



LIFE AND ACCIDENT AND HEALTH COMPANIES —ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF JUNE 30, 2003
OF THE CONDITION AND AFFAIRS OF THE

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

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

Organized under the Laws of South Carolina, State of Domicile or Port of Entry _____
Country of Domicile United States of America

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

Statutory Home Office 1200 Colonial Life Boulevard, Columbia, SC 29210
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1200 Colonial Life Boulevard
(Street and Number) Columbia, SC 29210 803-798-7000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1200 Colonial Life Boulevard, Columbia, SC 29210
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1200 Colonial Life Boulevard
(Street and Number) Columbia, SC 29210 803-798-7000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.coloniallife.com

Statutory Statement Contact VICKI WRIGHT CORBETT 423-755-1373
(Name) (Area Code) (Telephone Number) (Extension)
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Policyowner Relations Contact 1200 Colonial Life Boulevard
(Street and Number) Columbia, SC 29210 803-845-7330
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

President JEAN ELLEN DUKE Secretary SUSAN NANCE ROTH
Treasurer JOHN JOSEPH IWANICKI Actuary ALBERT ANGELO RIGGIERI #

VICE PRESIDENTS

FLOYD DEAN COPELAND ROBERT CARL GREVING VICKI WRIGHT CORBETT

DIRECTORS OR TRUSTEES

THOMAS ROS WATJEN WILLIAM LESTER ARMSTRONG CYNTHIA ANN MONTGOMERY
FLOYD DEAN COPELAND

State of Tennessee }
County of Hamilton } 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.

Jean E Duke Susan Nance Roth John J. Iwanicki
JEAN ELLEN DUKE SUSAN NANCE ROTH JOHN JOSEPH IWANICKI
President Secretary Treasurer

Subscribed and sworn to before me this
8 day of August, 2003
Joan Porterfield

Joan Porterfield
March 28, 2005

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	1,064,842,007		1,064,842,007	962,106,972
2. Stocks:				
2.1 Preferred stocks	200,000		200,000	200,000
2.2 Common stocks	2,185,688		2,185,688	0
3. Mortgage loans on real estate:				
3.1 First liens	37,545,213		37,545,213	41,042,974
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	9,732,888		9,732,888	9,942,611
4.2 Properties held for the production of income (less \$ 0 encumbrances)	1,596,868		1,596,868	1,670,673
4.3 Properties held for sale (less \$ 0 encumbrances)	602,975		602,975	602,975
5. Cash (\$ (5,456,366)) and short-term investments (\$ 6,309,115)	852,749		852,749	5,444,483
6. Contract loans, (including \$ 0 premium notes)	29,360,750		29,360,750	28,426,091
7. Other invested assets	201,107		201,107	201,027
8. Receivable for securities	2,634,767		2,634,767	12,428
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	1,149,755,012		1,149,755,012	1,049,650,234
11. Investment income due and accrued	17,990,973		17,990,973	17,015,467
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	37,005,073	1,660,873	35,344,200	33,368,165
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 12,151,534 earned but unbilled premiums)	7,940,915		7,940,915	7,049,367
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	2,594,952		2,594,952	7,701,808
13.2 Funds held by or deposited with reinsured companies				
13.3 Other amounts receivable under reinsurance contracts	5,892,531		5,892,531	672,039
14. Amounts receivable relating to uninsured plans				
15.1 Current federal and foreign income tax recoverable and interest thereon				
15.2 Net deferred tax asset	153,918,000	119,479,000	34,439,000	38,491,000
16. Guaranty funds receivable or on deposit	1,335,054		1,335,054	1,286,671
17. Electronic data processing equipment and software	4,396,808	4,396,808	0	2,069,579
18. Furniture and equipment, including health care delivery assets (\$ 0)	4,004,460	4,004,460	0	0
19. Net adjustment in assets and liabilities due to foreign exchange rates				
20. Receivables from parent, subsidiaries and affiliates	0		0	29,284,243
21. Health care (\$ 0) and other amounts receivable	69,121,375	69,121,375	0	0
22. Other assets nonadmitted	97,373	97,373	0	0
23. Aggregate write-ins for other than invested assets	12,297,085	5,326,340	6,970,745	6,932,686
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	1,466,349,612	204,086,229	1,262,263,382	1,193,521,259
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	1,466,349,612	204,086,229	1,262,263,382	1,193,521,259
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)				
2301. Funds withheld - LNL	6,548,753		6,548,753	6,542,556
2302. Corporate owned life insurance	421,992		421,992	390,130
2303. Prepaid expenses	5,318,940	5,318,940	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	7,400	7,400	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	12,297,085	5,326,340	6,970,745	6,932,686

