



LIFE ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF JUNE 30, 2004

OF THE CONDITION AND AFFAIRS OF THE

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

NAIC Group Code 0565 0565 NAIC Company Code 62049 Employer's ID Number 57-0144607
(Current Period) (Prior Period)

Organized under the Laws of SOUTH CAROLINA, State of Domicile or Port of Entry SOUTH CAROLINA

Country of Domicile United States of America

Incorporated 04/18/1939 Commenced Business 09/22/1939

Statutory Home Office 1200 COLONIAL LIFE BOULEVARD, COLUMBIA, SC 29210
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1200 COLONIAL LIFE BOULEVARD
(Street and Number)
COLUMBIA, SC 29210, 803-798-7000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1200 COLONIAL LIFE BOULEVARD, COLUMBIA, SC 29210
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1200 COLONIAL LIFE BOULEVARD
(Street and Number)
COLUMBIA, SC 29210, 803-798-7000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.coloniallife.com

Statutory Statement Contact VICKI WRIGHT CORBETT, 423-294-1373
(Name) (Area Code) (Telephone Number)
VCorbett@unumprovident.com, 423-294-4260
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Policyowner Relations Contact 1200 COLONIAL LIFE BOULEVARD
(Street and Number)
COLUMBIA, SC 29210, 800-845-7330
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

OFFICERS

PRESIDENT RANDALL CRAIG HORN
SECRETARY SUSAN NANCE ROTH

TREASURER JOHN JOSEPH IWANICKI
ACTUARY ROGER LUC MARTIN

VICE PRESIDENTS

ROBERT O'HARA BEST
JOSEPH RICHARD FOLEY
KEVIN PAUL MCCARTHY

FLOYD DEAN COPELAND
ROBERT CARL GREVING

VICKI WRIGHT CORBETT
PETER CARL MADEJA

DIRECTORS OR TRUSTEES

FLOYD DEAN COPELAND

THOMAS ROS WATJEN

State of Tennessee SS:
County of Hamilton

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

Randall Craig Horn
President and Chief Executive Officer

Susan Nance Roth
Vice President, Corporate Secretary and Assistant
General Counsel

John Joseph Iwanicki
Vice President and Treasurer

Subscribed and sworn to before me this
9th day of August, 2004

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

Joan Porterfield

My commission expires March 28, 2005

STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	1,248,892,742		1,248,892,742	1,149,008,736
2. Stocks:				
2.1 Preferred stocks	28,000		28,000	28,000
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens	34,943,010		34,943,010	36,717,167
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	9,353,854		9,353,854	9,483,864
4.2 Properties held for the production of income (less \$0 encumbrances)	1,513,967		1,513,967	1,588,555
4.3 Properties held for sale (less \$0 encumbrances)	121,813		121,813	121,813
5. Cash (\$(15,735,371)), cash equivalents (\$4,537,798) and short-term investments (\$)	(11,197,572)		(11,197,572)	(7,018,751)
6. Contract loans, (including \$0 premium notes)	31,646,824		31,646,824	30,724,663
7. Other invested assets	160,972		160,972	201,107
8. Receivable for securities	1,128		1,128	6,327
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	1,315,464,738		1,315,464,738	1,220,861,481
11. Investment income due and accrued	19,776,377		19,776,377	18,318,710
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	43,446,750	2,058,229	41,388,521	38,230,113
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	9,273,692		9,273,692	8,239,093
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	3,189,349		3,189,349	1,209,120
13.2 Funds held by or deposited with reinsured companies				
13.3 Other amounts receivable under reinsurance contracts	757,749		757,749	976,422
14. Amounts receivable relating to uninsured plans				
15.1 Current federal and foreign income tax recoverable and interest thereon				
15.2 Net deferred tax asset	161,213,000	120,586,000	40,627,000	44,602,000
16. Guaranty funds receivable or on deposit	1,131,629		1,131,629	1,064,696
17. Electronic data processing equipment and software				
18. Furniture and equipment, including health care delivery assets (\$0)	3,278,449	3,278,449		
19. Net adjustment in assets and liabilities due to foreign exchange rates	3,381,713	3,381,713		
20. Receivables from parent, subsidiaries and affiliates			0	12,400,000
21. Health care (\$0) and other amounts receivable	70,301,906	70,301,906		
22. Other assets nonadmitted	2,538,984	2,538,984		
23. Aggregate write-ins for other than invested assets	11,337,268	4,331,428	7,005,841	7,064,562
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	1,645,091,605	206,476,709	1,438,614,896	1,352,966,197
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	1,645,091,605	206,476,709	1,438,614,896	1,352,966,197
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. Funds withheld - LNL	6,577,121		6,577,121	6,635,842
2302. Corporate owned life insurance	428,720		428,720	428,720
2303. Securities receivable	18,640	18,640		
2398. Summary of remaining write-ins for Line 23 from overflow page	4,312,788	4,312,788		
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	11,337,268	4,331,428	7,005,841	7,064,562

STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ 488,446,770 less \$ 0 included in Line 6.3 (including \$ 0 Modco Reserve)	488,446,770	472,256,491
2. Aggregate reserve for accident and health contracts (including \$ 0 Modco Reserve)	503,940,872	477,411,006
3. Liability for deposit-type contracts (including \$ 0 Modco Reserve)	10,808	20,808
4. Contract claims:		
4.1 Life	12,625,698	12,814,084
4.2 Accident and health	85,551,089	82,599,351
5. Policyholders' dividends \$ and coupons \$ due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment to (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 \$ 0 discount; including \$ 5,873,930 accident and health premiums	5,952,748	3,413,717
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 \$ 150,040 assumed and \$ 1,361,573 ceded	1,511,614	1,668,176
9.4 Interest Maintenance Reserve	5,343,089	5,592,272
10. Commissions to agents due or accrued-life and annuity contracts \$ 1,542,661, accident and health \$ 26,136,391 and deposit-type contract funds \$ 0	27,679,052	26,777,549
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued	1,939,677	1,841,649
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	3,191,168	5,081,594
15.1 Current federal and foreign income taxes, including \$ 0 on realized capital gains (losses)	1,704,735	3,173,458
15.2 Net deferred tax liability		
16. Unearned investment income	235,865	235,865
17. Amounts withheld or retained by company as agent or trustee	101,148	82,619
18. Amounts held for agents' account, including \$ 598,195 agents' credit balances	598,195	1,076,561
19. Remittances and items not allocated	21,701,859	17,387,528
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above	1,079,138	1,352,016
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve	2,824,351	1,058,406
24.2 Reinsurance in unauthorized companies		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates	8,887,924	8,486,860
24.5 Drafts outstanding		
24.6 Liability for amounts held under uninsured accident and health plans		
24.7 Funds held under coinsurance		
24.8 Payable for securities		
24.9 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	4,081,721	3,588,648
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	1,177,407,520	1,125,918,659
27. From Separate Accounts Statement		
28. Total liabilities (Lines 26 and 27)	1,177,407,520	1,125,918,659
29. Common capital stock	15,076,209	15,076,209
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	8,977,418	9,809,624
32. Surplus notes		
33. Gross paid in and contributed surplus	2,369,298	2,369,298
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	234,784,451	199,792,407
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 \$ 0 in Separate Accounts Statement)	246,131,167	211,971,329
38. Totals of Lines 29, 30 and 37	261,207,376	227,047,538
39. Totals of Lines 28 and 38	1,438,614,896	1,352,966,197
DETAILS OF WRITE-INS		
2501. Reserve for unclaimed property	4,066,958	3,580,002
2502. Miscellaneous amounts payable	14,763	8,646
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	4,081,721	3,588,648
3101. Deferred gains on reinsurance of inforce block of business	8,977,418	9,809,624
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)	8,977,418	9,809,624
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)		

STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	381,740,293	372,044,857	741,249,500
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	47,483,820	42,685,392	92,391,307
4. Amortization of Interest Maintenance Reserve (IMR)	348,137	407,609	877,910
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	9,792,205	7,635,176	15,459,067
7. Reserve adjustments on reinsurance ceded			
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	531,019	45,889	40,717
9. Totals (Lines 1 to 8.3)	439,895,474	422,818,923	850,018,501
10. Death benefits	23,269,669	19,808,107	40,157,495
11. Matured endowments (excluding guaranteed annual pure endowments)	83,552	118,009	237,559
12. Annuity benefits	3,234	3,234	6,468
13. Disability benefits and benefits under accident and health contracts	140,940,591	135,942,636	276,986,480
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	13,010,545	11,827,228	25,113,730
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	3,655	4,545	13,655
18. Payments on supplementary contracts with life contingencies	551	551	1,101
19. Increase in aggregate reserves for life and accident and health and contracts	42,720,144	55,073,373	90,470,325
20. Totals (Lines 10 to 19)	220,031,941	222,777,681	432,986,813
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	96,401,123	88,381,548	178,589,772
22. Commissions and expense allowances on reinsurance assumed	102,000	82,793	184,793
23. General insurance expenses	59,616,176	56,408,525	113,419,157
24. Insurance taxes, licenses and fees, excluding federal income taxes	11,578,652	10,221,513	19,458,610
25. Increase in loading on deferred and uncollected premiums	870,950	645,443	922,733
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions	2,516	5,375	25,482
28. Totals (Lines 20 to 27)	388,603,358	378,522,878	745,587,360
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	51,292,116	44,296,045	104,431,141
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	51,292,116	44,296,045	104,431,141
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	19,482,501	18,096,979	35,409,013
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)	31,809,615	26,199,066	69,022,128
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 0 (excluding taxes of \$ (53,283) transferred to the IMR)	(1,611,770)	(6,287,728)	(12,767,675)
35. Net income (Line 33 plus Line 34)	30,197,845	19,911,338	56,254,453
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	227,047,538	187,656,154	187,656,153
37. Net income (Line 35)	30,197,845	19,911,338	56,254,453
38. Change in net unrealized capital gains (losses)	1,195,231	(3,881,113)	1,833,430
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	5,161,000	1,895,000	4,029,000
41. Change in non-admitted assets and related items	203,914	(3,144,992)	(5,739,386)
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			
44. Change in asset valuation reserve	(1,765,945)	(58,649)	200,134
45. Change in treasury stock			
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	(832,206)	(2,442,976)	(3,346,246)
52. Dividends to stockholders	0	(10,000,000)	(10,000,000)
53. Aggregate write-ins for gains and losses in surplus	0	(3,840,001)	(3,840,000)
54. Net change in capital and surplus for the year (Lines 37 through 53)	34,159,838	(1,561,393)	39,391,385
55. Capital and surplus, as of statement date (Lines 36 + 54)	261,207,376	186,094,761	227,047,538
DETAILS OF WRITE-INS			
08.301. Other income	531,019	45,889	40,717
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)	531,019	45,889	40,717
2701. Fines and penalties paid to regulatory authorities	2,516	5,375	25,482
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)	2,516	5,375	25,482
5301. Prior year adjustment for other-than-temporary bond impairment	0	(3,840,001)	(3,840,000)
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)	0	(3,840,001)	(3,840,000)

STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	379,981,028	733,864,442
2. Net investment income	41,946,839	81,329,169
3. Miscellaneous income	9,709,691	11,849,661
4. Total (Lines 1 to 3)	431,637,557	827,043,272
5. Benefit and loss related payments	176,685,235	322,926,869
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	168,095,748	302,822,387
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$(1,156,000) net of tax on capital gains (losses)	20,951,224	33,263,375
10. Total (Lines 5 through 9)	365,732,207	659,012,631
11. Net cash from operations (Line 4 minus Line 10)	65,905,350	168,030,641
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	61,432,616	228,063,184
12.2 Stocks	0	1,989,019
12.3 Mortgage loans	1,774,157	4,325,807
12.4 Real estate	0	797,040
12.5 Other invested assets	37,809	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds	10,031	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	63,254,613	235,175,050
13. Cost of investments acquired (long-term only):		
13.1 Bonds	156,788,104	419,866,444
13.2 Stocks	0	2,013,707
13.3 Mortgage loans		
13.4 Real estate	228,256	308,366
13.5 Other invested assets	0	.80
13.6 Miscellaneous applications	0	9,971
13.7 Total investments acquired (Lines 13.1 to 13.6)	157,016,360	422,198,568
14. Net increase (or decrease) in policy loans and premium notes	922,161	2,298,572
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(94,683,908)	(189,322,090)
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		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(10,000)	(9,000)
16.5 Dividends to stockholders	0	10,000,000
16.6 Other cash provided (applied)	24,609,737	18,837,216
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	24,599,737	8,828,216
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11, plus Lines 15 and 17)	(4,178,821)	(12,463,233)
19. Cash and short-term investments:		
19.1 Beginning of year	(7,018,751)	5,444,482
19.2 End of period (Line 18 plus Line 19.1)	(11,197,572)	(7,018,751)

