



LIFE ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2004

OF THE CONDITION AND AFFAIRS OF THE

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

NAIC Group Code 0565 0565 NAIC Company Code 62049 Employer's ID Number 57-0144607

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

Country of Domicile United States of America

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

Statutory Home Office 1200 COLONIAL LIFE BOULEVARD, COLUMBIA, SC 29210

Main Administrative Office 1200 COLONIAL LIFE BOULEVARD, COLUMBIA, SC 29210, 803-798-7000

Mail Address 1200 COLONIAL LIFE BOULEVARD, COLUMBIA, SC 29210

Primary Location of Books and Records 1200 COLONIAL LIFE BOULEVARD, COLUMBIA, SC 29210, 803-798-7000

Internet Website Address www.coloniallife.com

Statutory Statement Contact VICKI WRIGHT CORBETT, 423-294-1373, VCorbett@unumprovident.com, 423-294-4260

Policyowner Relations Contact 1200 COLONIAL LIFE BOULEVARD, COLUMBIA, SC 29210, 800-845-7330

OFFICERS

President RANDALL CRAIG HORN # Treasurer JOHN JOSEPH IWANICKI
Secretary SUSAN NANCE ROTH Actuary ROGER LUC MARTIN

VICE PRESIDENTS

ROBERT O'HARA BEST FLOYD DEAN COPELAND VICKI WRIGHT CORBETT
JOSEPH RICHARD FOLEY ROBERT CARL GREVING PETER CARL MADEJA
KEVIN PAUL MCCARTHY RALPH WILSON MOHNEY GEORGE ARTHUR SHELL JR.

DIRECTORS OR TRUSTEES

WILLIAM LESTER ARMSTRONG FLOYD DEAN COPELAND THOMAS ROS WATJEN

State of Tennessee SS:
County of Hamilton

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

Randall Craig Horn President and Chief Executive Officer
Susan Nance Roth Vice President, Corporate Secretary and Assistant General Counsel
John Joseph Iwanicki Vice President and Treasurer

Subscribed and sworn to before me this 7th day of May, 2004

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

Joan Porterfield

My commission expires March 28, 2005

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	1,193,196,570		1,193,196,570	1,149,008,736
2. Stocks:				
2.1 Preferred stocks	28,000		28,000	28,000
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens	35,322,175		35,322,175	36,717,167
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	9,342,109		9,342,109	9,483,864
4.2 Properties held for the production of income (less \$0 encumbrances)	1,546,176		1,546,176	1,588,555
4.3 Properties held for sale (less \$0 encumbrances)	121,813		121,813	121,813
5. Cash (\$(13,669,672)), cash equivalents (\$6,209,810) and short-term investments (\$0)	(7,459,861)		(7,459,861)	(7,018,751)
6. Contract loans, (including \$0 premium notes)	31,023,221		31,023,221	30,724,663
7. Other invested assets	194,585		194,585	201,107
8. Receivable for securities	1,665,712		1,665,712	6,327
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	1,264,980,499		1,264,980,499	1,220,861,481
11. Investment income due and accrued	18,196,835		18,196,835	18,318,710
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	41,679,496	1,854,374	39,825,122	38,230,113
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$14,995,602 earned but unbilled premiums)	9,705,265		9,705,265	8,239,093
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	3,468,426		3,468,426	1,209,120
13.2 Funds held by or deposited with reinsured companies				
13.3 Other amounts receivable under reinsurance contracts	1,048,632		1,048,632	976,422
14. Amounts receivable relating to uninsured plans				
15.1 Current federal and foreign income tax recoverable and interest thereon				
15.2 Net deferred tax asset	158,126,000	117,120,000	41,006,000	44,602,000
16. Guaranty funds receivable or on deposit	1,095,276		1,095,276	1,064,696
17. Electronic data processing equipment and software				
18. Furniture and equipment, including health care delivery assets (\$0)	3,558,039	3,558,039		
19. Net adjustment in assets and liabilities due to foreign exchange rates	3,538,370	3,538,370		
20. Receivables from parent, subsidiaries and affiliates	13,000,000		13,000,000	12,400,000
21. Health care (\$0) and other amounts receivable	73,111,138	73,111,138		
22. Other assets nonadmitted	2,311,393	2,311,393		
23. Aggregate write-ins for other than invested assets	10,668,689	3,677,708	6,990,981	7,064,562
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	1,604,488,058	205,171,021	1,399,317,036	1,352,966,197
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	1,604,488,058	205,171,021	1,399,317,036	1,352,966,197
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)				
2301. Funds withheld - LNL	6,562,261		6,562,261	6,635,842
2302. Corporate owned life insurance	428,720		428,720	428,720
2303. Prepaid expenses	3,677,708	3,677,708		
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	10,668,689	3,677,708	6,990,981	7,064,562

