



LIFE AND ACCIDENT AND HEALTH COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2003
OF THE CONDITION AND AFFAIRS OF THE

AMERICAN CENTURION LIFE ASSURANCE COMPANY

NAIC Group Code 0004 (Current Period) 0004 (Prior Period) NAIC Company Code 77798 Employer's ID Number 13-2638828
Organized under the Laws of New York, State of Domicile or Port of Entry New York
Country of Domicile United States of America
Incorporated 03/04/1969 Commenced Business 10/29/1970
Statutory Home Office 20 MADISON AVENUE EXTENSION, ALBANY, NY 12203-5326
Main Administrative Office 20 MADISON AVENUE EXTENSION, ALBANY, NY 12203-5326
Mail Address 227 AXP FINANCIAL CENTER, MINNEAPOLIS, MN 55474
Primary Location of Books and Records 20 MADISON AVENUE EXTENSION, ALBANY, NY 12203-5326
Internet Website Address
Statutory Statement Contact Jill L. Rickheim, 612-671-3969
Policyowner Relations Contact 20 MADISON AVENUE EXTENSION, ALBANY, NY 12203-5326

OFFICERS

President Timothy Vernon Bechtold Secretary Eric Lund Marhoun
Treasurer Walter Stanley Berman # Actuary John Michael Weum

VICE PRESIDENTS

Gumer Cruz Alvero Maureen Ann Buckley Lorraine Rose Hart
Carol Ann Holton # Michelle Marie Keeley #

DIRECTORS OR TRUSTEES

Gumer Cruz Alvero Timothy Vernon Bechtold Maureen Ann Buckley
Rodney Palmer Burwell Robert Ralph Grew Ronald Louis Guzior #
Carol Ann Holton Jean Marie Keffeler Thomas Ross McBurney
Thomas Vincent Nicolosi Stephen Peckam Norman Richard Marc Starr
Michael Reid Woodward

State of MINNESOTA }
County of HENNEPIN } 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.

Timothy Vernon Bechtold President Eric Lund Marhoun Secretary Jeryl Ann Millner # Treasurer (Controller)

Subscribed and sworn to before me this 12th day of FEBRUARY, 2004
a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

RENEE A. BOBICK
NOTARY PUBLIC - MINNESOTA
JANUARY 31, 2005

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE AMERICAN CENTURION LIFE ASSURANCE 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).....	479,685,477		479,685,477	393,601,996
2. Stocks (Schedule D):				
2.1 Preferred stocks	11,999,010		11,999,010	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	63,538,966		63,538,966	49,324,219
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$(803,341) , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short -term investments (\$23,357,373 , Schedule DA).....	22,554,032		22,554,032	23,846,789
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	12,886,103
8. Receivable for securities	2,145,582		2,145,582	58,846
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	579,923,067	0	579,923,067	479,717,953
11. Investment income due and accrued	5,802,742		5,802,742	4,584,629
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection			0	0
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			0	0
12.3 Accrued retrospective premium.....			0	0
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers			0	0
13.2 Funds held by or deposited with reinsured companies			0	0
13.3 Other amounts receivable under reinsurance contracts			0	0
14. Amounts receivable relating to uninsured plans			0	0
15.1 Current federal and foreign income tax recoverable and interest thereon			0	5,000
15.2 Net deferred tax asset.....	13,714,443	12,817,825	896,618	462,243
16. Guaranty funds receivable or on deposit	25,468		25,468	25,468
17. Electronic data processing equipment and software.....			0	0
18. Furniture and equipment, including health care delivery assets (\$)	5,830	5,830	0	0
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivables from parent, subsidiaries and affiliates	60,805		60,805	33,858
21. Health care (\$) and other amounts receivable.....			0	0
22. Other assets nonadmitted			0	0
23. Aggregate write-ins for other than invested assets	62,570	0	62,570	9,495
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	599,594,925	12,823,655	586,771,270	484,838,646
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	29,915,315		29,915,315	20,156,396
26. Total (Lines 24 and 25)	629,510,240	12,823,655	616,686,585	504,995,042
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Miscellaneous assets receivable.....	62,570		62,570	9,495
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	62,570	0	62,570	9,495

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$539,641,692 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	539,641,692	432,228,114
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$ Modco Reserve) .....		.0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve) .....		.0
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	85,000	85,000
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) .....		.0
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10) .....		.0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment to (including \$ Modco).....		.0
6.2 Dividends not yet apportioned (including \$ Modco) .....		.0
6.3 Coupons and similar benefits (including \$ Modco) .....		.0
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....		.0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14) .....		.0
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		.0
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds .....		.0
9.3 Other amounts payable on reinsurance including \$ assumed and \$ ceded .....		.0
9.4 Interest maintenance reserve (IMR Line 6) .....		.0
10. Commissions to agents due or accrued-life contracts and annuity contracts \$ accident and health \$ and deposit-type contract funds \$		(9,484)
11. Commissions and expense allowances payable on reinsurance assumed .....		.0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 5)	580,880	(52,014)
13. Transfers to Separate Accounts due or accrued (net) (Including \$ (636,881) accrued for expense allowances recognized in reserves, net of reinsured allowances)	(636,881)	(704,577)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	520,030	792,940
15.1 Current federal and foreign income taxes including \$ (34,986) on realized capital gains (losses) (including \$	636,404	47,670
15.2 Net deferred tax liability .....		.0
16. Unearned investment income .....		.0
17. Amounts withheld or retained by company as agent or trustee	2,267	15,426
18. Amounts held for agents' account, including \$ agents' credit balances .....		.0
19. Remittances and items not allocated	291,108	1,383,687
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		.0
21. Liability for benefits for employees and agents if not included above .....		.0
22. Borrowed money \$ and interest thereon \$ .....		.0
23. Dividends to stockholders declared and unpaid .....		.0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (Page 35, Line 16, Col. 7)	2,762,345	629,733
24.2 Reinsurance in unauthorized companies .....		.0
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....		.0
24.4 Payable to parent, subsidiaries and affiliates .....		.0
24.5 Drafts outstanding		1,257,715
24.6 Liability for amounts held under uninsured accident and health plans .....		.0
24.7 Funds held under coinsurance .....		.0
24.8 Payable for securities		15,412,344
24.9 Capital notes \$ and interest thereon \$ .....		.0
25. Aggregate write-ins for liabilities	0	0
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	543,882,845	451,086,554
27. From Separate Accounts Statement	29,899,716	20,156,396
28. Total Liabilities (Lines 26 and 27)	573,782,561	471,242,950
29. Common capital stock	1,000,000	1,000,000
30. Preferred capital stock .....		.0
31. Aggregate write-ins for other than special surplus funds .....	.0	.0
32. Surplus notes .....		.0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	56,600,000	36,600,000
34. Aggregate write-ins for special surplus funds .....	.0	.0
35. Unassigned funds (surplus)	(14,695,976)	(3,847,909)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$ ..... ) .....		.0
36.2 shares preferred (value included in Line 30 \$ ..... ) .....		.0
37. Surplus (total Lines 31+32+33+34+35-36) (Including \$ 15,599 in Separate Accounts Statement)	41,904,024	32,752,091
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	42,904,024	33,752,091
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3)	616,686,585	504,995,041
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page .....	.0	.0
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page .....	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0

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)	121,479,851	59,021,814
2. Considerations for supplementary contracts with life contingencies		0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	29,970,636	29,525,480
4. Amortization of interest maintenance reserve (IMR) (Line 5)	(469,928)	(496,138)
5. Separate Accounts net gain from operations excluding unrealized gains or losses	619	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	0	0
7. Reserve adjustments on reinsurance ceded		0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	369,083	431,936
8.2 Charges and fees for deposit-type contracts		0
8.3 Aggregate write-ins for miscellaneous income	4,289	0
9. Total (Lines 1 to 8.3)	151,354,550	88,483,092
10. Death benefits		0
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	8,900,075	7,310,984
13. Disability benefits and benefits under accident and health contracts		0
14. Coupons, guaranteed annual pure endowments and similar benefits		0
15. Surrender benefits and withdrawals for life contracts	31,321,613	24,985,947
16. Group conversions		0
17. Interest and adjustments on contracts or deposit-type contract funds		0
18. Payments on supplementary contracts with life contingencies		0
19. Increase in aggregate reserves for life and accident and health contracts	107,413,578	54,121,496
20. Totals (Lines 10 to 19)	147,635,266	86,418,427
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	4,688,919	1,275,825
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	0	0
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1 + 2 + 3)	3,314,429	2,583,187
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	237,715	263,600
25. Increase in loading on deferred and uncollected premiums		0
26. Net transfers to or (from) Separate Accounts net of reinsurance	5,559,305	(2,943,541)
27. Aggregate write-ins for deductions	47,006	0
28. Totals (Lines 20 to 27)	161,482,640	87,597,498
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(10,128,091)	885,594
30. Dividends to policyholders		0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(10,128,091)	885,594
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	1,006,376	1,416,621
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)	(11,134,467)	(531,027)
34. Net realized capital gains or (losses) less capital gains tax of \$ 46,601 (excluding taxes of \$ 836,416) transferred to the IMR	(610,592)	(4,823,349)
35. Net income (Line 33 plus Line 34)	(11,745,059)	(5,354,376)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	33,752,091	37,653,964
37. Net income (Line 35)	(11,745,059)	(5,354,376)
38. Change in net unrealized capital gains (losses)	1,284,497	(1,658,566)
39. Change in net unrealized foreign exchange capital gain (loss)		0
40. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)	4,411,424	(173,011)
41. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Col. 3)	(2,666,317)	(8,741,780)
42. Change in liability for reinsurance in unauthorized companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)	0	0
44. Change in asset valuation reserve (Page 35, Lines 2 + 3 + 4 + 5 - 6 + 7 + 11 + 14 + 15, Column 7)	(2,132,612)	2,549,831
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period	(14,980)	0
47. Other changes in surplus in Separate Accounts Statement		0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles		9,476,030
50. Capital changes:		
50.1 Paid in		0
50.2 Transferred from surplus (Stock Dividend)		0
50.3 Transferred to surplus		0
51. Surplus adjustment:		
51.1 Paid in	20,000,000	0
51.2 Transferred to capital (Stock Dividend)		0
51.3 Transferred from capital		0
51.4 Change in surplus as a result of reinsurance		0
52. Dividends to stockholders		0
53. Aggregate write-ins for gains and losses in surplus	14,980	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	9,151,933	(3,901,872)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	42,904,024	33,752,092
DETAILS OF WRITE-INS		
08.301. Miscellaneous income	4,289	0
08.302.		0
08.303.		0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	4,289	0
2701. Purchase payment credits	47,006	0
2702.		0
2703.		0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. TOTALS (Lines 2701 thru 2703 plus 2798) (Line 27 above)	47,006	0
5301. Seed money contributed to separate accounts	14,980	0
5302.		0
5303.		0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. TOTALS (Lines 5301 thru 5303 plus 5398) (Line 53 above)	14,980	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	121,479,851	59,021,814
2. Net investment income	29,414,574	28,803,830
3. Miscellaneous income	359,011	431,936
4. Total (Lines 1 to 3)	151,253,436	88,257,580
5. Benefits and loss related payments	40,221,686	32,296,931
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	5,492,228	(3,376,170)
7. Commissions, expenses paid and aggregate write-ins for deductions	7,918,602	4,892,411
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) \$ net tax on capital gains (losses)	412,642	3,846,965
10. Total (Lines 5 through 9)	54,045,158	37,660,137
11. Net cash from operations (Line 4 minus Line 10)	97,208,278	50,597,443
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	131,865,747	116,752,596
12.2 Stocks	511	55,964
12.3 Mortgage loans	2,375,253	3,584,211
12.4 Real estate	0	0
12.5 Other invested assets	0	14,110
12.6 Net gains or (losses) on cash and short-term investments	1,777	5,311
12.7 Miscellaneous proceeds	0	(58,846)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	134,243,288	120,353,346
13. Cost of investments acquired (long-term only):		
13.1 Bonds	216,168,704	149,521,614
13.2 Stocks	848	0
13.3 Mortgage loans	16,590,000	13,325,000
13.4 Real estate	0	0
13.5 Other invested assets	0	320,901
13.6 Miscellaneous applications	19,098,468	(5,460,386)
13.7 Total investments acquired (Lines 13.1 to 13.6)	251,858,020	157,707,129
14. Net increase (or decrease) in policy loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(117,614,732)	(37,353,783)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	20,000,000	0
16.3 Borrowed funds received.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(886,302)	1,936,683
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	19,113,698	1,936,683
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	(1,292,757)	15,180,343
19. Cash and short-term investments:		
19.1 Beginning of year	23,846,789	8,666,446
19.2 End of period (Line 18 plus Line 19.1).....	22,554,032	23,846,789