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

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EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life			
2. Ordinary life insurance	79,048,255	71,966,719	142,703,383
3. Ordinary individual annuities	16,054	25,695	48,737
4. Credit life (group and individual)			
5. Group life insurance	5,586,089	4,736,468	10,472,137
6. Group annuities			
7. A & H - group	11,462,995	17,608,031	32,702,473
8. A & H - credit (group and individual)			
9. A & H - other	308,616,087	291,257,044	586,275,602
10. Aggregate of all other lines of business			
11. Subtotal	404,729,479	385,593,956	772,202,332
12. Deposit-type contracts			
13. Total	404,729,479	385,593,956	772,202,332
DETAILS OF WRITE-INS			
1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page			
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)			

NOTES TO FINANCIAL STATEMENTS

1. Contingencies

The Multidistrict Litigation - Policyholder Class Actions

On May 22, 2003, UnumProvident Corporation (UnumProvident), several of its subsidiaries, including Colonial Life Insurance Company (the Company), and some of their officers and directors filed a motion with the Judicial Panel on Multidistrict Litigation seeking to transfer a number of class action suits now pending against them in various federal district courts to a single district for coordinated or consolidated pre-trial proceedings. The action, discussed below, contends, among other things, that the defendants engaged in improper claims handling practices in violation of the Employee Retirement Income Security Act (ERISA) or various state laws. On September 2, 2003, the Judicial Panel on the Multidistrict Litigation entered an order transferring this case, described below, and a number of other class action suits to the U.S. District Court for the Eastern District of Tennessee for coordinated or consolidated pretrial proceedings. The lawsuits are in a very preliminary stage, the outcome is uncertain, and the Company is unable to estimate a range of reasonably possible losses. Reserves have not been established for these matters. An adverse outcome in one or more of these actions could, depending on the nature, scope, and amount of the ruling, materially adversely affect the Company's results of operations in a period.

On November 4, 2002 the case of Keir et al. v. UnumProvident Corporation et al., was filed in the United States District Court for the Southern District of New York. This case purports to be a class action on behalf of a putative class of group long-term disability participants insured under ERISA plans whose claims were denied or terminated on or after June 30, 1999. The amended complaint alleges that these claimants had their claims improperly challenged and allege that UnumProvident and its insurance subsidiaries, including the Company, breached certain fiduciary duties owed to these participants in ERISA plans in which the Company is the claims adjudicator. The Company maintains that the allegations are false and that the claims, as framed, are not permissible under ERISA's carefully structured avenues of relief. On April 29, 2003, the court denied the defendants' motion to dismiss the complaint. The Company denies the allegations in the complaint and will vigorously defend the litigation and any attempt to certify the putative class. This action was transferred to the Eastern District of Tennessee as part of the multidistrict litigation transfer order.

On February 11, 2003, the case of Harris, et al. v. UnumProvident Corporation, et al., was filed in the Circuit Court of St. Clair County, Illinois. This case purports to be a class action. The complaint alleges that individuals were wrongfully denied benefits and alleges causes of action under breach of contract, breach of the covenant of good faith and fair dealing, violation of the Illinois Consumer Fraud Act, common law fraud, intentional misrepresentation, and breach of fiduciary duty. Alternatively, the complaint alleges violations of ERISA. The complaint seeks injunctive and declaratory relief as well as restitution and punitive damages. On April 4, 2003 the case was removed to the United States District Court for the Southern District of Illinois. The Company strongly denies the allegations in the complaint and will vigorously defend the litigation. This action was transferred to the Eastern District of Tennessee as part of the multidistrict litigation transfer order.

On April 30, 2003, the case of Taylor v. UnumProvident Corporation, et al., was filed in the Circuit Court for Shelby County, Tennessee in the Thirteenth Judicial District at Memphis. The plaintiff seeks to represent all individuals who were insured by long-term disability policies issued by subsidiaries of UnumProvident and who did not obtain their coverage through employer sponsored plans and who had a claim denied, terminated, or suspended by a UnumProvident subsidiary after January 1, 1995. Plaintiff alleges that UnumProvident and its subsidiaries, including the Company, employed various unfair claim practices in assessing entitlement to benefits by class members during this period and, as a result, wrongfully denied legitimate claims. The plaintiff and the class seek contractual, equitable and injunctive relief. On June 9, 2003, the defendants removed this action to the United States District Court for the Western District of Tennessee. The Company denies the allegations in the complaint and will vigorously defend the litigation and any attempt to certify the putative class. This action was transferred to the Eastern District of Tennessee as part of the multidistrict litigation transfer order.

On July 18, 2003, Contreras v. UnumProvident Corporation, et al., was filed in the Southern District of New York. Plaintiffs allege claims on behalf of a putative class of ERISA plan participants, beneficiaries, third-party beneficiaries or assignees of group long-term disability insurance issued by the insuring subsidiaries of UnumProvident, including the Company, who have had a disability claim denied, terminated or suspended by UnumProvident on or after June 30, 1999. Plaintiffs assert bad faith claims practices by UnumProvident in violation of ERISA. Plaintiffs seek equitable and injunctive relief to require, among other things, that UnumProvident re-evaluate all previously denied, terminated, or suspended claims. The Company denies the allegations in the complaint and will vigorously defend the litigation and any attempt to certify the putative class. This action was transferred to the Eastern District of Tennessee as part of the multidistrict litigation transfer order.

On July 15, 2002, the case of Rombeiro v. Unum Life Insurance Company of America, et al., was filed in the Superior Court of Sonoma County, California. It was subsequently removed to the United States District Court for the Northern District of California. On January 21, 2003, a First Amended Complaint was filed, purporting to be a class action. This complaint alleges that plaintiff individually was wrongfully denied disability benefits under a group long-term disability plan and alleges breach of state law fiduciary duties on behalf of himself and others covered by similar plans whose disability benefits have been denied or terminated after a claim was made. The complaint seeks, among other things, injunctive and declaratory relief and payment of benefits. On April 30, 2003, the court granted in part and denied in part the defendants' motion to dismiss the complaint. On May 14, 2003, the plaintiff filed a Second Amended Complaint seeking injunctive relief on behalf of a putative nationwide class of long-term disability insurance policyholders. The Company denies the allegations in the complaint and will vigorously defend the litigation and any attempt to certify the putative class. This action was transferred to the Eastern District of Tennessee as part of the multidistrict litigation transfer order.

On November 13, 2003, the case of Dauphinee et al. v. UnumProvident, et al., was filed in the United States District Court for the Eastern District of Tennessee. This action is brought as a putative class action lawsuit on behalf of representative plaintiffs and all disabled individuals insured under a UnumProvident long-term disability plan. The complaint alleges that UnumProvident and its subsidiaries fraudulently and otherwise unlawfully denied and terminated long-term disability insurance benefits. Additionally, the complaint alleges misuse of authority as an ERISA claims fiduciary. The complaint seeks injunctive and declaratory relief to require, among other things, that UnumProvident re-evaluate all previously denied, terminated, or suspended claims. The Company denies the allegations in the complaint and will vigorously defend the litigation and any attempt to certify the putative class.

