FE	1,993,920	106.7530	2,135,060	2,000,000	1,995,241	223				6.800	6.820	JD	6,044	136,000	12/08/1998	12/15/2018
505862-AE-2	LAFARGE N AMER CORP.				2FE	489,175	110.6810	553,405	500,000	492,227	759				6.875	7.140	JD	1,528	34,375	07/13/2001	07/15/2013
52517P-SZ-5	LEHMAN BROS HLDGS				1FE	248,325	105.2740	263,186	250,000	248,566	81				5.875	5.940	MN	1,877	14,688	11/06/2002	11/15/2017
526057-AK-0	LENNAR CORP.				2FE	494,482	96.5490	482,745	500,000	494,857	375				5.500	5.650	MS	9,167	13,750	03/09/2005	09/01/2014
530715-AB-7	LIBERTY MEDIA CORP.				3FE	496,730	105.3710	526,855	500,000	498,335	393				7.875	7.980	JJ	18,156	39,375	06/15/2001	07/15/2009
531178-AE-2	LIBERTY PPTY LP				2FE	2,111,100	107.4780	2,149,560	2,000,000	2,054,896	(14,444)				7.750	6.800	AO	32,722	155,000	08/17/2001	04/15/2009
53117C-AG-7	LIBERTY PPTY LP				2FE	995,580	105.4160	1,054,160	1,000,000	996,755	382				6.375	6.430	FA	24,083	63,750	08/19/2002	08/15/2012
532716-AL-1	LIMITED BRANDS INC.				2FE	996,300	94.3880	943,880	1,000,000	996,652	297				5.250	5.290	MN	8,750	53,229	10/19/2004	11/01/2014
534187-AP-4	LINCOLN NATL CORP				1FE	487,690	97.0870	485,435	500,000	488,938	1,095				4.750	5.080	FA	8,972	23,750	11/09/2004	02/15/2014
539830-AD-1	LOCKHEED MARTIN CORP (PUT 08)				2FE	3,374,325	120.8140	3,624,420	3,000,000	3,363,878	(2,155)				7.200	6.290	MN	36,000	162,000	11/09/2005	05/01/2036
55263E-CE-3	MBNA CORP.				2FE	745,313	112.6230	844,674	750,000	746,672	407				7.500	7.590	MS	16,563	56,250	03/20/2002	03/15/2012
552848-AA-1	MGIC INV CORP.				1FE	248,110	98.9460	247,365	250,000	248,149	39				5.375	5.470	MN	3,135		10/04/2005	11/01/2015
554480-AJ-5	MACK CALI REALTY LP				2FE	251,575	98.0600	245,150	250,000	251,451	(124)				5.125	5.030	FA	4,840	12,813	01/31/2005	02/15/2014
559080-AA-4	MAGELLAN MIDSTREAM PTNRS				2FE	249,485	106.3190	265,798	250,000	249,551	39				6.450	6.470	JD	1,344	16,125	05/20/2004	06/01/2014
559080-AB-2	MAGELLAN MIDSTREAM PTNRS				2FE	505,570	100.7940	503,970	500,000	505,273	(297)				5.650	5.510	AO	5,964	28,250	01/04/2005	10/15/2016
577778-AS-2	MAY DEPT STORES CO.			2	2FE	945,349	121.2690	939,835	775,000	927,286	(16,982)				9.750	6.310	FA	28,546	75,563	10/06/2003	02/01/2021
581550-AA-1	MCKESSON CORP.				2FE	1,147,340	112.5640	1,125,640	1,000,000	1,140,560	(6,780)				7.750	5.030	FA	32,292		08/23/2005	02/15/2012
58405U-AC-6	MEDCO HEALTH SOL INC.				3FE	558,870	99.1250	495,625	500,000	549,671	(5,093)				7.250	5.620	FA	13,694	36,250	02/20/2004	08/15/2013
585055-AF-3	MEDTRONIC INC 144A				1FE	2,997,630	97.1930	2,915,790	3,000,000	2,997,685	55				4.750	4.760	MS	41,958		09/12/2005	09/15/2015
585515-AE-9	MELLON FDG CORP.				1FE	251,425	102.8400	257,100	250,000	251,306	(69)				5.500	5.440	MN	1,757	13,750	12/15/2003	11/15/2018
589331-AK-3	MERCK & CO INC.				1FE	594,744	95.6370	573,822	600,000	595,121	377				4.750	4.860	MS	9,500	15,358	02/14/2005	03/01/2015
59001A-AH-5	MERITAGE CORP.			1	3FE	99,500	94.6250	94,625	100,000	99,562	38				7.000	7.070	MN	1,167	7,000	09/0	

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
62621D-AA-8	MUNI CORRECTIONS FIN 144A			2	2FE	1,259,119		1,448,301	1,259,119	1,259,119					8.470	8.470	FA	44,436	106,647	08/02/2001	08/01/2016
62886E-AC-2	NCR CORP				2FE	706,869		732,228	700,000	704,286		(1,065)			7.125	6.920	JD	2,217	49,875	05/27/2003	06/15/2009
63536S-AA-7	NATL CITY BANK OF IN				1FE	2,163,475		89,9860	2,249,665	2,197,353		16,347			4.250	5.610	JD	8,854	106,250	11/07/2003	07/01/2018
637071-AD-3	NATL OILWELL INC				2FE	949,000		1,058,510	1,000,000	968,427		4,840			6.500	7.230	MS	19,139	65,000	06/28/2001	03/15/2011
637432-DC-6	NATL RURAL UTILITIES				1FE	2,984,370		2,943,000	3,000,000	2,986,759		1,296			4.750	4.810	MS	47,500	142,500	04/02/2004	03/01/2014
638585-BF-5	NATIONSBANK CORP				1FE	1,169,750		1,145,710	1,000,000	1,168,351		(1,399)			6.800	5.480	MS	20,022	34,000	08/11/2005	03/15/2028
638612-AE-1	NATIONWIDE FINL SVCS				1FE	494,905		526,255	500,000	496,618		462			6.250	6.390	MN	3,993	31,250	01/18/2002	11/15/2011
638610-BU-1	NATIONWIDE HEALTH PPTYS				2FE	590,980		111,3220	500,000	579,326		(9,972)			8.250	5.330	JJ	20,625	41,250	10/21/2004	07/01/2012
648053-AF-3	NEW PLAN EXCEL REALTY TRUST				2FE	496,860		96,8740	500,000	496,927		67			5.250	5.330	MS	7,438		09/12/2005	09/15/2015
64952W-AA-1	NEW YORK LIFE GLOB FDG 144A	LS			1FE	996,620		1,020,612	1,000,000	997,266		280			5.375	5.410	MS	15,826	53,750	09/03/2003	09/15/2013
652478-AR-9	NEWS AMER HDGS				2FE	271,938		112,7350	250,000	270,475		(556)			7.750	6.940	JJ	8,665	19,375	02/21/2003	01/20/2024
652478-BA-5	NEWS AMER HDGS				2FE	1,102,720		1,146,440	1,000,000	1,100,266		(457)			7.750	7.000	JD	6,458	77,500	01/28/1999	12/01/2045
652482-AM-2	NEWS AMER INC				2FE	2,109,360		111,4540	2,000,000	2,085,062		(4,290)			7.250	6.730	MN	17,319	145,000	01/29/1999	05/18/2018
664785-AF-9	NTHR BORDR PIPELINE				2FE	249,685		108,5040	250,000	249,807		30			7.100	7.110	MS	5,226	17,750	09/05/2001	03/15/2011
664787-AD-0	NTHR BORDR PIPELINE SER A				1FE	1,496,461		1,20,7580	1,500,000	1,497,090		97			7.500	7.520	AO	28,125	112,500	02/01/2002	09/15/2021
666807-AW-2	NORTHROP GRUMMAN CORP				2FE	1,995,948		127,8450	1,925,000	1,992,804		(915)			7.750	7.430	FA	56,360	149,188	10/24/2001	02/15/2031
667748-AF-4	NORTHWEST PIPELINE CORP				3FE	1,992,000		107,6250	2,000,000	1,993,116		153			7.125	7.150	JD	11,875	142,500	11/30/1995	12/01/2025
670877-AA-7	OMX TIMBER FIN INV LLC SER 1 144A			1	1FE	500,000		99,9450	500,000	500,000					5.420	5.420	AO	4,592	23,261	12/13/2004	01/29/2020
67088C-AA-5	OMX TIMBER FIN INV LLC SER 2 144A			1	1FE	250,000		98,8050	250,000	250,000					5.540	5.540	AO	2,347	11,888	12/13/2004	01/29/2020
674599-BM-6	OCCIDENTAL PETROLEUM				1FE	527,530		120,9180	500,000	526,021		(495)			7.200	6.740	AO	9,000	36,000	07/11/2002	04/01/2028
67481E-AA-4	OCEAN ENERGY INC				2FE	1,491,885		110,4340	1,500,000	1,494,656		724			7.250	7.320	AO	27,188	108,750	09/25/2001	10/01/2011
68233D-AL-1	ONCOR ELEC DELIVERY				2FE	99,235		106,1150	100,000	99,354		51			6.375	6.470	JJ	2,940	6,375	10/30/2003	01/15/2015
68233D-AP-2	ONCOR ELEC DELIVERY				2FE	2,224,680		117,1250	2,000,000	2,220,582		(2,996)			7.250	6.380	JJ	66,861	145,000	07/28/2004	01/15/2033
68233D-AR-8	ONCOR ELEC DELIVERY				2FE	1,082,150		1,111,480	1,000,000	1,076,324		(2,545)			7.000	6.250	MS	23,333	70,000	07/25/2003	09/01/2022
68233D-AT-4	ONCOR ELEC DELIVERY				2FE	1,478,364		113,7770	1,500,000	1,479,264		264			7.000	7.110	MN	17,500	105,000	03/05/2003	05/01/2032
693476-AT-0	PNC FDG CORP				1FE	1,496,315		99,6980	1,496,570	1,496,858		247			5.250	5.270	MN	10,063	78,750	04/11/2005	11/15/2015
69422P-AC-3	PAC ENERGY 144A			1	3FE	34,840		98,5000	35,000	34,843		3			6.250	6.310	MS	595		09/15/2005	09/15/2015
69422P-AC-3	PAC ENERGY 144A	LS		1	3FE	64,704		98,5000	65,000	64,709		5			6.250	6.310	MS	1,106		09/15/2005	09/15/2015
701018-AB-9	PARKER & PARSELY PETROLEUM CO				3FE	208,075		103,4850	205,000	206,035		(577)			8.250	7.910	FA	6,389	16,913	12/18/2001	08/15/2007
70109H-AE-5	PARKER HANNIFIN CORP MTN				1FE	210,822		108,2740	200,000	209,417		(492)			6.500	6.010	JJ	6,041	13,100	12/03/2002	07/15/2018
706451-AB-7	PEMEX PROJ FDG MASTER TR				2FE	1,029,126		1,151,000	1,000,000	1,018,172		(2,956)			9.125	8.650	AO	19,771	91,250	09/28/2001	10/13/2010
718507-AZ-9	CONCOPHILLIPS			1	1FE	535,000		105,5000	500,000	523,266		(4,028)			7.125	6.000	MS	10,490	35,625	11/18/2002	03/15/2028
723787-AB-3	PIONEER NAT RESOURCE				2FE	320,725		107,5210	360,000	322,785		585			7.200	8.220	JJ	11,952	25,920	03/01/2002	01/15/2028
72650F-AF-9	PLAINS ALL AMER PIPELINE	LS			2FE	1,029,790		1,020,900	1,000,000	1,028,393		(1,397)			5.875	5.510	FA	22,194	29,375	03/28/2005	08/15/2016
730448-AP-2	POGO PRODUCING CO			1	4FE	340,000		104,5000	340,000	340,000					8.250	8.250	AO	5,922	28,050	06/14/2001	04/15/2011
740189-AF-2	PRECISION CASTPARTS CORP				2FE	505,985		101,2180	500,000	505,913		(72)			5.600	5.410	JD	1,244	14,000	10/20/2005	12/15/2013
740587-GE-4	PREMIUM ASSET 2003 10 144A				1FE	499,755		97,8370	489,185	499,846		43			4.150	4.160	AO	3,977	20,800	10/15/2003	04/22/2009
741530-AF-9	PRIDE INTL INC	LS		1	3FE	108,046		107,2500	100,000	107,141		(872)			7.375	6.020	JJ	3,401	7,539	12/15/2004	07/15/2014
742718-BH-1	PROCTER & GAMBLE				1FE	2,219,620		113,0650	2,261,300	2,218,840		(780)			6.450	5.530	JJ	59,483		11/01/2005	01/15/2026
743410-AG-7	PROLOGIS TRUST 144A				2FE	496,770		100,5990	500,000	496,814		44			5.625	5.710	MN	4,609		10/26/2005	11/15/2015
743674-AT-0	PROTECTIVE LIFE				1FE	497,445		98,0950	500,000	497,696		209			4.875	4.940	MN	4,063	25,052	10/14/2004	11/01/2014
745867-AL-5	PULTE HOMES INC				2FE	988,800		109,8570	1,000,000	992,439		1,036			7.875	8.040	FA	32,813	78,750	01/30/2002	08/01/2011
74834L-AH-3	QUEST DIAGNOSTIC INC 144A	LS			2FE	996,800		100,8900	1,000,000	996,842		42			5.450	5.490	MN	9,235		10/25/2005	11/01/2015
750236-AH-4	RADIAN GRP INC				1FE	248,154		100,2900	250,000	248,528		163			5.625	5.720	FA	5,313	14,063	10/03/2003	02/15/2013
758202-AB-1	REED ELSEVIER CAP				1FE	746,828		104,0000	780,000	747,975		289			6.750	6.800	FA	21,994	50,625	07/25/2001	08/01/2011
759351-AC-3	REINS GRP OF AMER				1FE	107,831		106,5980	100,000	105,575		(768)			6.750	5.630	JD	300	6,750	11/13/2002	12/15/2011
779273-AG-6	ROUSE CO				3FE	493,790		94,9220	500,000	494,686		523			5.375	5.540	MN	2,613	26,875	04/20/2004	11/26/2013
783549-AZ-1	RYDER SYS INC MTN				2FE	4,913,900		106,1330	5,306,650	4,924,853		1,683			6.950	7.090	JD	28,958	347,500	11/18/1997	12/01/2025
783764-AK-9	RYLAND GRP	LS			2FE	497,780		94,3200	500,000	497,951		171			5.375	5.430	JJ	12,392	13,736	01/06/2005	01/15/2015
786514-BC-2	SAFEWAY INC				2FE	276,170		103,5510	250,000	269,904		(3,327)			6.500	4.740	MS	5,417	16,250	01/22/2004	03/01/2011
806605-AG-6	SCHERING PLOUGH CORP				1FE	563,095		113,8700	500,000	562,289		(806)			6.750	5.840	JD	2,813	33,750	01/07/2005	12/01/2033
808626-AG-0	SCIENCE APPLICATIONS INT				1FE	2,332,375		95,1110	2,500,000	2,336,787		2,300			5.500	5.980	JJ	68,750	137,500	02/05/2004	07/01/2033
81721M-AA-7	SENIOR HSG PPTYS TRUST				3FE	449,231		109,5000	492,750	449,510		59			8.625	8.640	JJ	17,897	38,813	12/20/2001	01/15/2012
82087K-AG-4	LEHMAN BROS HDGS MTN				1FE	2,782,080		102,7140	3,081,435	2,888,449		17,175			6.200	6.850	FA	68,000	180,000	05/08/1998	04/01/2011
843599-AA-9	STHR PAC TRANS CO 95 B ETC			2	1FE	1,404,196		108,5560	1,510,982	1,391,892		(1,467)			7.800	7.130	AO	17,170	101,330	06/18/1999	04/30/2015
844730-AG-6	SOUTHTRUST CORP				1FE	514,045		104,1050	500,000	513,911		(134)			5.800	5.380	JD	1,289	14,500	11/14/2005	06/15/2014
852060-AD-4	SPRINT CAP CORP				2FE	4,177,360		105,2500	4,000,000	4,160,765		(2,987)			6.875	6.530	MN	35,139	275,000	02/11/1999	11/15/2028