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE AMERICAN CENTURION LIFE ASSURANCE 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	121,479,851	0	644	79,686,251		0	0	41,792,956	0	0	0	0
2. Considerations for supplementary contracts with life contingencies	0											
3. Net investment income	29,970,636			16,306,708			5,840	13,658,088				
4. Amortization of Interest Maintenance Reserve (IMR)	(469,928)			(255,682)			(92)	(214,154)				
5. Separate Accounts net gain from operations excluding unrealized gains or losses	619			619								
6. Commissions and expense allowances on reinsurance ceded	0	0	0	0		0	0	0	0	0	0	0
7. Reserve adjustments on reinsurance ceded	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	369,083			320,053				49,030				
8.2 Charges and fees for deposit-type contracts	0											
8.3 Aggregate write-ins for miscellaneous income	4,289		0	4,289	0	0	0	0	0	0	0	0
9. Totals (Lines 1 to 8.3)	151,354,550	0	644	96,062,238	0	0	5,748	55,285,920	0	0	0	0
10. Death benefits	0											
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0	0				0					
12. Annuity benefits	8,900,075			1,273,942				7,626,133				
13. Disability benefits and benefits under accident and health contracts	0								0	0	0	
14. Coupons, guaranteed annual pure endowments and similar benefits	0											
15. Surrender benefits and withdrawals for life contracts	31,321,613			12,973,977				18,347,636				
16. Group conversions	0											
17. Interest and adjustments on contract or deposit-type contract funds	0											
18. Payments on supplementary contracts with life contingencies	0											
19. Increase in aggregate reserves for life and accident and health contracts	107,413,577			82,874,899				24,538,678				
20. Totals (Lines 10 to 19)	147,635,265	0	0	97,122,818	0	0	0	50,512,447	0	0	0	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	4,688,919	0	0	4,688,919	0	0	0	0	0	0	0	0
22. Commissions and expense allowances on reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0
23. General insurance expenses	3,314,430		10	2,715,120				599,300				
24. Insurance taxes, licenses and fees, excluding federal income taxes (FIT)	237,715			194,732				42,983				
25. Increase in loading on deferred and uncollected premiums	0											
26. Net transfers to or (from) Separate Accounts net of reinsurance	5,559,305			5,694,462				(135,157)				
27. Aggregate write-ins for deductions	47,006	0	0	47,006	0	0	0	0	0	0	0	0
28. Totals (Lines 20 to 27)	161,482,640	0	10	110,463,057	0	0	0	51,019,573	0	0	0	0
29. Net gain from operations before dividends to policyholders and FIT (Line 9 - Line 28)	(10,128,090)	0	634	(14,400,819)	0	0	5,748	4,266,347	0	0	0	0
30. Dividends to policyholders	0								0	0	0	
31. Net gain from operations after dividends to policyholders and before FIT (Line 29 - Line 30)	(10,128,090)	0	634	(14,400,819)	0	0	5,748	4,266,347	0	0	0	0
32. Federal income taxes incurred (excluding tax on capital gains)	1,006,376		63	581,817			571	423,925				
33. Net gain from operations after dividends to policyholders and FIT and before realized capital gains or (losses) (Line 31 - Line 32)	(11,134,466)	0	571	(14,982,636)	0	0	5,177	3,842,422	0	0	0	0
DETAILS OF WRITE-INS												
08.301. Miscellaneous income	4,289			4,289								
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	4,289	0	0	4,289	0	0	0	0	0	0	0	0
2701. Purchase payment credit	47,006			47,006								
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	47,006	0	0	47,006	0	0	0	0	0	0	0	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 Line 10 Line 16 Line 23 Line 24

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE AMERICAN CENTURION LIFE ASSURANCE 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	432,228,115	0	0	226,844,141	0	0	93,750	205,290,224
2. Tabular net premiums or considerations	117,037,968			76,498,801				40,539,167
3. Present value of disability claims incurred	0				XXX			
4. Tabular interest	25,783,012			13,313,086			2,813	12,467,113
5. Tabular less actual reserve released	(1,576,592)			1,060,638				(2,637,230)
6. Increase in reserve on account of change in valuation basis	0							
7. Other increases (net)	12,000,000			12,000,000				
8. Totals (Lines 1 to 7)	585,472,503	0	0	329,716,666	0	0	96,563	255,659,274
9. Tabular cost	2,813				XXX		2,813	
10. Reserves released by death	0			XXX	XXX			XXX
11. Reserves released by other terminations (net)	31,368,619			13,020,983				18,347,636
12. Annuity, supplementary contract and disability payments involving life contingencies	8,900,075			1,273,942				7,626,133
13. Net transfers to or (from) Separate Accounts	5,559,305			5,694,462				(135,157)
14. Total Deductions (Lines 9 to 13)	45,830,812	0	0	19,989,387	0	0	2,813	25,838,612
15. Reserve December 31, current year	539,641,691	0	0	309,727,279	0	0	93,750	229,820,662

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 61,738	76,849
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 24,199,363	25,244,478
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 525,111	525,111
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c) 4,226,673	4,323,342
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 144,083	144,083
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	22,394	22,394
10. Total gross investment income	29,179,362	30,336,257
11. Investment expenses		(g) 362,383
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 3,238
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		365,621
17. Net Investment Income - (Line 10 minus Line 16)		29,970,636
DETAILS OF WRITE-INS		
0901. Commitment Fees	1,350	1,350
0902. Interest Returned to Broker	(5,580)	(5,580)
0903. Miscellaneous Income	16,563	16,563
0998. Summary of remaining write-ins for Line 9 from overflow page	10,061	10,061
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	22,394	22,394
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 1,093,103 accrual of discount less \$ 1,755,154 amortization of premium and less \$ 1,102,380 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ 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 \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 144,083 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ 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 \$ 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 Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds					0
1.1 Bonds exempt from U.S. tax					0
1.2 Other bonds (unaffiliated)	1,111,187		1,331,389		2,442,576
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)		(840,201)	(46,892)		(887,093)
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)	(337)				(337)
2.21 Common stocks of affiliates					0
3. Mortgage loans					0
4. Real estate					0
5. Contract loans					0
6. Cash/Short-term investments	1,776				1,776
7. Derivative instruments					0
8. Other invested assets					0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	1,112,626	(840,201)	1,284,497	0	1,556,922
DETAILS OF WRITE-INS					
0901.					0
0902.					0
0903.					0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE AMERICAN CENTURION LIFE ASSURANCE COMPANY

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

	1		2		3 Ordinary		4	5	6 Group		7		8 Accident and Health		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	.0																
2. Deferred and accrued	.0																
3. Deferred, accrued and uncollected:																	
3.1 Direct	.0																
3.2 Reinsurance assumed	.0																
3.3 Reinsurance ceded	.0																
3.4 Net (Line 1 + Line 2)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Line 3.4 - Line 4	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:																	
6.1 Direct	83,994,608		6,767	74,992,275						8,995,566							
6.2 Reinsurance assumed	.0																
6.3 Reinsurance ceded	6,767		6,767														
6.4 Net	83,987,841	.0	.0	74,992,275	.0	.0	.0	.0	.0	8,995,566	.0	.0	.0	.0	.0	.0	.0
7. Line 5 + Line 6.4	83,987,841	.0	.0	74,992,275	.0	.0	.0	.0	.0	8,995,566	.0	.0	.0	.0	.0	.0	.0
8. Prior year (uncollected + deferred and accrued - advance)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. First year premiums and considerations:																	
9.1 Direct	83,994,521	.0	6,680	74,992,275	.0	.0	.0	.0	.0	8,995,566	.0	.0	.0	.0	.0	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	6,680	.0	6,680	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net (Line 7 - Line 8)	83,987,841	.0	.0	74,992,275	.0	.0	.0	.0	.0	8,995,566	.0	.0	.0	.0	.0	.0	.0
SINGLE																	
10. Single premiums and considerations:																	
10.1 Direct	.0																
10.2 Reinsurance assumed	.0																
10.3 Reinsurance ceded	.0																
10.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
RENEWAL																	
11. Uncollected	.0																
12. Deferred and accrued	.0																
13. Deferred, accrued and uncollected:																	
13.1 Direct	343,227		343,227														
13.2 Reinsurance assumed	.0																
13.3 Reinsurance ceded	343,227		343,227														
13.4 Net (Line 11 + Line 12)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Line 13.4 - Line 14	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
16. Collected during year:																	
16.1 Direct	38,647,590		1,144,238	4,693,976					11,986	32,797,390							
16.2 Reinsurance assumed	.0																
16.3 Reinsurance ceded	1,155,580		1,143,594						11,986								
16.4 Net	37,492,010	.0	644	4,693,976	.0	.0	.0	.0	.0	32,797,390	.0	.0	.0	.0	.0	.0	.0
17. Line 15 + Line 16.4	37,492,010	.0	.0	4,693,976	.0	.0	.0	.0	.0	32,797,390	.0	.0	.0	.0	.0	.0	.0
18. Prior year (uncollected + deferred and accrued - advance)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19. Renewal premiums and considerations:																	
19.1 Direct	38,631,653	.0	1,127,920	4,693,976	.0	.0	.0	.0	12,367	32,797,390	.0	.0	.0	.0	.0	.0	.0
19.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.3 Reinsurance ceded	1,139,643	.0	1,127,276	.0	.0	.0	.0	.0	12,367	.0	.0	.0	.0	.0	.0	.0	.0
19.4 Net (Line 17 - Line 18)	37,492,010	.0	644	4,693,976	.0	.0	.0	.0	.0	32,797,390	.0	.0	.0	.0	.0	.0	.0
TOTAL																	
20. Total premiums and annuity considerations:																	
20.1 Direct	122,626,174	.0	1,134,600	79,686,251	.0	.0	.0	.0	12,367	41,792,956	.0	.0	.0	.0	.0	.0	.0
20.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.3 Reinsurance ceded	1,146,323	.0	1,133,956	.0	.0	.0	.0	.0	12,367	.0	.0	.0	.0	.0	.0	.0	.0
20.4 Net (Line 9.4 + 10.4 + 19.4)	121,479,851	.0	644	79,686,251	.0	.0	.0	.0	.0	41,792,956	.0	.0	.0	.0	.0	.0	.0