On December 22, 2003, the Tennessee Federal District Court entered an order consolidating all of the above actions other than the Taylor action for all pretrial purposes under the caption In re UnumProvident Corp. ERISA Benefit Denial Actions. Among other things, the

NOTES TO FINANCIAL STATEMENTS

court in that order appointed a lead counsel in the actions and directed lead counsel to file a consolidated amended complaint in the ERISA Benefit Denial Actions, which was filed on February 20, 2004. On March 26, 2004, the defendants answered the complaints in these actions, and simultaneously filed a motion for judgment on the pleadings in the ERISA Benefit Denial Actions. The court has not yet ruled upon that motion.

The parties have engaged in certain limited discovery in connection with a court-ordered mediation to take place later this year, as well as certain discovery on the merits of the claims asserted in the actions.

On April 9, 2004, the plaintiffs in Taylor and in the ERISA Benefit Denial Actions separately filed motions seeking certification of a plaintiff class. The defendants opposed each of those motions. The court has not yet ruled upon the motions.

The court entered a schedule providing for the completion of all pretrial proceedings in these actions by December 2005. The Company denies the allegations in the complaints and will vigorously defend the litigation and any attempt to certify the putative class.

Claim Litigation

UnumProvident and its insurance company subsidiaries, including the Company, as part of their normal operations in managing disability claims are engaged in claim litigation where disputes arise as a result of a denial or termination of benefits. Most typically those lawsuits are filed on behalf of a single claimant or policyholder, and in some of these individual actions punitive damages are sought, such as claims alleging bad faith in the handling of insurance claims. For claim litigation, UnumProvident and its insurance company subsidiaries, including the Company, maintain reserves based on experience to satisfy judgments and settlements in the normal course. Management expects that the ultimate liability, if any, with respect to claim litigation, after consideration of the reserves maintained, will not be material to the financial condition of the Company. Nevertheless, given the inherent unpredictability of litigation, it is possible that an adverse outcome in certain claim litigation involving punitive damages could, from time to time, have a material adverse effect on the Company's results of operations in a period. The Company is unable to estimate a range of reasonably possible punitive losses.

On July 17, 2003, a qui tam action, The State of California ex rel. Linda Nee and John Metz v. UnumProvident Corporation, et al., was filed under seal in the Superior Court of the State of California, County of Los Angeles. On April 16, 2004, UnumProvident was notified that the Insurance Commissioner decided not to bring an action which permitted the case to go forward with private plaintiffs. The complaint alleges unlawful sales, marketing and claims handling practices, including delaying or limiting payment for, denying or terminating claims by California claimants and/or claims that are handled by UnumProvident's Glendale or other claims centers. The complaint seeks civil penalties and assessments, attorneys fees and cost, interest and such other relief as the court deems proper for violation of California Insurance Code § 1871.7(b). In addition, the complaint seeks injunctive relief. The Company denies the allegations in the complaint and will vigorously defend the litigation.

Other Claim Related Investigations

In a letter dated March 25, 2004, the U.S. Department of Labor informed UnumProvident that it was conducting an examination pursuant to the Employee Retirement Income Security Act of 1974 (ERISA) of the benefit plans UnumProvident provides to its employees and the products and services provided to third party plans. There may possibly be some limited application to Colonial products. UnumProvident is cooperating and is in the process of gathering and providing information in response.

This regulatory investigation could result in, among other things, changes in the Company's claims handling practices, fines, and other administrative action. Such results could injure the Company's reputation, cause negative publicity, thereby adversely affecting the Company's business.

2. Other

All other notes to the financial statements have not changed significantly since the 2003 annual statement.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]
- 1.2 If yes, explain:
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 2.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 3.1 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]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No []
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 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. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1999
- 7.2 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. 12/31/1999
- 7.3 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). 10/18/2000
- 7.4 By what department or departments? Delaware, Nevada, and South Carolina
- 8.1 Has this 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]
- 8.2 If yes, give full information:
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 9.4 If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal 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
.....					
.....					
.....					

GENERAL INTERROGATORIES

INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

10.2 If yes, explain:

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 160,972

13. Amount of real estate and mortgages held in short-term investments: \$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgages, Loans or Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$	\$
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

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

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase	New York, NY
.....
.....

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

16.4 If yes, give full information relating thereto:

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

16.5 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	2 Name(s)	3 Address
30172	Metropolitan West Securities, LLC	Los Angeles, CA
.....	JP Morgan Fleming Asset Management	New York, NY
.....	Provident Investment Management, LLC	Chattanooga, TN

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 2 - LIFE & HEALTH

1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:	1
		Amount
1.1	Long-Term Mortgages In Good Standing	
1.11	Farm Mortgages	\$
1.12	Residential Mortgages	\$
1.13	Commercial Mortgages	\$ 34,943,010
1.14	Total Mortgages in Good Standing	<u>\$ 34,943,010</u>
1.2	Long-Term Mortgages In Good Standing with Restructured Terms	
1.21	Total Mortgages in Good Standing with Restructured Terms	\$
1.3	Long-Term Mortgage Loans Upon which Interest is Overdue more than Three Months	
1.31	Farm Mortgages	\$
1.32	Residential Mortgages	\$
1.33	Commercial Mortgages	\$
1.34	Total Mortgages with Interest Overdue more than Three Months	<u>\$</u>
1.4	Long-Term Mortgage Loans in Process of Foreclosure	
1.41	Farm Mortgages	\$
1.42	Residential Mortgages	\$
1.43	Commercial Mortgages	\$
1.44	Total Mortgages in Process of Foreclosure	\$
1.5	Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)	<u>\$ 34,943,010</u>
1.6	Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61	Farm Mortgages	\$
1.62	Residential Mortgages	\$
1.63	Commercial Mortgages	\$
1.64	Total Mortgages Foreclosed and Transferred to Real Estate	<u>\$</u>

STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE A - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	11,194,232	12,216,260
2. Increase (decrease) by adjustment	(432,854)	(849,232)
3. Cost of acquired		
4. Cost of additions to and permanent improvements	228,256	308,366
5. Total profit (loss) on sales		315,878
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		797,040
8. Book/adjusted carrying value at end of current period	10,989,634	11,194,232
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	10,989,634	11,194,232
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	10,989,634	11,194,232

SCHEDULE B - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	36,717,167	41,042,974
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period	1,774,157	4,325,807
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	34,943,010	36,717,167
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	34,943,010	36,717,167
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	34,943,010	36,717,167