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
852060-AG-7	SPRINT CAP CORP				2FE	2,492,525	.110.1390	2,753,475	2,500,000	2,493,972			268		6.900	6.920	MM	28,750	172,500	04/29/1999	05/01/2019
857449-AB-8	STATE STREET BANK & TRUST				1FE	1,965,040	.100.3310	2,006,620	2,000,000	1,968,748		1,658		5.250	5.420	AO	22,167	105,000	10/15/2003	10/15/2018	
868536-AR-4	SUPERVALU INC				2FE	863,455	.106.9210	801,908	750,000	840,974		(11,751)		7.500	5.230	MM	7,188	56,250	01/08/2004	05/15/2012	
87243B-AB-5	TGT PIPELINE LLC				2FE	149,621	.96.4520	144,678	150,000	149,667		19		5.200	5.220	JD	650	7,800	11/06/2003	06/01/2018	
87987H-BF-2	TEMPLE INLAND INC SER F MTN				2FE	950,870	.102.7870	1,027,876	1,000,000	975,258		6,673		6.750	7.640	MS	22,500	67,500	12/06/2001	03/01/2009	
880394-AD-3	PACTIV CORP				2FE	1,542,000	.113.4340	1,701,510	1,500,000	1,535,229		(1,849)		8.125	7.810	JD	5,417	121,875	09/04/2001	06/15/2017	
88089P-AB-9	TERRA CAP INC				4FE	278,473	.116.5000	326,200	280,000	279,252		211		12.875	12.990	AO	7,611	36,050	03/08/2002	10/15/2008	
882440-AS-9	TX GAS TRANSMISSION				2FE	688,298	.94.5080	708,810	750,000	694,860		4,340		4.600	5.610	JD	2,875	34,500	06/16/2004	06/01/2015	
887315-BM-0	TIME WARNER COS INC				2FE	2,666,475	.103.6050	2,590,125	2,500,000	2,660,639		(3,259)		6.950	6.400	JJ	80,118	173,750	02/05/2004	01/15/2028	
89233P-RT-5	TOYOTA MOTOR CREDIT CORP			1	1FE	499,745	.97.0600	485,300	500,000	499,779		19		4.850	4.850	FA	8,353	24,250	02/24/2004	02/27/2015	
895953-AC-1	TRICON GLOB RESTAURANTS				2FE	235,000	.100.9770	237,296	235,000	235,000				8.500	8.500	AO	4,217	19,975	04/09/2001	04/15/2006	
902911-AC-0	UST INC				1FE	975,090	.104.9540	1,049,540	1,000,000	987,472		3,098		7.250	7.670	JD	6,042	72,500	06/26/2001	06/01/2009	
902917-AH-6	WASTE MGT INC				2FE	1,190,156	.112.6650	1,182,983	1,050,000	1,189,467		(689)		7.000	5.920	JJ	33,892		11/09/2005	07/15/2028	
908064-AA-6	UNION PLANTERS BANK NA (PUT 08)			1	1FE	4,551,030	.103.1410	4,641,345	4,500,000	4,514,955		(6,137)		6.500	6.330	MS	86,125	292,500	11/03/1998	03/15/2008	
910197-AH-5	UNITED DOMINION REALTY (REIT)				2FE	532,140	.104.2360	521,180	500,000	523,047		(5,965)		6.500	5.030	JD	1,444	32,500	06/10/2004	03/15/2009	
912920-AG-0	QWEST CORP			1	3FE	789,000	.92.2500	691,875	750,000	782,573		(1,129)		7.125	6.670	MM	6,828	53,438	01/08/1999	11/15/2043	
913017-BH-1	UNITED TECH CORP				1FE	1,988,740	.99.0220	1,980,440	2,000,000	1,989,344		604		4.875	4.940	MM	16,250	49,292	04/26/2005	05/01/2015	
91345H-AT-2	UNIVERSAL CORP				2FE	494,510	.91.6610	458,306	500,000	495,495		456		5.200	5.340	AO	5,489	26,000	10/29/2003	10/15/2013	
91345H-AT-2	UNIVERSAL CORP		LS		2FE	494,510	.91.6610	458,306	500,000	495,495		456		5.200	5.340	AO	5,489	26,000	10/29/2003	10/15/2013	
91345H-AU-9	UNIVERSAL CORP				2FE	496,715	.94.3080	471,541	500,000	497,275		409		5.000	5.110	MS	25,833	8,333	08/16/2004	09/01/2011	
913903-AM-2	UNIVERSAL HEALTH SVCS				2FE	499,740	.105.3570	526,785	500,000	499,833		22		6.750	6.750	MM	4,313	33,750	11/06/2001	11/15/2011	
925524-AH-3	VIACOM INC				2FE	2,643,950	.114.1890	2,854,725	2,500,000	2,636,496		(1,930)		7.875	7.390	JJ	82,578	196,875	07/02/2001	07/30/2030	
929290-AQ-0	WASTE MGT INC				2FE	264,478	.113.8460	284,615	250,000	263,672		(306)		7.100	6.610	FA	7,396	17,750	02/20/2003	08/01/2026	
931142-CB-7	WAL MART STORES INC		LS		1FE	2,403,600	.97.0680	2,426,700	2,500,000	2,403,715		115		5.250	5.510	MS	44,115		12/08/2005	09/01/2035	
939322-AL-7	WASHINGTON MUTUAL INC				1FE	24,831	.96.9880	24,247	25,000	24,886		37		4.000	4.180	JJ	461	500	01/27/2005	04/15/2009	
948741-AD-5	WEINGARTEN REALTY INV				1FE	999,726	.109.7910	1,097,910	1,000,000	999,845		22		7.000	7.000	JJ	32,278	70,000	01/28/2002	07/15/2011	
949746-JE-2	WELLS FARGO & CO				1FE	2,486,950	.99.2250	2,480,625	2,500,000	2,488,005		820		5.125	5.180	MS	37,726	128,125	09/07/2004	09/15/2016	
962166-AW-4	WEYERHAEUSER CO				2FE	966,440	.104.0260	1,040,260	1,000,000	968,474		586		6.950	7.240	AO	17,375	69,500	06/27/2002	10/01/2027	
962166-BR-4	WEYERHAEUSER CO				2FE	371,585	.111.1710	400,216	360,000	371,178		(144)		7.375	7.110	MS	7,818	26,550	10/07/2002	03/15/2032	
962166-BR-4	WEYERHAEUSER CO		LS		2FE	144,505	.111.1710	155,639	140,000	144,347		(56)		7.375	7.110	MS	3,040	10,325	10/07/2002	03/15/2032	
969133-AK-3	WILLAMETTE INDUS				2FE	1,062,910	.113.3810	1,133,810	1,000,000	1,059,010		(1,221)		7.850	7.290	JJ	39,250	78,500	05/23/2002	07/01/2026	
983024-AK-K	WYETH 144A				1FE	125,931	.102.9790	128,724	125,000	125,928		(4)		6.000	5.940	FA	979		12/01/2005	02/15/2036	
989706-AB-2	ZIONS FINL CORP			1	2FE	2,995,889	.100.6250	3,018,750	3,000,000	2,997,598		358		6.950	6.960	MM	26,642	208,500	09/17/2001	05/15/2011	
003924-AB-1	ABITIBI CONSOLIDATED INC				4FE	437,465	.81.5000	407,500	500,000	440,343		859		7.500	8.720	AO	9,375	37,500	04/29/2002	04/01/2028	
008916-AC-2	AGRIUM INC				2FE	991,630	.119.3890	1,193,890	1,000,000	992,549		135		7.800	7.870	FA	32,500	78,000	05/04/1999	02/01/2027	
012873-AK-1	ALBERTA ENERGY CO LTD				2FE	1,033,090	.122.5530	1,225,530	1,000,000	1,031,621		(420)		7.375	7.100	MM	12,292	73,750	11/14/2001	11/01/2031	
01877K-AB-9	ALLIANCE PIPELINE LP 144A			2	1FE	1,571,561	.110.7500	1,740,505	1,571,562	1,571,561				6.996	6.990	JD	55,279	54,973	03/01/2001	12/31/2019	
03746A-AC-4	APACHE FIN CAN				1FE	1,998,238	.95.9450	1,918,900	2,000,000	1,998,566		121		4.375	4.380	MM	11,181	87,500	03/08/2004	05/15/2015	
12201P-AN-6	BURLINGTON RESOURCES FIN				2FE	998,688	.126.5580	1,265,580	1,000,000	998,873		14		7.400	7.400	JD	6,167	74,000	07/25/2002	12/01/2031	
136375-BC-5	CANADIAN NATL RAILWAY CO (USA)			2	1FE	2,971,442	.118.8580	3,531,797	2,971,442	2,971,442				7.900	7.900	JAN	234,744	234,744	09/16/1996	01/03/2014	
13643E-AC-9	CANADIAN OIL SANDS 144A				2FE	1,997,700	.102.6130	2,052,260	2,000,000	1,998,172		186		5.800	5.810	FA	43,822	116,000	07/30/2003	08/15/2013	
65334H-AA-0	NEXEN INC				2FE	490,250	.123.4210	617,105	500,000	490,611		103		7.875	8.040	MS	11,594	39,375	03/06/2002	03/15/2032	
698900-AG-2	PANCANADIAN ENERGY CORP				2FE	1,498,005	.120.2010	1,803,015	1,500,000	1,498,078		25		7.200	7.210	MM	108,000	108,000	09/31/2001	11/01/2031	
77531Q-AD-0	ROGERS WIRELESS INC				3FE	238,750	.100.2500	250,625	250,000	239,901		893		6.375	7.030	MS	5,313	15,938	09/10/2004	03/01/2014	
87971M-AC-7	TELLUS CORP				2FE	2,220,529	.112.1060	2,331,805	2,080,000	2,174,669		(13,888)		8.000	6.970	JD	13,667	166,400	01/27/2005	06/01/2011	
884903-AU-9	THOMSON CORP				1FE	1,991,480	.98.9150	1,978,300	2,000,000	1,993,555		1,283		4.750	4.830	MM	8,708	95,000	05/12/2004	05/28/2010	
952845-AC-9	WEST FRASER TIMBER CO 144A				2FE	922,165	.93.6590	857,916	916,000	921,588		(487)		5.200	5.110	AO	10,056	47,632	10/18/2004	10/15/2014	
952845-AC-9	WEST FRASER TIMBER CO 144A				2FE	84,565	.93.6590	78,674	84,000	84,512		(45)		5.200	5.110	AO	922		10/18/2004	10/15/2014	
02364W-AH-8	AMER MOVIL SA DE CV				2FE	343,371	.100.3400	351,190	350,000	343,479		108		5.750	6.020	JD	9,280		11/03/2005	01/15/2015	
111021-AD-3	BRITISH TELECOM PLC				1FE	569,840	.113.8360	569,180	500,000	542,890		(7,163)		8.375	6.330	JJ	1,861	41,875	11/05/2001	12/15/2010	
111021-AE-1	BRITISH TELECOM PLC				1FE	475,972	.133.7940	541,866	405,000	472,612											

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
219868-AQ-9	CORP ANDINA DE FOMENTO		F		1FE	1,945,360	.99	1,991,900	2,000,000	1,955,561		4,745			5.200	5.570	MM	11,556	104,000	10/15/2003	05/21/2013
21987B-AK-4	CODELCO INC 144A	LS	F		1FE	285,951	.99	298,641	300,000	285,986		35			5.625	5.960	MS	4,688		11/03/2005	09/21/2035
25156P-AB-9	DEUTSCHE TELEKOM INT FIN		F		1FE	1,091,020	.113	1,133,770	1,000,000	1,053,757		(10,463)			8.000	6.580	JD	3,556	85,000	11/28/2001	06/15/2010
25156P-AD-5	DEUTSCHE TELEKOM INT FIN		F		1FE	991,670	.137	1,377,780	1,000,000	991,905		70			9.250	9.330	JD	7,708	92,500	05/24/2002	06/01/2032
30215E-AG-2	EXPORT IMPORT BANK OF KOREA 144A		F		1FE	1,235,600	.100	1,413,000	1,250,000	1,236,770		1,065			5.250	5.410	FA	25,703	45,938	03/16/2005	02/10/2014
30216H-AA-7	EXP IMP BK CHINA 144A	LS	F		1FE	502,240	.100	502,515	500,000	502,021		(178)			5.250	5.190	JJ	11,083	26,250	08/25/2004	07/29/2014
30247R-AK-6	CBO FMA FDG SERIES 2 D1 144A		F	2	6FE		0.0010	22	2,185,714						12.875	8.000	MS			08/26/1999	03/25/2011
35177P-AK-3	FRANCE TELECOM YANK		F		1FE	2,697,815	.111	694,000	2,792,350	2,589,206		(42,689)			8.000	7.160	MS	66,667	206,250	02/15/2002	03/01/2011
40049J-AT-4	GRUPO TELEVISIA SA		F		2FE	1,003,739	.120	925,000	1,209,250	1,003,739					8.500	8.460	MS	25,972	85,000	07/30/2002	03/11/2032
4041A2-AF-1	HBOS PLC 144A	LS	F		1FE	782,055	.106	603,000	799,529	781,751		(304)			6.000	5.690	MN	7,500	45,000	04/05/2005	11/01/2033
448414-AC-6	HUTCHISON WHAMPOA FIN 144A		F		1FE	839,880	.113	436,000	850,770	750,000		839,158			7.450	6.010	FA	23,281		11/03/2005	08/01/2017
449786-AA-0	ING BANK NV 144A		F		1FE	159,950	.99	93,000	149,897	150,000		158,250			5.125	4.400	MN	1,281	7,688	06/18/2003	05/01/2015
449786-AA-0	ING BANK NV 144A	LS	F		1FE	266,583	.99	93,000	249,828	250,000		263,500			5.125	4.400	MN	2,135	12,813	06/18/2003	05/01/2015
456866-AL-6	INGERSOLL RAND CO		F	2	1FE	1,149,760	.113	290,000	1,132,900	1,000,000		1,147,986			7.200	5.150	JD	6,000	36,000	09/28/2005	06/01/2025
52988R-AA-4	LG TELECOM CO LTD 144A		F		3FE	245,025	.106	381,000	265,953	250,000		246,266			8.200	8.740	JJ	9,510	20,625	07/09/2004	07/15/2009
656531-AD-2	NORSK HYDRO AS		F		1FE	3,124,560	.120	517,000	3,615,510	3,000,000		3,109,505			7.150	6.810	MN	27,408	214,500	07/14/1998	11/15/2025
705015-AB-1	PEARSON PLC 144A		F		2FE	250,780	.89	716,000	224,290	250,000		250,682			4.625	4.590	JD	514	11,563	06/23/2003	06/15/2018
71645W-AB-7	PETROBRAS INTL FIN		F		2FE	498,925	.117	500,000	587,500	500,000		499,349			9.750	9.780	JJ	23,698	48,750	03/18/2002	07/06/2011
716743-AA-7	PETRONAS CAP LTD 144A		F		1FE	107,740	.110	82,000	110,082	100,000		105,661			7.000	5.920	MN	758	7,000	11/14/2002	05/22/2012
716743-AB-5	PETRONAS CAP LTD 144A		F		1FE	995,320	.124	844,000	1,248,440	1,000,000		995,726			7.875	7.920	MN	8,531	78,750	05/15/2002	02/22/2022
75968N-AB-7	RENAISSANCE HLDGS LTD		F		2FE	199,588	.99	872,000	199,744	200,000		199,690			5.875	5.900	FA	4,439	11,750	01/28/2003	02/15/2013
87114B-AF-9	SYCAMORE CBO LTD CLASS C 144A		F	2	6FE		0.0010	34	3,400,000						13.992	10.210	FA			06/29/1999	02/10/2011
87927V-AQ-1	TELECOM ITALIA CAP		F		2FE	496,850	.97	128,000	485,640	500,000		496,914			5.250	5.330	AO	6,781		09/21/2005	10/01/2015
902118-AC-2	TYCO INTL GRP SA		F		2FE	3,983,600	.110	800,000	4,400,320	4,000,000		3,984,746			7.000	7.030	JD	12,444	280,000	11/29/2001	06/15/2028
902118-BK-3	TYCO INTL GRP SA		F		2FE	54,309	.102	149,000	51,075	50,000		53,942			6.000	4.780	MN	383	3,000	01/27/2005	11/15/2013
911271-AB-0	UNITED OVERSEAS BANK LTD 144A	LS	F	1	1FE	1,003,660	.99	575,000	995,750	1,000,000		1,003,440			5.375	5.320	MS	17,618	55,094	12/03/2004	09/03/2019
915436-AC-3	UPM KYMENE CORP 144A		F		2FE	2,487,225	.112	571,000	2,814,275	2,500,000		2,488,512			7.450	7.490	MN	18,108	186,250	11/20/1997	11/26/2027
92857T-AH-0	VODAFONE GRP PLC		F		1FE	496,124	.124	834,000	530,545	425,000		492,395			7.875	6.550	FA	12,644	33,469	11/12/2002	02/15/2030
92857W-AB-6	VODAFONE GRP PLC		F		1FE	326,219	.100	000,000	325,000	325,000		326,174			6.250	6.220	MN	1,749	20,313	11/19/2002	11/30/2032
92857W-AE-0	VODAFONE GRP PLC		F		1FE	1,789,000	.95	000,000	1,900,000	1,810,734		1,810,734			10.116	5.690	JJ	42,653	92,500	10/15/2003	07/15/2018
983730-AA-0	XL CAP (EUROPE) PLC LTD		F		1FE	833,550	.105	642,000	850,418	805,000		826,277			6.500	5.950	JJ	24,128	51,350	01/27/2005	01/15/2012
3999999	Total Bonds - Industrial, Misc. - Issuer Obligations					325,770,310	.XXX	339,751,149	328,790,289	325,145,281		(234,691)			.XXX	.XXX	.XXX	5,092,036	18,003,352	.XXX	.XXX
05948X-AE-1	BOAMS 03-2 1A5			2	1FE	3,902,500	.97	285,000	3,891,437	4,000,000		3,912,938			5.500	5.970	MON	18,333	165,000	03/09/2005	04/25/2033
05949A-PF-1	BOAMS 04-7 5A10			2	1FE	355,316	.98	333,000	351,151	357,101		355,418			5.250	5.290	MON	1,562	18,748	07/21/2004	08/25/2034
060516-BU-2	BAFC 04-2 3A1			2	1FE	992,344	.96	435,000	964,357	1,000,000		992,886			5.500	5.560	MON	4,583	55,000	08/18/2004	09/20/2034
12668A-LL-7	CWALT 05-50CB 4A1			2	1FE	972,159	.98	978,000	965,694	975,665		972,179			5.000	5.000	MON	4,065	12,196	09/16/2005	11/25/2020
12669F-ZQ-9	CWHL 04-8 1A8			2	1FE	2,347,656	.95	540,000	2,376,352	2,500,000		2,365,020			5.250	6.130	MON	10,938	131,250	08/20/2004	07/25/2034
12669G-XN-6	CWHL 05-12 1A5			2	1FE	2,711,184	.97	252,000	2,638,342	2,712,879		2,711,184			5.250	5.150	MON	11,869	106,820	03/22/2005	05/25/2035
172973-3Y-3	CMSI 05-8 1A1			2	1FE	493,001	.99	221,000	493,792	497,666		493,025			5.500	5.620	MON	2,281	2,281	10/31/2005	11/25/2035
172973-T3-3	CMSI 05-3 1A7			2	1FE	963,750	.95	492,000	954,922	1,000,000		964,285			5.500	5.760	MON	4,583	36,667	04/14/2005	04/25/2035
172973-YT-0	CMSI 04-5 1A3			2	1FE	1,125,849	.99	160,000	1,116,868	1,127,964		1,125,849			5.250	5.200	MON	4,935	59,218	08/03/2004	08/25/2034
204012-AD-0	CPLT 87-A 1A			2	1FE	468,920	.98	531,000	488,634	495,918		480,471			4.992	5.420	AO	5,579	22,316	12/31/1997	10/01/2018
32051G-GU-3	FHASI 05-1 1A4			2	1FE	1,238,867	.94	871,000	1,185,896	1,239,394		1,239,394			5.250	5.320	MON	5,469	60,156	01/19/2005	03/25/2035
36185N-GD-8	GMAAC 04-J5 A6			2	1FE	989,531	.97	853,000	978,532	1,000,000		990,326			5.500	5.610	MON	4,583	55,000	12/02/2004	01/25/2035
45254T-GU-2	IWSA 01-4 A113			2	1FE	89,928	.100	243,000	89,810	89,592		89,592			7.250	6.860	MON	541	6,495	07/09/2001	06/25/2031
949788-AE-3	WFMS 04-7 2A1			2	1FE	1,246,739	.96	500,000	1,211,431	1,255,369		1,247,300			4.500	4.590	MON	4,708	56,491	09/16/2004	07/25/2019
94980Y-AE-2	WFMS 03-16 2A1			2	1FE	393,471	.96	687,000	385,680	393,811		393,811			4.500	4.760	MON	1,496	17,950	10/07/2004	12/25/2018
94982E-AA-2	WFMS 05-1 1A1			2	1FE	907,894	.97	690,000	880,103	900,824		880,824			4.750	4.680	MON	3,566	35,650	01/27/2005	01/25/2020
4199999	Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities					19,192,109	.XXX	18,973,001	19,561,872	19,234,502		34,437			.XXX	.XXX	.XXX	89,091	841,238	.XXX	.XXX
12669E-R3-2	CWHL 03-39 A2			2	1FE	5,059,851	.96	835,000													