6

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		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)	0										
22. All other (Exhibit 4, Lines 2, 3 & 4)	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	0										
23.2 Reinsurance assumed	0										
23.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded	0										
24.2 Reinsurance assumed	0										
24.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded	0										
25.2 Reinsurance assumed	0										
25.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	0	0	0	0	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 22)	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	4,604,506			4,604,506							
28. Single	0										
29. Renewal	84,413			84,413							
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	4,688,919	0	0	4,688,919	0	0	0	0	0	0	0

EXHIBIT 2 - GENERAL EXPENSES

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Rent	156,729			12,174	168,903
2. Salaries and wages	1,779,555			150,752	1,930,307
3.11 Contributions for benefit plans for employees	96,394			5,346	101,740
3.12 Contributions for benefit plans for agents					0
3.21 Payments to employees under non-funded benefit plans					0
3.22 Payments to agents under non-funded benefit plans					0
3.31 Other employee welfare	50,814			1,595	52,409
3.32 Other agent welfare					0
4.1 Legal fees and expenses	15,781			(340)	15,441
4.2 Medical examination fees					0
4.3 Inspection report fees					0
4.4 Fees of public accountants and consulting actuaries	163,349				163,349
4.5 Expense of investigation and settlement of policy claims					0
5.1 Traveling expenses	117,874			3,953	121,827
5.2 Advertising	106,729			20	106,749
5.3 Postage, express, telegraph and telephone	91,222			1,990	93,212
5.4 Printing and stationery	299,201			647	299,848
5.5 Cost or depreciation of furniture and equipment	89,087			4,514	93,600
5.6 Rental of equipment	52,086			1,541	53,627
5.7 Cost or depreciation of EDP equipment and software					0
6.1 Books and periodicals	1,309			183	1,492
6.2 Bureau and association fees	11,577			114	11,691
6.3 Insurance, except on real estate	4,290			63	4,353
6.4 Miscellaneous losses	(11,010)			(1)	(11,011)
6.5 Collection and bank service charges				114,892	114,892
6.6 Sundry general expenses	287,700			14,425	302,124
6.7 Group service and administration fees					0
6.8 Reimbursements by uninsured accident and health plans					0
7.1 Agency expense allowance	1			8	9
7.2 Agents' balances charged off (less \$ recovered)					0
7.3 Agency conferences other than local meetings	342			16	358
9.1 Real estate expenses				43	43
9.2 Investment expenses not included elsewhere	1,399			50,450	51,849
9.3 Aggregate write-ins for expenses	0	0	0	0	0
10. General expenses incurred	3,314,429	0	0	362,383 (a)	3,676,813
11. General expenses unpaid December 31, prior year	(46,651)	0	0	(5,363)	(52,014)
12. General expenses unpaid December 31, current year	523,629	0	0	57,251	580,880
13. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0	0
14. Amounts receivable relating to uninsured accident and health plans, current year	0	0	0	0	0
15. General expenses paid during year (Lines 10+11-12-13+14)	2,744,149	0	0	299,769	3,043,919
DETAILS OF WRITE-INS					
09.301.					
09.302.					
09.303.					
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	0	0	0	0	0

(a) Includes management fees of \$ 65,837 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					0
2. State insurance department licenses and fees	237,679			51	237,730
3. State taxes on premiums	(34,929)				(34,929)
4. Other state taxes, incl. \$ for employee benefits	416	(23,024)			(23,024)
5. U.S. Social Security taxes	57,989			3,187	61,176
6. All other taxes					0
7. Taxes, licenses and fees incurred	237,715	0	0	3,238	240,953
8. Taxes, licenses and fees unpaid December 31, prior year	782,590	0	0	10,350	792,940
9. Taxes, licenses and fees unpaid December 31, current year	513,041	0	0	6,989	520,030
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	507,264	0	0	6,599	513,863

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	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. Guaranteed Ins Rider CRF (81-81)	255		255		
0100002. 58 CET 3% NLP ANB CRF (71-76)	2,574		2,574		
0100003. 58 CET 3% CRVM ANB CRF (75-76)	488		488		
0100004. 58 CET 3.5% NLP ANB CRF (75-76)	410		410		
0100005. 58 CSO 3% CRVM ANB CRF (71-88)	93,791		93,791		
0100006. 58 CSO 3% NLP ALB CRF (76-88)	16,029		16,029		
0100007. 58 CSO 3.5% CRVM ANB CRF (75-84)	45,404		45,404		
0100008. 58 CSO 3.5% NLP ANB CRF (72-88)	53,307		53,307		
0100009. 58 CSO 4% CRVM ANB CRF (80-88)	93,873		93,873		
0100010. 58 CSO 4.5% CRVM ANB CRF (84-88)	668		668		
0100011. 58 CSO 4.5% NLP ALB CRF (83-88)	532,605		532,605		
0100012. 80 CSO 5.5% CRVM ALB CRF (90-97)	27,480		27,480		
0100013. Unearned premium (83-92)	806				806
0100014. Group Life Extended Death Benefit (76-84)	93,750				93,750
0199997. Totals (Gross)	961,440	0	866,884	0	94,556
0199998. Reinsurance ceded	867,690		866,884		806
0199999. Totals (Net)	93,750	0	0	0	93,750
ANNUITIES (excluding supplementary contracts with life contingencies):					
0200001. 1983 IAM ANB CRF 7.25% (92)	2,758	XXX	2,758	XXX	
0200002. GA 1951 ANB CRF 3.5% Immediate (71)	292,911	XXX		XXX	292,911
0200003. GA 1951 ANB CRF 3.5% Deferred (71)	10,833	XXX		XXX	10,833
0200004. CARVM 4% (80-86)	418,324	XXX	418,324	XXX	
0200005. Flexible Premium No-Load NB (89-NB)	516,708,789	XXX	286,888,127	XXX	229,820,662
0200006. 83a 6.25% Due (94-96)	5,727	XXX	5,727	XXX	
0200007. 83a 6.75% Due (97)	89,294	XXX	89,294	XXX	
0200008. Annuity 2000 6.25% Due (98-99)	844,056	XXX	844,056	XXX	
0200009. Annuity 2000 7.00% Due (2000)	387,909	XXX	387,909	XXX	
0200010. Annuity 2000 6.75% Due (2001)	346,499	XXX	346,499	XXX	
0200011. Annuity 2000 6.50% Due (2002)	702,372	XXX	702,372	XXX	
0200012. Annuity 2000 6.00% Due (2003) - NB	366,438	XXX	366,438	XXX	
0299997. Totals (Gross)	520,175,910	XXX	290,051,504	XXX	230,124,406
0299998. Reinsurance ceded	724,026	XXX	421,082	XXX	303,744
0299999. Totals (Net)	519,451,884	XXX	289,630,422	XXX	229,820,662
SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:					
0399997. Totals (Gross)	0	0	0	0	0
0399998. Reinsurance ceded	0				
0399999. Totals (Net)	0	0	0	0	0
ACCIDENTAL DEATH BENEFITS:					
0400001. 59 ADB TBL 3.5% CRF (71-93)	41		41		
0499997. Totals (Gross)	41	0	41	0	0
0499998. Reinsurance ceded	41		41		
0499999. Totals (Net)	0	0	0	0	0
DISABILITY-ACTIVE LIVES:					
0500001. 52 DIS TBL 3.5% CRF (71-93)	2,194		2,194		
0599997. Totals (Gross)	2,194	0	2,194	0	0
0599998. Reinsurance ceded	2,194		2,194		
0599999. Totals (Net)	0	0	0	0	0
DISABILITY-DISABLED LIVES:					
0600001. 1964 CDT 3% CRF	26,529		26,529		
0699997. Totals (Gross)	26,529	0	26,529	0	0
0699998. Reinsurance ceded	26,529		26,529		
0699999. Totals (Net)	0	0	0	0	0
MISCELLANEOUS RESERVES					
0700001. Substandard Extra	431,340		431,340		
0700002. Deficiency Reserves	47,732		47,732		
0700003. Non-deduction reserves	8,516		8,516		
0700004. IPC	16,953		16,953		18
0700005. Variable annuity minimum death benefit guarantee	96,856		96,856		
0700006. Additional actuarial reserves-asset/liability analysis	20,000,000		20,000,000		
0799997. Totals (Gross)	20,601,397	0	20,601,379	0	18
0799998. Reinsurance ceded	504,541		504,523		18
0799999. Totals (Net)	20,096,856	0	20,096,856	0	0
9999999. Totals (Net) - (Page 3, Line 1)	539,641,690	0	309,727,278	0	229,914,412



ANNUAL STATEMENT FOR THE YEAR 2003 OF THE AMERICAN CENTURION LIFE ASSURANCE 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
.....
- 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
.....
- 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.
.....
- 6. Does the reporting entity hold reserves for any annuity contracts which are less than the reserves that would be held on a standard basis? Yes [] No [X]
 - 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$
 - 6.2 which 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: \$
 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)			

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									
2. Additional contract reserves (a)									
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)									
8. Reinsurance ceded									
9. Totals (Net)									
CLAIM RESERVE									
10. Present value of amounts not yet due on claims									
11. Additional actuarial reserves-Asset/Liability analysis									
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. Totals (Gross)									
15. Reinsurance ceded									
16. Totals (Net)									
17. TOTAL (Net)									
18. TABULAR FUND INTEREST									
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)									

NONE

(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 Supplemental Contracts and Annuities Certain	4 Dividend Accumulations or Refunds	5 Premium and Other Deposit Funds	6 Other
1. Balance at the beginning of the year before reinsurance .....	.0					
2. Deposits received during the year .....	.82				.82	
3. Investment earnings credited to the account .....	.3				.3	
4. Other net change in reserves .....	.0					
5. Fees and other charges assessed .....	.0					
6. Surrender charges .....	.0					
7. Net surrender or withdrawal payments .....	.82				.82	
8. Other net transfers to or (from) Separate Accounts .....	.0					
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) .....	.3	.0	.0	.0	.3	.0
10. Reinsurance balance at the beginning of the year .....	.0					
11. Net change in reinsurance assumed .....	.0					
12. Net change in reinsurance ceded .....	.3				.3	
13. Reinsurance balance at the end of the year (Lines 10+11-12)	(.3)	.0	.0	.0	(.3)	.0
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE AMERICAN CENTURION LIFE ASSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and Unpaid:											
1.1 Direct	0										
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted											
2.11 Direct	0										
2.12 Reinsurance assumed	0										
2.13 Reinsurance ceded	0										
2.14 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
2.2 Other											
2.21 Direct	190,000		190,000								
2.22 Reinsurance assumed	0										
2.23 Reinsurance ceded	105,000		105,000								
2.24 Net	85,000	0	(b) 85,000	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 0
3. Incurred but unreported:											
3.1 Direct	213,035		213,035								
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	213,035		213,035								
3.4 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 0
4. TOTALS											
4.1 Direct	403,035	0	403,035	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	318,035	0	318,035	0	0	0	0	0	0	0	0
4.4 Net	85,000	(a) 0	(a) 85,000	0	0	0	(a) 0	0	0	0	0