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	201,107	201,027
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after acquisitions		301
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale	(2,326)	
6. Amounts paid on account or in full during the period	37,809	221
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	160,972	201,107
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	160,972	201,107
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	160,972	201,107

SCHEDULE D - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,149,036,736	958,466,972
2. Cost of bonds and stocks acquired	156,788,104	421,880,151
3. Accrual of discount	5,519,966	12,265,681
4. Increase (decrease) by adjustment	(375,019)	(10,658,348)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	59,760	(1,258,761)
7. Consideration for bonds and stocks disposed of	61,432,616	230,052,203
8. Amortization of premium	676,189	1,606,756
9. Book value/adjusted carrying value, current period	1,248,920,742	1,149,036,736
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	1,248,920,742	1,149,036,736
12. Total nonadmitted amounts		
13. Statement value	1,248,920,742	1,149,036,736

STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	607,695,912	55,203,868	30,470,914	2,435,237	607,695,912	634,864,103		562,162,697
2. Class 2	531,080,968	29,744,603	4,968,656	222,142	531,080,968	556,079,057		519,507,140
3. Class 3	21,856,206	2,902,690		(186,490)	21,856,206	24,572,406		29,225,740
4. Class 4	13,535,264	6,031,250	3,878,196	(4,707,481)	13,535,264	10,980,837		17,844,484
5. Class 5	14,138,000			4,898,179	14,138,000	19,036,179		13,972,995
6. Class 6	4,890,220		422,500	(1,107,560)	4,890,220	3,360,160		6,295,680
7. Total Bonds	1,193,196,570	93,882,411	39,740,266	1,554,027	1,193,196,570	1,248,892,742		1,149,008,736
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5	28,000				28,000	28,000		28,000
13. Class 6								
14. Total Preferred Stock	28,000				28,000	28,000		28,000
15. Total Bonds and Preferred Stock	1,193,224,570	93,882,411	39,740,266	1,554,027	1,193,224,570	1,248,920,742		1,149,036,736

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
8299999 Totals		XXX			

NONE

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		18,344,497
2. Cost of short-term investments acquired		1,318,132,713
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		1,336,477,210
7. Book/adjusted carrying value, current period		
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)		
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)		
12. Income collected during period		231,914
13. Income earned during period		228,465

Schedule DB - Part F - Section 1

N O N E

Schedule DB - Part F - Section 2

N O N E

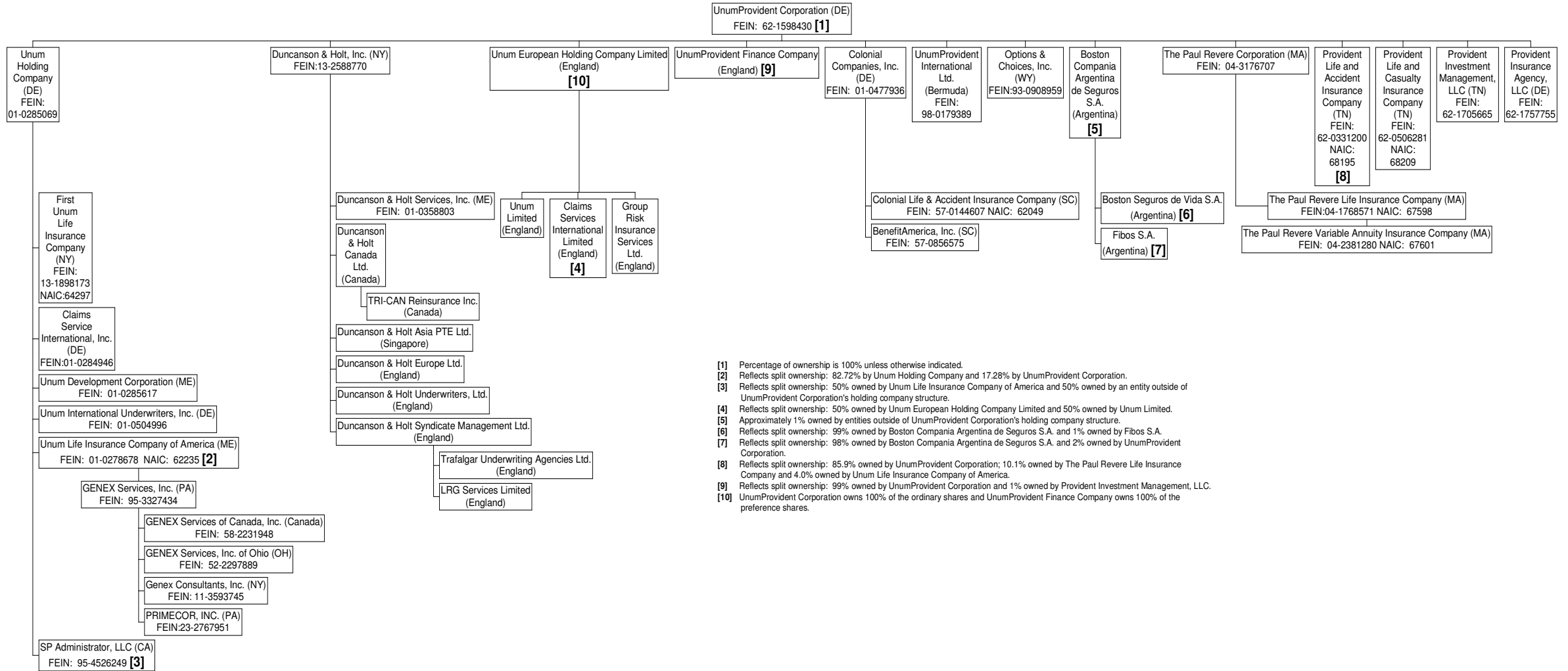
STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - 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	1,831,558	150	7,204,597	
2. Alaska	AK	Yes	58,312		177,192	
3. Arizona	AZ	Yes	1,230,244	1,223	5,964,766	
4. Arkansas	AR	Yes	829,851		2,687,521	
5. California	CA	Yes	8,456,389	5,302	41,676,992	
6. Colorado	CO	Yes	1,126,332	400	3,080,366	
7. Connecticut	CT	Yes	948,394		9,344,680	
8. Delaware	DE	Yes	147,311		461,440	
9. District of Columbia	DC	Yes	81,429		288,352	
10. Florida	FL	Yes	7,728,709	2,310	24,379,788	
11. Georgia	GA	Yes	4,979,560		13,040,967	
12. Hawaii	HI	Yes	123,699		274,862	
13. Idaho	ID	Yes	188,802		976,873	
14. Illinois	IL	Yes	965,812		3,502,680	
15. Indiana	IN	Yes	1,616,434	300	4,317,771	
16. Iowa	IA	Yes	253,232		855,842	
17. Kansas	KS	Yes	434,060		2,224,947	
18. Kentucky	KY	Yes	2,188,586		7,307,850	
19. Louisiana	LA	Yes	3,984,438	277	14,927,914	
20. Maine	ME	Yes	236,504		1,177,647	
21. Maryland	MD	Yes	1,225,381	1,299	4,486,260	
22. Massachusetts	MA	Yes	1,932,570	270	9,532,734	
23. Michigan	MI	Yes	2,195,660		7,364,907	
24. Minnesota	MN	Yes	633,344		2,743,410	
25. Mississippi	MS	Yes	2,444,489		9,015,283	
26. Missouri	MO	Yes	823,925		4,230,874	
27. Montana	MT	Yes	219,272		848,182	
28. Nebraska	NE	Yes	277,254		1,295,982	
29. Nevada	NV	Yes	740,235	785	3,971,189	
30. New Hampshire	NH	Yes	363,966	650	1,439,344	
31. New Jersey	NJ	Yes	1,054,711		3,935,901	
32. New Mexico	NM	Yes	890,714		2,914,007	
33. New York	NY	No	77,752		264,169	
34. North Carolina	NC	Yes	5,483,026	600	37,612,836	
35. North Dakota	ND	Yes	191,128		538,922	
36. Ohio	OH	Yes	5,192,513	604	12,948,831	
37. Oklahoma	OK	Yes	423,111		1,648,289	
38. Oregon	OR	Yes	192,754		1,402,821	
39. Pennsylvania	PA	Yes	2,450,937	300	8,223,042	
40. Rhode Island	RI	Yes	203,434		811,718	
41. South Carolina	SC	Yes	3,935,619		12,534,908	
42. South Dakota	SD	Yes	94,514		407,575	
43. Tennessee	TN	Yes	1,960,695		8,208,897	
44. Texas	TX	Yes	6,113,856	350	22,544,651	
45. Utah	UT	Yes	367,215		1,903,796	
46. Vermont	VT	Yes	53,395		233,897	
47. Virginia	VA	Yes	1,994,667	1,234	7,475,580	
48. Washington	WA	Yes	406,856		2,377,323	
49. West Virginia	WV	Yes	320,060		1,031,862	
50. Wisconsin	WI	Yes	398,058		2,374,622	
51. Wyoming	WY	Yes	109,007		285,892	
52. American Samoa	AS	No				
53. Guam	GU	No			296	
54. Puerto Rico	PR	Yes	19,499		1,215,615	
55. U.S. Virgin Islands	VI	No	520		1,587	
56. Canada	CN	No	1,224		5,083	
57. Aggregate Other Aliens	OT	XXX	3,533		1,814	
58. Subtotal	(a) 51		80,204,547	16,054	319,705,146	
90. Reporting entity contributions for employee benefits 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		141,130		767,816	
94. Aggregate or other amounts not allocable by State	XXX					
95. Totals (Direct Business)	XXX		80,345,677	16,054	320,472,962	
96. Plus Reinsurance Assumed	XXX		3,776,822			
97. Totals (All Business)	XXX		84,122,499	16,054	320,472,962	
98. Less Reinsurance Ceded	XXX		17,166,116	16,054	7,448,317	
99. Totals (All Business) less Reinsurance Ceded	XXX		66,956,383		313,024,645	
DETAILS OF WRITE-INS						
5701. Other Alien	XXX		3,533		1,814	
5702.	XXX					
5703.	XXX					
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX					
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		3,533		1,814	
9401.	XXX					
9402.	XXX					
9403.	XXX					
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX					
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)	XXX					