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	F	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
07383F-JC-3	BSCMS 02-TOP6 A2			2	1FE	1,033,756	106.2280	1,009,175	950,000	1,017,407		(10,492)			6.460	4.880	MON	5,114	61,370	05/27/2004	10/15/2036
22541S-D4-7	CSFB 04-CF2 1A2 144A			2	1FE	495,944	97.0930	485,469	500,000	497,081		1,060			5.150	5.360	MON	2,146	25,750	10/07/2004	01/25/2043
22541S-WK-0	CSFB 04-C3 A5			2	1FE	1,005,000	99.4960	994,962	1,000,000	1,004,209		(599)			5.113	5.010	MON	4,261	51,130	08/11/2004	07/15/2036
225470-AS-2	CSFB 05-C5 AJ			2	1FE	1,952,234	98.3070	1,966,153	2,000,000	1,952,732		498			5.100	5.380	MON	8,500	8,500	10/26/2005	08/15/2038
368280-PW-0	GEMC 05-C3 A7A			2	1FE	5,030,273	98.6620	4,933,138	5,000,000	5,029,478		(795)			4.974	4.870	MON	20,725	62,175	09/16/2005	07/10/2035
46625M-3N-7	JPMCC 04-C2 A3			2	1FE	2,947,392	100.7050	3,021,162	3,000,000	2,953,505		3,836			5.213	5.420	MON	13,033	158,550	05/12/2004	05/15/2041
46625M-LS-6	JPMCC 02-C1 A3			2	1FE	529,004	101.3870	506,936	500,000	521,000		(2,932)			5.376	4.500	MON	2,240	26,880	02/21/2003	07/12/2037
46625M-NP-0	JPMCC 02-C1B5 A2			2	1FE	411,016	100.1870	400,752	400,000	407,964		5,161			5.161	4.740	MON	1,720	20,644	01/28/2003	10/12/2037
760985-2Y-6	RAMP 04-RS4 A16			2	1FE	2,999,968	98.4370	2,953,125	3,000,000	2,999,968					5.072	4.980	MON	12,680	152,153	04/16/2004	04/25/2034
76112B-DV-9	RAMP 04-RS10 M11			2	1FE	249,968	98.6250	246,563	250,000	249,982					5.280	5.210	MON	1,100	13,191	10/22/2004	10/25/2034
929766-CU-5	WBCMT 03-C3 A2			2	1FE	351,730	98.4730	344,658	350,000	351,133		(217)			4.867	4.770	MON	1,420	17,034	01/28/2003	02/15/2035
94980G-AK-7	WFHET 04-2 A19			2	1FE	249,853	97.0620	242,656	250,000	249,853					4.980	4.920	MON	1,038	12,450	08/27/2004	04/25/2034
4399999 - Total Bonds - Industrial, Misc. - Defined Multi-Class Commercial Mortgage-Backed Securities						18,957,851	XXX	18,796,257	18,903,059	18,935,447		(10,980)			XXX	XXX	XXX	81,233	670,975	XXX	XXX
07387B-BF-9	BSCMS 05-T20 F 144A			2	1FE	194,748	97.2540	194,509	200,000	194,814		66			5.303	5.620	MON	884		10/20/2005	10/12/2042
07387B-BG-7	BSCMS 05-T20 G 144A			2	2FE	191,525	95.0250	190,052	200,000	191,632		108			5.156	5.690	MON	859	1,743	10/20/2005	10/12/2042
07387B-BH-5	BSCMS 05-T20 H 144A			2	2FE	377,794	93.6020	374,410	400,000	378,072		279			5.303	6.020	MON	1,768	3,486	10/20/2005	10/12/2042
07387B-CS-0	BSCMS 05-T20 E			2	1FE	196,535	98.2080	196,417	200,000	196,578		43			5.156	5.360	MON	859	859	10/20/2005	10/12/2042
225458-4G-0	HEMT 05-4 M4			2	1FE	499,999	99.9060	499,531	500,000	499,999					5.701	5.600	MON	2,375	7,126	09/20/2005	01/25/2036
361849-0G-0	GMACC 01-C1 C			2	1FE	1,507,445	107.4380	1,611,580	1,500,000	1,502,940		(1,076)			6.887	6.760	MON	8,609	103,305	03/29/2001	04/15/2034
368280-OS-8	GEMC 05-C4 G			2	2FE	476,145	96.5800	482,905	500,000	476,228		83			5.334	5.950	MON	2,223		12/02/2005	11/10/2045
55264T-AS-0	MBNAS 02-C1 C1			2	2FE	1,462,097	108.0000	1,566,000	1,450,000	1,458,811		(1,148)			6.800	6.660	MON	4,382	98,600	10/16/2002	07/15/2014
59022H-LQ-3	MLMT 05-CK11 F 144A			2	2FE	472,805	95.1560	475,781	500,000	472,937		132			5.244	5.950	MON	2,185		12/01/2005	11/12/2037
59022H-LR-1	MLMT 05-CK11 G 144A			2	2FE	467,557	93.4370	467,188	500,000	467,714		157			5.244	6.090	MON	2,185		12/01/2005	11/12/2037
63859C-BW-2	NLFC 99-1 D			2	1FE	3,985,720	105.5540	4,222,179	4,000,000	3,985,720					7.100	7.090	MON	23,667	281,764	02/17/1999	01/20/2031
4499999 - Total Bonds - Industrial, Misc. - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						9,832,370	XXX	10,280,552	9,950,000	9,825,445		(1,356)			XXX	XXX	XXX	49,996	499,510	XXX	XXX
4599999 - Total - Industrial and Miscellaneous Bonds						378,812,491	XXX	392,796,726	382,364,220	378,210,982		(203,666)			XXX	XXX	XXX	5,333,852	20,273,025	XXX	XXX
17186#-AA-4	CIMARRON CTR LLC (WALMART)			2	1	1,327,194	104.0000	1,380,282	1,327,194	1,327,194					7.300	7.300	MON	8,074	96,885	08/08/2002	08/01/2027
23857#-AD-6	DAVID OIL CORP (MCDONALDS)			2	1	434,368	104.0000	434,368	434,368	434,368					7.500	7.500	MON	2,715	32,578	12/20/2001	03/01/2014
26831#-AA-6	EDF DANVERS II (KOHLS)			2	1	1,875,450	104.0000	1,950,468	1,875,450	1,875,450					7.250	7.250	MON	11,331	135,970	04/29/2002	10/01/2027
53626#-AA-7	LIONHEART LTD (FOODLION)			2	3	2,334,058	101.6620	2,372,860	2,334,058	2,334,058					7.400	7.400	MON	14,393	172,720	04/09/1998	12/01/2017
70423#-AA-6	PAXSON ASSOCIATES (CVS)			2	1	1,752,666	104.0000	1,822,773	1,752,666	1,752,666					7.480	7.480	MON	10,925	131,099	06/15/1999	01/01/2019
82842#-AC-0	BENEDICT SILVERMAN (WALMART)			2	1	427,118	101.6790	434,293	427,118	427,118					7.200	7.200	MON	2,563	30,640	02/26/1998	05/01/2008
4699999 - Total Bonds - Credit Tenant Loans						8,150,854	XXX	8,412,419	8,150,854	8,150,854					XXX	XXX	XXX	50,001	599,892	XXX	XXX
5499999 - Total - Issuer Obligations						438,344,805	XXX	454,068,254	439,899,769	436,897,020		(417,263)			XXX	XXX	XXX	6,722,240	23,660,148	XXX	XXX
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities						32,318,016	XXX	32,022,522	32,054,127	32,292,702		(39,592)			XXX	XXX	XXX	152,854	1,083,370	XXX	XXX
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities						111,151,215	XXX	113,495,940	114,912,661	112,166,047		465,052			XXX	XXX	XXX	541,816	5,353,656	XXX	XXX
5799999 - Total - Other Multi-Class Residential Mortgage-Backed Securities						5,059,851	XXX	4,995,767	5,159,000	5,070,307		8,924			XXX	XXX	XXX	21,496	257,950	XXX	XXX
5899999 - Total - Defined Multi-Class Commercial Mortgage-Backed Securities						18,957,851	XXX	18,796,257	18,903,059	18,935,447		(10,980)			XXX	XXX	XXX	81,233	670,975	XXX	XXX
5999999 - Total - Other Multi-Class Commercial Mortgage-Backed Securities						9,849,414	XXX	10,301,444	9,970,892	9,845,973		(680)			XXX	XXX	XXX	50,086	500,589	XXX	XXX
6099999 Totals						615,681,152	XXX	633,680,184	620,899,508	615,207,496		5,461			XXX	XXX	XXX	7,569,725	31,526,688	XXX	XXX

E08.10

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 2 - SECTION 1

Showing ALL PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/ Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	Foreign	Number Of Shares	Par Value Per Share	Rate Per Share	Book/ Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared But Unpaid	Amount Received During Year	Nonadmitted Declared But Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change In B./A.C.V. (15 + 16 - 17)	Total Foreign Exchange Change In B./A.C.V.	NAIC Designation	Date Acquired
055630-AA-8	BANK OF NEW YORK INSTIT CAP A 144A			500,000.000	1.00		519,151	1.060	530,120	523,655	3,242	38,900			(1,234)		(1,234)		RP1UFE	12/04/2001
05576F-AA-7	BT INSTL CAP TRUST A 144A			500,000.000	1.00		513,174	1.062	530,825	515,630	3,371	40,450			(747)		(747)		RP1U	03/19/2002
06605H-AA-6	BANKAMERICA INSTIT A 144A			1,000,000.000	1.00		1,037,307	1.064	1,064,390	1,044,660	40,574	40,350			(2,225)		(2,225)		RP1UFE	04/02/2002
124789-AA-6	CBA CAP TRUST I 144A			2,000,000.000	1.00		2,000,000	1.030	2,059,500	2,000,000	323	116,100							RP1UFE	07/30/2003
15640V-AA-3	CENTURA CAP TRUST I 144A			1,000,000.000	1.00		1,059,014	1.088	1,087,670	1,113,760	7,371	88,450			(9,585)		(9,585)		RP1UFE	12/10/1998
17303N-AA-5	CITICORP CAP II			3,750,000.000	1.00		3,926,158	1.068	4,005,600	4,000,283	113,546	300,563			(21,466)		(21,466)		RP1UFE	07/31/2002
17305H-AA-6	CITIGROUP CAP III			500,000.000	1.00		555,156	1.230	615,000	556,650	3,177	38,125			(520)		(520)		RP1UFE	11/18/2002
26156F-AA-1	DRESDNER FDG TRUST I AG 144A			3,000,000.000	1.00		3,240,188	1.229	3,688,440	3,253,080	679	244,545			(3,742)		(3,742)		RP1UFE	06/24/2002
316779-AA-5	FIFTH THIRD CAP TRUST I SER A			500,000.000	1.00		525,707	1.069	534,545	540,870	11,978	40,680			(4,137)		(4,137)		RP1UFE	11/28/2001
38143V-AA-7	GOLMAN SACHS CAP I			2,000,000.000	1.00		2,000,000	1.051	2,101,060	2,000,000	47,940	126,900							RP1UFE	02/12/2004
44978N-AA-3	ING CAP FDG TRUST III			1,500,000.000	1.00		1,569,272	1.137	1,705,560	1,615,170	352	126,585			(11,056)		(11,056)		RP1UFE	04/02/2001
85748F-AA-2	STATE STREET INSTIT CAP A 144A			750,000.000	1.00		784,711	1.061	795,930	801,630	165	59,550			(4,623)		(4,623)		RP1UFE	12/04/2001
893473-AC-2	TRANSAMERICA CAP III			780,000.000	1.00		800,700	1.163	907,234	801,232	7,600	59,475			(159)		(159)		RP1UFE	11/28/2001
90262W-AA-1	UBS PFD FDG TRUST II			500,000.000	1.00		502,529	1.097	548,570	503,925	503	36,235			(365)		(365)		RP1UFE	07/23/2001
94974Y-AA-8	WELLS FARGO CAP A 144A			500,000.000	1.00		504,036	1.058	528,905	504,955	3,221	38,650			(230)		(230)		RP1UFE	05/31/2001
989819-AA-5	ZURICH CAP TRUST I 144A			1,000,000.000	1.00		1,060,580	1.082	1,082,260	1,130,520	6,980	83,760			(12,186)		(12,186)		RP2UFE	01/21/1999
40427L-AA-2	HSBC CAP FDG LP 144A		F	2,000,000.000	1.00		2,200,515	1.170	2,340,660	2,336,060	96,000	190,940			(36,851)		(36,851)		RP1UFE	11/28/2001
3299999 - Total	- Preferred Stock - Banks, Trust, Insurance						22,798,198	XXX	24,126,269	23,242,080	347,022	1,670,258			(109,126)		(109,126)		XXX	XXX
461549-AA-5	INVESTORS GUARANTY ASSURANCE 99 144A			5,000,000.000	1.00		5,000,000	0.840	4,200,000	5,000,000	545,113	63,535							RP3U	10/07/1999
3399999 - Total	- Preferred Stock - Industrial, Misc.						5,000,000	XXX	4,200,000	5,000,000	545,113	63,535							XXX	XXX
3599999 Total	- Preferred Stocks						27,798,198	XXX	28,326,269	28,242,080	892,135	1,733,793			(109,126)		(109,126)		XXX	XXX