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for Life contracts \$ 457,164,382 less \$ 0 included in Line 6.3 (including \$ 0 Modco Reserve)	457,164,382	431,581,728
2. Aggregate reserve for accident and health contracts (including \$ 0 Modco Reserve)	457,106,163	427,615,444
3. Liability for deposit-type contracts (including \$ 0 Modco Reserve)	22,696	27,696
4. Contract claims:		
4.1 Life	8,756,893	6,855,561
4.2 Accident and health	80,561,929	75,211,655
5. Policyholders' dividends \$ and coupons \$ due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment to (including \$ Modco)		
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ 0 discount; including \$ 5,986,263 accident and health premiums	6,059,038	3,245,312
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance, including \$ 236,119 assumed and \$ 828,364 ceded	1,064,483	1,919,070
9.4 Interest Maintenance Reserve	5,566,510	7,137,168
10. Commissions to agents due or accrued—life and annuity contracts \$ 1,792,266 accident and health \$ 21,607,726 and deposit-type contract funds \$ 0	23,399,992	20,593,640
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued	869,474	608,252
13. Transfers to Separate Accounts due or accrued (net) (Including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	4,260,338	5,679,025
15.1 Current Federal and foreign income taxes, including \$ 1,156,000 on realized capital gains (losses)	95,424	1,027,820
15.2 Net deferred tax liability		
16. Unearned investment income	232,723	232,723
17. Amounts withheld or retained by company as agent or trustee	4,815	782,859
18. Amounts held for agents' account, including \$ (52,596) agents' credit balances	1,474,601	1,820,720
19. Remittances and items not allocated	14,915,304	14,258,518
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above	1,584,540	1,614,012
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve	1,317,189	1,258,540
24.2 Reinsurance in unauthorized companies		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates	7,691,895	0
24.5 Drafts outstanding		
24.6 Liability for amounts held under uninsured accident and health plans		
24.7 Funds held under coinsurance		
24.8 Payable for securities		
24.9 Capital notes \$ and interest thereon \$	4,020,233	4,395,363
25. Aggregate write-ins for liabilities		
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	1,076,168,621	1,005,865,106
27. From Separate Accounts Statement		
28. Total Liabilities (Lines 26 and 27)	1,076,168,621	1,005,865,106
29. Common capital stock	15,076,209	15,076,209
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	10,712,894	13,155,870
32. Surplus notes		
33. Gross paid in and contributed surplus	2,369,298	2,369,298
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	157,936,361	157,054,776
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (total Lines 31 + 32 + 33 + 34 + 35 - 36) (Including \$ in Separate Accounts Statement)	171,018,552	172,579,944
38. Totals of Lines 29, 30 and 37	186,094,761	187,656,153
39. Totals of Lines 28 and 38	1,262,263,382	1,193,521,259
DETAILS OF WRITE-INS		
2501. Reserve for unclaimed property	3,575,286	4,389,540
2502. Miscellaneous amounts payable	444,948	5,823
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	4,020,233	4,395,363
3101. Deferred gains on reinsurance of inforce block of business	10,712,894	13,155,870
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	10,712,894	13,155,870
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)		

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year To Date	2 Prior Year Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	372,044,857	327,962,041	666,344,588
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	42,685,392	37,490,005	82,665,536
4. Amortization of Interest Maintenance Reserve (IMR)	407,609	256,529	550,819
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	7,635,176	11,790,034	19,904,433
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts	45,889	9,440	34,897
8.3 Aggregate write-ins for miscellaneous income			
9. Totals (Lines 1 to 8.3)	422,818,923	377,508,049	769,500,273
10. Death benefits	19,808,107	11,779,961	25,845,548
11. Matured endowments (excluding guaranteed annual pure endowments)	118,009	119,941	287,125
12. Annuity benefits	3,234	8,815	12,547
13. Disability benefits and benefits under accident and health contracts	135,942,636	126,243,410	260,931,423
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	11,827,228	11,842,033	22,940,671
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	4,545	930	7,156
18. Payments on supplementary contracts with life contingencies	551	551	642
19. Increase in aggregate reserves for life and accident and health contracts	55,073,373	38,199,415	77,838,526
20. Totals (Lines 10 to 19)	222,777,681	188,195,056	387,863,638
21. Commissions on premiums, annuity considerations, and deposit-type contract funds(direct business only)	88,381,548	78,564,763	157,199,273
22. Commissions and expense allowances on reinsurance assumed	82,793	132,000	234,000
23. General insurance expenses	56,408,525	50,325,101	106,253,919
24. Insurance taxes, licenses and fees, excluding federal income taxes	10,221,513	10,453,773	20,120,288
25. Increase in loading on deferred and uncollected premiums	645,443	3,018,874	(2,198,909)
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions	5,375	1,009	8,014
28. Totals (Lines 20 to 27)	378,522,878	330,690,576	669,480,223
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	44,296,045	46,817,474	100,020,050
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	44,296,045	46,817,474	100,020,050
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	18,096,979	18,338,328	41,409,527
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)	26,199,066	28,479,146	58,610,523
34. Net realized capital gains or (losses) less capital gains tax of \$ 0 (excluding taxes of \$ (626,257) transferred to the IMR)	(6,287,728)	(29,648,975)	(30,979,272)
35. Net income (Line 33 plus Line 34)	19,911,338	(1,169,830)	27,631,251
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	187,656,154	217,061,537	217,061,537
37. Net income (Line 35)	19,911,338	(1,169,830)	27,631,251
38. Change in net unrealized capital gains (losses)	(3,881,113)	(2,375,474)	(1,889,223)
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	1,895,000	10,398,000	15,498,000
41. Change in non-admitted assets and related items	(3,144,992)	(3,764,952)	(2,735,528)
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			
44. Change in asset valuation reserve	(58,649)	7,386,886	7,547,691
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in			
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance	(2,442,976)	(2,745,936)	(5,457,575)
52. Dividends to stockholders	(10,000,000)	(70,000,000)	(70,000,000)
53. Aggregate write-ins for gains and losses in surplus	(3,840,001)	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	(1,561,393)	(62,271,306)	(29,405,383)
55. Capital and surplus, as of statement date (Lines 36 + 54)	186,094,761	154,790,231	187,656,154
DETAILS OF WRITE-INS			
08.301. Other income	45,889	9,440	34,897
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	45,889	9,440	34,897
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	0	579	7,536
2701. Interest on non-insurance obligations	5,375	430	477
2702. Fines and penalties paid to regulatory authorities			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page	5,375	1,009	8,014
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	(3,840,001)	0	0
5301. Prior year adjustment for other than temporary bond impairment			
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page	(3,840,001)	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)			

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	371,929,518	663,388,640
2. Net investment income	39,121,733	81,797,951
3. Miscellaneous income	5,237,838	14,481,797
4. Total (Lines 1 to 3)	416,289,089	759,668,388
5. Benefits and loss related payments	155,345,846	302,557,820
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	153,450,866	285,091,868
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ 0 net tax on capital gains (losses)	19,029,375	36,412,000
10. Total (Lines 5 through 9)	327,826,087	624,061,688
11. Net cash from operations (Line 4 minus Line 10)	88,463,003	135,606,700
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	120,484,978	201,331,052
12.2 Stocks	0	80,269
12.3 Mortgage loans	3,497,761	12,905,739
12.4 Real estate	0	600,000
12.5 Other invested assets	221	6,450
12.6 Net gains or (losses) on cash and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	123,982,960	214,923,510
13. Cost of investments acquired (long-term only):		
13.1 Bonds	235,552,937	291,439,625
13.2 Stocks	2,013,707	0
13.3 Mortgage loans		
13.4 Real estate	139,266	1,035,676
13.5 Other invested assets	301	7,113
13.6 Miscellaneous applications	2,622,339	4,308
13.7 Total investments acquired (Lines 13.1 to 13.6)	240,328,550	292,486,722
14. Net increase (or decrease) in policy loans and premium notes	934,659	2,567,144
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(117,280,249)	(80,130,356)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds received		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(5,000)	(13,000)
16.5 Dividends to stockholders	10,000,000	70,000,000
16.6 Other cash provided (applied)	34,230,513	(22,196,645)
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	24,225,513	(92,209,645)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	(4,591,734)	(36,733,302)
19. Cash and short-term investments:		
19.1 Beginning of period	5,444,482	42,177,784
19.2 End of period (Line 18 plus Line 19.1)	852,749	5,444,482