(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 \$, Credit Life (Group and Individual) \$, 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 \$ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE AMERICAN CENTURION LIFE ASSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements During the Year:											
1.1 Direct	9,702,151		802,076	1,273,942				7,626,133			
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	802,076		802,076								
1.4 Net	8,900,075	0	0	1,273,942	0	0	0	7,626,133	0	0	0
2. Liability December 31, current year from Part 1:											
2.1 Direct	403,035	0	403,035	0	0	0	0	0	0	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	318,035	0	318,035	0	0	0	0	0	0	0	0
2.4 Net	85,000	0	85,000	0	0	0	0	0	0	0	0
3. Amounts recoverable from reinsurers December 31, current year	0										
4. Liability December 31, prior year:											
4.1 Direct	284,784	0	284,784	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	199,784	0	199,784	0	0	0	0	0	0	0	0
4.4 Net	85,000	0	85,000	0	0	0	0	0	0	0	0
5. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0	0
6. Incurred Benefits:											
6.1 Direct	9,820,402	0	920,327	1,273,942	0	0	0	7,626,133	0	0	0
6.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded	920,327	0	920,327	0	0	0	0	0	0	0	0
6.4 Net	8,900,075	0	0	1,273,942	0	0	0	7,626,133	0	0	0

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ 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.
 \$ in Line 6.1 and \$ in Line 6.4.

(d) Includes \$ premiums waived under total and permanent disability benefits.

EXHIBIT 9
ANALYSIS OF NON-ADMITTED ASSETS AND RELATED ITEMS

	1	2	3
	End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 12 through 20, Column 2.....	12,823,655	8,850,995	(3,972,660)
2. Other Nonadmitted Assets:			
2.1 Bills receivable .....		.0	.0
2.2 Leasehold improvements.....		.0	.0
2.3 Cash advanced to or in the hands of officers or agents.....		.0	.0
2.4 Loans on personal security, endorsed or not.....		.0	.0
2.5 Commuted commissions .....		.0	.0
2.6 Supplies, stationery, printed matter .....		.0	.0
3. Total (Lines 2.1 thru 2.6) .....	.0	.0	.0
4. Disallowed interest maintenance reserve	1,592,054	2,898,398	1,306,344
5. Aggregate write-ins for other than invested assets	0	0	0
6. Total (Line 1 plus Lines 3 to 5)	14,415,709	11,749,393	(2,666,316)
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. The accompanying financial statements of American Centurion Life Assurance Company (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the State of New York. The National Association of Insurance Commissioners, (NAIC) Accounting Practices and Procedures Manual has been adopted as a component of its prescribed statutory accounting principles (SAP).

The State of New York has prescribed certain accounting practices that differ from NAIC SAP. Most significantly, prior to 2001, recognition of deferred tax assets and deferred tax liabilities was not permitted for New York companies. New York amended its regulations in 2002 to allow its domiciliary insurers to recognize deferred tax assets and liabilities (refer to note 2 for additional information regarding this change). Because of this change in New York SAP, there are no reportable differences in 2003 between the Company's net income based on New York SAP compared to NAIC SAP.

- B. The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes, exhibits and schedules. Actual results may differ from these estimates.
- C. Summary of Significant Accounting Policies:

Premium revenue

Universal life-type insurance premiums and annuity considerations are recognized as revenue when received. Premiums on other life insurance contracts are recognized as revenue on the anniversary date of the contracts. Premiums on accident and health insurance contracts are recognized as revenue over the contract period. Funds received on contracts that do not have mortality or morbidity risk are reported as liabilities on deposit-type contracts, not as revenue.

Liabilities for future policy benefits

Liabilities for single premium and installment deferred annuities are based on the Commissioners Annuity Reserve Valuation Method at interest rates ranging from 4.75 percent to 10 percent. Liabilities for universal life-type insurance policies are based on the Commissioners Reserve Valuation Method or Net Single Premium Method at interest rates ranging from 4 percent to 6 percent and the 1958 CSO and 1980 CSO Mortality Tables.

Liabilities for fixed annuities in a benefit status are based on the 1949a Annuity Table with interest at 3.5 percent, the 1971 Individual Annuity Table with interest at 6 percent or 4 percent, the 1971 Group Annuity Table with interest at 6 percent, the 1983a Table with various interest rates ranging from 6.00 percent to 11.25 percent, or the Annuity 2000 Table with interest rates ranging from 6.00 percent to 7.00 percent.

Federal income taxes

The Company's taxable income is included in the consolidated federal income tax return of American Express Company. The Company provides for income taxes on a separate return basis, except that, under an agreement between American Express Financial Corporation (AEFC) and American Express Company, tax benefit is recognized for losses to the extent they can be used in the consolidated tax return. It is the policy of AEFC to reimburse subsidiaries for all tax benefits.

Separate account business

The separate account assets and liabilities represent funds held for the exclusive benefit of the variable annuity contract owners. The Company receives mortality and expense risk fees from the separate accounts.

The Company makes contractual mortality assurances to the variable annuity contract owners that the net assets of the separate accounts will not be affected by future variations in the actual life expectancy experience of the annuitants and beneficiaries from the mortality assumptions implicit in the annuity contracts. The Company makes periodic fund transfers to, or withdrawals from, the separate account assets for such actuarial adjustments for variable annuities that are in the benefit payment period. The Company also guarantees that the rates at which administrative fees are deducted from contract funds will not exceed contractual maximums.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost. Short-term investments are accounted for in the same manner as similar long-term investments except that any premium or discount is amortized on a straight-line basis to maturity.
- (2) Bonds not backed by other loans are carried at amortized cost using the scientific amortization method. Bonds and structured securities purchased at Par are carried at cost. Bonds with an NAIC designation of 6 are reported at the lower of amortized cost or fair value.
- (3) Common stocks, if owned, are carried at market with subsequent fluctuations in market value recorded as unrealized gain or loss.
- (4) Preferred stocks, if any, are carried at book value.
- (5) Mortgage loans on real estate are stated at the unpaid principal balance less any write-downs for other than temporary impairments, if applicable.
- (6) Loan-backed securities and structured securities are stated at amortized cost using the scientific amortization method and include anticipated prepayments. Changes in estimated cash flow and in coupon interest cash flows from the original purchase assumptions are accounted for using the prospective method. The retrospective method is used for all other pass-through, loan-backed and structured securities.
- (7) The Company has no investments in subsidiaries, controlled or affiliated companies.
- (8) The Company has no investments in joint ventures, partnerships and limited liability companies.
- (9) The Company has no derivatives.
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation.
- (11) The Company has no claim reserves.

2. Accounting Changes and Corrections of Errors

In 2002, New York amended its regulations so that effective January 1, 2002, deferred tax assets and liabilities are permitted to be recognized by New York-domiciled insurance companies. This change provides further conformity between New York prescribed accounting practices and NAIC SAP. As a result of this change, the Company reported an increase in unassigned surplus of approximately \$.8 million as of January 1, 2002.

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) The maximum and minimum lending rates for mortgage loans during 2003 were: 7.390% and 4.570%.
- (2) The Company did not reduce the interest rate on any mortgage loans during 2003.
- (3) The maximum percentage of any one loan to the value of security at the time of loan, exclusive of insured, guaranteed or purchase money mortgages was: 80%.
- (4) At year-end, the Company held no mortgages with interest more than 180 days past due.
- (5) There were no taxes, assessments or amounts advanced and not included in the mortgage loan total.
- (6) The Company had no impaired loans at December 31, 2003 or December 31, 2002
- (7) The Company had no impaired loans at December 31, 2003 or December 31, 2002
- (8) The Company had no impaired loans at December 31, 2003 or December 31, 2002
- (9) The Company had no impaired loans at December 31, 2003 or December 31, 2002
- (10) The Company had no impaired loans at December 31, 2003 or December 31, 2002
- (11) None

5. Investments (continued)

NOTES TO FINANCIAL STATEMENTS

(12) Interest accrual is stopped when a mortgage is 90 days delinquent. Income received during the 90+ delinquent period is collected on a cash basis until the loan is brought current and then returned to a normal accrual status.

B. Debt Restructuring
Not applicable

C. Reverse Mortgages
Not applicable

D. Loan-Backed Securities
Prepayment assumptions for pass-through, loan-backed bonds and structured securities are based on financial information provided by a licensed data provider. These assumptions are consistent with the current interest rate and economic environment. The retrospective method is used to value all types of these securities except for when rate changes result in recalculation of the effective yield. The recalculated yield is used to amortize the investment as of the rate change date.

E. Repurchase Agreements
None

F. Real Estate
Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company held no investments in joint ventures, partnerships or limited liability companies that exceed 10% of the admitted assets.

B. Not applicable

7. Investment Income

A. The Company excludes due and accrued interest from investment income on bonds in default.

B. There was no amount excluded in 2003.

8. Derivative Instruments

Not applicable

9. Income Taxes

A. The components of the net deferred tax asset/liability at December 31, 2003 and December 31, 2002 are as follows:

	2003	2002
(1) Total of all deferred tax assets (DTAs), admitted and nonadmitted	\$13,714,443	\$9,303,019
(2) Total of all deferred tax liabilities (DTLs)	0	0
(3) Total DTAs nonadmitted in accordance with SSAP No. 10	12,817,825	8,840,776
(4) Total of all DTAs (admitted portion)	<u>\$896,618</u>	<u>\$ 462,243</u>
(5) The net change during the year in DTAs nonadmitted	\$3,977,049	\$ (201,638)

B. At December 31, 2003, the Company had a policyholders' surplus account balance of \$1,081,761. The policyholders' surplus is only taxable if dividends exceed the shareholders' surplus account and/or the Company is liquidated. Deferred taxes of \$378,616 have not been established because distributions of such amounts are not contemplated.