E09

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Number of Shares	6 Book / Adjusted Carrying Value	7 Fair Value		9 Actual Cost	10 Dividends			13 Change in Book / Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3 Code	4 Foreign			7 Rate per Share Used To Obtain Fair Value	8 Fair Value		10 Declared But Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase / (Decrease)	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (13 - 14)	16 Total Foreign Exchange Change in B./A.C.V.		
12621#-10-0.....	C P REAL ESTATE SERVICES CORP 144.....			9,432,596.000				4,559								A	04/28/1997
999999 - Total - Common Stock - Parent, Subsidiaries, Affiliates							XXX	4,559								XXX	XXX
7299999 Total - Common Stocks							XXX	4,559								XXX	XXX
7399999 Total - Preferred and Common Stocks				27,798,198	27,798,198		XXX	28,326,269	28,246,639	892,135	1,733,793			(109,126)		XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues , the total \$ value (included in Column 8) of all such issues \$

E10

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
3128X3-4T-7	FED HOME LOAN MTG CORP		02/10/2005	DEUTSCHE BANK		999,600	1,000,000	
3133X1-BV-8	FED HOME LOAN BANK		02/24/2005	MERRILL LYNCH		3,510,815	3,500,000	72,188
3136F6-L2-3	FED NATL MTG ASSOC		02/24/2005	LEHMAN BROTHERS INC		1,498,500	1,500,000	
3136F6-Y8-6	FED NATL MTG ASSOC		03/21/2005	JBS FINANCIAL SERVICES		3,996,000	4,000,000	
0399999 - Total	- Bonds - U.S. Government					10,004,915	10,000,000	72,188
50064F-AE-4	REP OF KOREA	F	10/26/2005	JBS FINANCIAL SERVICES		493,155	500,000	
78307A-CZ-4	RUSSIAN FEDERATION 144A	F	12/15/2005	JBS FINANCIAL SERVICES		559,750	500,000	5,556
1099999 - Total	- Bonds - All Other Government					1,052,905	1,000,000	5,556
1799999 - Total	- Bonds - States, Territories and Possessions							
74514L-ER-4	PUERTO RICO COMWLTH GO		05/25/2005	RAYMOND JAMES		447,408	400,000	8,750
2499999 - Total	- Bonds - Political Subdivisions					447,408	400,000	8,750
30421V-AC-3	FAIRFIELD CA PENSION OBLIG REV		03/22/2005	DUNCAN WILLIAMS INC		846,240	860,000	6,859
31283H-5J-0	FHLMC #601749		06/09/2005	BANK OF AMERICA		26,035,980	25,793,566	51,229
313398-FC-8	CMO FHLMC 2333 UZ		02/15/2005	CAPITALIZED INTEREST		61,001	61,001	
3133TL-M6-2	CMO FHLMC 2173 Z		06/16/2005	CAPITALIZED INTEREST		45,676	45,676	
3133TT-RX-1	CMO FHLMC 2329 ZA		03/15/2005	CAPITALIZED INTEREST		102,497	102,497	
3133TT-X4-8	CMO FHLMC 2326 ZQ		03/01/2005	CAPITALIZED INTEREST		102,496	102,496	
313920-CW-8	CMO FNMA 01-31 ZC		12/27/2005	CAPITALIZED INTEREST		126,043	126,043	
31394B-YU-2	CMO FNMA 04-91 BK		06/27/2005	BARCLAYS CAPITAL		971,094	1,000,000	3,625
31394C-F8-0	CMO FNMA 05-24 AJ		04/14/2005	JP MORGAN CHASE		721,875	750,000	1,875
31394C-GZ-9	CMO FNMA 05-13 PC		03/03/2005	GOLDMAN SACHS AND COMPANY		997,969	1,000,000	972
31394D-W8-9	CMO FNMA 05-50 DM		09/21/2005	BANK OF AMERICA		964,688	1,000,000	3,472
31394W-N9-5	CMO FHLMC 2777 VL		02/18/2005	JBS FINANCIAL SERVICES		3,445,859	3,500,000	11,181
31394Y-K7-8	CMO FHLMC 2791 KG		03/11/2005	JBS FINANCIAL SERVICES		14,985,938	15,000,000	34,375
31395C-SM-4	CMO FHLMC 2828 EW		03/11/2005	CS FIRST BOSTON CORP		6,981,406	7,000,000	16,042
31395K-T3-7	CMO FHLMC 2901 UC		09/22/2005	BANK OF AMERICA		3,855,625	4,000,000	14,444
31395K-TN-3	CMO FHLMC 2913 AB		01/03/2005	DEUTSCHE BANK		1,937,500	2,000,000	1,389
31395P-36-5	CMO FHLMC 2931 JD		03/09/2005	BEAR STEARNS SECURITIES		1,981,563	2,000,000	3,611
31395U-G5-4	CMO FHLMC 2971 CX		05/11/2005	BEAR STEARNS SECURITIES		492,656	500,000	2,083
31396A-FH-2	CMO FHLMC 3028 ME		09/29/2005	CS FIRST BOSTON CORP		392,192	401,653	1,618
31396C-3Y-4	CMO FHRR R003 ZA		12/15/2005	VARIOUS		2,793,409	3,027,563	5,986
31396E-W5-1	CMO FHLMC 3061 HK		12/20/2005	CS FIRST BOSTON CORP		2,443,652	2,500,000	8,403
38012C-CK-3	GMH MILITARY HSG NAVY NE REV		03/28/2005	RAYMOND JAMES		1,024,170	1,000,000	25,000
441110-DG-5	HOT SPRINGS AR INDL DEV REV		03/31/2005	DUNCAN WILLIAMS INC		505,360	500,000	2,118
592646-MM-2	METRO WASHINGTON DC ARPT AUTH SYS REV		03/31/2005	DUNCAN WILLIAMS INC		502,000	500,000	
3199999 - Total	- Bonds - Special Revenue					72,316,889	72,770,495	194,282
010392-EP-9	ALABAMA PWR CO		03/08/2005	JP MORGAN CHASE		1,000,000	1,000,000	
144141-CW-6	CAROLINA PWR & LIGHT		03/17/2005	JP MORGAN CHASE		999,050	1,000,000	
209111-EK-5	CON EDISON CO OF NY		11/14/2005	MORGAN STANLEY AND CO INC		1,995,400	2,000,000	
210518-CE-4	CONSUMERS ENERGY		03/16/2005	EXCHANGE OF SECURITIES		2,526,196	2,500,000	11,840
337932-AC-1	FIRSTENERGY CORP		07/08/2005	JBS FINANCIAL SERVICES		302,723	250,000	2,970
373334-FZ-9	GEORGIA PWR CO		04/12/2005	BARCLAYS CAPITAL		995,080	1,000,000	
485260-BH-5	KANSAS GAS & ELEC		11/16/2005	EXCHANGE OF SECURITIES		500,000	500,000	3,686
49455W-AE-6	KINDER MORGAN 144A		12/07/2005	MERRILL LYNCH		2,498,150	2,500,000	
665772-CA-5	NTHRN STATES PWR		07/14/2005	JP MORGAN CHASE		1,996,120	2,000,000	
677347-CB-0	OHIO EDISON		11/10/2005	BARCLAYS CAPITAL		1,986,400	2,000,000	4,542
797440-BG-8	SAN DIEGO GAS & ELEC		11/14/2005	JP MORGAN CHASE		1,996,020	2,000,000	
81675*-AC-8	SEMINOLE ELEC INC SER B PVT		12/08/2005	JP MORGAN CHASE		500,000	500,000	
754052-AG-3	RAS LAFFAN LIQ NAT GAS 144A	F	01/27/2005	BANK OF AMERICA		56,715	59,540	773
3899999 - Total	- Bonds - Public Utilities					17,351,854	17,309,540	23,811
00081T-AB-4	ACCO BRANDS CORP		11/10/2005	EXCHANGE OF SECURITIES		253,078	250,000	5,030
020039-AE-3	ALLTEL CORP		08/23/2005	BANK OF AMERICA		1,149,480	1,000,000	31,306
029163-AD-4	AMERICAN RE CORP		11/04/2005	JBS FINANCIAL SERVICES		550,655	500,000	14,900
03073E-AC-9	AMERISOURCEBERGEN CORP 144A		09/15/2005	LEHMAN BROTHERS INC		250,000	250,000	234
037389-AS-2	AON CORP		09/15/2005	CITIGROUP INC		1,307,148	1,150,000	22,617
039483-AU-6	ARCHER DANIELS MIDLAND		09/19/2005	BANK OF AMERICA		974,020	1,000,000	
039580-AD-0	ARCHSTONE-SMITH TRUST		07/12/2005	MORGAN STANLEY AND CO INC		1,004,950	1,000,000	9,917
05523U-AD-2	BAE SYS HLDGS INC 144A		07/20/2005	JP MORGAN CHASE		2,999,400	3,000,000	
05947U-4F-2	BACM 05-6 AJ		12/16/2005	BANK OF AMERICA		496,955	500,000	2,015
05948X-AE-1	BOAMS 03-2 1A5		03/09/2005	CS FIRST BOSTON CORP		3,902,500	4,000,000	17,722

E11

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
060505-BS-2	BANK OF AMER CORP		07/19/2005	BANK OF AMERICA		2,476,625	2,500,000	
066365-BX-4	BANKERS TRUST CORP		08/23/2005	ROYAL BANK OF CANADA		2,383,860	2,000,000	42,083
07387B-BF-9	BSCMS 05-T20 F 144A		10/20/2005	BEAR STEARNS SECURITIES		194,748	200,000	795
07387B-BG-7	BSCMS 05-T20 G 144A		10/20/2005	BEAR STEARNS SECURITIES		191,525	200,000	795
07387B-BH-5	BSCMS 05-T20 H 144A		10/20/2005	BEAR STEARNS SECURITIES		377,794	400,000	1,591
07387B-CS-0	BSCMS 05-T20 E		10/20/2005	BEAR STEARNS SECURITIES		196,535	200,000	795
073902-KF-4	BEAR STEARNS CO INC		10/24/2005	BEAR STEARNS SECURITIES		996,630	1,000,000	
079860-AL-6	BELLSOUTH CORP		02/18/2005	DEUTSCHE BANK		507,605	500,000	4,478
096629-AA-8	BOARDWALK PIPELINES LLC		09/15/2005	EXCHANGE OF SECURITIES		2,002,292	2,000,000	13,444
12668A-LL-7	CWALT 05-50CB 4A1		09/16/2005	MORGAN STANLEY AND CO INC		996,406	1,000,000	4,028
12669G-XN-6	CWHL 05-12 1A5		03/22/2005	CS FIRST BOSTON CORP		2,998,125	3,000,000	13,125
133131-AP-7	CAMDEN PPTY TRUST		08/30/2005	BANK OF AMERICA		246,405	250,000	2,951
14743R-AB-9	CASE CORP		05/25/2005	CITIGROUP INC		140,625	150,000	4,108
172062-AF-8	CINCINNATI FINL CORP		05/09/2005	EXCHANGE OF SECURITIES		988,100	1,000,000	33,447
172973-3Y-3	CMSI 05-8 1A1		10/31/2005	CS FIRST BOSTON CORP		495,313	500,000	2,215
172973-T3-3	CMSI 05-3 1A7		04/14/2005	CITIGROUP INC		963,750	1,000,000	4,278
20449E-BT-2	COMPASS BANK		03/14/2005	BB AND T		500,600	500,000	
205887-BA-9	CONAGRA FOODS INC		08/23/2005	BANK OF AMERICA		1,088,220	1,000,000	30,188
22025Y-AH-3	CORRECTIONS CORP OF AMER		09/07/2005	LEHMAN BROTHERS INC		199,750	200,000	5,868
22541L-BK-8	CREDIT SUISSE FIRST BOSTON USA INC		10/14/2005	VARIOUS		987,305	1,000,000	4,413
225458-4G-0	HEMT 05-4 M4		09/20/2005	CS FIRST BOSTON CORP		499,999	500,000	2,296
225470-AS-2	CSFB 05-C5 AJ		10/26/2005	CS FIRST BOSTON CORP		1,952,234	2,000,000	2,267
251591-AH-6	DEVELOPERS DIVERS REALTY		01/27/2005	BANK OF AMERICA		24,491	25,000	3
254067-AH-4	DILLARDS INC		07/26/2005	CITIGROUP INC		245,000	250,000	8,813
25467L-A*-7	DISCOVERY COMM INC PVT		11/04/2005	CITIGROUP INC		600,000	600,000	
256605-AN-6	DOLE FOODS CO		09/15/2005	LEHMAN BROTHERS INC		251,875	250,000	4,783
25746U-AW-9	DOMINION RESOURCES INC		07/11/2005	MORGAN STANLEY AND CO INC		499,185	500,000	
257867-AR-2	DONNELLEY & SONS		12/13/2005	EXCHANGE OF SECURITIES		2,995,216	3,000,000	12,833
260003-AF-5	DOVER CORP		12/01/2005	BARCLAYS BANK		1,909,300	2,000,000	15,826
26884A-AH-6	ERP OPER LP		04/08/2005	CITIGROUP INC		541,545	500,000	
27876G-AY-4	ECHOSTAR DBS CORP		06/03/2005	EXCHANGE OF SECURITIES		238,378	240,000	2,738
293791-AN-9	ENTERPRISE PROD OPER LP		03/11/2005	EXCHANGE OF SECURITIES		504,577	500,000	12,211
30616P-AD-9	FALL CREEK CLO LTD 05-2A SERVES C 144A 6		09/06/2005	BANK OF AMERICA		670,000	670,000	
30616P-AE-7	FALL CREEK CLO LTD 05-2A SERVES D1 144A		09/06/2005	BANK OF AMERICA		100,000	100,000	
320516-GU-3	FHASI 05-1 1A4		01/19/2005	CS FIRST BOSTON CORP		1,238,867	1,250,000	5,469
338032-BA-2	FISHER SCIENTIFIC INTL 144A		06/27/2005	DEUTSCHE BANK		247,718	250,000	
34486@-AA-8	NFL FOOTBALL TRUST III PVT		10/19/2005	BANK OF AMERICA		1,000,000	1,000,000	
36828@-PW-0	GEMC 05-C3 A7A		09/16/2005	UBS FINANCIAL SERVICES		5,030,273	5,000,000	13,817
36828@-QS-8	GEMC 05-C4 G		12/02/2005	BANK OF AMERICA		476,145	500,000	963
369626-P6-5	GE CAP CORP		03/02/2005	GOLDMAN SACHS AND COMPANY		2,988,960	3,000,000	1,219
421915-EC-9	HEALTH CARE PPTY INV INC		04/07/2005	BANK OF AMERICA		516,025	500,000	3,417
42307T-AG-3	HJ HEINZ FIN CO		09/15/2005	WACHOVIA SECURITIES		572,065	500,000	469
432848-AX-7	HILTON HOTELS CORP		03/24/2005	BANK OF AMERICA		569,525	500,000	12,602
441060-AD-2	HOSPIRA INC		09/15/2005	BANK OF AMERICA		1,052,430	1,000,000	15,569
482732-AE-4	K2 CORP		01/27/2005	EXCHANGE OF SECURITIES		262,075	250,000	1,332
49228R-AE-3	KERN RIVER FDG CORP 144A		09/15/2005	CAPITALIZED INTEREST			893	
49337W-AE-0	KEYSPAN CORP		03/21/2005	JP MORGAN CHASE		3,039,330	3,000,000	15,517
499040-AP-8	KNIGHT RIDDER INC		10/04/2005	DEUTSCHE BANK		245,605	250,000	1,917
50075N-AL-8	KRAFT FOODS INC		01/27/2005	BANK OF AMERICA		102,967	100,000	1,750
526057-AK-0	LENNAR CORP		03/09/2005	EXCHANGE OF SECURITIES		494,482	500,000	611
539830-AD-1	LOCKHEED MARTIN CORP (PUT 08)		11/09/2005	MERRILL LYNCH		1,190,825	1,000,000	18,200
552848-AA-1	MGIC INV CORP		10/04/2005	BNP PARIBAS		248,110	250,000	
55448@-AJ-5	MACK CALLI REALTY LP		01/31/2005	UBS FINANCIAL SERVICES		251,575	250,000	5,979
559080-AB-2	MAGELLAN MIDSTREAM PTNRS		01/04/2005	CITIGROUP INC		505,570	500,000	6,435
58155@-AA-1	MCKESSON CORP		08/23/2005	BANK OF AMERICA		1,147,340	1,000,000	5,382
585055-AF-3	MEDTRONIC INC 144A		09/12/2005	CITIGROUP INC		2,997,630	3,000,000	
589331-AK-3	MERCK & CO INC		02/14/2005	CITIGROUP INC		594,744	600,000	
59022H-LQ-3	MLMT 05-CK11 F 144A		12/01/2005	MERRILL LYNCH		472,805	500,000	437
59022H-LR-1	MLMT 05-CK11 G 144A		12/01/2005	MERRILL LYNCH		467,557	500,000	437
59156R-AN-8	METLIFE INC		06/20/2005	BANK OF AMERICA		997,290	1,000,000	
61746S-BR-9	MORGAN STANLEY		10/18/2005	MORGAN STANLEY AND CO INC		1,243,913	1,250,000	
638585-BF-5	NATIONSBANK CORP		08/11/2005	BANK OF AMERICA		1,169,750	1,000,000	28,522