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Industrial Life			
2. Ordinary Life Insurance	71,966,719	64,933,963	130,195,197
3. Ordinary Individual Annuities	25,695	26,893	49,383
4. Credit Life (Group & Individual)			
5. Group Life Insurance	4,736,468	4,486,199	9,081,600
6. Group Annuities			
7. A & H - Group	17,608,031	16,399,640	32,944,577
8. A & H - Credit (Group & Individual)			
9. A & H - Other	291,257,044	268,800,198	543,997,476
10. Aggregate of All Other Lines of Business			
11. Subtotal	385,593,956	354,646,893	716,268,233
12. Deposit-Type Contracts			
13. Total	385,593,956	354,646,893	716,268,233
DETAILS OF WRITE-INS			
1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page			
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)			

NOTES TO FINANCIAL STATEMENTS

1. Prior Year Adjustment for Other-Than-Temporary Bond Impairment

During 2002, 2001 and 2000, Colonial Life and Accident Insurance Company (the Company) recorded other than temporary impairments on certain of its bonds based on values that included their quoted market prices, as well as to give effect to analysis by the Company with respect to certain issuers of bonds that perhaps was not reflected in those market prices. The Company has concluded that not relying solely on quoted market prices for its other than temporary impairment charges was an erroneous interpretation of Statements of Statutory Accounting Principles No. 26, *Bonds, excluding Loan-backed and Structured Securities* (SSAP 26). The impact to the Company's surplus was \$(3.8) million at December 31, 2002. The Company had filed its 2002 Statutory Annual Statement at the time it determined that the provisions of SSAP 26 had been inappropriately applied. As such, the correction was not included in the Company's 2002 Statutory Annual Statement, but was recorded during the first quarter of 2003 and is reported on line 53 of the Summary of Operations as an adjustment to surplus.

2. Contingencies

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

Additionally, from time to time class action allegations are pursued where the claimant or policyholder purports to represent a larger number of individuals who are similarly situated. Since each insurance claim is evaluated based on its own merits, there is rarely a single act or series of actions, which can properly be addressed by a class action. Nevertheless, the Company monitors these cases closely and defends itself appropriately where these allegations are made. Six such purported class actions are described below.

On May 22, 2003, UnumProvident, several of its subsidiaries, including the Company, and some of their officers and directors filed a motion with the Judicial Panel on Multidistrict litigation seeking to transfer a number of class actions suits, now pending against them in various federal district courts to a single district for coordinated or consolidated pre-trial proceedings. Oral arguments on the transfer motion for the first five matters listed below were held on July 24, 2003. No decision has yet been rendered on this motion.

On November 4, 2002 the case of Theresa Keir et al. v. UnumProvident Corporation et al. (Keir) was filed in the United States District Court for the Southern District of New York. This case purports to be a class action. The plaintiffs in Keir are seeking representative status of a class of group long-term disability participants insured under ERISA plans whose claims were denied or terminated on or after June 30, 1999. The amended complaint alleges that these claimants had their claims improperly challenged and allege that UnumProvident and its insurance subsidiaries, including the Company, breached certain fiduciary duties owed to these participants in ERISA plans in which the Company is the claims adjudicator. The Company maintains that the allegations are false and that the claims, as framed, are not permissible under ERISA's carefully structured avenues of relief. A substantive motion to dismiss was denied on April 29, 2003. In addition, the Company does not believe that a class action should be certified under these circumstances. The Company will vigorously defend against any future attempt to certify the class in Keir.

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

On April 30, 2003, the case of Carol J. Taylor, on behalf of herself and all others similarly situated v. UnumProvident Corporation, et al., was filed in the Circuit Court for Shelby County, Tennessee in the Thirteenth Judicial District at Memphis. The plaintiff seeks to represent all individuals who were insured by long-term disability policies issued by subsidiaries of UnumProvident and who did not obtain their coverage through employer sponsored plans and who had a claim denied, terminated or suspended by a UnumProvident subsidiary after January 1, 1995. Plaintiff alleges that UnumProvident and its subsidiaries, including the Company, employed various unfair claim practices in assessing entitlement to benefits by class members during this period and as a result wrongfully denied legitimate claims. The plaintiff and the class seek contractual, equitable and injunctive relief. On June 9, 2003, the defendants removed this action to the United States District Court for the Western District of Tennessee. The defendants strongly deny the allegations in the complaint, do not believe that class certification is appropriate for the relief sought and will vigorously defend the litigation.

On July 18, 2003, Contreras v. UnumProvident Corporation, et al., was filed in the Southern District of New York. Plaintiffs allege claims on behalf of a putative class of ERISA plan participants, beneficiaries, third-party beneficiaries or assignees of group long-term disability insurance issued by the insuring subsidiaries of UnumProvident, including the Company, who have had a disability claim denied, terminated or suspended by UnumProvident on or after June 30, 1999. Plaintiffs assert bad faith claims practices by UnumProvident in violation of ERISA. Plaintiffs seek equitable and injunctive relief to require, among other things, that UnumProvident re-evaluate all previously denied, terminated or suspended claims. The Company denies the allegations in the complaint and will vigorously defend the litigation and any attempt to certify the putative class. This action has not yet been made part of the pending motion to transfer for coordinated or consolidated pretrial proceedings.