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ 480,852,889 less \$ 0 included in Line 6.3 (including \$ 0 Modco Reserve)	480,852,889	472,256,491
2. Aggregate reserve for accident and health contracts (including \$ 0 Modco Reserve)	495,001,399	477,411,006
3. Liability for deposit-type contracts (including \$ 0 Modco Reserve)	14,808	20,808
4. Contract claims:		
4.1 Life	13,092,393	12,814,084
4.2 Accident and health	84,065,852	82,599,351
5. Policyholders' dividends \$ and coupons \$ due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment to (including \$ Modco)		
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ 0 discount; including \$ 4,225,481 accident and health premiums	4,309,094	3,413,717
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance, including \$ 558,746 assumed and \$ 1,330,944 ceded	1,889,690	1,668,176
9.4 Interest Maintenance Reserve	5,659,020	5,592,272
10. Commissions to agents due or accrued-life and annuity contracts \$ 740,631, accident and health \$ 23,131,171 and deposit-type contract funds \$ 0	23,871,802	26,777,549
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued	1,444,301	1,841,649
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	3,431,888	5,081,594
15.1 Current federal and foreign income taxes, including \$ 1,156,000 on realized capital gains (losses)	5,085,126	3,173,458
15.2 Net deferred tax liability		
16. Unearned investment income	235,865	235,865
17. Amounts withheld or retained by company as agent or trustee	37,015	82,619
18. Amounts held for agents' account, including \$ 808,217 agents' credit balances	808,217	1,076,561
19. Remittances and items not allocated	20,339,090	17,387,528
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above	1,144,471	1,352,016
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve	2,429,665	1,058,406
24.2 Reinsurance in unauthorized companies		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates	9,120,654	8,486,860
24.5 Drafts outstanding		
24.6 Liability for amounts held under uninsured accident and health plans		
24.7 Funds held under coinsurance		
24.8 Payable for securities		
24.9 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	3,559,824	3,588,648
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	1,156,393,064	1,125,918,659
27. From Separate Accounts Statement		
28. Total liabilities (Lines 26 and 27)	1,156,393,064	1,125,918,659
29. Common capital stock	15,076,209	15,076,209
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	9,393,521	9,809,624
32. Surplus notes		
33. Gross paid in and contributed surplus	2,369,298	2,369,298
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	216,084,945	199,792,407
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ 0 in Separate Accounts Statement)	227,847,764	211,971,329
38. Totals of Lines 29, 30 and 37	242,923,973	227,047,538
39. Totals of Lines 28 and 38	1,399,317,036	1,352,966,197
DETAILS OF WRITE-INS		
2501. Reserve for unclaimed property	3,480,513	3,580,002
2502. Miscellaneous amounts payable	79,311	8,646
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	3,559,824	3,588,648
3101. Deferred gains on reinsurance of inforce block of business	9,393,521	9,809,624
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	9,393,521	9,809,624
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)		

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	190,661,239	189,557,773	741,249,500
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	22,944,459	20,971,679	92,391,307
4. Amortization of Interest Maintenance Reserve (IMR)	174,370	213,775	877,910
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	5,411,024	2,432,006	15,459,067
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	1,609	2,661	40,717
9. Totals (Lines 1 to 8.3)	219,192,702	213,177,894	850,018,501
10. Death benefits	12,309,652	10,354,594	40,157,495
11. Matured endowments (excluding guaranteed annual pure endowments)	27,594	52,202	237,559
12. Annuity benefits	1,617	1,617	6,468
13. Disability benefits and benefits under accident and health contracts	70,412,809	67,019,496	276,986,480
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	6,016,639	5,719,488	25,113,730
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	1,980	2,136	13,655
18. Payments on supplementary contracts with life contingencies	275	275	1,101
19. Increase in aggregate reserves for life and accident and health and contracts	26,186,791	35,279,660	90,470,325
20. Totals (Lines 10 to 19)	114,957,358	118,429,469	432,986,813
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	47,906,872	43,716,663	178,589,772
22. Commissions and expense allowances on reinsurance assumed	51,000	31,793	184,793
23. General insurance expenses	29,818,060	27,950,402	113,419,157
24. Insurance taxes, licenses and fees, excluding federal income taxes	5,580,376	5,167,161	19,458,610
25. Increase in loading on deferred and uncollected premiums	1,090,324	800,516	922,733
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions	24,246	5,375	25,482
28. Totals (Lines 20 to 27)	199,428,236	196,101,380	745,587,360
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	19,764,466	17,076,514	104,431,141
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	19,764,466	17,076,514	104,431,141
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	6,456,668	7,647,175	35,409,013
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	13,307,798	9,429,340	69,022,127
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 0 (excluding taxes of \$ (129,833) transferred to the IMR)	(745,394)	(6,156,863)	(12,767,675)
35. Net income (Line 33 plus Line 34)	12,562,404	3,272,476	56,254,453
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	227,047,538	187,656,154	187,656,153
37. Net income (Line 35)	12,562,404	3,272,476	56,254,453
38. Change in net unrealized capital gains (losses)	1,517,791	5,467,500	1,833,430
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	2,074,000	(3,135,000)	4,029,000
41. Change in non-admitted assets and related items	1,509,602	3,164,214	(5,739,386)
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			
44. Change in asset valuation reserve	(1,371,259)	(453,937)	200,134
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in			
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance	(416,103)	(451,635)	(3,346,246)
52. Dividends to stockholders	0	(10,000,000)	(10,000,000)
53. Aggregate write-ins for gains and losses in surplus	0	(3,840,001)	(3,840,000)
54. Net change in capital and surplus for the year (Lines 37 through 53)	15,876,435	(5,976,383)	39,391,385
55. Capital and surplus, as of statement date (Lines 36 + 54)	242,923,973	181,679,771	227,047,538
DETAILS OF WRITE-INS			
08.301. Other income	1,609	2,661	40,717
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	1,609	2,661	40,717
2701. Fines and penalties paid to regulatory authorities	24,246	5,375	25,482
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	24,246	5,375	25,482
5301. Prior year adjustment for other-than-temporary bond impairment	0	(3,840,001)	(3,840,000)
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)	0	(3,840,001)	(3,840,000)