C. Current federal income taxes incurred consist of the following:

	2003	2002
Current year expense	\$864,233	\$1,466,328
Prior year overaccrual of tax reserves	142,143	(49,707)
Capital Loss Carry-back Refund	46,601	(175,051)
Current income taxes incurred	<u>\$1,052,977</u>	<u>\$1,241,570</u>

The main components of the December 31, 2003 deferred tax amounts are as follows:

	Statutory Basis	Tax Basis	Difference	Tax Effect (35%)
Reserves	\$(564,835,546)	\$(547,474,097)	\$17,361,449	\$6,076,507
Proxy DACs	0	6,175,741	6,175,741	2,161,509
Bonds	491,357,199	498,249,607	6,892,408	2,412,343
Capital Loss Carryback/Carryforward	0	10,424,782	10,424,782	3,648,674
Various Other	XXXX	XXXX	XXXX	(584,590)
Totals	<u>XXXX</u>	<u>XXXX</u>	<u>XXXX</u>	<u>\$13,714,443</u>

DTAs resulting from book/tax timing differences in:

DTAs	December 31, 2003	December 31, 2002	Change
Reserves	\$6,076,507	\$2,140,364	\$3,936,143
Proxy DACs	2,161,509	1,714,750	446,759
Bonds	2,412,343	2,324,521	87,822
Capital Loss Carryforward	3,648,674	2,527,312	1,121,362
Various Other	(584,590)	596,072	(1,180,662)
Totals	<u>\$13,714,443</u>	<u>\$9,303,019</u>	<u>\$4,411,424</u>

DTLs: NONE

NOTES TO FINANCIAL STATEMENTS

- D. Actual statutory current and deferred federal income taxes differ from those expected by application of the statutory tax rate to income before income taxes. The significant items causing this difference are included in the table below:

	Amount	Tax Effect at 35%	Effective Tax Rate
Income before taxes	\$(10,128,090)	\$(3,544,832)	35.00%
Book over tax reserves	7,250,000	2,537,500	-21.60%
Net DAC adjustments	1,000,000	350,000	-2.98%
Accrued market discount	(872,556)	(305,395)	2.60%
Dividends received deduction	(62,400)	(21,840)	0.19%
Hampton Income Adj.	821,781	287,623	-2.45%
Amortization of IMR	315,857	110,550	-0.94%
Various Other	4,144,644	1,450,625	-14.32%
Taxable income	\$2,469,236	\$864,232	-7.36%

- E. (1) At December 31, 2003, the Company had no operating loss carryforwards. The Company has net capital loss carryforwards which expire as follows:
- | | |
|-------|-------------|
| 2006: | \$7,354,039 |
| 2007: | \$3,070,743 |
- (2) The following are federal income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:
- | | |
|-------|-------------|
| 2003: | \$1,006,376 |
| 2002: | \$1,416,621 |
| 2001: | \$1,165,666 |
- F. (1) The Company's federal income tax return is consolidated with the following entities:
IDS Life Insurance Company, IDS Life Insurance Company of New York, American Enterprise Life Insurance Company, American Partners Life Insurance Company, American Express Financial Corporation and American Express Company and its other subsidiaries.
- (2) The method of allocation among the companies is subject to a written agreement approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Inter-company tax balances are settled quarterly in accordance with the terms of the written agreement.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. At December 31, 2003, all shares of the Company were owned by IDS Life Insurance Company, a Minnesota corporation, which is a wholly owned subsidiary of American Express Financial Corporation, a Delaware corporation, which is a wholly owned subsidiary of American Express Company, a New York corporation.
- B. The Company received a total of \$20,000,000 in capital contributions from its parent company, IDS Life Insurance Company in 2003.
- C. Not applicable
- D. Included on the balance sheet is \$60,805 and \$33,858, at December 31, 2003 and 2002, respectively, for receivable from parent, subsidiaries and affiliates. These will be settled in the normal course of business.
- E. The Company has not made any guarantees or undertakings for the benefit of any of its affiliates which result in a material contingent exposure of the Company's assets to liability.
- F. 1) Administration Agreement, effective January 1, 1982, between American Express Company (AMEX) and American Centurion Life Assurance Company (formerly known as Fireman's Fund American Life Insurance Company of New York) (ACL), whereby AMEX agreed to solicit applications for insurance contracts, collect premiums and provide billing services. Assigned, effective January 1, 1983, by AMEX to American Express Travel Related Services Company, Inc. Amended, effective September 6, 1989, to add ACL's "Privileged Assets" annuity product.
- 2) Investment Management Agreement, effective July 18, 1991, between ACL and American Express Advisory Group Inc. (Advisory) (formerly known as IDS Advisory Group Inc.), whereby Advisory agreed to provide investment management services and advice with respect to the selection, purchase or sale of securities.
- 3) Marketing and Administrative Services Agreement, effective April 1, 1995, between ACL and IDS Life Insurance Company (IDS Life), whereby IDS Life agrees to perform certain special marketing and administrative services pursuant to the request of ACL. ACL agrees to pay IDS Life the reasonable cost of such services.
- 4) Service and Cost Allocation Agreement, effective April 1, 1995, between ACL and IDS Life Insurance Company of New York (IDSL-NY), whereby IDSL-NY agrees to provide support services and supplies pursuant to the request of ACL. ACL agrees to pay IDSL-NY the reasonable cost of such services.
- 5) Service Agreement, effective April 1, 1995, between ACL and American Enterprise Life Insurance Company (AEL) whereby AEL agrees to provide certain advisory, printing, policy administration and other services pursuant to the request of ACL. ACL agrees to pay AEL the reasonable cost of such services.
- G. Not applicable
- H. The Company owns no shares of an upstream parent.
- I. None of the Company's investments in subsidiary, controlled or affiliated entities exceed 10% of the Company's admitted assets.
- J. The Company does not have any impaired investments in subsidiaries, controlled or affiliated entities.

11. Debt

- A. Capital Notes
None
- B. Other Debt
None

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

- A. Not applicable
- B. Not applicable
- C. Not applicable

NOTES TO FINANCIAL STATEMENTS

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

- D. The Company participates in the American Express Company Retirement Plan which covers all permanent employees age 21 and over who have met certain employment requirements. Employer contributions to the plan are based on participants' age, years of service and total compensation for the year. Funding of retirement costs for this plan complies with the applicable minimum funding requirements specified by ERISA. The Company's share of the total net periodic pension cost was \$4,968 and \$4,686 in 2003 and 2002, respectively.

The Company also participates in defined contribution pension plans of American Express Company which cover all employees who have met certain employment requirements. Company contributions to the plans are a percent of either each employee's eligible compensation or basic contributions. Costs of these plans charged to operations were \$24,581 and \$21,116, in 2003 and 2002, respectively.

The Company participates in defined benefit health care plans of AEFC that provide health care and life insurance benefits to retired employees and retired financial advisors. The plans include participant contributions and service related eligibility requirements. Upon retirement, such employees are considered to have been employees of AEFC. AEFC expenses these benefits and allocates the expenses to its subsidiaries. The Company's share of post retirement benefits was \$0 in both 2003 and 2002.

- E. Not applicable

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

- (1) The Company has 100,000 shares of common stock authorized, issued and outstanding. All shares have \$10 par value.
 (2) Not applicable
 (3) The laws of the State of New York contain restrictions regarding the amount of dividend distributions which may be made by insurers domiciled in New York. These restrictions relate to the amount of capital and surplus of the Company and in certain circumstances require advance approval from the New York Superintendent of Insurance.
 (4) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
 (5) Not applicable
 (6) Not applicable
 (7) Not applicable
 (8) Not applicable
 (9) The portion of unassigned funds (surplus) represented or reduced by each of the following items:
- | | |
|--|--------------|
| a. Unrealized gains and losses | \$ 121,958 |
| b. Nonadmitted asset values | \$14,415,709 |
| c. Separate account business | \$ 652,480 |
| d. Asset valuation reserves | \$ 2,762,345 |
| e. Reinsurance in unauthorized companies | None |
- (10) Surplus Notes: None
 (11) and (12) There has been no restatement of surplus due to quasi-reorganizations.

14. Contingencies

- A. The Company had no contingent liabilities at December 31, 2003.
 B. None
 C. The Company has no gain contingencies.
 D. The Company is a party to litigation and arbitration proceedings in the ordinary course of its business, none of which is expected to have a material adverse affect on the Company.

In recent years, life insurance companies have been named defendants in lawsuits, including class action lawsuits, alleging improper life insurance sales practices, alleged agent misconduct, failure to properly supervise agents and other matters relating to life insurance policies and annuity contracts. The Company's parent, IDS Life, was named a defendant in three purported class-action lawsuits. A fourth lawsuit alleging the same allegation was also filed in federal court. The Company is a named defendant in one of the state filed lawsuits and the federal lawsuit. These class action lawsuits included allegations of improper insurance and annuity sales practices including improper replacement of existing annuity contracts and insurance policies, improper use of annuities to fund tax deferred contributory retirement plans, alleged agent misconduct, failure to properly supervise agents and other matters relating to life insurance policies and annuity contracts. In January 2000, AEFC reached an agreement in principle to settle the three class action lawsuits, including the one described above. It is expected the settlement will provide \$215 million of benefits to more than two million participants in exchange for a release by class members of all insurance and annuity market conduct claims dating back to 1985. Administration of the settlement and its attendant relief has concluded. Numerous individuals opted out of the settlement described above and therefore did not release their claims against AEFC and its subsidiaries. Some of these class members who opted out were represented by counsel and presented separate claims to AEFC and the Company. Most of their claims have been settled.

The outcome of any litigation or threatened litigation cannot be predicted with any certainty. However, in the aggregate, the Company does not consider any lawsuits in which it is named as a defendant to have a material impact on the Company's financial position or operating results.

15. Leases

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

20. September 11 Events

None

NOTES TO FINANCIAL STATEMENTS

21. Other Items

- A. Not applicable
- B. Not applicable
- C. Assets in the amount of \$1,015,894 and \$1,029,210 at December 31 2003 and 2002, respectively were on deposit with government authorities as required by law.
- D. Not applicable
- E. Not applicable
- F. Not applicable
- G. Not applicable
- H. Not applicable

22. Events Subsequent

None

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)

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)

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)

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)

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 this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this 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)

B. The Company has no uncollectible reinsurance.

C. The Company has no commuted reinsurance.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

25. Change in Incurred Losses and Loss Adjustment Expenses

Not applicable

26. Intercompany Pooling Arrangements

Not applicable

27. Structured Settlements

Not applicable

28. Health Care Receivables

Not applicable

29. Participating Policies

Not applicable

30. Premium Deficiency Reserves

The Company has \$0 of liabilities related to premium deficiency reserves.

31. Reserves for Life and Deposit-Type Contracts

(1) The Company waives the deduction of deferred fractional premiums upon the death of the Insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

(2) Policies issued for substandard lives are charged an extra premium plus the regular gross premium for the true age. Additional reserves are maintained for substandard lives based on premium.

(3) As of December 31, 2003, the Company had \$43,352,700 of insurance in force for which gross premiums are less than net premiums according to the standard valuation set by the State of New York. Reserves to cover the above totaled \$47,732 and are reported in Exhibit 5, Section G. These reserves are ceded 100% to Transamerica Financial Life Insurance Company.

31. Reserves for Life and Deposit-Type Contracts (continued)

NOTES TO FINANCIAL STATEMENTS

- (4) The Tabular Interest, Tabular Less Actual Reserve Released and Tabular Cost have all been determined by formula.
- (5) Tabular Interest on funds not involving Life Contingencies is determined by actual interest credited on accounts.
- (6) There is \$12 million reported as "other increases" on line 7 of the Analysis of Increase in Reserves During the Year (page 7). This amount is the increase made to the asset adequacy reserves.