On July 15, 2002, the case of Edmundo M. Rombeiro v. Unum Life Insurance Company of America, et al., was filed in the Superior Court of Sonoma County, California. It was subsequently removed to the United States District Court for the Northern District of

NOTES TO FINANCIAL STATEMENTS

California. On January 21, 2003, a First Amended Complaint was filed, purporting to be a class action. This complaint alleges that plaintiff individually was wrongfully denied disability benefits under a group long-term disability plan and alleges breach of state law fiduciary duties on behalf of himself and others covered by similar plans whose disability benefits have been denied or terminated after a claim was made. The complaint seeks, among other things, injunctive and declaratory relief and payment of benefits. On April 30, 2003, the court granted in part and denied in part the defendants' motion to dismiss the complaint. On May 14, 2003, the plaintiff filed a Second Amended Complaint seeking injunctive relief on behalf of a putative nationwide class of long term disability insurance policyholders. The Company denies the allegations in the complaint and will vigorously defend the litigation and any attempt to certify the putative class.

On December 26, 2002 the case of Impress Communications Inc. and Jeff Chiarella v. UnumProvident et al. (Impress) was filed in Los Angeles Superior Court as a purported class action. The plaintiffs in Impress seek representative status of all California policyholders of each of the insurance subsidiaries of UnumProvident, including the Company, who have never filed a claim with the Company and who allegedly were misled into purchasing coverage with the Company without full disclosure of the Company's alleged improper claim paying practices. The complaint was removed to the United States District Court for the Central District of California on February 7, 2003. Plaintiffs filed a motion to remand the case to state court, but that motion was denied on April 22, 2003. The Company strongly denies the allegations in the complaint and will vigorously defend both the substantive and procedural aspects of the litigation.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]
- 1.2 If yes, explain:
.....
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 2.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No []
If yes, attach an explanation.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1999
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1999
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/18/2000
- 7.4 By what department or departments?
Delaware, Nevada, and South Carolina
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 8.2 If yes, give full information:
.....
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
.....
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 9.4 If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

GENERAL INTERROGATORIES

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

INVESTMENT

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

10.2 If yes, explain:

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

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 167,494

13. Amount of real estate and mortgages held in short-term investments: \$ 0

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

14.2 If yes, please complete the following:

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

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

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []

If no, attach a description with this statement.

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

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

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

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
30172	Metropolitan West Securities, LLC	Los Angeles, Ca
	JPMorgan Fleming Asset Management	New York, NY
	Provident Investment Management, LLC	Chattanooga, TN

GENERAL INTERROGATORIES (continued)

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

PART 2 - LIFE & HEALTH

	1 Amount
1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:	
1.1 Long-Term Mortgages In Good Standing	
1.11 Farm Mortgages	\$
1.12 Residential Mortgages	\$
1.13 Commercial Mortgages	\$ 37,545,213
1.14 Total Mortgages in Good Standing	<u>\$ 37,545,213</u>
1.2 Long-Term Mortgages In Good Standing with Restructured Terms	
1.21 Total Mortgages in Good Standing	\$
1.3 Long-Term Mortgages Loans Upon which Interest is Overdue more than Three Months	
1.31 Farm Mortgages	\$
1.32 Residential Mortgages	\$
1.33 Commercial Mortgages	\$
1.34 Total Mortgages with Interest Overdue more than Three Months	<u>\$</u>
1.4 Long-Term Mortgages Loans in Process of Foreclosure	
1.41 Farm Mortgages	\$
1.42 Residential Mortgages	\$
1.43 Commercial Mortgages	\$
1.44 Total Mortgages in Process of Foreclosure	<u>\$</u>
1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Col. 3, Lines 3.1 plus 3.2)	\$ 37,545,213
1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61 Farm Mortgages	\$
1.62 Residential Mortgages	\$
1.63 Commercial Mortgages	\$
1.64 Total Mortgages Foreclosed and Transferred to Real Estate	<u>\$</u>

SCHEDULE A - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	12,216,260	12,330,457
2. Increase (decrease) by adjustment	(422,794)	(839,249)
3. Cost of acquired		
4. Cost of additions to and permanent improvements	139,266	1,035,676
5. Total profit (loss) on sales		289,376
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		600,000
8. Book/adjusted carrying value at end of current period	11,932,732	12,216,260
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	11,932,732	12,216,260
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, current period)	11,932,732	12,216,260

SCHEDULE B – VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	41,042,974	53,904,274
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		44,439
5. Total profit (loss) on sale		12,905,739
6. Amounts paid on account or in full during the period	3,497,761	
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	37,545,213	41,042,974
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	37,545,213	41,042,974
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period	37,545,213	41,042,974

SCHEDULE BA – VERIFICATION

Other Invested Assets Included in Schedule BA

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	201,027	200,364
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		7,113
2.2. Additional investment made after acquisitions	301	
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		6,450
6. Amounts paid on account or in full during the period	221	
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book/adjusted carrying value of long-term invested assets at end of current period	201,107	201,027
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	201,107	201,027
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period	201,107	201,027

SCHEDULE D - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	958,466,972	894,321,062
2. Cost of bonds and stocks acquired	237,566,644	291,439,625
3. Accrual of discount	3,712,985	4,680,978
4. Increase (decrease) by adjustment	(13,499,107)	(36,568,606)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	2,167,216	10,967,047
7. Consideration for bonds and stocks disposed of	120,484,978	201,411,321
8. Amortization of premium	702,038	1,121,812
9. Book/adjusted carrying value, current period	1,067,227,695	962,306,972
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	1,067,227,695	962,306,972
12. Total nonadmitted amounts		
13. Statement value (Lines 11 minus 12)	1,067,227,695	962,306,972

Column 1, line 1 decreased \$3,840,000 due to prior period adjustments

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	464,858,420	457,787,361	399,702,433	11,089,759	464,858,420	534,043,107		404,628,333
2. Class 2	462,777,348	23,043,410	8,713,998	(17,442,711)	462,777,348	459,664,049		455,708,375
3. Class 3	37,267,071		7,649,025	(2,994,753)	37,267,071	26,623,293		51,678,342
4. Class 4	44,013,544		5,691,797	(4,132,285)	44,013,544	34,189,462		39,423,892
5. Class 5	12,914,730			81,476	12,914,730	12,996,206		18,920,027
6. Class 6	5,180,000		5,198,645	3,653,650	5,180,000	3,635,005		10,092,500
7. Total Bonds	1,027,011,113	480,830,771	426,955,898	(9,734,864)	1,027,011,113	1,071,151,122		980,451,469
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5	200,000				200,000	200,000		200,000
13. Class 6								
14. Total Preferred Stock	200,000				200,000	200,000		200,000
15. Total Bonds and Preferred Stock	1,027,211,113	480,830,771	426,955,898	(9,734,864)	1,027,211,113	1,071,351,122		980,651,469