E11.1

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
648053-AF-3	NEW PLAN EXCEL REALTY TRUST		09/12/2005	JP MORGAN CHASE		496,860	500,000	
693476-AT-0	PNC FDG CORP		04/11/2005	MERRILL LYNCH		500,135	500,000	10,865
69422P-AC-3	PAC ENERGY 144A		09/15/2005	LEHMAN BROTHERS INC		99,544	100,000	
72650R-AF-9	PLAINS ALL AMER PIPELINE		03/28/2005	EXCHANGE OF SECURITIES		1,029,790	1,000,000	7,017
740189-AF-2	PRECISION CASTPARTS CORP		10/20/2005	WACHOVIA SECURITIES		505,985	500,000	10,111
742718-BH-1	PROCTER & GAMBLE		11/01/2005	FIRST TENNESSEE BANK		2,219,620	2,000,000	39,058
743410-AG-7	PROLOGIS TRUST 144A		10/26/2005	BANK OF AMERICA		496,770	500,000	
74834L-AH-3	QUEST DIAGNOSTIC INC 144A		10/25/2005	BANK OF AMERICA		996,800	1,000,000	
783764-AK-9	RYLAND GRP		01/06/2005	JBS FINANCIAL SERVICES		497,780	500,000	
806605-AG-6	SCHERING PLOUGH CORP		01/07/2005	LEHMAN BROTHERS INC		563,095	500,000	3,844
844730-AG-6	SOUTHTRUST CORP		11/14/2005	WACHOVIA SECURITIES		514,045	500,000	12,244
902917-AH-6	WASTE MGT INC		11/09/2005	VARIOUS		1,190,156	1,050,000	15,458
913017-BH-1	UNITED TECH CORP		04/26/2005	BANK OF AMERICA		1,988,740	2,000,000	
931142-CB-7	WAL MART STORES INC		12/08/2005	VARIOUS		2,403,600	2,500,000	30,042
939322-AL-7	WASHINGTON MUTUAL INC		01/27/2005	BANK OF AMERICA		24,831	25,000	44
94982E-AA-2	WFMB 05-1 1A1		01/27/2005	JBS FINANCIAL SERVICES		1,000,078	1,000,000	3,563
983024-AK-6	WYETH 144A		12/01/2005	BANK OF AMERICA		125,931	125,000	458
87971M-AC-7	TELUS CORP	C	01/27/2005	BANK OF AMERICA		94,569	80,000	1,067
02364W-AH-8	AMER MOVIL SA DE CV	F	11/03/2005	JP MORGAN CHASE		343,371	350,000	6,317
11778B-AA-0	BSKYB FIN UK LTD 144A	F	10/13/2005	JP MORGAN CHASE		495,270	500,000	
156924-AC-6	CENTURY FDG LTD 98 1 C 144A	F	08/29/2005	CAPITALIZED INTEREST			131,489	
21987B-AK-4	CODELCO INC 144A	F	11/03/2005	JP MORGAN CHASE		285,951	300,000	2,203
30215E-AG-2	EXPORT IMPORT BANK OF KOREA 144A	F	03/16/2005	JBS FINANCIAL SERVICES		737,100	750,000	4,484
4041A2-AF-1	HBOS PLC 144A	F	04/05/2005	BANK OF AMERICA		782,055	750,000	19,625
448414-AC-6	HUTCHISON WHAMPOA FIN 144A	F	11/03/2005	LEHMAN BROTHERS INC		839,880	750,000	15,055
456866-AL-6	INGERSOLL RAND CO	F	09/28/2005	WACHOVIA SECURITIES		1,149,760	1,000,000	24,400
87927V-AQ-1	TELECOM ITALIA CAP	F	09/21/2005	LEHMAN BROTHERS INC		496,850	500,000	
902118-BK-3	TYCO INTL GRP SA	F	01/27/2005	BANK OF AMERICA		54,309	50,000	633
983730-AA-0	XL CAP (EUROPE) PLC LTD	F	01/27/2005	BANK OF AMERICA		32,881	30,000	87
4599999	Total - Bonds - Industrial, Misc.					91,941,531	90,327,382	680,732
4699999	Total - Bonds - Credit Tenant Loans							
5399999	Total - Bonds - Parent, Subsidiaries, Affiliates							
6099997	Total - Bonds - Part 3					193,115,502	191,807,417	985,319
6099998	Total - Bonds - Part 5					199,849,308	198,131,396	382,708
6099999	Total - Bonds					392,964,810	389,938,813	1,368,027
6199999	Total - Preferred Stocks - Public Utilities						XXX	
6299999	Total - Preferred Stocks - Banks, Trusts, Insurance						XXX	
6399999	Total - Preferred Stocks - Industrial, Misc.						XXX	
6499999	Total - Preferred Stocks - Parent, Subsidiaries, Affiliates						XXX	
6599997	Total - Preferred Stocks - Part 3						XXX	
6599998	Total - Preferred Stocks - Part 5						XXX	
6599999	Total - Preferred Stocks						XXX	
6699999	Total - Common Stocks - Public Utilities						XXX	
6799999	Total - Common Stocks - Banks, Trusts, Insurance						XXX	
6899999	Total - Common Stocks - Industrial, Misc.						XXX	
6999999	Total - Common Stocks - Parent, Subsidiaries, Affiliates						XXX	
7099999	Total - Common Stocks - Mutual Fund						XXX	
7199999	Total - Common Stocks - Money Market Mutual Fund						XXX	
7299997	Total - Common Stocks - Part 3						XXX	
7299998	Total - Common Stocks - Part 5						XXX	
7299999	Total - Common Stocks						XXX	
7399999	Total - Preferred and Common Stocks						XXX	
7499999	Totals					392,964,810	XXX	1,368,027

E11.2

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
3128X0-NJ-4	FED HOME LOAN MTG CORP		06/13/2005	SECURITY CALLED AT 16.112		1,611,188	10,000,000	1,364,799	1,563,767		43,859		43,859		1,607,626		3,562	3,562		12/13/2032
3128X1-7C-5	FED HOME LOAN MTG CORP		11/07/2005	SECURITY CALLED AT 100.000		500,000	500,000	496,760	497,054		224		224		497,277		2,723	2,723	25,625	11/07/2013
3128X1-PT-8	FED HOME LOAN MTG CORP		09/21/2005	BANK OF AMERICA		970,840	1,000,000	999,500	999,500		31		31		999,591		(28,751)	(28,751)	53,500	07/16/2013
3128X3-UL-5	FED HOME LOAN MTG CORP		02/28/2005	VARIOUS		1,500,000	1,500,000	1,500,000	1,500,000						1,500,000				41,250	08/26/2014
31339Y-3N-0	FED HOME LOAN BANK		09/21/2005	LEHMAN BROTHERS INC.		1,919,100	2,000,000	1,991,875	1,992,854		511		511		1,993,365		(74,265)	(74,265)	100,347	07/17/2013
313444-MF-8	FED HOME LOAN MTG CORP		12/08/2005	VARIOUS		6,130,200	6,000,000	6,386,160	6,197,311		(51,070)		(51,070)		6,146,241		(16,041)	(16,041)	339,063	03/05/2012
31359W-RK-1	FED NATL MTG ASSOC		09/29/2005	BANK OF AMERICA		493,145	500,000	520,360	517,759		(1,357)		(1,357)		516,402		(23,257)	(23,257)	21,134	05/01/2013
31359W-SV-6	FED NATL MTG ASSOC		12/08/2005	VARIOUS		12,823,870	13,000,000	12,998,781	12,998,815		164		164		12,998,979		(175,109)	(175,109)	333,361	08/11/2006
3136F5-ST-4	FED NATL MTG ASSOC		02/14/2005	SECURITY CALLED AT 100.000		1,000,000	1,000,000	999,200	999,213		3		3		999,216		784	784	30,450	08/12/2019
36213E-RX-6	GNMA #552302		12/01/2005	MBS PAYDOWN		594,036	594,036	596,357	593,982		55		55		594,036				19,523	04/01/2031
362170-50-1	GNMA #208855		01/18/2005	MBS PAYDOWN		2,601	2,601	2,856	2,849		(248)		(248)		2,601				21	09/01/2017
362170-N9-9	GNMA #208416		12/01/2005	MBS PAYDOWN		2,451	2,451	2,691	2,473		(22)		(22)		2,451				126	11/01/2016
362178-G6-4	GNMA #215399		12/01/2005	MBS PAYDOWN		202	202	220	203		(1)		(1)		202				10	07/01/2019
36218E-T8-4	GNMA #220275		11/15/2005	MBS PAYDOWN		6,543	6,543	7,183	7,158		(615)		(615)		6,543				558	04/01/2016
36218L-UM-5	GNMA #225688		12/01/2005	MBS PAYDOWN		11,574	11,574	12,707	11,736		(162)		(162)		11,574				553	07/01/2017
36218X-EE-5	GNMA #235133		12/01/2005	MBS PAYDOWN		694	694	762	703		(10)		(10)		694				28	03/01/2014
36218X-KW-8	GNMA #235309		12/01/2005	MBS PAYDOWN		132	132	145	133		(1)		(1)		132				7	06/01/2017
362192-GF-7	GNMA #264898		02/15/2005	MBS PAYDOWN		18,059	18,059	19,685	19,640		(1,581)		(1,581)		18,059				286	05/01/2019
36219K-WZ-5	GNMA #251864		12/01/2005	MBS PAYDOWN		43	43	46	43						43				2	06/01/2018
36219W-Z9-4	GNMA #261868		12/01/2005	MBS PAYDOWN		308	308	338	310		(1)		(1)		308				16	07/01/2018
36219Y-C4-6	GNMA #262991		12/01/2005	MBS PAYDOWN		1,053	1,053	1,153	1,088		(35)		(35)		1,053				62	01/01/2008
36220E-V8-7	GNMA #276139		12/01/2005	MBS PAYDOWN		818	818	892	825		(6)		(6)		818				43	02/01/2018
36220E-WW-3	GNMA #276161		12/01/2005	MBS PAYDOWN		3,272	3,272	3,567	3,301		(29)		(29)		3,272				170	06/01/2018
36220J-R6-5	GNMA #279609		12/01/2005	MBS PAYDOWN		306	306	327	307		(1)		(1)		306				7	11/01/2016
36220P-K7-6	GNMA #283918		12/01/2005	MBS PAYDOWN		1,393	1,393	1,523	1,397		(4)		(4)		1,393				73	11/01/2019
36220S-KX-3	GNMA #286610		12/01/2005	MBS PAYDOWN		345	345	376	346		(1)		(1)		345				19	05/01/2020
36220W-HV-2	GNMA #290144		12/01/2005	MBS PAYDOWN		925	925	1,009	931		(5)		(5)		925				48	04/01/2018
36220Y-RM-7	GNMA #292192		12/01/2005	MBS PAYDOWN		1,084	1,084	1,182	1,091		(7)		(7)		1,084				57	06/01/2020
36224S-W2-4	GNMA #337365		12/01/2005	MBS PAYDOWN		3,231	3,231	3,324	3,246		(15)		(15)		3,231				76	02/01/2008
36225A-OX-1	GNMA #780470		12/01/2005	MBS PAYDOWN		237,391	237,391	238,170	237,523		(132)		(132)		237,391				8,234	09/01/2008
71646X-AA-6	AMETHYST TITLE XI		07/15/2005	SINKING FUND REDEMPTION		20,832	20,832	20,832	20,832						20,832				662	01/15/2016
912828-CX-6	US TREASURY NOTE		08/10/2005	HONG KONG SHANGHAI BANK		473,922	490,000	493,579	493,457		(409)		(409)		493,049				13,601	10/15/2009
0999999	Bonds - U.S. Governments					28,329,558	36,897,293	28,666,356	28,669,908		(10,868)		(10,868)		28,659,040		(329,482)	(329,482)	988,662	XXX
195325-AW-5	REP OF COLOMBIA	F	10/09/2005	SINKING FUND REDEMPTION		87,608	87,608	89,579	87,747		(139)		(139)		87,608				6,457	04/09/2011
1099999	Bonds - All Other Governments					87,608	87,608	89,579	87,747		(139)		(139)		87,608				6,457	XXX
64966C-KJ-9	NEW YORK NY TAX SER J GO		11/03/2005	DAIN RAUSCHER WESSELL		942,260	1,000,000	1,013,820	1,012,244		(916)		(916)		1,011,328		(69,068)	(69,068)	42,125	06/01/2015
2499999	Bonds - Political Subdivisions					942,260	1,000,000	1,013,820	1,012,244		(916)		(916)		1,011,328		(69,068)	(69,068)	42,125	XXX
02R052-6C-6	TBA FHLMC 5.5 30 YR		01/13/2005	BANK OF AMERICA		26,042,871	25,793,566	26,042,871	26,042,871						26,042,871				165,509	01/01/2032
088518-BB-0	BEAR CNTY TX REV		08/15/2005	SECURITY CALLED AT 100.000		30,000	30,000	30,555	30,482		(14)		(14)		30,468		(468)	(468)	2,175	08/15/2022
243323-AX-0	DECATUR TX HOSP AUTH HOSP REV		09/01/2005	SECURITY CALLED AT 100.000		45,000	45,000	41,653	42,944		123		123		43,667		1,933	1,933	3,488	09/01/2009
31280C-H6-7	FHLMC #E59231		12/01/2005	MBS PAYDOWN		4,639	4,639	4,840	4,668		(30)		(30)		4,639				183	02/01/2009
31280C-SA-2	FHLMC #E59539		12/01/2005	MBS PAYDOWN		2,201	2,201	2,297	2,214		(13)		(13)		2,201				103	07/01/2009
31280C-Z7-7	FHLMC #E59766		12/01/2005	MBS PAYDOWN		30,384	30,384	31,700	30,612		(228)		(228)		30,384				1,802	07/01/2009
31280F-NU-2	FHLMC #E61303		12/01/2005	MBS PAYDOWN		30,817	30,817	30,686	30,823		(6)		(6)		30,817				1,137	02/01/2010
31283G-BY-2	FHLMC #G00055		12/01/2005	MBS PAYDOWN		33,091	33,091	34,802	33,456		(365)		(365)		33,091				1,531	05/01/2008
31283H-5J-0	FHLMC #G01749		12/01/2005	MBS PAYDOWN		2,390,676	2,390,676	2,413,145	2,392,190		(1,514)		(1,514)		2,390,676				29,972	06/01/2034
31287N-U0-9	FHLMC #C63291		12/01/2005	MBS PAYDOWN		115	115	116	116						115				4	05/01/2031
31287U-C6-7	FHLMC #C68193		12/01/2005	MBS PAYDOWN		42,443	42,443	42,028	42,408		35		35		42,443				998	06/01/2031
31286D-DU-1	FHLMC #E78215		12/01/2005	MBS PAYDOWN		49,888	49,888	49,952	49,890		(2)		(2)		49,888				1,425	10/01/2013
31292G-K4-7	FHLMC #C00315		12/01/2005	MBS PAYDOWN		80,375	80,375	79,652	80,246		129		129		80,375				2,847	08/01/2022
31292G-KF-2	FHLMC #C00294		12/01/2005	MBS PAYDOWN		22,004	22,004	21,833	21,979		25		25		22,004				701	02/01/2022
31292H-O3-1	FHLMC #C01374		12/01/2005	MBS PAYDOWN		141,898	141,898	143,125	141,992		(95)		(95)		141,898				4,420	07/01/2031
31293D-LD-2	FHLMC #C17524		12/01/2005	MBS PAYDOWN		177	177	176	177						177				6	02/01/2027
31293N-ZR-4	FHLMC #C25252		12/01/2005	MBS PAYDOWN		2,130	2,130	2,115	2,129						2,130				83	07/01/2028
31293T-GN-1	FHLMC #C29205		12/01/2005	MBS PAYDOWN		376,073	376,073	372,662	375,863		210		210		376,073				14,557	06/01/2028
31293V-HT-2	FHLMC #C30242		12/01/2005	MBS PAYDOWN		441,958	441,958	437,949	441,757		202		202		441,958				10,583	11/01/2028
31294J-KU-1	FHLMC #E00307		12/01/2005	MBS PAY																