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	188,374,628	733,864,442
2. Net investment income	21,269,342	81,329,169
3. Miscellaneous income	4,924,321	11,849,661
4. Total (Lines 1 to 3)	214,568,291	827,043,272
5. Benefit and loss related payments	89,063,549	322,926,869
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	88,083,162	302,822,387
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$0 net of tax on capital gains (losses)	4,545,000	33,263,375
10. Total (Lines 5 through 9)	181,691,711	659,012,631
11. Net cash from operations (Line 4 minus Line 10)	32,876,580	168,030,641
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	21,913,564	228,063,184
12.2 Stocks	0	1,989,019
12.3 Mortgage loans	1,394,992	4,325,807
12.4 Real estate	0	797,040
12.5 Other invested assets	6,522	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	23,315,078	235,175,050
13. Cost of investments acquired (long-term only):		
13.1 Bonds	62,905,693	419,866,444
13.2 Stocks	0	2,013,707
13.3 Mortgage loans		
13.4 Real estate	32,280	308,366
13.5 Other invested assets	0	80
13.6 Miscellaneous applications	1,635,913	9,971
13.7 Total investments acquired (Lines 13.1 to 13.6)	64,573,886	422,198,568
14. Net increase (or decrease) in policy loans and premium notes	298,558	2,298,572
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(41,557,365)	(189,322,090)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(6,000)	(9,000)
16.5 Dividends to stockholders	0	10,000,000
16.6 Other cash provided (applied)	8,245,674	18,837,216
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	8,239,675	8,828,216
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11, plus Lines 15 and 17)	(441,110)	(12,463,233)
19. Cash and short-term investments:		
19.1 Beginning of year	(7,018,751)	5,444,482
19.2 End of period (Line 18 plus Line 19.1)	(7,459,861)	(7,018,751)

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

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EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life			
2. Ordinary life insurance	42,207,991	37,566,048	142,703,383
3. Ordinary individual annuities	7,889	11,158	48,737
4. Credit life (group and individual)			
5. Group life insurance	2,768,642	2,221,005	10,472,137
6. Group annuities			
7. A & H - group	5,714,807	9,020,194	32,702,473
8. A & H - credit (group and individual)			
9. A & H - other	152,908,429	144,739,863	586,275,602
10. Aggregate of all other lines of business			
11. Subtotal	203,607,758	193,558,268	772,202,332
12. Deposit-type contracts			
13. Total	203,607,758	193,558,268	772,202,332
DETAILS OF WRITE-INS			
1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page			
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)			

NOTES TO FINANCIAL STATEMENTS

1. Contingencies

UnumProvident Corporation (UnumProvident) and its insurance company subsidiaries, including Colonial Life and Accident Insurance Company (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 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.

The Multidistrict Litigation

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. On September 2, 2003, the Judicial Panel on Multidistrict Litigation entered an order transferring these cases, including each of the cases described below, to the U.S. District Court for the Eastern District of Tennessee for coordinated or consolidated pretrial proceedings.

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

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

On April 30, 2003, the case of Taylor, 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. This action was transferred to the Eastern District of Tennessee as part of the multidistrict litigation transfer order.

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

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

NOTES TO FINANCIAL STATEMENTS

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

On December 22, 2003, the Tennessee federal district court entered an order consolidating all of the above actions other than the Taylor action for all pretrial purposes under the caption In re UnumProvident Corp. ERISA Benefit Denial Actions. Among other things, the Court in that order appointed a lead counsel in the actions and directed lead counsel to file a consolidated amended complaint in the ERISA Benefit Denial Actions, which was filed on February 20, 2004. On March 26, 2004, the defendants answered the complaints in these actions, and simultaneously filed a motion for judgment on the pleadings in the ERISA Benefit Denial Actions. The parties have engaged in certain limited discovery in connection with a court-ordered mediation to take place later this year.