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	6,309,115	XXX	6,309,115		

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	18,344,497	46,979,037
2. Cost of short-term investments acquired	814,247,469	1,209,514,672
3. Increase (decrease) by adjustment		
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments		
6. Consideration received on disposal of short-term investments	826,282,851	1,238,149,212
7. Book/adjusted carrying value, current period	6,309,115	18,344,497
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	6,309,115	18,344,497
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	6,309,115	18,344,497
12. Income collected during period	176,837	314,204
13. Income earned during period	173,806	262,535

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

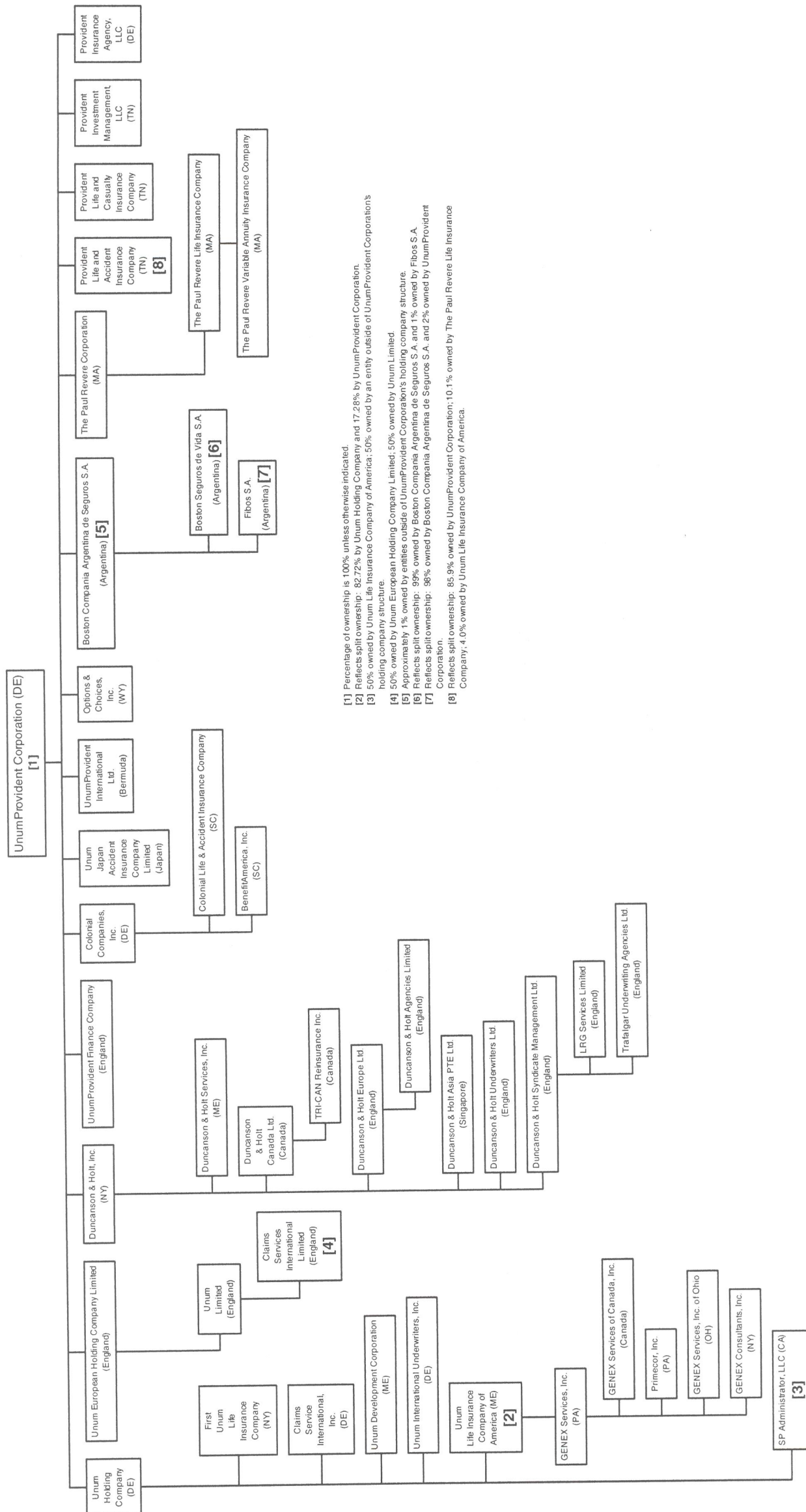
Allocated by States and Territories

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	1,643,507	150	7,359,230	
2. Alaska	AK	Yes	64,120		218,001	
3. Arizona	AZ	Yes	1,081,036	1,557	5,660,065	
4. Arkansas	AR	Yes	700,394		2,496,401	
5. California	CA	Yes	7,748,328	7,402	40,146,089	
6. Colorado	CO	Yes	1,123,100	625	3,104,805	
7. Connecticut	CT	Yes	865,719		8,298,149	
8. Delaware	DE	Yes	106,092		352,998	
9. District of Columbia	DC	Yes	80,389		251,399	
10. Florida	FL	Yes	6,992,157	2,530	22,894,404	
11. Georgia	GA	Yes	4,514,169	323	13,709,976	
12. Hawaii	HI	Yes	124,328		315,712	
13. Idaho	ID	Yes	200,524		1,151,828	
14. Illinois	IL	Yes	912,315		3,650,192	
15. Indiana	IN	Yes	1,662,382	600	4,631,849	
16. Iowa	IA	Yes	247,019		902,311	
17. Kansas	KS	Yes	413,983		2,211,293	
18. Kentucky	KY	Yes	2,153,220		7,727,628	
19. Louisiana	LA	Yes	3,694,881	277	14,838,074	
20. Maine	ME	Yes	209,928		1,100,197	
21. Maryland	MD	Yes	1,161,129	1,120	4,746,887	
22. Massachusetts	MA	Yes	1,373,944	380	9,015,555	
23. Michigan	MI	Yes	1,928,051		6,870,126	
24. Minnesota	MN	Yes	536,943		2,685,321	
25. Mississippi	MS	Yes	2,372,425		9,019,965	
26. Missouri	MO	Yes	733,929		3,927,577	
27. Montana	MT	Yes	214,345		773,647	
28. Nebraska	NE	Yes	247,922		1,102,393	
29. Nevada	NV	Yes	607,949	783	3,562,861	
30. New Hampshire	NH	Yes	332,981	650	1,409,628	
31. New Jersey	NJ	Yes	865,446		3,741,110	
32. New Mexico	NM	Yes	784,571	250	3,027,258	
33. New York	NY	No	72,210		264,507	
34. North Carolina	NC	Yes	4,992,420	820	36,100,888	
35. North Dakota	ND	Yes	181,420		589,682	
36. Ohio	OH	Yes	4,923,186	5,550	12,499,056	
37. Oklahoma	OK	Yes	398,308		1,717,861	
38. Oregon	OR	Yes	182,700		1,246,915	
39. Pennsylvania	PA	Yes	2,284,961	550	8,196,637	
40. Rhode Island	RI	Yes	174,175		788,772	
41. South Carolina	SC	Yes	3,547,885	89	12,107,359	
42. South Dakota	SD	Yes	114,364		398,556	
43. Tennessee	TN	Yes	1,733,820		7,849,267	
44. Texas	TX	Yes	5,321,707	350	21,600,141	
45. Utah	UT	Yes	322,966		1,824,364	
46. Vermont	VT	Yes	40,221		182,019	
47. Virginia	VA	Yes	1,914,968	1,789	7,734,522	
48. Washington	WA	Yes	365,717		2,177,941	
49. West Virginia	WV	Yes	296,084		997,802	
50. Wisconsin	WI	Yes	362,590		2,280,559	
51. Wyoming	WY	Yes	106,833		333,319	
52. American Samoa	AS	No			415	
53. Guam	GU	No			209,793	
54. Puerto Rico	PR	Yes	2,281		1,936	
55. US Virgin Islands	VI	No	378		6,692	
56. Canada	CN	No	996		4,291	
57. Aggregate Other Alien	OT	XXX	3,126			
58. Subtotal	(a) 51		73,040,541	25,795	310,016,220	
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	111,829			483,414	
94. Aggregate of other amounts not allocable by State	XXX					
95. Totals (Direct Business)	XXX	73,152,371	25,795	310,499,634		
96. Plus Reinsurance Assumed	XXX	4,123,920				