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
3133TT-D2-4	CMO FHLMC 2316 PB		12/01/2005	MBS PAYDOWN		296,412	296,412	296,670	297,409		(996)		(996)		296,412				9,305	07/01/2006
3133TT-FZ-9	CMO FHLMC 2315 PG		12/01/2005	MBS PAYDOWN		208,667	208,667	207,623	208,469		198		198		208,667				10,718	06/01/2012
3133TT-RX-1	CMO FHLMC 2329 ZA		03/14/2005	CS FIRST BOSTON CORP.		6,692,486	6,375,931	5,904,056	6,001,759		9,316		9,316		6,011,075		681,411	681,411	120,916	06/01/2016
3133TT-YD-0	CMO FHLMC 2328 QE		06/20/2005	VARIOUS		2,389,315	2,332,559	2,314,336	2,318,294		3,250		3,250		2,321,544		67,772	67,772	76,808	06/01/2031
3133TT-X4-8	CMO FHLMC 2326 ZQ		05/01/2005	VARIOUS		6,704,657	6,375,931	5,905,814	6,021,252		10,495		10,495		6,031,748		672,910	672,910	119,765	01/01/2014
3133TU-5B-0	CMO FHLMC 2325 ZN		03/15/2005	VARIOUS		17,355,428	16,527,704	16,148,968	16,237,931		26,143		26,143		16,264,074		1,091,355	1,091,355	323,213	04/01/2013
31356H-4W-4	FHLMC #D55337		12/01/2005	MBS PAYDOWN		367	367	381	368						367				16	05/01/2024
31356J-FZ-1	FHLMC #D55584		05/17/2005	MBS PAYDOWN		6,110	6,110	6,330	6,328		(217)		(217)		6,110				203	07/01/2024
31356J-JP-9	FHLMC #D55670		12/01/2005	MBS PAYDOWN		283	283	293	283						283				12	09/01/2023
31356K-AA-2	FHLMC #D56327		12/01/2005	MBS PAYDOWN		54	54	54	54						54				2	09/01/2024
31356K-NZ-9	FHLMC #D56708		12/01/2005	MBS PAYDOWN		1,473	1,473	1,525	1,482		(10)		(10)		1,473				32	02/01/2010
31356K-OA-1	FHLMC #D56749		12/01/2005	MBS PAYDOWN		876	876	907	879		(3)		(3)		876				40	12/01/2020
31356K-VB-3	FHLMC #D56910		12/01/2005	MBS PAYDOWN		131	131	136	131						131				6	03/01/2020
31356K-X8-8	FHLMC #D57003		12/01/2005	MBS PAYDOWN		2,273	2,273	2,355	2,282		(9)		(9)		2,282				41	10/01/2022
31356L-30-9	FHLMC #D58007		12/01/2005	MBS PAYDOWN		20,496	20,496	21,233	20,514		(18)		(18)		20,496				554	02/01/2024
31356L-3S-5	FHLMC #D58009		12/01/2005	MBS PAYDOWN		122	122	122	122						122				5	12/01/2024
31356L-GU-6	FHLMC #D57411		12/01/2005	MBS PAYDOWN		177	177	183	177						177				8	09/01/2023
31356L-MF-2	FHLMC #D57558		12/01/2005	MBS PAYDOWN		229	229	238	229						229				10	09/01/2024
31356L-SZ-2	FHLMC #D57736		12/01/2005	MBS PAYDOWN		9,761	9,761	10,112	9,788		(28)		(28)		9,761				341	09/01/2023
31358G-PP-6	CMO FNMA 91-39 J		12/01/2005	MBS PAYDOWN		155,035	155,035	164,795	155,767		(732)		(732)		155,035				5,886	05/01/2021
31358S-M4-0	CMO FNMA 00-46 PC		12/01/2005	MBS PAYDOWN		1,183,491	1,183,491	1,220,475	1,193,410		(9,920)		(9,920)		1,183,491				42,723	11/01/2030
31359P-F9-2	CMO FNMA 97-46 PN		12/01/2005	MBS PAYDOWN		103,154	103,154	103,205	103,205		(51)		(51)		103,154				3,311	03/01/2012
31359S-BZ-2	CMO FNMA 01-6 ZC		12/01/2005	MBS PAYDOWN		360,331	360,331	332,663	356,524		3,807		3,807		360,331				12,155	02/01/2030
31359S-ZW-3	CMO FNMA 01-17 PH		12/01/2005	MBS PAYDOWN		491,340	491,340	490,725	491,084		255		255		491,340				16,122	10/01/2008
31359U-T2-1	CMO FNMA 98-61 PL		12/01/2005	MBS PAYDOWN		387,422	387,422	372,893	385,789		1,632		1,632		387,422				21,021	10/01/2028
31365P-PW-2	FNMA #133737		12/01/2005	MBS PAYDOWN		972	972	1,057	980		(7)		(7)		972				50	02/01/2019
31366U-DM-5	FNMA #158608		12/01/2005	MBS PAYDOWN		9,015	9,015	9,375	9,050		(36)		(36)		9,015				385	04/01/2007
31366U-SW-7	FNMA #159033		12/01/2005	MBS PAYDOWN		4,114	4,114	4,278	4,113		1		1		4,114				173	02/01/2007
31366V-R2-2	FNMA #159905		12/01/2005	MBS PAYDOWN		3,130	3,130	3,256	3,130		(1)		(1)		3,130				64	05/01/2007
31369V-YM-7	FNMA #222216		12/01/2005	MBS PAYDOWN		11,242	11,242	11,419	11,273		(31)		(31)		11,242				434	02/01/2008
31370C-LN-8	FNMA #227233		12/01/2005	MBS PAYDOWN		13,420	13,420	13,631	13,420		(30)		(30)		13,420				502	04/01/2008
31370E-36-9	FNMA #229499		05/25/2005	MBS PAYDOWN		381	381	387	384		(3)		(3)		381				7	07/01/2005
31370H-CA-5	FNMA #231465		12/01/2005	MBS PAYDOWN		21,156	21,156	21,489	21,241		(84)		(84)		21,156				525	05/01/2008
31370H-GS-2	FNMA #231609		12/01/2005	MBS PAYDOWN		10,327	10,327	10,489	10,357		(30)		(30)		10,327				385	12/01/2007
31370V-UJ-5	FNMA #242785		12/01/2005	MBS PAYDOWN		21,168	21,168	21,501	21,214		(46)		(46)		21,168				603	08/01/2008
313730-Z9-0	FNMA #300568		12/01/2005	MBS PAYDOWN		7,206	7,206	7,300	7,211		(5)		(5)		7,206				148	12/01/2010
31374J-3F-6	FNMA #315898		12/01/2005	MBS PAYDOWN		6,852	6,852	6,942	6,859		(7)		(7)		6,852				193	08/01/2010
31374R-DB-6	FNMA #321498		12/01/2005	MBS PAYDOWN		12,204	12,204	12,364	12,217		(13)		(13)		12,204				470	07/01/2010
31374S-JU-6	FNMA #322575		12/01/2005	MBS PAYDOWN		14,900	14,900	15,095	14,911		(12)		(12)		14,900				415	06/01/2010
31374U-HP-4	FNMA #324338		12/01/2005	MBS PAYDOWN		13,537	13,537	13,715	13,562		(25)		(25)		13,537				584	12/01/2009
31374W-4K-5	FNMA #326726		12/01/2005	MBS PAYDOWN		6,888	6,888	6,979	6,898		(10)		(10)		6,888				290	04/01/2010
31374X-UT-5	FNMA #327394		12/01/2005	MBS PAYDOWN		12,840	12,840	13,008	12,857		(17)		(17)		12,840				537	08/01/2010
31375A-D8-9	FNMA #328727		12/01/2005	MBS PAYDOWN		3,885	3,885	3,936	3,891		(5)		(5)		3,885				120	10/01/2010
31375A-GV-5	FNMA #328812		12/01/2005	MBS PAYDOWN		9,692	9,692	9,819	9,704		(12)		(12)		9,692				455	06/01/2010
31375A-HK-8	FNMA #328834		12/01/2005	MBS PAYDOWN		33,801	33,801	34,245	33,851		(50)		(50)		33,801				1,465	06/01/2010
31375A-L4-9	FNMA #328947		12/01/2005	MBS PAYDOWN		4,224	4,224	4,280	4,230		(5)		(5)		4,224				170	06/01/2010
31375A-VD-8	FNMA #329212		12/01/2005	MBS PAYDOWN		29,140	29,140	29,522	29,171		(31)		(31)		29,140				866	08/01/2010
31375D-EC-3	FNMA #331431		12/01/2005	MBS PAYDOWN		11,972	11,972	12,129	11,983		(10)		(10)		11,972				459	09/01/2010
31375D-RJ-9	FNMA #331799		12/01/2005	MBS PAYDOWN		13,297	13,297	13,472	13,319		(21)		(21)		13,297				440	06/01/2009
31375E-F3-0	FNMA #332386		12/01/2005	MBS PAYDOWN		12,048	12,048	12,206	12,061		(13)		(13)		12,048				457	03/01/2010
31375E-N6-4	FNMA #332613		12/01/2005	MBS PAYDOWN		18,673	18,673	18,918	18,704		(31)		(31)		18,673				849	05/01/2010
313921-FN-3	CMO FNMA 01-56 KD		07/01/2005	MBS PAYDOWN		538,511	538,511	539,735	538,534		(24)		(24)		538,511				10,756	08/01/2005
313921-UM-8	CMO FNMA 01-53 OH		02/01/2005	MBS PAYDOWN		35,617	35,617	35,853	35,627		(11)		(11)		35,617				261	02/01/2005
313930-5A-5	CMO FNMA 03-76 DV		12/01/2005	MBS PAYDOWN		27,455	27,455	25,820	27,396		59		59		27,455				749	08/01/2020
362994-MA-0	FHA PL - REILLY #45		12/25/2005	MBS PAYDOWN		48,320	48,320	39,420	47,453		867		867		48,320				1,360	01/01/2007
38012C-CK-3	GMIH MILITARY HSG NAVY NE REV		08/18/2005	RAYMOND JAMES		816,416	800,000	819,336	819,336		(201)		(201)		819,135		(2,719)	(2,719)	38,933	10/15/2028
38374B-VY-6	CMO GNMA 03-66 MV		12/01/2005	MBS PAYDOWN		30,345	30,345	30,260	30,344		1		1		30,345				912	06/01/2