On April 9, 2004, the plaintiffs in each of these two actions separately filed motions seeking certification of a plaintiff class. The defendants have not yet responded to that motion.

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

Claim Litigation

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

Other Claim Related Examinations and Investigations

Some of UnumProvident's insurance subsidiaries have experienced increased market conduct examinations by state insurance departments focused specifically on its disability claims handling policies and practices. On March 19, 2003, four UnumProvident insurance subsidiaries, not including the Company, consented to the entry of an order by the Georgia Insurance Commissioner that, among other things, ordered them to each pay a monetary penalty of \$250,000 and to adhere to certain claims handling practices. The order also placed these four companies on regulatory probation for two years, during which period certain Georgia claims and complaints will be reviewed on a quarterly basis by representatives of the Georgia Department of Insurance. The Georgia order did not cite any violations of Georgia law or regulations.

Because of the number of market conduct examinations initiated during 2002 and 2003, a coordinated market conduct examination of UnumProvident's disability claims handling policies and practices was organized during 2003 by Massachusetts, Maine, and Tennessee, the states of domicile for several of the Company's insurance subsidiaries. Currently 44 states and the District of Columbia are participating in this coordinated examination in which the domiciliary states are attempting to address common state concerns and also eliminate or reduce the number of duplicative individual examinations by multiple states. California, Arizona, Minnesota, and New Mexico have chosen to continue pursuing their own examinations and investigations, although California and Minnesota have elected to participate in the multi-state examination as well. Additional state market conduct examinations may be commenced.

In addition, UnumProvident received a letter in September 2003 from the office of the New York State Attorney General indicating that it is reviewing the disability claims-handling procedures of the Company and its insurance subsidiaries. The Company is cooperating and is in the process of gathering and providing information in response.

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

These regulatory examinations and investigations could result in, among other things, changes in the Company's claims handling and other business practices, increases in policy liabilities, reopening of closed or denied claims, fines, and other administrative action. Such results, singly or in combination, could injure the Company's reputation, cause negative publicity, and impair the Company's ability to sell or retain insurance policies, thereby adversely affecting the Company's business, and potentially materially affecting the consolidated results of operations in a period. Determination by regulatory authorities that UnumProvident or its insurance subsidiaries have engaged in improper conduct could also adversely affect UnumProvident's defense of various lawsuits described herein.

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 [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

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

GENERAL INTERROGATORIES

INVESTMENT

- 10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]
- 10.2 If yes, explain:
- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 160,972
13. Amount of real estate and mortgages held in short-term investments: \$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]
- 14.2 If yes, please complete the following:

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

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.
16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

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

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

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

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]
- 16.4 If yes, give full information relating thereto:

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

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

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

GENERAL INTERROGATORIES

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

PART 2 - LIFE & HEALTH

	1	
	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	\$	35,322,175
1.14 Total Mortgages in Good Standing	\$	35,322,175
1.2 Long-Term Mortgages In Good Standing with Restructured Terms		
1.21 Total Mortgages in Good Standing with Restructured Terms	\$	
1.3 Long-Term Mortgage Loans Upon which Interest is Overdue more than Three Months		
1.31 Farm Mortgages	\$	
1.32 Residential Mortgages	\$	
1.33 Commercial Mortgages	\$	
1.34 Total Mortgages with Interest Overdue more than Three Months	\$	
1.4 Long-Term Mortgage Loans in Process of Foreclosure		
1.41 Farm Mortgages	\$	
1.42 Residential Mortgages	\$	
1.43 Commercial Mortgages	\$	
1.44 Total Mortgages in Process of Foreclosure	\$	
1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)	\$	35,322,175
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	\$	

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE A - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	11,194,232	12,216,260
2. Increase (decrease) by adjustment	(216,414)	(849,232)
3. Cost of acquired		
4. Cost of additions to and permanent improvements	32,280	308,366
5. Total profit (loss) on sales		315,878
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		797,040
8. Book/adjusted carrying value at end of current period	11,010,098	11,194,232
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	11,010,098	11,194,232
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	11,010,098	11,194,232

SCHEDULE B - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	36,717,167	41,042,974
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period	1,394,992	4,325,807
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	35,322,175	36,717,167
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	35,322,175	36,717,167
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	35,322,175	36,717,167

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	201,107	201,027
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after acquisitions		301
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period	6,522	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	194,585	201,107
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	194,585	201,107
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	194,585	201,107