97. Totals (All Business)	XXX	77,276,291	25,795	310,499,634		
98. Less Reinsurance Ceded	XXX	3,210,927	25,795	12,635,480		
99. Totals (All Business) less Reinsurance Ceded	XXX	74,065,364		297,864,154		
DETAILS OF WRITE-INS						
5701. Other Alien	XXX	3,126			4,291	
5702.	XXX					
5703.	XXX					
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX					
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX	3,126			4,291	
9401.	XXX					
9402.	XXX					
9403.	XXX					
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX					
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)	XXX					

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

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

PART 1 - ORGANIZATIONAL CHART



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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSES

1. Will the SVO Compliance Certification be filed with this statement?

..... Yes

2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?

..... No

Explanations:

Bar Codes:

2. 
6 2 0 4 9 2 0 0 3 4 9 0 0 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

LQ002 Additional Aggregate Lines for Page 02 Line 23.

*ASSETS				
2304. Securities receivable.....	7,400	7,400	0	0
2397. Summary of remaining write-ins for Line 23 from Page 02	7,400	7,400	0	0

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Current Quarter

1 Description of Property	2 Location		3 State	4 Date Acquired	5 Name of Vendor	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	City								
					NONE				
9999999 - Totals									

SCHEDULE A - PART 3

Showing all Real Estate SOLD during the Current Quarter, including Payments during the Final Year on "Sales under Contract"

1 Description of Property	2 Location		3 State	4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Expended for Additions, Permanent Improvements and Changes in Encumbrances	10 Book/Adjusted Carrying Value Less Encumbrances	11 Amounts Received	12 Foreign Exchange Profit (Loss) on Sale	13 Realized Profit (Loss) on Sale	14 Total Profit (Loss) on Sale	15 Gross Income Earned Less Interest Incurred on Encumbrances	16 Taxes, Repairs and Expenses Incurred
	City															
					NONE											
9999999 Totals																

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE B - PART 1

Showing all Mortgage Loans ACQUIRED during the Current Quarter

1	2		3	4	5	6	7	8	9	10	11
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Value of Land and Buildings	Date of Last Appraisal or Valuation	
	NONE										
9999999 Totals	XXX										

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, transferred or paid in full during the Current Quarter

1	2		3	4	5	6	7	8	9	10	11	12	13
Loan Number	City	State	Loan Type	Date Acquired	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale	
100001164	NORTH SAN JOSE	CA		11/23/1998	637,752			617,849	617,849				
0799999 - Mortgages closed by repayment					637,752			617,849	617,849				
9999999 Totals	617,849												

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED during the Current Quarter

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

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, transferred or paid in full during the Current Quarter

1 Number of Units and Description	2 Location		3 State	4 Name of Purchaser or Nature of Disposition	5 Date Acquired	6 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book/Adjusted Carrying Value Less Encumbrances at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	City												
NONE													
9999999 Totals													