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

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



[1] Percentage of ownership is 100% unless otherwise indicated.
 [2] Reflects split ownership: 82.72% by Unum Holding Company and 17.28% by UnumProvident Corporation.
 [3] Reflects split ownership: 50% owned by Unum Life Insurance Company of America and 50% owned by an entity outside of UnumProvident Corporation's holding company structure.
 [4] Reflects split ownership: 50% owned by Unum European Holding Company Limited and 50% owned by Unum Limited.
 [5] Approximately 1% owned by entities outside of UnumProvident Corporation's holding company structure.
 [6] Reflects split ownership: 99% owned by Boston Compania Argentina de Seguros S.A. and 1% owned by Fibos S.A.
 [7] Reflects split ownership: 98% owned by Boston Compania Argentina de Seguros S.A. and 2% owned by UnumProvident Corporation.
 [8] Reflects split ownership: 85.9% owned by UnumProvident Corporation; 10.1% owned by The Paul Revere Life Insurance Company and 4.0% owned by Unum Life Insurance Company of America.
 [9] Reflects split ownership: 99% owned by UnumProvident Corporation and 1% owned by Provident Investment Management, LLC.
 [10] UnumProvident Corporation owns 100% of the ordinary shares and UnumProvident Finance Company owns 100% of the preference shares.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the SVO Compliance Certification be filed with this statement?	Yes
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?	No

Explanations:

Bar Codes:



Trusteed Surplus Statement [Document Identifier 490]

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 23

2304.	Prepaid expenses	4,312,788	4,312,788		
2397.	Summary of remaining write-ins for Line 23 from overflow page	4,312,788	4,312,788		

Schedule A - Part 2

N O N E

Schedule A - Part 3

N O N E

Schedule B - Part 1

N O N E

Schedule B - Part 2

N O N E

STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets Acquired During the Current Quarter

1 Number of Units and Description	Location		4 Name of Vendor	5 Date Acquired	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment
	2 City	3 State							
NONE									
9999999 - Totals									

SCHEDULE BA - PART 2

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

1 Number of Units and Description	Location		4 Name of Purchaser or Nature of Disposition	5 Date Acquired	6 Book/Adjusted Carrying Value Less Encumbrances Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book/Adjusted Carrying Value Less Encumbrances 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										
2 Units of Nelson Limited Partnership	Nashville	TN	Final Distribution	12/31/1986	33,613			32,626	30,300		(2,326)	(2,326)
1099999. Joint Venture Interests - Other					33,613			32,626	30,300		(2,326)	(2,326)
9999999 - Totals												