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
319999	Bonds - Special Revenues					88,151,973	86,121,393	84,085,011	84,994,270		121,679		121,679		85,115,949		3,036,025	3,036,025	1,624,376	XXX
02360X-AE-7	AMERENERGY GENERATING		11/01/2005	MATURITY		3,500,000	3,500,000	3,567,700	3,533,402	(33,402)		(33,402)		3,500,000					271,250	11/01/2005
209615-BN-2	CONSOLIDATED NAT GAS		07/11/2005	CS FIRST BOSTON CORP		556,450	500,000	562,570	561,432	(2,993)		(2,993)		558,439		(1,989)	(1,989)	20,519	12/01/2013	
210518-CB-0	CONSUMERS ENERGY 144A		03/16/2005	EXCHANGE OF SECURITIES		2,526,196	2,500,000	2,526,925	2,526,511	(315)		(315)		2,526,196				79,826	08/15/2016	
233331-AG-2	DTE ENERGY CO		08/10/2005	BANK OF AMERICA		790,290	750,000	748,935	749,309	87		87		749,396		40,894	40,894	41,008	04/15/2009	
337932-AB-3	FIRSTENERGY CORP		07/08/2005	BARCLAYS CAPITAL		271,003	250,000	263,570	262,040	(780)		(780)		261,260		9,742	9,742	10,660	11/15/2011	
485260-AX-1	KANSAS GAS & ELECT		06/30/2005	SECURITY CALLED AT 101.090		176,908	175,000	171,500	173,355	363		363		173,718		3,189	3,189	10,045	09/29/2007	
677050-AB-2	OGLETHORPE PWR CORP		06/30/2005	SINKING FUND REDEMPTION		19,000		19,224	19,008	(8)		(8)		19,000				663	06/30/2011	
723484-AB-7	PINNACLE W CAP CORP		12/07/2005	CITIGROUP INC		2,007,060	2,000,000	1,996,180	1,998,939	791		791		1,999,729		7,331	7,331	152,178	04/01/2006	
754052-AG-3	RAS LAFFAN LIQ NAT GAS 144A	F	09/15/2005	SINKING FUND REDEMPTION		96,615		96,088	96,553	39		39		96,591		24	24	2,495	09/15/2009	
389999	Bonds - Public Utilities					9,943,521	9,790,615	10,042,691	9,920,549	(36,219)		(36,219)		9,884,330		59,192	59,192	588,645	XXX	
00184A-AC-9	TIME WARNER COS INC		11/30/2005	BANK OF AMERICA		1,135,650	1,000,000	1,082,210	1,079,348	(1,031)		(1,031)		1,078,317		57,333	57,333	86,840	04/15/2031	
00686U-AA-2	ADESA INC		02/14/2005	UBS FINANCIAL SERVICES		158,625	150,000	154,875	154,702	(92)		(92)		154,610		4,015	4,015	1,970	06/15/2012	
013104-AF-1	ALBERTSONS INC		10/06/2005	UBS FINANCIAL SERVICES		2,349,320	2,500,000	2,674,655	2,666,183	(1,626)		(1,626)		2,664,537		(315,217)	(315,217)	202,702	08/01/2029	
013100-DB-8	ALBERTSONS INC		10/04/2005	VARIOUS		398,700	500,000	471,355	472,643	356	74,308	(73,952)		473,000		8	8	28,156	06/01/2028	
026609-AC-1	WYETH		12/01/2005	BANK OF AMERICA		142,398	125,000	125,833	125,792	(21)		(21)		125,771		16,626	16,626	11,454	03/01/2023	
039483-AS-1	ARCHER DANIELS MIDLAND		04/13/2005	CITIGROUP INC		120,561	100,000	109,718	109,439	(44)		(44)		109,396		11,165	11,165	4,997	02/01/2031	
05949A-JY-7	BOAMS 04-6 1A12		12/01/2005	MBS PAYDOWN		37,979		37,824	37,967	12		12		37,979				1,178	10/01/2015	
05949A-PF-1	BOAMS 04-7 5A10		12/01/2005	MBS PAYDOWN		118,184		117,593	118,101	82		82		118,184				3,003	10/01/2013	
079860-AJ-1	BELLSOUTH CORP		02/18/2005	DEUTSCHE BANK		502,955	500,000	498,780	498,796	19		19		498,815		4,140	4,140	6,531	11/15/2012	
080555-AG-0	BEO CORP		06/02/2005	UBS FINANCIAL SERVICES		546,250	500,000	569,155	564,556	(6,777)		(6,777)		557,779		(11,529)	(11,529)	24,000	11/01/2008	
12189P-AD-4	BURLINGTON NTHRN SANTE FE		07/02/2005	SINKING FUND REDEMPTION		57,960		58,583	57,965	(5)		(5)		57,960				1,962	07/02/2018	
126671-LE-4	CWL 01-1 AF5		09/27/2005	VARIOUS		2,224,933	2,224,933	2,224,919	2,224,924	5		5		2,224,924		9	9	82,606	02/01/2031	
126684-LL-7	CWALT 05-50CB 4A1		12/01/2005	MBS PAYDOWN		24,335	24,335	24,247	24,334	1		1		24,335				216	08/01/2020	
126696-XN-6	CWHL 05-12 1A5		12/01/2005	MBS PAYDOWN		287,121	287,121	286,941	287,113	8		8		287,121				6,595	09/01/2012	
14441U-AA-9	CARRAMERICA REALTY CORP		10/28/2005	BANK OF AMERICA		388,868	400,000	398,736	398,794	131		131		398,925		(10,057)	(10,057)	24,429	09/01/2011	
15640P-AA-6	CENTURA BANKS		10/03/2005	BANK OF AMERICA		1,054,340	1,000,000	996,320	998,151	296		296		998,447		55,893	55,893	68,250	03/15/2009	
172062-AC-5	CINCINNATI FINL CORP		05/09/2005	EXCHANGE OF SECURITIES		988,197	1,000,000	987,540	988,124	73		73		988,197				33,350	05/15/2028	
172973-3Y-3	CMSI 05-8 1A1		12/01/2005	MBS PAYDOWN		2,334		2,312	2,334					2,334				11	11/01/2019	
172973-YT-0	CMSI 04-5 1A3		12/01/2005	MBS PAYDOWN		292,912	292,912	292,363	292,858	55		55		292,912				7,038	05/01/2014	
204012-AD-0	CPLT 87-A 4A		10/01/2005	MBS PAYDOWN		109,245		108,893	108,893	352		352		109,245				3,441	04/01/2014	
208251-AE-8	CONOCO INC		11/04/2005	VARIOUS		2,959,085	2,500,000	2,526,930	2,526,000	(367)		(367)		2,525,641		433,444	433,444	183,403	04/15/2029	
22541L-AR-4	CREDIT SUISSE FIRST BOSTON USA INC		08/10/2005	VARIOUS		488,763	500,000	497,650	497,660	139		139		497,799		(9,037)	(9,037)	16,250	01/15/2015	
235811-AJ-5	DANA CORP		11/17/2005	VARIOUS		372,938	500,000	379,688	383,186	1,185		1,185		384,371		(11,434)	(11,434)	38,432	03/15/2028	
235811-AL-0	DANA CORP		05/17/2005	WACHOVIA SECURITIES		146,738	195,000	149,663	150,895	195		195		151,090		(4,353)	(4,353)	9,820	03/01/2029	
247126-AC-9	DELPHI CORP		03/08/2005	VARIOUS		5,018,750	5,750,000	5,719,655	5,721,640	74		74		5,721,714		(702,964)	(702,964)	140,620	05/01/2029	
254063-AX-8	DILLARDS INC		07/26/2005	CITIGROUP INC		240,000	250,000	234,375	234,645	421		421		235,065		4,935	4,935	17,207	01/15/2018	
254394-AE-9	DIMON INC		05/13/2005	TENDERED		549,545	490,000	495,780	494,060	(253)		(253)		493,808		55,737	55,737	27,249	10/15/2011	
26056R-AA-6	DOW JONES CDX HIGH YIELD 144A		04/13/2005	VARIOUS		348,969	350,000	354,406	354,232	(162)		(162)		354,070		(5,101)	(5,101)	7,793	12/29/2009	
26884A-AS-2	ERP OPER LP		04/08/2005	WACHOVIA SECURITIES		492,720	500,000	499,385	499,400	14		14		499,414		(6,694)	(6,694)	15,240	02/09/2014	
277432-AE-0	EASTMAN CHEM		01/04/2005	UBS FINANCIAL SERVICES		1,707,720	1,500,000	1,487,610	1,490,240	17		17		1,490,257				23,917	04/15/2012	
278786-AX-6	ECHOSTAR DBS CORP 144A		06/03/2005	EXCHANGE OF SECURITIES		238,378	240,000	238,295	238,326	52		52		238,378				10,688	10/01/2014	
293791-AJ-8	ENTERPRISE PROD OPER 144A		03/11/2005	EXCHANGE OF SECURITIES		504,577	500,000	504,725	504,643	(66)		(66)		504,577				12,211	10/15/2014	
302569-AA-6	FPL ENERGY VIRGINIA FDG 144A		06/30/2005	SINKING FUND REDEMPTION		25,287		25,287	25,287					25,287				951	06/30/2019	
32055R-AG-2	FIRST INDUS LP		04/21/2005	MORGAN STANLEY AND CO INC		555,995	500,000	515,075	511,116	(464)		(464)		510,652		45,343	45,343	22,637	03/15/2011	
345370-BZ-2	FORD MOTOR CO		02/09/2005	GOLDMAN SACHS AND COMPANY		1,314,570	1,500,000	1,482,255	1,483,634	26		26		1,483,660		(169,090)	(169,090)	48,556	02/01/2029	
36228C-TH-6	GSMS 04-GG2 A6		10/26/2005	LEHMAN BROTHERS INC		2,014,531	2,000,000	2,009,916	2,009,531	(879)		(879)		2,008,652		5,880	5,880	98,927	07/01/2014	
38141G-CM-4	GOLDMAN SACHS GRP INC		01/05/2005	BEAR STEARNS SECURITIES		514,710	500,000	517,695	517,478	(34)		(34)		517,444		(2,734)	(2,734)	4,201	11/15/2014	
40429C-AA-0	HSCB FIN CORP		12/29/2005	GOLDMAN SACHS AND COMPANY		1,073,090	1,000,000	1,019,360	1,015,473	(2,023)		(2,023)		1,013,451		59,640	59,640	75,750	05/15/2011	
42218S-AA-6	HEALTH CARE SVCS CORP 144A		03/02/2005	MORGAN STANLEY AND CO INC		1,724,970	1,500,000	1,493,295	1,495,052	110		110		1,495,162		229,808	229,808	26,479	06/15/2011	
427056-BA-3	HERCULES INC		02/10/2005	UBS FINANCIAL SERVICES		256,875	250,000	254,343	254,262	(54)		(54)		254,208		2,667	2,667	5,625	10/15/2029	
45254T-GU-2	IWSA 01-4 A113		12/01/2005	MBS PAYDOWN		182,958		182,644	182,958					182,958				6,423	06/01/2028	
459200-AS-0	IBM CORP		12/08/2005	JP MORGAN CHASE		2,214,480	2,000,000	2,124,040	2,112,606	(2,228)		(2,228)		2,110,377		104,103	104,103	183,444	01/15/2028	
482732-AC-8	K2 CORP 144A		01/27/2005	EXCHANGE OF SECURITIES		262,075	250,000	262,500	262,168	(93)		(93)		262,075						

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
62621D-AA-8	MUNI CORRECTIONS FIN 144A		08/01/2005	SINKING FUND REDEMPTION		68,389	68,389	68,389	68,389						68,389				5,793	08/01/2016
638585-AU-3	NATIONSBANK CORP		08/11/2005	BANK OF AMERICA		1,218,160	1,000,000	1,232,990	1,216,757	(8,524)			(8,524)		1,208,233		9,927	9,927	71,717	09/15/2016
638610-AW-8	NATIONWIDE HEALTH PPTY SER B		08/15/2005	JP MORGAN CHASE		524,440	500,000	541,320	529,924	(7,661)			(7,661)		522,264		2,176	2,176	33,461	05/10/2007
667294-AT-9	NW AIRLINES INC 2000 1 G		09/08/2005	VARIOUS		924,275	878,090	930,012	925,635	(2,344)			(2,344)		923,292		983	983	64,319	10/01/2019
693476-AP-8	PNC FDG CORP		10/03/2005	BANK OF AMERICA		273,840	250,000	267,685	262,110	(1,679)			(1,679)		260,431		13,409	13,409	17,448	11/01/2009
723787-AA-5	PIONEER NAT RESOURCE		08/03/2005	CS FIRST BOSTON CORP		232,850	225,000	209,625	216,534	1,526			1,526		218,060		14,790	14,790	15,559	01/15/2008
7425A0-AG-5	PRINCIPAL LIFE GLOB 144A		09/23/2005	BANK OF AMERICA		1,080,100	1,000,000	999,650	999,720	24			24		999,743		80,357	80,357	69,972	02/15/2012
743315-AK-9	PROGRESSIVE CORP		08/10/2005	BANK OF AMERICA		1,075,490	1,000,000	1,095,870	1,077,546	(5,709)			(5,709)		1,071,836		3,654	3,654	68,354	01/15/2012
743410-AE-2	PROLOGIS TRUST		10/26/2005	JP MORGAN CHASE		498,170	500,000	499,005	499,157	70			70		499,227		(1,057)	(1,057)	32,083	03/01/2013
750236-AH-4	RADIAN GRP INC		10/04/2005	CITIGROUP INC		250,815	250,000	258,718	257,935	(617)			(617)		257,318		(6,503)	(6,503)	16,094	02/15/2013
760943-AF-7	RES CARE INC		10/03/2005	TENDERED		180,345	170,000	170,000	170,000						170,000		10,345	10,345	15,955	11/15/2008
76112B-DW-7	RAMP 04-RS10 M12		09/07/2005	CS FIRST BOSTON CORP		252,061	250,000	249,891	249,891						249,891		2,170	2,170	11,061	08/01/2014
806605-AE-1	SCHERING PLOUGH CORP		01/07/2005	LEHMAN BROTHERS INC		520,415	500,000	510,705	510,118	(28)			(28)		510,091		10,324	10,324	3,160	12/01/2013
817320-AL-8	SEQUA CORP SER B		05/25/2005	LEHMAN BROTHERS INC		157,125	150,000	150,000	150,000						150,000		7,125	7,125	8,875	04/01/2008
82922E-AM-1	SINCLAIR BROADCAST GRP		02/15/2005	LEHMAN BROTHERS INC		157,125	150,000	157,125	156,821	(141)			(141)		156,680		445	445	5,100	03/15/2012
843599-AA-9	SINKING FUND REDEMPTION		04/30/2005	SINKING FUND REDEMPTION		66,749	66,749	67,339	66,759	(10)			(10)		66,749				2,430	04/30/2015
86357U-AM-3	SERVES 99-4 (3L+1.75%) 144A		09/01/2005	SECURITY CALLED AT 102.609		4,104,353	4,000,000	4,000,000	4,000,000						4,000,000		104,353	104,353	153,920	08/01/2011
912920-AG-0	QWEST CORP		11/18/2005	CITIGROUP INC		221,875	250,000	263,000	261,234	(335)			(335)		260,899		(39,024)	(39,024)	18,208	11/15/2043
929900-AF-5	WACHOVIA BANK NA		08/01/2005	SECURITY CALLED AT 100.000		3,500,000	3,500,000	3,660,755	3,523,340	(23,340)			(23,340)		3,500,000				269,500	08/01/2010
94106L-AK-5	WASTE MGT INC		11/09/2005	DEUTSCHE BANK		324,672	300,000	305,652	304,270	(564)			(564)		303,707		20,965	20,965	28,517	08/01/2010
94106L-AP-4	WASTE MGMT INC		09/08/2005	UBS FINANCIAL SERVICES		271,095	250,000	247,600	247,974	142			142		248,115		22,980	22,980	13,193	11/15/2012
949788-AE-3	WFMS 04-7 2A1		12/01/2005	MBS PAYDOWN		182,495	182,495	181,240	182,392	103			103		182,495				4,314	06/01/2019
94980Y-AE-2	WFMS 03-16 2A1		12/01/2005	MBS PAYDOWN		50,277	50,277	49,593	50,223	54			54		50,277				1,195	11/01/2018
94982E-AA-2	WFMS 05-1 1A1		12/01/2005	VARIOUS		99,176	99,176	99,184	99,183	(7)			(7)		99,176				2,324	01/01/2020
950590-AK-5	WENDYS INTL		06/14/2005	UBS FINANCIAL SERVICES		741,250	750,000	816,750	814,862	(2,493)			(2,493)		812,368		(71,118)	(71,118)	23,422	06/15/2014
003924-AH-0	ABITIBI CONSOLIDATED INC	C	09/07/2005	UBS FINANCIAL SERVICES		190,250	200,000	212,332	211,929	(100)			(100)		211,829		(21,579)	(21,579)	19,716	08/01/2030
009037-AD-4	AINSWORTH LUMBER	C	02/16/2005	CS FIRST BOSTON CORP		147,000	150,000	144,375	144,521	61			61		144,582		2,418	2,418	1,463	03/15/2014
01877K-AB-9	ALLIANCE PIPELINE LP 144A	C	06/30/2005	SINKING FUND REDEMPTION		64,743	64,743	64,743	64,743						64,743				2,265	12/31/2019
156877-AB-8	CERRO NEGRO FIN LTD SER B 144A	F	07/12/2005	VARIOUS		2,318,750	2,500,000	2,430,800	2,445,027	1,556			1,556		2,446,583		(127,833)	(127,833)	122,669	12/01/2020
302154-AK-5	EXPORT IMPORT BANK OF KOREA	F	02/22/2005	HONG KONG SHANGHAI BANK		749,145	750,000	758,078	757,740	(217)			(217)		757,523		(8,378)	(8,378)	18,094	08/12/2009
705015-AB-1	PEARSON PLC 144A	F	10/04/2005	DEUTSCHE BANK		228,115	250,000	250,780	250,721	(30)			(30)		250,691		(22,576)	(22,576)	9,378	06/15/2018
74251U-AC-8	PRINCIPAL FINL GRP(AU) 144A	F	08/10/2005	BANK OF AMERICA		561,045	500,000	563,720	546,601	(5,461)			(5,461)		541,139		19,906	19,906	40,544	08/15/2009
75968N-AB-7	RENAISSANCERE HLDGS LTD	F	11/02/2005	BANK OF AMERICA		49,092	50,000	49,897	49,914	7			7		49,921		(829)	(829)	3,607	02/15/2013
780097-AM-3	ROYAL BANK OF SCOTLAND GRP	F	04/05/2005	BANK OF AMERICA		705,615	750,000	705,645	706,498	605			605		707,103		(1,488)	(1,488)	26,927	07/03/2018
87927V-AE-8	TELECOM ITALIA CAP	F	09/21/2005	UBS FINANCIAL SERVICES		500,885	500,000	503,557	503,514	(235)			(235)		503,279		(2,394)	(2,394)	22,677	11/15/2013
879385-AC-6	TELEFONICA EUROPE BV	F	08/10/2005	BANK OF AMERICA		564,485	500,000	592,150	578,047	(7,419)			(7,419)		570,628		(6,143)	(6,143)	35,090	09/15/2010
4599999	Bonds - Industrial and Miscellaneous					63,355,902	62,180,565	63,654,416	63,369,142	(98,327)	74,308		(172,635)		63,270,815		159,396	159,396	3,165,311	XXX
17186H-AA-4	CIMARRON CTR LLC (WALMART)		12/01/2005	SINKING FUND REDEMPTION		24,262	24,262	24,262	24,262						24,262				970	08/01/2027
23857H-AD-6	DAVID OIL CORP (MCDONALDS)		12/01/2005	SINKING FUND REDEMPTION		30,351	30,351	30,351	30,351						30,351				1,247	03/01/2014
26831H-AA-6	EDF DANVERS II (KOHLS)		12/01/2005	SINKING FUND REDEMPTION		24,265	24,265	24,265	24,265						24,265				963	10/01/2027
53626H-AA-7	LIONHEART LTD (FOODLION)		12/01/2005	SINKING FUND REDEMPTION		116,385	116,385	116,385	116,385						116,385				4,718	12/01/2017
70423H-AA-6	PAXSON ASSOCIATES (CVS)		12/01/2005	SINKING FUND REDEMPTION		76,199	76,199	76,199	76,199						76,199				3,123	01/01/2019
82842H-AC-0	BENEDICT SILVERMAN (WALMART)		12/01/2005	SINKING FUND REDEMPTION		196,254	196,254	196,254	196,254						196,254				6,775	05/01/2008
4699999	Bonds - Credit Tenant Loans					467,715	467,715	467,715	467,715						467,715				17,796	XXX
6099997	Bonds - Part 4					191,278,538	196,545,189	188,019,589	188,521,575		74,308		(99,099)		188,496,784		2,856,062	2,856,062	6,433,371	XXX
6099998	Bonds - Part 5					199,714,899	199,849,308	199,849,308	199,849,308	(14,508)			(14,508)		199,834,800		(119,901)	(119,901)	1,430,739	XXX
6099999	Total - Bonds					390,993,437	394,676,585	387,868,897	388,370,883	(39,299)	74,308		(113,607)		388,331,584		2,736,161	2,736,161	7,864,110	XXX
313043-AC-5	FBS CAP I		06/27/2005	TENDERED		547,295	500,000	510,675	509,359	(240)			(240)		509,119		38,176	38,176	24,944	XXX
749769-AA-3	RABOBANK CAP FD TRUST III 144A		10/17/2005	BARCLAYS CAPITAL		489,000	500,000	500,000	500,000						500,000		(11,000)	(11,000)	21,162	XXX
90329S-AC-7	US BANCORP CAP		06/27/2005	TENDERED		2,500,000	2,500,000	2,574,250	2,564,206	(1,621)			(1,621)		2,562,585		187,115	187,115	110,267	XXX
6209999	Preferred Stocks - Banks, Trust and Insurance Companies					3,785,995	XXX	3,584,925	3,573,565	(1,862)			(1,862)		3,571,704		214,291	214,291	156,373	XXX
6599997	Preferred Stocks - Part 4					3,785,995	XXX	3,584,925	3,573,565	(1,862)			(1,862)		3,571,704		214,291	214,291	156,373	XXX
6599998	Preferred Stocks - Part 5					XXX	XXX	XXX	XXX						XXX	</				