32. Analysis of Actuarial Reserves and Deposit Liabilities by Withdrawal characteristics

	<u>Amount</u>	<u>% of Total</u>
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	\$113,585,738	20.7%
(3) At fair value	\$29,188,873	5.3%
(4) Total with adjustment or at market value	\$142,774,611	26.0%
(5) At book value without adjustment **	\$403,552,208	73.5%
B. Not subject to discretionary withdrawal	\$3,037,964	0.6%
C. Total (gross)	\$549,364,783	100.0%
D. Reinsurance ceded	(\$724,826)	
E. Total (net)	\$548,639,957	

** Approximately \$213.2 million of these reserves are subject to withdrawal with a surrender charge that is contingent or less than 5% (but greater than 0%)

F. Life & Accident & Health Annual Statement:	
1. Exhibit 5, Annuities Section, Total (net)	\$519,451,084
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	\$0
3. Exhibit of Deposit-Type Contracts, Line 14, Column 1	\$0
4. Subtotal	\$519,451,084
Separate Accounts Annual Statement:	
5. Exhibit 3, Line 0299999, Column 2	\$29,188,873
6. Exhibit 3, Line 0399999, Column 2	\$0
7. Page 3, Line 2, Column 3	\$0
8. Page 3, Line 3.1, Column 3	\$0
9. Page 3, Line 3.2, Column 3	\$0
10. Page 3, Line 3.3, Column 3	\$0
11. Subtotal	\$29,188,873
12. Combined Total	\$548,639,957

33. Premium and Annuity Considerations Deferred and Uncollected

Not applicable

NOTES TO FINANCIAL STATEMENTS

34. Separate Accounts

A. General Nature and Characteristics of Separate Accounts Business:

Most separate and variable accounts held by the company relate to variable annuities of a nonguaranteed return nature. The net investment experience of the separate account is credited directly to the policyholder and can be positive or negative. The assets and liabilities of these accounts are carried at market.

The variable annuity contracts provide one of two incidental death benefits.

- 1) Maximum of [account value, 5 year ratchet (provided no withdrawals incurring a surrender charge have been made)].
- 2) Maximum of [account value, 1 year ratchet].

Both benefits are adjusted for partial withdrawals.

The Company also sells products with Guaranteed Living Benefits. These include Guaranteed Minimum Income Benefit (GMIB) and Performance Credit (PC), which are described in the General Interrogatories.

These guaranteed benefits reserves are held in Exhibit 5, Miscellaneous Reserves.

This business has been included in Column 4 of the table below.

Information regarding the separate accounts of the Company is as follows:

	(1)	(2)	(3)	(4)	(5)
	<u>Indexed</u>	<u>Nonindexed Guarantee Less than/Equal to 4%</u>	<u>Nonindexed Guarantee More than 4%</u>	<u>Nonguarantee d Separate Accounts</u>	<u>TOTAL</u>
(1) Premiums, considerations or deposits for year ended 12/31/2003	\$0	\$0	\$0	\$0	\$0
Reserves at 12/31/2003					
(2) For accounts with assets at:					
a. Fair Value	\$0	\$0	\$0	\$29,188,873	\$29,188,873
b. Amortized Cost	\$0	\$0	\$0	\$0	\$0
c. Total Reserves	\$0	\$0	\$0	\$29,188,873	\$29,188,873
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal	\$0	\$0	\$0	\$0	\$0
b. With MV adjustment	\$0	\$0	\$0	\$0	\$0
c. At BV without MV adjustment and with current surrender charge of 5% or more	\$0	\$0	\$0	\$0	\$0
d. At fair value	\$0	\$0	\$0	\$29,188,873	\$29,188,873
e. At BV without MV adjustment and with current surrender charge less than 5%	\$0	\$0	\$0	\$0	\$0
f. Subtotal	\$0	\$0	\$0	\$29,188,873	\$29,188,873
g. Not subject to discretionary Withdrawal	\$0	\$0	\$0	\$0	\$0
h. Total (gross)	\$0	\$0	\$0	\$29,188,873	\$29,188,873

B. Reconciliation of Net Transfers To (From) Separate Accounts

1. Transfers as reported in the Summary of Operations of the Separate Accounts Statements

a. Transfers to Separate Accounts (Page 4 line 1.4)	\$6,780,252
b. Transfers from Separate Accounts (Page 4 line 10)	<u>1,192,236</u>
c. Net Transfers to or (from) Separate accounts (a) - (b)	\$5,588,016

2. Reconciling Adjustments

a. Transfers due to purchase payment credits	(47,006)
b. Contract and insurance charge	18,295
c. Other revenue	-

3. Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement

(1c) + (2) = Page 4, Line 26	<u>\$5,559,305</u>
------------------------------	--------------------

35. Loss/Claim Adjustment Expenses

Not applicable

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	1,015,894	0.175	1,015,894	0.175
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies	999,405	0.172	999,405	0.172
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations	1,000,000	0.172	1,000,000	0.172
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	72,516	0.013	72,516	0.013
1.512 Issued by FNMA and FHLMC	107,415,488	18.522	107,415,488	18.522
1.513 Privately issued		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	62,393,830	10.759	62,393,830	10.759
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC		0.000		0.000
1.523 All other privately issued	38,916,863	6.711	38,916,863	6.711
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	229,959,586	39.653	229,959,586	39.653
2.2 Unaffiliated foreign securities	37,911,895	6.537	37,911,895	6.537
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated	11,999,011	2.069	11,999,010	2.069
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans	63,538,966	10.956	63,538,966	10.956
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans		0.000		0.000
7. Receivables for securities	2,145,582	0.370	2,145,582	0.370
8. Cash and short-term investments	22,554,032	3.889	22,554,032	3.889
9. Other invested assets		0.000		0.000
10. Total invested assets	579,923,068	100.000	579,923,067	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 [] 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 [] No [] NA []
- 1.3 State Regulating? New York
- 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 []
- 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.12/31/2002
- 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.12/31/1999
- 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).08/24/2000
- 3.4 By what department or departments? New York State Insurance Department
- 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 []
 4.12 renewals? Yes [] No []
- 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 []
 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 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 []
- 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 []
- 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

(continued)

- 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
IDS Life Insurance Company.....	Minneapolis, MN.....					X
American Enterprise Investment Services.....	Minneapolis, MN.....					X
American Express Financial Advisors.....	Minneapolis, MN.....					X
American Express Personal Trust Services.....	Minneapolis, MN.....				X	
Centurion Bank.....	Midvale, UT.....				X	
Securities America, Inc.....	Omaha, NE.....					X

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 1400 Pillsbury Center, Minneapolis, MN 55402
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
John M. Weum, 227 AXP Financial Center, Minneapolis, MN 55474 - officer
11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 11.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 11.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []

BOARD OF DIRECTORS

12. 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 []
13. 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 []
14. 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 which is in or likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

- 15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 15.11 To directors or other officers .. \$.....
 - 15.12 To stockholders not officers ... \$.....
 - 15.13 Trustees, supreme or grand (Fraternal only) \$.....
- 15.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 15.21 To directors or other officers ... \$.....
 - 15.22 To stockholders not officers \$.....
 - 15.23 Trustees, supreme or grand (Fraternal only) \$.....
- 16.1 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]
- 16.2 If yes, state the amount thereof at December 31 of the current year:
- 16.21 Rented from others \$.....
 - 16.22 Borrowed from others \$.....
 - 16.23 Leased from others \$.....
 - 16.24 Other \$.....
- Disclose in Notes to Financial the nature of each obligation.
- 17.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 17.2 If answer is yes,
- 17.21 Amount paid as losses or risk adjustment \$.....
 - 17.22 Amount paid as expenses \$.....
 - 17.23 Other amounts paid \$.....

GENERAL INTERROGATORIES

(continued)
INVESTMENT

18. List the following capital stock information for the reporting entity:

Class	1	2	3	4	5		6	
	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price if Callable	Is Dividend Rate Limited?		Are Dividends Cumulative?	
					Yes	No	Yes	No
					[]	[]	[]	[]
Preferred								
Common	100,000	100,000	10.000	XXX	XXX	XXX	XXX	XXX

19.1. 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 [X] No []

19.2 If no, give full and complete information relating thereto:

20.1 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 16.1) Yes [] No [X]

20.2 If yes, state the amount thereof at December 31 of the current year:

- 20.21 Loaned to others \$
- 20.22 Subject to repurchase agreements \$
- 20.23 Subject to reverse repurchase agreements \$
- 20.24 Subject to dollar repurchase agreements \$
- 20.25 Subject to reverse dollar repurchase agreements \$
- 20.26 Pledged as collateral \$
- 20.27 Placed under option agreements \$
- 20.28 Letter stock or other securities restricted as to sale ... \$
- 20.29 Other \$

20.3 For each category above, if any of these assets are held by other, identify by whom held:

20.31	20.35
20.32	20.36
20.33	20.37
20.34	20.38
	20.39

For categories (20.21) and (20.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

20.4 For category (20.28) provide the following:

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

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

21.2 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.

22.1 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]

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

GENERAL INTERROGATORIES

(continued)

INVESTMENT

23. 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 []

23.01 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
American Express Trust Company.....	50900 AXP Financial Center, Minneapolis, MN 55474....

23.02 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)

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?

Yes [X] No []

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
J.P. Morgan Chase.....	American Express Trust Company.....	05/26/2003...	New automated system requirements and cost

23.05 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
	American Express Financial Corporation.	200 AXP Financial Center, Minneapolis, MN 55474.....

24.1 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 [X]

24.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
9999999. TOTAL		0

24.3 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

(continued)

OTHER

25.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?.....\$17,946

25.2 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
Fitch.....	8,500
AM Best.....	5,000

26.1 Amount of payments for legal expenses, if any?.....\$0

26.2 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
.....

27.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$3,250

27.2 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
ACLI.....	3,250

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U. S. business only \$
- 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. \$
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives \$0
- All years prior to most current three years:
- 1.64 Total premium earned \$0
- 1.65 Total incurred claims \$0
- 1.66 Number of covered lives \$0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives \$0
- All years prior to most current three years:
- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives \$0

2. Health Test:

	1	2
	Current Year	Prior Year
2.1 Premium Numerator	\$0	\$0
2.2 Premium Denominator	\$121,479,851	\$59,021,814
2.3 Premium Ratio (2.1/2.2)	.....0.000	.....0.000
2.4 Reserve Numerator	\$0	\$0
2.5 Reserve Denominator	\$519,629,836	\$432,101,590
2.6 Reserve Ratio (2.4/2.5)	.....0.000	.....0.000

- 3.1 Does this reporting entity have Separate Accounts? Yes [X] No []
- 3.2 If yes, has a Separate Accounts Statement been filed with this Department? Yes [X] 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? \$652,480
- 3.4 State the authority under which Separate Accounts are maintained:
- New York State Insurance Department
- 3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No [X]
- 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No [X]
- 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 [X] No []
- 4.2 Net reimbursement of such expenses between reporting entities:
- 4.21 Paid: \$2,979,952
- 4.22 Received: \$15,808
- 5.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No [X]
- 5.2 If yes, what amount pertaining to these items is included in:
- 5.21 Page 3, Line 3 \$
- 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: \$56,600,000
7. Total dividends paid stockholders since organization of the reporting entity:
- 7.11 Cash: \$
- 7.12 Stock: \$

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE INTERROGATORIES

8.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 8.11 Name of real estate holding company
 8.12 Number of parcels involved
 8.13 Total book/adjusted carrying value \$.....

8.2 If yes, provide explanation:

9.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
 Workers compensation carve-out business is defined as 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 exposurers, of business originally written as workers' compensation insurance.