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STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
BONDS									
Special Revenue & Assessment									
United States									
31339D-YK-8	FHLMC 2412 Z 6.500% 02/15/32		06/01/2004	Interest Capitalization		446,946	446,946		1
31339G-BY-6	FHLMC 2369 Z 6.500% 10/15/31		06/01/2004	Interest Capitalization		573,273	573,273		1
3133TM-AA-4	FHLMC 2190 ZB 7.000% 10/20/29		05/01/2004	Interest Capitalization		221,140	221,140		1
3133TV-UR-5	FHLMC 2434 Z 6.500% 04/15/32		06/01/2004	Interest Capitalization		184,996	184,996		1
31392A-EJ-3	FNMA 2001-64 ZD 6.000% 11/25/31		06/01/2004	Interest Capitalization		332,117	332,117		1
31392P-AH-8	FHLMC 2458 ZQ 6.000% 06/15/32		06/01/2004	Interest Capitalization		256,676	256,676		1
Total United States						2,015,148	2,015,148		XXX
Other Country									
745235-TG-6	PUERTO RICO PUB BLDGS AUTH REVENUE BDS 5.500% 07/01/16	F	05/27/2004	MERRILL LYNCH		449,664	400,000	9,228	1FE
Total Other Country						449,664	400,000	9,228	XXX
3199999. Bonds - Special Revenues						2,464,812	2,415,148	9,228	XXX
Public Utilities (unaffiliated)									
United States									
025537-AE-1	AMERICAN ELECTRIC POWER SR NTS 5.250% 06/01/15		04/14/2004	CREDIT SUISSE/FIRST BOSTON		4,890,250	5,000,000	100,625	2
037735-BZ-9	APPALACHIAN POWER BDS 5.950% 05/15/33		05/04/2004	CREDIT SUISSE/FIRST BOSTON		4,708,600	5,000,000	142,139	2FE
048303-CC-3	ATLANTIC CITY ELECTRIC CO 1ST MTG 5.800% 05/15/34		04/14/2004	MERRILL LYNCH		4,783,200	5,000,000	8,861	1FE
882440-AN-0	TEXAS GAS TRANSMISSION DEB 7.250% 07/15/27		04/14/2004	LEHMAN BROTHERS		4,750,053	4,302,000	81,439	2FE
Total United States						19,132,103	19,302,000	333,064	XXX
3899999. Bonds - Public Utilities						19,132,103	19,302,000	333,064	XXX
Industrial & Miscellaneous									
United States									
035229-CW-1	ANHEUSER BUSCH CO SR NTS 5.000% 03/01/19		04/02/2004	UBS WARBURG		14,672,550	15,000,000	75,000	1FE
165167-BF-3	CHESAPEAKE ENERGY CORP SR NTS 7.500% 06/15/14		05/21/2004	BEAR STEARNS		982,690	1,000,000		3Z
316773-AD-2	FIFTH THIRD BANCORP SUB NTS 4.500% 06/01/18		04/13/2004	LEHMAN BROTHERS		2,464,330	2,670,000	45,056	1FE
524660-AT-4	LEGGETT AND PLATT INC BDS 4.400% 07/01/18		04/13/2004	J P MORGAN CHASE		7,572,956	8,165,000	104,784	1FE
723787-AB-3	PIONEER NATURAL RESOURCE SR GTD 7.200% 01/15/28		04/06/2004	J P MORGAN CHASE		5,551,300	5,000,000	87,000	2FE
834182-AN-7	SOLELECTRON CORP SR NTS 9.625% 02/15/09		05/19/2004	LEHMAN BROTHERS		3,138,750	3,000,000	79,406	4FE
86787G-AC-6	SUNTRUST BANK SUB NTS 5.450% 12/01/17		04/20/2004	UBS WARBURG		8,083,120	8,000,000	171,978	1FE
907818-CU-0	UNION PACIFIC RAILROAD NTS 6.250% 05/01/34		04/29/2004	Various		9,844,400	10,000,000		2FE
911365-AN-4	UNITED RENTALS INC SR NTS 6.500% 02/15/12		05/04/2004	MORGAN STANLEY		957,500	1,000,000	14,444	4FE
984121-BM-4	XEROX CORPORATION SR NTS 7.625% 06/15/13		05/20/2004	LEHMAN BROTHERS		1,935,000	2,000,000	67,778	4Z
Total United States						55,202,596	55,835,000	645,446	XXX
Canada									
013716-AU-9	ALCAN ALUMINUM LTD BDS 6.125% 12/15/33	C	04/13/2004	HSBC SECURITIES		15,162,900	15,000,000	326,667	1FE
Total Canada						15,162,900	15,000,000	326,667	XXX
Other Country									
33938E-AJ-6	FLEXTRONICS INTL SR SUB NTS 6.500% 05/15/13	F	05/19/2004	MERRILL LYNCH		1,920,000	2,000,000	3,250	3
Total Other Country						1,920,000	2,000,000	3,250	XXX
4599999. Bonds - Industrial and Miscellaneous						72,285,496	72,835,000	975,363	XXX
6099997. Total - Bonds - Part 3						93,882,411	94,552,148	1,317,655	XXX
6099998. Total - Bonds - Part 5									XXX
6099999. Total - Bonds						93,882,411	94,552,148	1,317,655	XXX
6599997. Total - Preferred Stocks - Part 3							XXX		XXX
6599998. Total - Preferred Stocks - Part 5							XXX		XXX
6599999. Total - Preferred Stocks							XXX		XXX
7299997. Total - Common Stocks - Part 3							XXX		XXX
7299998. Total - Common Stocks - Part 5							XXX		XXX
7299999. Total - Common Stocks							XXX		XXX
7399999. Total - Preferred and Common Stocks							XXX		XXX
7499999 - Totals						93,882,411	XXX	1,317,655	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