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE D - PART 5

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

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21		
											12	13	14	15	16							
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/ Adjusted Carrying Value at Disposal Date	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change In B./A. C.V. (12 + 13 - 14)	Total Foreign Exchange Change in B./A. C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends		
02R052-61-0	TBA FHLMC 5.5 30 YR		01/13/2005	BANK OF AMERICA	01/07/2005	BANK OF AMERICA	25,793,566	26,042,871	26,042,871	26,042,871									153,687	47,288		
02R052-62-8	TBA FHLMC 5.5 30 YR		01/07/2005	BANK OF AMERICA	02/07/2005	BANK OF AMERICA	25,793,566	26,042,871	26,042,871	26,042,871									169,449	35,466		
02R052-63-6	TBA FHLMC 5.5 30 YR		02/07/2005	BANK OF AMERICA	03/10/2005	BANK OF AMERICA	25,793,566	26,042,871	26,042,871	26,042,871									165,509	51,229		
02R052-64-4	TBA FHLMC 5.5 30 YR		03/10/2005	BANK OF AMERICA	04/08/2005	BANK OF NEW YORK	25,793,566	26,042,871	26,042,871	26,042,871									161,568	47,288		
02R052-65-1	TBA FHLMC 5.5 30 YR		04/08/2005	BANK OF AMERICA	05/09/2005	BANK OF AMERICA	25,793,566	26,042,871	26,039,886	26,039,886		(2,985)		(2,985)					165,509	43,348		
02R052-66-9	TBA FHLMC 5.5 30 YR		05/09/2005	BANK OF AMERICA	06/09/2005	BANK OF AMERICA	25,793,566	26,039,886	26,035,980	26,035,980		(3,906)		(3,906)					169,449	47,288		
452281-HE-1	JL STU ASSIST COM STU LN REV		03/10/2005	UBS FINANCIAL SERVICES	04/06/2005	UBS FINANCIAL SERVICES	4,000,000	4,000,000	4,000,000	4,000,000									8,929	319		
455900-AS-9	JN SECONDARY MKT ED REV		03/10/2005	UBS FINANCIAL SERVICES	04/07/2005	UBS FINANCIAL SERVICES	4,000,000	4,000,000	4,000,000	4,000,000									9,113			
462590-FN-5	JA STU LN LIQ CORP REV		03/10/2005	UBS FINANCIAL SERVICES	04/07/2005	UBS FINANCIAL SERVICES	4,000,000	4,000,000	4,000,000	4,000,000									9,113			
606072-GF-7	MQ HIGH ED LN AUTH REV		03/10/2005	UBS FINANCIAL SERVICES	04/06/2005	UBS FINANCIAL SERVICES	4,000,000	4,000,000	4,000,000	4,000,000									8,990	321		
66704J-AF-5	NORTHSTAR GUAR INC DIV B STD LN REV		03/10/2005	UBS FINANCIAL SERVICES	04/07/2005	UBS FINANCIAL SERVICES	4,000,000	4,000,000	4,000,000	4,000,000									9,113			
3199999	Bonds - Special Revenue						174,761,396	176,254,240	176,247,350	176,247,350				(6,891)	(6,891)				1,030,431	272,547		
485260-BG-7	KANSAS GAS & ELEC 144A		06/21/2005	CS FIRST BOSTON CORP	11/16/2005	EXCHANGE OF SECURITIES	500,000	500,000	500,000	500,000									10,667			
3899999	Bonds - Public Utilities						500,000	500,000	500,000	500,000									10,667			
000811-AA-6	ACCOR BRANDS CORP 144A		08/29/2005	GOLDMAN SACHS AND COMPANY	11/10/2005	EXCHANGE OF SECURITIES	250,000	253,125	253,078	253,078		(47)		(47)					5,030	1,377		
029717-AM-7	AMER STANDARD INC		01/06/2005	DEUTSCHE BANK	03/24/2005	BANK OF AMERICA	500,000	571,180	552,530	568,451		(2,729)		(2,729)			(15,921)	(15,921)	23,828	15,462		
073851-AJ-5	BEAR STEARNS CO INC		09/15/2005	BEAR STEARNS SECURITIES	10/24/2005	GOLDMAN SACHS AND COMPANY	1,000,000	1,055,870	1,031,040	1,055,419		(451)		(451)			(24,379)	(24,379)	25,650	19,792		
19458N-AR-7	COELT 02-A A15 144A		03/10/2005	UBS FINANCIAL SERVICES	04/07/2005	UBS FINANCIAL SERVICES	4,000,000	4,000,000	4,000,000	4,000,000									9,113			
257867-AQ-4	DONNELLY & SONS 144A		05/18/2005	CITICORP SECURITIES INC	12/13/2005	EXCHANGE OF SECURITIES	3,000,000	2,995,050	2,995,216	2,995,216			166		166				91,667			
26056R-AA-6	DOW JONES CDX HIGH YIELD 144A		01/27/2005	UBS FINANCIAL SERVICES	02/16/2005	BANK OF AMERICA	50,000	50,781	51,125	50,774		(7)		(7)			351	351	667	441		
26062R-AA-8	DOW JONES CDX HY 144A		04/13/2005	JP MORGAN CHASE	11/16/2005	VARIOUS	250,000	248,125	245,706	245,884		(2,241)		(2,241)			(178)	(178)	11,734			
281397-AD-1	ELAB 03-1 A4		03/10/2005	UBS FINANCIAL SERVICES	04/07/2005	UBS FINANCIAL SERVICES	1,900,000	1,900,000	1,900,000	1,900,000									4,329			
38141G-EA-8	GOLDMAN SACHS GRP INC		01/05/2005	GOLDMAN SACHS AND COMPANY	10/14/2005	GOLDMAN SACHS AND COMPANY	500,000	498,140	491,235	498,255		115		115			(7,020)	(7,020)	19,717			
49446Q-BB-6	KIMCO REALTY CORP		02/15/2005	VARIOUS	05/04/2005	UBS FINANCIAL SERVICES	200,000	200,134	195,384	200,129		(5)		(5)			(4,745)	(4,745)	2,207			
53079E-AC-8	LIBERTY MUTUAL INS 144A		01/27/2005	BANK OF AMERICA	03/15/2005	GOLDMAN SACHS AND COMPANY	50,000	48,936	49,931	48,951		15		15			980	980	1,461	1,086		
552953-AD-3	MGM MIRAGE INC		01/27/2005	UBS FINANCIAL SERVICES	02/03/2005	MERRILL LYNCH	60,000	68,738	68,250	68,713		(25)		(25)			(463)	(463)	2,026	1,927		
71343P-AA-9	PEPSI AMERICAS INC		01/05/2005	BANK OF AMERICA	01/19/2005	LEHMAN BROTHERS INC	1,250,000	1,246,463	1,252,113	1,246,474		12		12			5,638	5,638	2,370			
72650R-AE-2	PLAINS ALL AMER PIPELINE 144A		01/06/2005	UBS FINANCIAL SERVICES	03/28/2005	EXCHANGE OF SECURITIES	1,000,000	1,030,130	1,029,790	1,029,790		(340)		(340)					36,882	24,316		
73179U-AC-9	POLYPOR INC		01/27/2005	UBS FINANCIAL SERVICES	02/01/2005	UBS FINANCIAL SERVICES	50,000	51,406	51,375	51,405		(2)		(2)			(30)	(30)	960	924		
755081-AD-8	RAYOVAC CORP		01/27/2005	UBS FINANCIAL SERVICES	02/14/2005	BANK OF AMERICA	50,000	54,031	54,000	54,012		(19)		(19)			(12)	(12)	1,606	1,417		
782352-AC-2	RUSSELL CORP		01/27/2005	UBS FINANCIAL SERVICES	02/09/2005	JP MORGAN CHASE	40,000	42,925	43,150	42,896		(29)		(29)			254	254	1,059	925		
783764-AK-9	RYLAND GRP		01/06/2005	UBS FINANCIAL SERVICES	04/07/2005	BANK OF AMERICA	500,000	498,925	488,535	498,948		23		23			(10,413)	(10,413)	6,793			
87243B-AC-3	TGT PIPELINE 144A		03/03/2005	VARIOUS	09/15/2005	EXCHANGE OF SECURITIES	2,000,000	2,002,210	2,002,292	2,002,292		82		82					72,417	7,639		
893934-AB-5	TRANSMONTAIGNE INC		01/27/2005	UBS FINANCIAL SERVICES	02/15/2005	UBS FINANCIAL SERVICES	50,000	53,906	53,750	53,870		(36)		(36)			(120)	(120)	976	760		
913017-BH-1	UNITED TECH CORP		04/26/2005	BANK OF AMERICA	04/26/2005	BARCLAYS CAPITAL	2,500,000	2,485,925	2,489,825	2,485,925							3,900	3,900	479			
918790-AH-2	VAIL RESORTS INC		01/27/2005	UBS FINANCIAL SERVICES	02/10/2005	BANK OF AMERICA	85,000	85,903	86,381	85,903		(1)		(1)					2,869	2,646		
94106L-AP-4	WASTE MGMT INC		04/05/2005	LEHMAN BROTHERS INC	09/08/2005	UBS FINANCIAL SERVICES	500,000	538,165	542,190	536,401		(1,764)		(1,764)			5,789	5,789	26,385	12,661		
861594-AB-5	STONE CONTAINER FIN		01/27/2005	UBS FINANCIAL SERVICES	02/10/2005	UBS FINANCIAL SERVICES	85,000	88,028	89,038	88,016		(12)		(12)				1,021	1,021	522	279	
302154-AM-1	EXPORT IMPORT BANK OF KOREA		03/08/2005	BARCLAYS CAPITAL	03/16/2005	UBS FINANCIAL SERVICES	750,000	748,140	731,295	748,142		2		2			(16,847)	(16,847)	534			
30215E-AG-2	EXPORT IMPORT BANK OF KOREA 144A		02/22/2005	HONG KONG SHANGHAI BANK	03/08/2005	VARIOUS	750,000	763,223	756,143	763,171		(51)		(51)			(7,029)	(7,029)	3,391	1,641		
96008Y-AB-1	WESTFIELD CAP CORP 144A		09/15/2005	VARIOUS	10/27/2005	DEUTSCHE BANK	1,500,000	1,515,610	1,464,180	1,515,338		(272)		(272)			(51,158)	(51,158)	35,448	16,870		
4599999	Bonds - Industrial and Miscellaneous						22,870,000	23,095,068	22,967,550	23,087,450				(7,617)	(7,617)			(119,901)	(119,901)	389,642	110,161	
6099998	Total - Bonds						198,131,396	199,849,308	199,714,899	199,834,800				(14,508)	(14,508)			(119,901)	(119,901)	1,430,739	382,708	
481165-10-8	JOY GLOB INC		02/17/2005	DISTRIBUTION	03/02/2005	MORGAN KEEGAN	4,736,000			175,880									175,880	175,880		
6899999	Common Stocks - Industrial and Miscellaneous									175,880									175,880	175,880		
7299998	Total - Common Stocks									175,880									175,880	175,880		
7399999	Total - Preferred and Common Stocks									175,880									175,880	175,880		
7499999	Totals							199,849,308	199,890,780	199,834,800				(14,508)	(14,508)				55,980	55,980	1,430,739	382,708

E13

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book / Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
12621#-10-0...	CP Real Estate Services Corp.....		00000	3iTC	No			9,432,596.000	100.0
1999999 Totals								XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ 31,660,236
2. Total amount of intangible assets nonadmitted: \$ 1,321,406

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Total				XXX	XXX

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part A - Section 3

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part B - Section 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)	Book Value	*	Statement Value	Fair Value	Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure
US TREASURY NOTE 912828EN6	1,412,000	01/09/2006	N/A	11/21/2005	MERRILL LYNCH COUNTRYWIDE FUNDING	12,108	(706)		(706)	(706)	(12,814)			11,163
US TREASURY NOTE 912828EN6	1,378,000	03/02/2006	N/A	12/05/2005		13,197	(10,924)		(10,924)	(10,924)	(24,121)			28,362
1199999 - Subtotal - Forwards - Other Derivative Transactions						25,305	(11,630)	XX	(11,630)	(11,630)	(36,935)			39,525
1299999 - Subtotal - Forwards						25,305	(11,630)	XX	(11,630)	(11,630)	(36,935)			39,525
2599999 - Subtotal - Hedging Transactions														
2799999 - Subtotal - Other Derivative Transactions						25,305	(11,630)	XX	(11,630)	(11,630)	(36,935)			39,525
9999999 - Totals						25,305	(11,630)	XX	(11,630)	(11,630)	(36,935)			39,525

SCHEDULE DB - PART C - SECTION 2

Showing all Collar, Swap and Forwards Opened During Current Year

1	2	3	4	5	6	7
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)
US TREASURY NOTE 912828EN6	1,412,000	01/09/2006	N/A	11/21/2005	MERRILL LYNCH	12,108
US TREASURY NOTE 912828EN6	1,378,000	03/02/2006	N/A	12/05/2005	COUNTRYWIDE FUNDING	13,197
1199999 - Subtotal - Forwards - Other Derivative Transactions						25,305
1299999 - Subtotal - Forwards						25,305
2599999 - Subtotal - Hedging Transactions						
2799999 - Subtotal - Other Derivative Transactions						25,305
9999999 - Totals						25,305

Schedule DB - Part C - Section 3

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DB - Part D - Section 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE E - PART 2 CASH EQUIVALENTS

Showing Investments owned December 31 of current year

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Gross Investment Income
NONE								
.....								
0199999 Total Cash Equivalents								

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COLONIAL PENN LIFE INSURANCE COMPANY

SCHEDULE E PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposits	2 Purpose of Deposits	Deposits with the State of Domicile For The Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR	B	FOR THE BENEFIT OF POLICYHOLDERS.		111,277	112,672
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL	B	FOR THE BENEFIT OF POLICYHOLDERS.		2,090,236	2,048,156
11. Georgia	GA	B	FOR THE BENEFIT OF POLICYHOLDERS.		29,940	30,464
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA	B	MULTIPLE PURPOSES.		4,170,738	4,213,145
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM	B	FOR THE BENEFIT OF POLICYHOLDERS.		126,265	124,941
33. New York	NY					
34. North Carolina	NC	B	FOR THE BENEFIT OF POLICYHOLDERS.		746,237	726,819
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA	B	FOR THE BENEFIT OF ALL POLICYHOLDERS.	5,065,499	5,147,656	
40. Rhode Island	RI					
41. South Carolina	SC	B	FOR THE BENEFIT OF POLICYHOLDERS.		508,084	508,309
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR	B	FOR THE BENEFIT OF POLICYHOLDERS.		454,106	443,628
55. US Virgin Islands	VI	B	FOR THE BENEFIT OF POLICYHOLDERS.		508,982	517,889
56. Canada	CN					
57. Aggregate Other Alien	OT	XXX	XXX			
58. Total	XXX	XXX		5,065,499	5,147,656	8,745,865
DETAILS OF WRITE-INS						
5701.						
5702.						
5703.						
5798.	Summary of remaining write-ins for Line 57 from overflow page	XXX	XXX			
5799.	Totals (Lines 5701 through 5703 + 5798)(Line 57 above)	XXX	XXX			