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

9.3 If 9.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1. Reinsurance Assumed	2. Reinsurance Ceded	3. Net Retained
9.31 Earned premium.....
9.32 Paid claims.....
9.33 Claim liability and reserve (beginning of year).....
9.34 Claim liability and reserve (end of year).....
9.35 Incurred Claims.....

9.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 9.31 and 9.34 for Column 1 are:

	Attachment Point	1. Earned Premium	2. Claim Liability And Reserve
9.41	<\$25,000	.....	.....
9.42	\$25,000 – 99,999	.....	.....
9.43	\$100,000 – 249,999	.....	.....
9.44	\$250,000 – 999,999	.....	.....
9.45	\$1,000,000 or more	.....	.....

9.5 What portion of earned premium reported in 9.31, Column 1 was assumed from pools? \$.....

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

10.2 If 10.1 is yes, complete the following table for each type of guaranteed benefit.:

1 Guaranteed Death Benefits	2 Guaranteed Living Benefits	3 Waiting Period Remaining	4 Account Value Related to Col.3	5 Total Related Account Values	6 Gross Amount of Reserve	7 Location of Reserve	8 Portion Reinsured	9 Reinsurance Reserved Credit
Contract value as of the most recent 5th contract anniversary	None	N/A	N/A	7,182,698	16,803	Exhibit 5	N/A	0
Greater of maximum anniversary value or purchase payments	None	N/A	N/A	29,683,837	79,523	Exhibit 5	N/A	0
Purchase payments	None	N/A	N/A	9,051,207	1,737	Exhibit 5	N/A	0
Greater of maximum anniversary value or purchase payments	GMIB- return of premium or 6% rising floor, 7 yr waiting period	6	7,376,882	7,376,882	430	Exhibit 5	N/A	0
Greater of maximum anniversary value or purchase payments	GMIB- return of premium or MAV, 7 yr waiting period	6	578,754	578,754	1	Exhibit 5	N/A	0
Greater of maximum anniversary value or purchase payments	Performance Credit - 7.2% target value accumulation rate, 5% credit year 10 if less than target value, additional 5% if annuitize	9	722,309	722,309	2	Exhibit 5	N/A	0

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE INTERROGATORIES

9.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 9.31 and 9.34 for Column 1 are:

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
Purchase Payments	Performance Credit 7.2% target value accumulation rate, 5% credit year 10 if less than target value, additional 5% if annuitize	9	151,222	151,222	0	Exhibit 5	N/A	0

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 2003	2 2002	3 2001	4 2000	5 1999
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary - whole Life and endowment (Line 34, Col. 4)	3,247	3,559	4,445	1,217	1,285
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	97,852	111,696	127,206	144,363	163,220
3. Credit life (Line 21, Col. 6)	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	4,335	4,310	4,595	4,390	4,325
5. Industrial (Line 21, Col. 2)	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	105,434	119,565	136,246	149,970	168,830
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2)	105	80	115	30	100
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)	185	395	105	210	135
10. Credit life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	0	0	0	0	0
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	290	475	220	240	235
Premium Income - Lines of Business					
14. Industrial life (Exhibit 1-Part 1, Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary-life insurance (Exhibit 1-Part 1, Line 20.4, Col. 3)	644	733	1,027	1,546	1,975
15.2 Ordinary-Individual Annuities (Exhibit 1-Part 1, Line 20.4, Col. 4)	79,686,251	25,634,784	23,651,404	23,627,632	36,181,736
16. Credit life (group and individual) (Exhibit 1-Part 1, Line 20.4, Col. 5)	0	0	0	48,293	0
17.1 Group life insurance (Exhibit 1-Part 1, Line 20.4, Col. 6)	0	0	0	0	0
17.2 Group annuities (Exhibit 1-Part 1, Line 20.4, Col. 7)	41,792,956	33,386,297	29,689,594	27,937,470	31,322,318
18.1 A & H-group (Exhibit 1-Part 1, Line 20.4, Col. 8)	0	0	0	0	0
18.2 A & H-credit (group and individual) (Exhibit 1-Part 1, Line 20.4, Col. 9)	0	0	0	0	0
18.3 A & H-other (Exhibit 1-Part 1, Line 20.4, Col. 10)	0	0	0	0	0
19. Aggregate of all other lines of business (Exhibit 1-Part 1, Line 20.4, Col. 11)	0	0	0	0	0
20. Deposit-type funds	XXX	XXX	XXX	7,229,634	9,306,041
21. Total	121,479,851	59,021,814	53,342,025	58,844,575	76,812,070
Balance Sheet Items (Pages 2 & 3)					
22. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3)	586,771,270	484,838,646	432,806,392	380,748,671	351,431,621
23. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	543,882,845	451,086,554	395,152,428	354,005,406	314,682,490
24. Aggregate life reserves (Page 3, Line 1)	539,641,692	432,228,114	378,106,618	346,357,335	309,000,246
25. Aggregate A & H reserves (Page 3, Line 2)	0	0	0	0	0
26. Deposit-type contract funds (Page 3, Line 3)	0	0	0	XXX	XXX
27. Asset valuation reserve (Page 3, Line 24.1)	2,762,345	629,733	3,179,564	4,936,892	4,021,500
28. Capital (Page 3, Lines 29 and 30)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
29. Surplus (Page 3, Line 37)	41,904,024	32,752,091	36,653,964	25,743,265	35,749,131
Risk-Based Capital Analysis					
30. Total adjusted capital	45,666,369	34,381,824	40,833,528	31,680,157	40,770,631
31. Authorized control level risk - based capital	7,361,685	5,807,601	4,754,266	6,984,474	6,323,046
Percentage Distribution of Assets					
(Page 2, Col. 3) (Line No. / Page 2, Line 10, Col. 3) x 100.0					
32. Bonds (Line 1)	82.7	82.0	85.4	90.6	94.3
33. Stocks (Lines 2.1 and 2.2)	2.1	0.0	0.0	0.0	0.0
34. Mortgage loans on real estate (Lines 3.1 and 3.2)	11.0	10.3	9.2	6.8	3.4
35. Real estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
36. Cash and short - term investments (Line 5)	3.9	5.0	2.0	2.5	2.3
37. Premium notes	XXX	0.0	0.0	0.0	0.0
38. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
39. Other invested assets (Line 7)	0.0	2.7	3.3	0.0	0.0
40. Receivable for securities (Line 8)	0.4	0.0	0.0	0.1	0.0
41. Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	0.0
42. Cash and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2003	2 2002	3 2001	4 2000	5 1999
Investments in Parent, Subsidiaries and Affiliates					
43. Affiliated bonds (Schedule D Summary, Line 25, Col. 1)	0	0	0	0	0
44. Affiliated preferred stocks (Schedule D Summary, Line 39, Col. 1)	0	0	0	0	0
45. Affiliated common stocks (Schedule D Summary, Line 53, Col. 2)	0	0	0	0	0
46. Affiliated short-term investments (Subtotals included in Schedule DA Part 2 Col. 5, Line 11)	0	0	0	0	0
47. Affiliated mortgage loans on real estate	0	0	0	0	0
48. All other affiliated	0	0	0	0	0
49. Total of above Lines 43 to 48	0	0	0	0	0
Total Non-admitted and Admitted Assets					
50. Total non admitted assets (Page 2, Line 26, Col. 2)	12,823,655	8,850,995	3,007,613	4,004,078	23,386
51. Total admitted assets (Page 2, Line 26, Col. 3)	616,686,585	504,995,042	460,556,826	410,475,150	376,028,777
Investment Data					
52. Net investment income (Exhibit of Net Investment Income)	29,970,636	29,525,480	25,666,368	25,604,005	23,436,795
53. Realized capital gains (Losses)	272,425	(5,399,931)	(10,414,512)	(86,627)	294,007
54. Unrealized capital gains (Losses)	1,284,497	(1,658,567)	4,097,818	(3,908,581)	0
55. Total of above Lines 52, 53 & 54	31,527,558	22,466,982	19,349,673	21,608,797	23,730,802
Benefits and Reserve Increases (Page 6)					
56. 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)	40,221,688	32,296,931	34,437,844	38,215,855	33,220,864
57. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	0	0	0	0	0
58. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3)	0	0	0	0	0
59. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	0	0	0	0	0
60. Dividends to policyholders (Line 30, Col. 1)	0	0	0	0	0
Operating Percentages					
61. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus group annuity contribution funds) x 100.0	6.6	6.5	7.0	9.2	8.5
62. Lapse percent (ordinary only) (Exhibit of Life Insurance, Col. 4, Lines 14 & 15) x 100.0 / 1/2 (Lines 1 & 21)	12.6	12.0	9.9	11.5	12.9
63. A & H loss percent (Schedule H, Part 1, Lines 3 and 4, Col. 2)	0.0	0.0	0.0	0.0	0.0
64. A & H expense percent (Schedule H, Pt. 1, Line 8, Col. 2)	0.0	0.0	0.0	0.0	0.0
A & H Claim Reserve Adequacy					
65. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2)	0	0	0	0	0
66. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2)	0	0	0	0	0
67. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	0	0	0	0	0
68. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)	0	0	0	0	0
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial life (Col. 2)	0	0	0	0	0
70. Ordinary - life (Col. 3)	571	716	772	452	80,361
71. Ordinary - individual annuities (Col. 4)	(14,982,636)	(799,680)	3,645,517	(7,216,375)	(56,350)
72. Ordinary-supplementary contracts (Col. 5)	0	0	0	0	0
73. Credit life (Col. 6)	0	0	13,074	23,710	0
74. Group life (Col. 7)	5,177	7,994	5,401	5,164	(2,192)
75. Group annuities (Col. 8)	3,842,422	259,942	1,329,877	2,000,773	3,623,819
76. A & H-group (Col. 9)	0	0	0	0	0
77. A & H-credit (Col. 10)	0	0	0	0	0
78. A & H-other (Col. 11)	0	0	0	0	0
79. Aggregate of all other lines of business (Col. 12)	0	0	0	0	0
80. Total (Col. 1)	(11,134,466)	(531,028)	4,994,641	(5,186,276)	3,645,638

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE AMERICAN CENTURION LIFE ASSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7 Policies	8 Certificates	Amount of Insurance (a)	
1. In force end of prior year	0	0	1,272	115,255	0	0	0	15	4,310	119,565
2. Issued during year	0	0	14	290	0	0	0	0	0	290
3. Reinsurance assumed										0
4. Revived during year										0
5. Increased during year (net)				359					25	384
6. Subtotals, Lines 2 to 5	0	0	14	649	0	0	0	0	25	674
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases	0	0	4	27	0	0	0	0	0	27
9. Totals (Lines 1 and 6 to 8)	0	0	1,290	115,931	0	0	0	15	4,335	120,266
Deductions during year:										
10. Death			6	799			XXX			799
11. Maturity							XXX			0
12. Disability							XXX			0
13. Expiry			12	273						273
14. Surrender			5	40						40
15. Lapse			129	13,630						13,630
16. Conversion				90			XXX	XXX	XXX	90
17. Decreased (net)			1							0
18. Reinsurance										0
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals, (Lines 10 to 19)	0	0	153	14,832	0	0	0	0	0	14,832
21. In force end of year, (Line 9 minus Line 20)	0	0	1,137	101,099	0	0	0	15	4,335	105,434
22. Reinsurance ceded end of year	XXX		XXX	101,099	XXX	XXX	XXX	XXX	4,210	105,309
23. Line 21 minus Line 22	XXX	0	XXX	0	XXX	(b)	XXX	XXX	125	125
DETAILS OF WRITE-INS										
0801. Other increases			4	27						27
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0	0	0	0	0	0	0
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	4	27	0	0	0	0	0	27
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page	0	0	0	0	0	0	0	0	0	0
1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above)	0	0	0	0	0	0	0	0	0	0