SCHEDULE D - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,149,036,736	958,466,972
2. Cost of bonds and stocks acquired	62,905,693	421,880,151
3. Accrual of discount	2,539,529	12,265,681
4. Increase (decrease) by adjustment	732,541	(10,658,348)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	280,974	(1,258,761)
7. Consideration for bonds and stocks disposed of	21,913,564	230,052,203
8. Amortization of premium	357,339	1,606,756
9. Book value/adjusted carrying value, current period	1,193,224,570	1,149,036,736
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	1,193,224,570	1,149,036,736
12. Total nonadmitted amounts		
13. Statement value	1,193,224,570	1,149,036,736

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	562,162,697	46,839,153	10,699,600	9,393,662	607,695,912			562,162,697
2. Class 2	519,507,140	16,066,540	1,478,158	(3,014,554)	531,080,968			519,507,140
3. Class 3	29,225,740		3,146,250	(4,223,284)	21,856,206			29,225,740
4. Class 4	17,844,484		3,369,442	(939,778)	13,535,264			17,844,484
5. Class 5	13,972,995		2,939,140	3,104,145	14,138,000			13,972,995
6. Class 6	6,295,680			(1,405,460)	4,890,220			6,295,680
7. Total Bonds	1,149,008,736	62,905,693	21,632,590	2,914,731	1,193,196,570			1,149,008,736
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5	28,000				28,000			28,000
13. Class 6								
14. Total Preferred Stock	28,000				28,000			28,000
15. Total Bonds and Preferred Stock	1,149,036,736	62,905,693	21,632,590	2,914,731	1,193,224,570			1,149,036,736

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

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

NONE

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		18,344,497
2. Cost of short-term investments acquired		1,318,132,713
3. Increase (decrease) by adjustment		
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments		
6. Consideration received on disposal of short-term investments		1,336,477,210
7. Book/adjusted carrying value, current period		
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)		
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)		
12. Income collected during period		231,914
13. Income earned during period		228,465

Schedule DB - Part F - Section 1

N O N E

Schedule DB - Part F - Section 2

N O N E

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Life Contracts		Direct Business Only		
		2 Life Insurance Premiums	3 Annuity Considerations	4 Accident and Health Insurance Premiums, Including Policy Membership and Other Fees	5 Deposit-Type Contract Funds	6 Other Considerations
1. Alabama	AL	Yes	897,922	75	3,531,026	
2. Alaska	AK	Yes	29,649		90,958	
3. Arizona	AZ	Yes	619,357	680	3,000,989	
4. Arkansas	AR	Yes	424,675		1,330,678	
5. California	CA	Yes	4,412,194	2,334	21,002,597	
6. Colorado	CO	Yes	554,746	275	1,515,823	
7. Connecticut	CT	Yes	489,618		4,859,851	
8. Delaware	DE	Yes	71,228		228,954	
9. District of Columbia	DC	Yes	42,512		145,745	
10. Florida	FL	Yes	3,730,464	1,340	11,960,715	
11. Georgia	GA	Yes	2,582,377		6,532,768	
12. Hawaii	HI	Yes	62,216		134,847	
13. Idaho	ID	Yes	96,134		497,769	
14. Illinois	IL	Yes	490,485		1,785,314	
15. Indiana	IN	Yes	812,417	150	2,151,720	
16. Iowa	IA	Yes	126,652		421,847	
17. Kansas	KS	Yes	213,549		1,109,412	
18. Kentucky	KY	Yes	1,079,261		3,538,568	
19. Louisiana	LA	Yes	1,976,963	139	7,486,276	
20. Maine	ME	Yes	119,502		596,072	
21. Maryland	MD	Yes	622,400	849	2,276,351	
22. Massachusetts	MA	Yes	984,034	162	4,809,318	
23. Michigan	MI	Yes	1,094,186		3,616,319	
24. Minnesota	MN	Yes	313,927		1,382,068	
25. Mississippi	MS	Yes	1,241,065		4,544,157	
26. Missouri	MO	Yes	407,940		2,080,719	
27. Montana	MT	Yes	113,588		421,824	
28. Nebraska	NE	Yes	139,057		639,707	
29. Nevada	NV	Yes	357,198	508	1,993,694	
30. New Hampshire	NH	Yes	186,058	400	719,070	
31. New Jersey	NJ	Yes	517,424		1,918,627	
32. New Mexico	NM	Yes	449,118		1,464,315	
33. New York	NY	No	39,655		138,441	
34. North Carolina	NC	Yes	2,715,903	300	18,100,113	
35. North Dakota	ND	Yes	100,912		279,870	
36. Ohio	OH	Yes	2,513,274	(496)	6,339,049	
37. Oklahoma	OK	Yes	215,769		828,848	
38. Oregon	OR	Yes	93,506		670,900	
39. Pennsylvania	PA	Yes	1,228,266	150	4,093,096	
40. Rhode Island	RI	Yes	106,561		422,931	
41. South Carolina	SC	Yes	1,975,255		6,172,618	
42. South Dakota	SD	Yes	46,578		203,970	
43. Tennessee	TN	Yes	974,129		4,023,058	
44. Texas	TX	Yes	3,003,670	200	10,681,294	
45. Utah	UT	Yes	174,382		933,300	
46. Vermont	VT	Yes	26,850		116,248	
47. Virginia	VA	Yes	1,011,610	823	3,741,800	
48. Washington	WA	Yes	209,421		1,167,876	
49. West Virginia	WV	Yes	161,411		512,228	
50. Wisconsin	WI	Yes	184,451		1,192,071	
51. Wyoming	WY	Yes	54,482		139,705	
52. American Samoa	AS	No				
53. Guam	GU	No			137	
54. Puerto Rico	PR	Yes	4,028		618,189	
55. U.S. Virgin Islands	VI	No	247		703	
56. Canada	CN	No	614		2,893	
57. Aggregate Other Aliens	OT	XXX	1,767		505	
58. Subtotal	(a) 51		40,100,657	7,889	158,167,941	
90. Reporting entity contributions for employee benefits plans	XXX					
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX					
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX					
93. Premium or annuity considerations waived under disability or other contract provisions	XXX		64,545		373,929	
94. Aggregate or other amounts not allocable by State	XXX					
95. Totals (Direct Business)	XXX		40,165,202	7,889	158,541,870	
96. Plus Reinsurance Assumed	XXX		1,958,993			
97. Totals (All Business)	XXX		42,124,195	7,889	158,541,870	
98. Less Reinsurance Ceded	XXX		9,481,233	7,889	2,810,204	
99. Totals (All Business) less Reinsurance Ceded	XXX		32,642,962		155,731,666	
DETAILS OF WRITE-INS						
5701. Other Alien	XXX		1,767		505	
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		1,767		505	
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**