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
BONDS								
US Governments								
United States								
312871-HB-6	FREDDIE MAC 30-NONCALL 0.000% 06/13/33	05/21/2003	FIRST TENNESSEE		20,391,318	115,000,000		IPE
Total United States								
0399996	Bonds - U.S. Government				20,391,318	115,000,000		XXX
0399999	Total - Bonds - U.S. Government				20,391,318	115,000,000		XXX
Special Revenue & Assessment								
United States								
Dist. of Colum								
313390-YK-8	FHLMC 2412-Z 6.500% 02/15/32	06/01/2003	Interest Capitalization		418,894	418,894		1
313396-BY-6	FHLMC 2369 Z 6.500% 10/15/31	06/01/2003	Interest Capitalization		537,291	537,291		1
31337M-AA-4	FHLMC 2190 ZB 7.000% 10/20/29	06/01/2003	Interest Capitalization		310,251	310,251		1
31337M-SE-7	FHLMC 2196 Z 7.000% 11/15/29	06/01/2003	Interest Capitalization		222,132	222,132		1
31337V-JR-5	FHLMC 2434 Z 6.500% 04/15/32	06/01/2003	Interest Capitalization		173,385	173,385		1
313392A-EJ-3	FNMA 2001-64 ZD 6.000% 11/25/31	06/01/2003	Interest Capitalization		312,823	312,823		IPE
31392P-AH-8	FHLMC 2458 ZD 6.000% 06/15/32	06/01/2003	Interest Capitalization		241,765	241,765		IPE
31407H-5F-5	FNMA POOL 709246 5.500% 07/01/33	06/11/2003	SALOMON SMITH BARNEY		10,071,689	9,952,382	16,726	1
Total Dist. of Colum								
Total United States								
3199996	Bonds - Special Revenues - United States				12,288,430	12,168,923	16,726	XXX
3199999	Total - Bonds - Special Revenue				12,288,430	12,168,923	16,726	XXX
Public Utilities (unaffiliated)								
United States								
037735-BZ-9	APPALACHIAN POWER BOS 5.950% 05/15/33	04/30/2003	Various		4,989,450	5,000,000		2PE
Total United States								
3899996	Bonds - Public Utilities - United States				4,989,450	5,000,000		XXX
3899999	Total - Bonds - Public Utilities				4,989,450	5,000,000		XXX
Industrial & Miscellaneous								
United States								
141781-AR-5	CARGILL INC 144A NTS 4.375% 06/01/13	05/13/2003	SALOMON SMITH BARNEY		9,916,400	10,000,000		IPE
362311-AG-7	GTE CALIFORNIA INC 6.750% 05/15/27	04/24/2003	UBS WARBURG		5,001,615	4,500,000	138,375	IPE
362333-AH-9	GTE FLORIDA INC DEB 6.860% 02/01/28	04/24/2003	UBS WARBURG		5,171,272	4,588,000	76,936	IPE
493008-NR-0	KEY BANK NA SR NTS 5.091% 03/26/15	05/13/2003	UBS WARBURG		11,170,412	10,735,000	77,423	IPE
617446-HR-3	MORGAN STANLEY NTS 5.300% 03/01/13	04/07/2003	MORGAN STANLEY		5,025,250	5,000,000	32,389	1
76111J-WF-8	RFMSI 2002-S1 A3 6.250% 01/25/32	06/01/2003	Interest Capitalization		289,283	289,283		IPE
86358R-VE-4	SASCO 2002-2 1A3 6.550% 02/25/32	06/01/2003	Interest Capitalization		220,444	220,444		IPE
90333W-AC-2	US BANK NA SUB NTS 4.800% 04/15/15	05/16/2003	UBS WARBURG		5,151,650	5,000,000	28,000	IPE
Total United States								
Other Country								
08587#-AC-0	BERTELSMANN US FIN 5.330% 03/05/15	04/17/2003	RBC-DOMINION SEC		10,000,000	10,000,000		2Z
449786-AA-0	INTL NEDERLAND BANK 5.125% 05/01/15	05/15/2003	LEHMAN BROTHERS		5,235,150	5,000,000	23,489	1
910860-AL-2	UNITED MEXICAN STATES 6.625% 03/03/15	04/08/2003	J P MORGAN CHASE		5,057,500	5,000,000	34,965	2PE
92928W-AE-5	WMC FINANCE USA 144A 5.125% 05/15/13	05/05/2003	SALOMON SMITH BARNEY		2,996,460	3,000,000		2PE
961214-AH-6	WESTPAC BANKING BOS 4.625% 06/01/18	05/16/2003	J P MORGAN CHASE		9,939,900	10,000,000		1
Total Other Country								
4599996	Bonds - Industrial and Misc. - United States				33,229,010	33,000,000	58,454	XXX
4599998	Bonds - Industrial and Misc. - Other Countries				41,946,326	40,332,727	353,123	XXX
4599999	Total - Bonds - Industrial, Misc.				33,229,010	33,000,000	58,454	XXX
6099997	Total - Bonds - Part 3				75,175,336	73,332,727	411,577	XXX
6099999	Total - Bonds				112,844,534	205,501,650	428,303	XXX
6599999	Total - Preferred Stocks				112,844,534	205,501,650	428,303	XXX
COMMON STOCK								
Industrial & Miscellaneous								
United States								
50730R-10-2	LAIDLAW INTL COMMON STOCK	06/26/2003	Exchange	217,698,000	2,013,707	XXX		1
Total United States								
6899999	Total - Common Stocks - Industrial, Misc.				2,013,707	XXX		XXX