E04

STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										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's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	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	NAIC Designation or Market Indicator (a)
	BONDS US Governments United States																				
362064-UP-0	GNMA 34790 9.375% 08/15/09		06/01/2004	Paydown		1,830	1,830	1,830	1,830						1,830				72	08/15/2009	1
362127-SW-3	GNMA 90533 9.375% 09/15/09		06/01/2004	Paydown		306	306	250	279		27		27		306				39	09/15/2009	1
36216D-SP-1	GNMA 161726 8.500% 12/15/16		06/01/2004	Paydown		355	355	338	342		13		13		355				25	12/15/2016	1
Total United States						2,491	2,491	2,418	2,451		40		40		2,491				136	XXX	XXX
0399999. Bonds - U.S. Governments						2,491	2,491	2,418	2,451		40		40		2,491				136	XXX	XXX
	Special Revenue & Assessment United States																				
3128F7-DE-1	FGLMC FGD67301 7.000% 01/01/26		06/01/2004	Paydown		11,861	11,861	11,802	11,802		59		59		11,861				352	01/01/2026	1
3128FM-P2-1	FGLMC FGD79441 7.000% 04/01/27		06/01/2004	Paydown		53,988	53,988	53,549	53,555		433		433		53,988				1,698	04/01/2027	1
3128FR-GT-1	FGLMC D82010 7.000% 08/01/27		06/01/2004	Paydown		29	29	29	29						29				1	08/01/2027	1
31292G-TJ-5	FGLMC C00553 7.000% 09/01/27		06/23/2004	Various		137,409	131,504	129,737	129,763		302		302		130,065		7,344	7,344	5,346	09/01/2027	1
3133TM-AA-4	FHLMC 2190 ZB 7.000% 10/20/29		06/01/2004	Paydown		505,381	505,381	464,607	470,647		34,734		34,734		505,381				43,527	10/20/2029	1
3133TM-SE-7	FHLMC 2196 Z 7.000% 11/15/29		06/01/2004	Paydown		1,587,243	1,587,243	1,439,691	1,468,613		118,630		118,630		1,587,243				165,241	11/15/2029	1
31371G-BC-3	FNMA 251235 7.000% 10/01/27		06/23/2004	Various		151,799	145,272	143,660	143,678		236		236		143,914		7,885	7,885	5,872	10/01/2027	1
31403R-KQ-0	FNMA 755503 5.500% 11/01/33		06/28/2004	Various		8,889,653	8,973,214	9,079,613	9,079,327		(11,966)		(11,966)		9,067,361		(177,708)	(177,708)	264,744	11/01/2033	1
605275-CR-5	MISSISSIPPI BUSINESS FIN CORP 7.550% 06/01/04		06/01/2004	Maturity		2,000,000	2,000,000	1,998,960	1,999,943		57		57		2,000,000				75,557	06/01/2004	1FE
Total United States						13,337,363	13,408,492	13,321,648	13,357,357		142,485		142,485		13,499,842		(162,479)	(162,479)	562,338	XXX	XXX
3199999. Bonds - Special Revenues						13,337,363	13,408,492	13,321,648	13,357,357		142,485		142,485		13,499,842		(162,479)	(162,479)	562,338	XXX	XXX
	Public Utilities (unaffiliated) United States																				
025537-AE-1	AMERICAN ELEC PWR SR NTS 5.250% 06/01/15		05/04/2004	CREDIT SUISSE/FIRST BOSTON		4,834,500	5,000,000	4,890,250	4,890,250		485		485		4,890,735		(56,235)	(56,235)	114,235	06/01/2015	2
Total United States						4,834,500	5,000,000	4,890,250	4,890,250		485		485		4,890,735		(56,235)	(56,235)	114,235	XXX	XXX
3899999. Bonds - Public Utilities						4,834,500	5,000,000	4,890,250	4,890,250		485		485		4,890,735		(56,235)	(56,235)	114,235	XXX	XXX

E05

STATEMENT AS OF JUNE 30, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market In- dicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amor- tization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	15 Total Foreign Exchange Change in Book /Adjusted Carrying Value								
	Industrial & Miscellaneous																					
	United States																					
020039-AF-0	ALLTEL CORPORATION NTS 7.250% 04/01/04		04/01/2004	Maturity		4,000,000	4,000,000	3,799,720	3,992,722		7,278		7,278		4,000,000					152,278	04/01/2004	1FE
161551-BK-1	CHASE FDG 1999-3 1B 9.000% 07/25/29		04/01/2004	Paydown		77,921	77,921	76,341	77,397		524		524		77,921					2,861	07/25/2029	2FE
161551-DK-9	CHASE FDG 2000-3 1A5 7.898% 09/25/30		05/01/2004	Paydown		962,916	962,916	962,875	959,579		3,337		3,337		962,916					34,338	09/25/2030	1FE
52736T-AC-2	LEVIATHAN GAS SR NTS 10.375% 06/01/09		06/01/2004	Call 105.1880		1,788,196	1,700,000	1,782,875	1,744,760		43,436		43,436		1,788,196					131,623	06/01/2009	4
76111J-MF-8	RFMSI 2002-S1 A3 6.250% 01/25/32		05/01/2004	Paydown		5,537,588	5,537,588	4,746,137	4,757,855		779,733		779,733		5,537,588					905,526	01/25/2032	1FE
834376-AB-1	SOLUTIA INC DEBS 7.375% 10/15/27		04/27/2004	LEHMAN BROTHERS		420,000	1,000,000	422,500	340,000		82,500		82,500		422,500		(2,500)	(2,500)			10/15/2027	6FE
86358R-VE-4	SASCO 2002-2 1A3 6.550% 02/25/32		06/01/2004	Paydown		6,468,077	6,468,077	5,813,631	5,816,469		651,608		651,608		6,468,077					731,448	02/25/2032	1FE
911363-AH-2	UNITED RENTALS INC NTS 9.000% 04/01/09		04/01/2004	Call 104.5000		2,090,000	2,000,000	1,915,000	1,944,434		145,566		145,566		2,090,000					235,566	04/01/2009	4
Total United States						21,344,698	21,746,502	19,519,079	19,633,216	82,500	1,631,482		1,713,982		21,347,198		(2,500)	(2,500)		2,193,640	XXX	XXX
4599999. Bonds - Industrial and Miscellaneous						21,344,698	21,746,502	19,519,079	19,633,216	82,500	1,631,482		1,713,982		21,347,198		(2,500)	(2,500)		2,193,640	XXX	XXX
6099997. Total - Bonds - Part 4						39,519,052	40,157,485	37,733,395	37,883,274	82,500	1,774,492		1,856,992		39,740,266		(221,214)	(221,214)		2,870,349	XXX	XXX
6099998. Total - Bonds - Part 5																					XXX	XXX
6099999. Total - Bonds						39,519,052	40,157,485	37,733,395	37,883,274	82,500	1,774,492		1,856,992		39,740,266		(221,214)	(221,214)		2,870,349	XXX	XXX
6599997. Total - Preferred Stocks - Part 4							XXX														XXX	XXX
6599998. Total - Preferred Stocks - Part 5							XXX														XXX	XXX
6599999. Total - Preferred Stocks							XXX														XXX	XXX
7299997. Total - Common Stocks - Part 4							XXX														XXX	XXX
7299998. Total - Common Stocks - Part 5							XXX														XXX	XXX
7299999. Total - Common Stocks							XXX														XXX	XXX
7399999. Total - Preferred and Common Stocks							XXX														XXX	XXX
7499999 - Totals						39,519,052	XXX	37,733,395	37,883,274	82,500	1,774,492		1,856,992		39,740,266		(221,214)	(221,214)		2,870,349	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....

Schedule DB - Part A - Section 1

N O N E

Schedule DB - Part B - Section 1

N O N E

Schedule DB - Part C - Section 1

N O N E

Schedule DB - Part D - Section 1

N O N E

Footnotes:

(A) The rate of interest varies.

(B) Reported per NAIC website instruction "Guidance for Reporting Cash Equivalents in the 2004 Quarterly Statements."