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanations:

Bar Codes:



Trusteed Surplus Statement [Document Identifier 490]

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY
OVERFLOW PAGE FOR WRITE-INS

Schedule A - Part 2

N O N E

Schedule A - Part 3

N O N E

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE B - PART 1

Showing All Mortgage Loans ACQUIRED During the Current Quarter

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

SCHEDULE B - PART 2

Showing All Mortgage Loans SOLD, Transferred or Paid in Full During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book Value/Recorded Investment Excluding Accrued Interest at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2 City	3 State										
100000716	Irvine	CA		.06/02/1998	950,937			946,821	946,821			
0199999. Mortgages closed by repayment					950,937			946,821	946,821			
9999999 - Totals					950,937			946,821	946,821			

Schedule BA - Part 1

N O N E

Schedule BA - Part 2

N O N E

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Desig- nation or Market Indicator (a)
	BONDS								
	Special Revenue & Assessment United States								
31339D-YK-8	FHLMC 2412 Z 6.500% 02/15/32		03/01/2004	Interest Capitalization		439,762	439,762		1FE
31339G-BY-6	FHLMC 2369 Z 6.500% 10/15/31		03/01/2004	Interest Capitalization		564,057	564,057		1FE
3133TM-AA-4	FHLMC 2190 ZB 7.000% 10/20/29		03/01/2004	Interest Capitalization		326,924	326,924		1FE
3133TV-UR-5	FHLMC 2434 Z 6.500% 04/15/32		03/01/2004	Interest Capitalization		182,023	182,023		1FE
31392A-EJ-3	FNMA 2001-64 ZD 6.000% 11/25/31		03/01/2004	Interest Capitalization		327,184	327,184		1FE
31392P-AH-8	FHLMC 2458 ZQ 6.000% 06/15/32		03/01/2004	Interest Capitalization		252,864	252,864		1FE
Total United States						2,092,814	2,092,814		XXX
3199999. Bonds - Special Revenues						2,092,814	2,092,814		XXX
	Public Utilities (unaffiliated) United States								
010392-EK-0	ALABAMA POWER CO BDS 5.125% 02/15/19		02/10/2004	BARCLAYS		4,976,750	5,000,000		1FE
842400-ES-8	SO CALIF EDISON 1ST MTG 6.000% 01/15/34		01/28/2004	J P MORGAN CHASE		10,012,000	10,000,000	30,000	2FE
Total United States						14,988,750	15,000,000	30,000	XXX
3899999. Bonds - Public Utilities						14,988,750	15,000,000	30,000	XXX
	Industrial & Miscellaneous United States								
054937-AE-7	BB & T CORP SUB NTS 5.200% 12/23/15		01/27/2004	SALOMON SMITH BARNEY		12,096,840	12,000,000	64,134	1
125581-AH-1	CIT GROUP INC SR NTS 5.000% 02/13/14		02/09/2004	Various		7,447,575	7,500,000		1FE
44643T-AD-9	HUNTINGTON NATIONAL BANK NTS 5.375% 02/28/19		02/18/2004	CREDIT SUISSE/FIRST BOSTON		19,993,600	20,000,000	7,465	1FE
86358R-VE-4	SASCO 2002-2 1A3 6.550% 02/25/32		03/01/2004	Interest Capitalization		231,574	231,574		1FE
Total United States						39,769,589	39,731,574	71,599	XXX
	Canada								
257561-AV-2	DOMTAR CORP SR NTS 5.375% 12/01/13	C	01/27/2004	J P MORGAN CHASE		6,054,540	6,000,000	64,500	2FE
Total Canada						6,054,540	6,000,000	64,500	XXX
4599999. Bonds - Industrial and Miscellaneous						45,824,129	45,731,574	136,099	XXX
6099997. Total - Bonds - Part 3						62,905,693	62,824,388	166,099	XXX
6099998. Total - Bonds - Part 5									XXX
6099999. Total - Bonds						62,905,693	62,824,388	166,099	XXX
6599997. Total - Preferred Stocks - Part 3							XXX		XXX
6599998. Total - Preferred Stocks - Part 5							XXX		XXX
6599999. Total - Preferred Stocks							XXX		XXX
7299997. Total - Common Stocks - Part 3							XXX		XXX
7299998. Total - Common Stocks - Part 5							XXX		XXX
7299999. Total - Common Stocks							XXX		XXX
7399999. Total - Preferred and Common Stocks							XXX		XXX
7499999 - Totals						62,905,693	XXX	166,099	XXX