STATEMENT AS OF JUNE 30, 2003 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
BONDS																
US Governments																
United States																
362064-UP-0	GNMA POOL 34790 9.375% 08/15/09	06/01/2003	Paydown		5,658	5,658	5,658	5,658						84		1
362127-SW-3	GNMA POOL 90533 9.375% 09/15/09	06/01/2003	Paydown		278	278	278	278	27					4		1
362160-SP-1	GNMA POOL 161726 8.500% 12/15/16	06/01/2003	Paydown		414	414	395	399	15					6		1
	Total United States				6,350	6,350	6,280	6,308	42					94		XX
0395996	- Bonds - U.S. Government				6,350	6,350	6,280	6,308	42					94		XXX
0395999	- Bonds - U.S. Government				6,350	6,350	6,280	6,308	42					94		XXX
Special Revenue & Assessment																
United States																
Dist. of Colm																
31287F-DE-1	FLMFC POOL F6067301 7.000% 01/01/26	06/01/2003	Paydown		97,008	97,008	96,523	96,527	481					1,092		1
31287F-DE-2	FLMFC POOL F6079441 7.000% 04/01/27	06/01/2003	Paydown		334,022	334,022	331,308	331,337	2,685					5,117		1
31287F-DE-3	FLMFC POOL D82010 7.000% 08/01/27	06/01/2003	Paydown		53	53	53	53	1,193					1,031		1
312926-TJ-5	FLMFC POOL C00553 7.000% 09/01/27	06/01/2003	Paydown		89,813	89,813	88,606	88,620	83,375					956		1
313716-BC-3	FLMFC POOL 251235 7.000% 10/01/27	06/01/2003	Paydown		84,302	84,302	83,366	83,375	927					153,719		1
31400H-SL-3	FMMA POOL 688551 5.500% 03/01/33	06/11/2003	Various		10,104,084	9,984,588	10,105,356	10,105,330	(1,236)					161,916		XX
	Total Dist. of Colm				10,709,292	10,589,786	10,705,212	10,705,242	4,050					161,916		XX
	Total United States				10,709,292	10,589,786	10,705,212	10,705,242	4,050					161,916		XX
3199996	- Bonds - Special Revenues - United States				10,709,292	10,589,786	10,705,212	10,705,242	4,050					161,916		XX
3199999	- Bonds - Special Revenues				10,709,292	10,589,786	10,705,212	10,705,242	4,050					161,916		XX
Industrial & Miscellaneous																
United States																
03060R-AG-6	AMERICREDIT CORP 9.875% 04/15/06	04/22/2003	Various		2,612,500	3,000,000	3,030,000	3,012,995	(337)				(400,158)	154,160		4
16117P-AD-2	CHARTER COMM HDG 8.250% 04/01/07	06/26/2003	UBS WARBURG		706,500	900,000	897,597	898,645	73				(192,218)	55,688		6
161621-NV-4	CHASE 1999 S-11 A8 6.750% 08/25/29	04/01/2003	Paydown		8,297,830	8,297,830	7,362,486	7,775,296	522,534					41,908		1
172953-LE-9	CMSI 1999-3 A5 6.500% 05/25/29	04/01/2003	Paydown		4,958,781	4,958,781	4,568,988	4,910,010	299,793					25,926		1PE
235811-AL-0	DANA CORP NTS 7.000% 03/01/29	04/24/2003	SALOMON SMITH BARNNEY		830,000	1,000,000	906,550	910,010	85			(80,095)	(80,095)	11,278		3
247361-VG-7	DELTA AIR LINES 8.300% 12/15/29	06/30/2003	JP MORGAN CHASE		1,890,000	2,000,000	2,678,157	2,678,802	57			(788,859)	(788,859)	123,255		4
294429-AA-3	EUROFAX INC 6.500% 06/15/03	06/15/2003	Maturity		3,000,000	3,000,000	2,891,813	2,995,614	4,386					97,500		2
33632-7B-5	UNION PACIFIC 6.760% 01/01/04	06/11/2003	Various		760,638	750,976	750,976	750,976	9,662					20,797		2
590006-AA-8	MERITOR AUTO INC 6.800% 02/15/09	05/22/2003	MERRILL LYNCH		3,000,000	3,000,000	3,004,140	3,002,716	(60)			(2,656)	(2,656)	58,367		3
977385-AK-9	WITCO CORP DEBS 6.875% 02/01/26	04/01/2003	CREDIT SUISSE/FIRST BOSTON		3,040,000	4,000,000	3,736,299	3,736,299	37			(696,336)	(696,336)	48,125		3
	Total United States				29,086,249	31,607,587	29,822,848	30,420,341	836,230			(2,160,322)	(2,160,322)	637,004		XXX
Canada																
50730K-AM-9	LALDLAW INC 6.500% 05/01/05	06/26/2003	Exchange		4,441,788	8,000,000	1,960,000	1,960,000				2,481,788	2,481,788			6
655422-AS-2	NORANDA INC SR NTS 7.250% 07/15/12	06/11/2003	UBS WARBURG		5,427,250	5,000,000	4,965,150	4,967,408	519			459,323	459,323	152,049		2PE
	Total Canada				9,869,038	13,000,000	6,925,150	6,927,408	519			2,941,111	2,941,111	152,049		XXX
Other Country																
716597-BE-8	PETROLEUM GEO SVCS 8.150% 07/15/29	06/24/2003	MORGAN STANLEY		1,792,500	3,000,000	1,245,000	2,340,000	(1,095,000)			547,500	547,500	233,105		6
	Total Other Country				1,792,500	3,000,000	1,245,000	2,340,000	(1,095,000)			547,500	547,500	233,105		XXX
4599996	- Bonds - Industrial and Misc - United States				29,086,249	31,607,587	29,822,848	30,420,341	836,230			(2,160,322)	(2,160,322)	637,004		XXX
4599997	- Bonds - Industrial and Misc - Canada				9,869,038	13,000,000	6,925,150	6,927,408	519			2,941,111	2,941,111	152,049		XXX
4599998	- Bonds - Industrial and Misc - Other Countries				1,792,500	3,000,000	1,245,000	2,340,000	(1,095,000)			547,500	547,500	233,105		XXX
4599999	- Bonds - Industrial and Miscellaneous				40,757,787	47,607,587	37,992,998	39,167,749	(238,251)			1,328,289	1,328,289	1,022,158		XXX
6099997	- Bonds - Part 4				51,473,429	58,203,723	48,704,490	50,399,299	(254,159)			1,328,289	1,328,289	1,184,168		XXX
6099999	- Total - Bonds				51,473,429	58,203,723	48,704,490	50,399,299	(254,159)			1,328,289	1,328,289	1,184,168		XXX
6099999	- Total - Preferred Stocks				XXX	XXX	XXX	XXX						XXX		XXX
7099999	- Total - Common Stocks				XXX	XXX	XXX	XXX						XXX		XXX
7199999	- Total - Preferred and Common Stocks				XXX	XXX	XXX	XXX						XXX		XXX
7299999	Totals				51,473,429	58,203,723	48,704,490	50,399,299	(254,159)			1,328,289	1,328,289	1,184,168		XXX

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

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