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

(b) Group \$; Individual \$

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 .....			.8	.42
26. Debit ordinary insurance .....	.XXX	.XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Page 31, Line 2)		In Force End of Year (Included in Page 31, Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies - decreasing				
28. Term policies - other .....	.8	.185	1,048	97,803
29. Other term insurance - decreasing .....	.XXX		.XXX	
30. Other term insurance .....	.XXX		.XXX	
31. Totals, Line 27 to 30 .....	.8	.185	1,048	97,803
Reconciliation to Page 31, Lines 2 and 21:				
32. Term additions .....	.XXX		.XXX	
33. Totals, extended term insurance .....	.XXX	.XXX	.7	.49
34. Totals, whole life and endowment	6	105	82	3,247
35. Total (Lines 31 to 34)	14	290	1,137	101,099

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Page 31, Line 2)		In Force End of Year (Included in Page 31, Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary .....	.290		101,099	
38. Credit Life (Group and Individual)				
39. Group			4,335	
40. Totals (Lines 36 to 39) .....	.290	.0	105,434	.0

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 Page 31, 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 Page 31, Line 21				
44. Servicemen's Group Life Insurance included in Page 31, Line 21				
45. Group Permanent Insurance included in Page 31, Line 21			11	4,210

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	70
---	----

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 Approximate mean amount
47.2 \$3,000 per unit (\$1,000 spouse, \$2,000 Children) .

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 Certificate s	8 Amount of Insurance (a)
48. Waiver of Premium .....			.30	.831				
49. Disability Income								
50. Extended Benefits .....			.XXX	.XXX				
51. Other								
52. Total	0 ^(b)	0	30 ^(b)	831	0 ^(b)	0	0 ^(b)	0

(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
NONE				
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				
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	119	7,251	3	15,560
2. Issued during year	10	2,162		5
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	129	9,413	3	15,565
Deductions during year:				
6. Decreased (net)	6	554		514
7. Reinsurance				0
8. Totals (Lines 6 and 7)	6	554	0	514
9. In force end of year	123	8,859	3	15,051
Income now payable:				
10. Amount of income payable	(a) 939,730	XXX	XXX	(a) 52,463
Deferred fully paid:				
11. Account balance	XXX	(a) 102,471	XXX	(a) 13,978
Deferred not fully paid:				
12. Account balance	XXX	(a) 322,214,221	XXX	(a) 232,533,153

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
NONE						
1. In force end of prior year						
2. Issued during year						
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Total (Lines 1 to 4)		XXX		XXX		XXX
Deductions during year:						
6. Conversions	XXX	XXX		XXX	XXX	XXX
7. Decreased (net)		XXX		XXX		XXX
8. Reinsurance		XXX		XXX		XXX
9. Total (Lines 6 thru 8)		XXX		XXX		XXX
10. In force end of year		(a)		(a)		(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year	4	0
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Total (Lines 1 to 4)	4	0
Deductions During Year:		
6. Decreased (net)		
7. Reinsurance		
8. Totals (Lines 6 and 7)	0	0
9. In force end of year	4	0
10. Amount of account balance	(a) 96	(a)

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

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 (a)	3 Actual Cost	4 Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States 6,023,126 2. Canada 0 3. Other Countries 0 4. Totals 6,023,126	6,023,126 0 0 6,023,126	6,054,921 0 0 6,054,921	6,069,813 0 0 6,069,813
States, Territories and Possessions (Direct and guaranteed)	5. United States 0 6. Canada 0 7. Other Countries 0 8. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States 0 10. Canada 0 11. Other Countries 0 12. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States 166,874,007 14. Canada 0 15. Other Countries 0 16. Totals 166,874,007	166,829,770 0 0 166,829,770	166,966,101 0 0 166,966,101	164,507,603 0 0 164,507,603
Public Utilities (unaffiliated)	17. United States 17,376,780 18. Canada 0 19. Other Countries 0 20. Totals 17,376,780	17,594,307 0 0 17,594,307	17,500,513 0 0 17,500,513	17,088,000 0 0 17,088,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 251,499,668 22. Canada 17,229,195 23. Other Countries 20,682,701 24. Totals 289,411,564	257,710,597 17,831,639 20,854,962 296,397,198	251,743,209 17,224,881 20,763,262 289,731,352	244,911,564 16,940,000 19,860,000 281,711,564
Parent, Subsidiaries and Affiliates	25. Totals 0 26. Total Bonds 479,685,477	0 486,844,401	0 480,252,887	0 469,376,980
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 0 28. Canada 0 29. Other Countries 0 30. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 0 32. Canada 0 33. Other Countries 0 34. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	35. United States 11,999,010 36. Canada 0 37. Other Countries 0 38. Totals 11,999,010	13,142,774 0 0 13,142,774	11,877,052 0 0 11,877,052	0 0 0 0
Parent, Subsidiaries and Affiliates	39. Totals 0 40. Total Preferred Stocks 11,999,010	0 13,142,774	0 11,877,052	0 0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States 0 42. Canada 0 43. Other Countries 0 44. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States 0 46. Canada 0 47. Other Countries 0 48. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	49. United States 0 50. Canada 0 51. Other Countries 0 52. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	53. Totals 0 54. Total Common Stocks 0	0 0	0 0	0 0
	55. Total Stocks 11,999,010	13,142,774	11,877,052	0
	56. Total Bonds and Stocks 491,684,487	499,987,175	492,129,939	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$332,805,349 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year 393,601,995	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 229,055,655	6.1 Column 17, Part 1 0
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 1 0
3.1 Column 16, Part 1 (525,728)	6.3 Column 11, Part 2, Sec. 2 0
3.2 Column 12, Part 2, Sec. 1 (887,093)	6.4 Column 11, Part 4 0
3.3 Column 10, Part 2, Sec. 2 0	
3.4 Column 10, Part 4 708,302	7. Book/adjusted carrying value at end of current period 491,684,487
4. Total gain (loss), Col. 14, Part 4 1,597,611	8. Total valuation allowance 0
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 131,866,255	9. Subtotal (Lines 7 plus 8) 491,684,487
	10. Total nonadmitted amounts 0
	11. Statement value of bonds and stocks, current period 491,684,487

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE AMERICAN CENTURION LIFE ASSURANCE COMPANY

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Direct Business Only					
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Deposit-Type Contract Funds	6 Other Considerations	
		2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama	AL	Yes	972	6,490	0	0	0
2. Alaska	AK	No	0	2,150	0	0	0
3. Arizona	AZ	No	5,109	90,493	0	0	0
4. Arkansas	AR	No	0	7,800	0	0	0
5. California	CA	No	287,277	149,572	0	0	0
6. Colorado	CO	No	1,220	7,319	0	0	0
7. Connecticut	CT	No	67,419	253,310	0	0	0
8. Delaware	DE	Yes	158	9,120	0	0	0
9. District of Columbia	DC	No	189	18,750	0	0	0
10. Florida	FL	No	113,671	818,522	0	0	0
11. Georgia	GA	No	13,175	40,533	0	0	0
12. Hawaii	HI	No	0	10,300	0	0	0
13. Idaho	ID	No	0	0	0	0	0
14. Illinois	IL	No	17,618	78,065	0	0	0
15. Indiana	IN	No	1,399	2,740	0	0	0
16. Iowa	IA	No	400	1,100	0	0	0
17. Kansas	KS	No	73	5,800	0	0	0
18. Kentucky	KY	No	4,220	2,420	0	0	0
19. Louisiana	LA	No	2,022	7,300	0	0	0
20. Maine	ME	No	1,911	35,136	0	0	0
21. Maryland	MD	No	15,854	33,125	0	0	0
22. Massachusetts	MA	No	19,732	51,440	0	0	0
23. Michigan	MI	No	2,895	27,625	0	0	0
24. Minnesota	MN	No	2,977	7,745	0	0	0
25. Mississippi	MS	No	105	3,100	0	0	0
26. Missouri	MO	No	3,272	9,500	0	0	0
27. Montana	MT	No	0	3,000	0	0	0
28. Nebraska	NE	No	0	0	0	0	0
29. Nevada	NV	No	2,344	91,105	0	0	0
30. New Hampshire	NH	No	1,083	11,670	0	0	0
31. New Jersey	NJ	No	244,259	1,163,648	0	0	0
32. New Mexico	NM	No	1,568	25,780	0	0	0
33. New York	NY	Yes	171,859	117,608,487	0	0	0
34. North Carolina	NC	No	17,844	186,921	0	0	0
35. North Dakota	ND	No	0	650	0	0	0
36. Ohio	OH	No	9,392	20,881	0	0	0
37. Oklahoma	OK	No	0	13,108	0	0	0
38. Oregon	OR	No	45	25,500	0	0	0
39. Pennsylvania	PA	No	29,799	105,483	0	0	0
40. Rhode Island	RI	No	1,922	4,150	0	0	0
41. South Carolina	SC	No	16,759	34,463	0	0	0
42. South Dakota	SD	No	0	4,580	0	0	0
43. Tennessee	TN	No	7,037	19,940	0	0	0
44. Texas	TX	No	16,978	112,110	0	0	0
45. Utah	UT	No	12	8,450	0	0	0
46. Vermont	VT	No	8,578	3,750	0	0	0
47. Virginia	VA	No	23,271	148,006	0	0	0
48. Washington	WA	No	5,197	20,375	0	0	0
49. West Virginia	WV	No	338	0	0	0	0
50. Wisconsin	WI	No	5,954	10,019	0	0	0
51. Wyoming	WY	No	0	0	0	0	0
52. American Samoa	AS	No	0	0	0	0	0
53. Guam	GU	No	0	0	0	0	0
54. Puerto Rico	PR	No	408	7,250	0	0	0
55. US Virgin Islands	VI	No	306	7,200	0	0	0
56. Canada	CN	No	3,496	(110)	0	0	0
57. Aggregate Other Alien	OT	XXX	29,897	200,401	0	0	0
58. Subtotal	(a)	3	1,160,014	121,516,271	0	0	0
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		2,976				
94. Aggregate of other amounts not allocable by State	XXX		0	0	0	0	0
95. Totals (Direct Business)	XXX		1,162,990	121,516,271	0	0	0
96. Plus Reinsurance Assumed	XXX						
97. Totals (All Business)	XXX		1,162,990	121,516,271	0	0	0
98. Less Reinsurance Ceded	XXX		1,162,346	37,064			
99. Totals (All Business) less Reinsurance Ceded	XXX		644	121,479,207	(b)	0	0
DETAILS OF WRITE-INS							
5701. Other alien	XXX		29,897	200,401	0	0	0
5702.	XXX						
5703.	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		29,897	200,401	0	0	0
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX		0	0	0	0	0
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)	XXX		0	0	0	0	0

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

(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.

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

PART 1 - ORGANIZATIONAL CHART