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

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
	BONDS US Governments United States																				
362064-UP-0	GNMA POOL 34790 9.375% 08/15/09		03/01/2004	Paydown		10,597	10,597	10,597	10,597						10,597				226	08/15/2009	1FE
362127-SW-3	GNMA POOL 90533 9.375% 09/15/09		03/01/2004	Paydown		299	299	244	272		27		27		299				31	09/15/2009	1FE
36216D-SP-1	GNMA POOL 161726 8.500% 12/15/16		03/01/2004	Paydown		349	349	332	336		13		13		349				17	12/15/2016	1FE
Total United States						11,245	11,245	11,173	11,205		40		40		11,245				274	XXX	XXX
0399999. Bonds - U.S. Governments						11,245	11,245	11,173	11,205		40		40		11,245				274	XXX	XXX
	Special Revenue & Assessment United States																				
283756-BT-0	EL PASO TEX HSG CORP 7.250% 01/01/24		01/01/2004	Redemption 100.0000		10,000	10,000	9,904	9,927		73		73		10,000				435	01/01/2024	1
3128F7-DE-1	FHLMC GOLD POOL FGD67301 7.000% 01/01/26		03/01/2004	Paydown		6,800	6,800	6,766	6,767		33		33		6,800				83	01/01/2026	1FE
3128FM-P2-1	FHLMC GOLD POOL FGD79441 7.000% 04/01/27		03/01/2004	Paydown		1,642	1,642	1,629	1,629		13		13		1,642				32	04/01/2027	1FE
3128FR-GT-1	FHLMC GOLD POOL D82010 7.000% 08/01/27		03/01/2004	Paydown		14	14	13	13		1		1		14					08/01/2027	1FE
31292G-TJ-5	FGLMC GOLD POOL C00553 7.000% 09/01/27		03/01/2004	Paydown		15,375	15,375	15,168	15,171		204		204		15,375				377	09/01/2027	1FE
3133TM-SE-7	FHLMC 2196 Z 7.000% 11/15/29		03/01/2004	Paydown		1,153,507	1,153,507	1,046,275	1,067,294		86,213		86,213		1,153,507				99,523	11/15/2029	1FE
31371G-BC-3	FNMA POOL 251235 7.000% 10/01/27		03/01/2004	Paydown		20,246	20,246	20,021	20,024		222		222		20,246				474	10/01/2027	1FE
31403R-KQ-0	FNMA POOL 755503 5.500% 11/01/33		03/01/2004	Paydown		399,693	399,693	404,433	404,420		(4,727)		(4,727)		399,693				53	11/01/2033	1FE
Total United States						1,607,277	1,607,277	1,504,209	1,525,245		82,032		82,032		1,607,277				100,977	XXX	XXX
3199999. Bonds - Special Revenues						1,607,277	1,607,277	1,504,209	1,525,245		82,032		82,032		1,607,277				100,977	XXX	XXX
	Public Utilities (unaffiliated) United States																				
190441-AX-3	COASTAL CORP SR NTS 6.375% 02/01/09		01/22/2004	MERRILL LYNCH		1,900,000	2,000,000	1,994,080	1,996,495		41		41		1,996,536		(96,536)	(96,536)	62,374	02/01/2009	5FE
69512E-CW-3	PACIFICORP SECD MTN SER D 7.790% 02/16/04		02/16/2004	Maturity		2,000,000	2,000,000	2,010,440	2,000,223		(223)		(223)		2,000,000				71,185	02/16/2004	1FE

E05

STATEMENT AS OF MARCH 31, 2004 OF THE COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
Total United States						3,900,000	4,000,000	4,004,520	3,996,718				(182)		(182)	3,996,536		(96,536)	(96,536)	133,559	XXX	XXX
	Other Country																					
29244T-AA-9	EMPRESA NACIONAL ELECTRIC SR NTS 7.875% 02/01/27	F	03/30/2004	UBS WARBURG		1,643,173	1,644,000	1,441,969	1,450,500		644		644		1,451,144		192,029	192,029	87,173	02/01/2027	2FE	
Total Other Country						1,643,173	1,644,000	1,441,969	1,450,500		644		644		1,451,144		192,029	192,029	87,173	XXX	XXX	
3899999. Bonds - Public Utilities						5,543,173	5,644,000	5,446,489	5,447,218		462		462		5,447,680		95,493	95,493	220,732	XXX	XXX	
	Industrial & Miscellaneous																					
	United States																					
02406P-AC-4	AMERICAN AXLE & MFG SR SUB NTS 9.750% 03/01/09		03/01/2004	Call 104.8750		3,146,250	3,000,000	2,940,000	2,960,780		185,470		185,470		3,146,250				331,720	03/01/2009	3	
161551-BK-1	CHASE FUNDING MTG LN 1999-3 IB ABS 9.000% 07/25/29		01/01/2004	Paydown		27,014	27,014	26,466	26,833		181		181		27,014				384	07/25/2029	2FE	
162456-AH-0	CHATTEM INC GTD NTS 8.875% 04/01/08		02/26/2004	TENDER OFFER 100.6730		503,365	500,000	438,750	462,246		1,071		1,071		463,317		40,048	40,048	18,944	04/01/2008	4	
247361-YG-7	DELTA AIR LINES DEBS 8.300% 12/15/29		01/07/2004	UBS WARBURG TENDER OFFER		662,625	950,000	942,315	942,601		3		3		942,604		(279,979)	(279,979)	5,916	12/15/2029	5	
56032E-AB-9	MAIL-WELL CORP SR SUB NTS 8.750% 12/15/08		02/04/2004	TENDER OFFER 101.5000		3,045,000	3,000,000	2,850,000	2,904,693		1,432		1,432		2,906,125		138,875	138,875	37,162	12/15/2008	4	
76111J-MF-8	RFMSI 2002-S1 A3 6.250% 01/25/32		03/01/2004	Paydown		7,081,078	7,081,078	6,069,026	6,084,010		997,068		997,068		7,081,078				1,076,013	01/25/2032	1FE	
Total United States						14,465,332	14,558,092	13,266,557	13,381,163		1,185,225		1,185,225		14,566,388		(101,056)	(101,056)	1,470,139	XXX	XXX	
	Canada																					
50730K-AM-9	LAI DLAW INC YANKEE BD 6.500% 05/01/05	C	02/19/2004	CLASS ACTION SETTLEMNT		286,537											286,537	286,537		05/01/2005	6	
Total Canada						286,537											286,537	286,537		XXX	XXX	
4599999. Bonds - Industrial and Miscellaneous						14,751,869	14,558,092	13,266,557	13,381,163		1,185,225		1,185,225		14,566,388		185,481	185,481	1,470,139	XXX	XXX	
6099997. Total - Bonds - Part 4						21,913,564	21,820,614	20,228,428	20,364,831		1,267,759		1,267,759		21,632,590		280,974	280,974	1,792,122	XXX	XXX	
6099998. Total - Bonds - Part 5																				XXX	XXX	
6099999. Total - Bonds						21,913,564	21,820,614	20,228,428	20,364,831		1,267,759		1,267,759		21,632,590		280,974	280,974	1,792,122	XXX	XXX	
6599997. Total - Preferred Stocks - Part 4							XXX													XXX	XXX	
6599998. Total - Preferred Stocks - Part 5							XXX													XXX	XXX	
6599999. Total - Preferred Stocks							XXX													XXX	XXX	
7299997. Total - Common Stocks - Part 4							XXX													XXX	XXX	
7299998. Total - Common Stocks - Part 5							XXX													XXX	XXX	
7299999. Total - Common Stocks							XXX													XXX	XXX	
7399999. Total - Preferred and Common Stocks							XXX													XXX	XXX	
7499999 - Totals						21,913,564	XXX	20,228,428	20,364,831		1,267,759		1,267,759		21,632,590		280,974	280,974	1,792,122	XXX	XXX	

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

Schedule DB - Part A - Section 1

N O N E

Schedule DB - Part B - Section 1

N O N E

Schedule DB - Part C - Section 1

N O N E

Schedule DB - Part D - Section 1

N O N E

Footnotes:

(A) The rate of interest varies.

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