



LIFE ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2004

OF THE CONDITION AND AFFAIRS OF THE

FIRST UNUM LIFE INSURANCE COMPANY

NAIC Group Code 0565 0565 NAIC Company Code 64297 Employer's ID Number 13-1898173

Organized under the Laws of New York, State of Domicile or Port of Entry NEW YORK

Country of Domicile United States of America

Incorporated 10/15/1959 Commenced Business 01/22/1960

Statutory Home Office 99 PARK AVENUE, 6TH FLOOR NEW YORK, NY 10016

Main Administrative Office 99 PARK AVENUE, 6TH FLOOR NEW YORK, NY 10016

Mail Address 99 PARK AVENUE, 6TH FLOOR NEW YORK, NY 10016

Primary Location of Books and Records 99 PARK AVENUE, 6TH FLOOR NEW YORK, NY 10016

Internet Website Address www.unumprovident.com

Statutory Statement Contact VICKI WRIGHT CORBETT 423-294-1373

Policyowner Relations Contact 99 PARK AVENUE, 6TH FLOOR NEW YORK, NY 10016

OFFICERS

President THOMAS ROS WATJEN 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 JR. GEORGE ARTHUR SHELL JR.

DIRECTORS OR TRUSTEES

JO ANN BILLE ROBERT EDWARD CASH FLOYD DEAN COPELAND
ROBERT EDMUND DERRAH EDWARD RUDD HILLMAN JOHN FRANCIS OLLIS
THOMAS ROS WATJEN HENRY MARTIN WHITE, JR. DAVID COLLINS WHITNEY

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.

Thomas Ros Watjen 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 FIRST UNUM LIFE 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 .....	1,125,509,762		1,125,509,762	1,114,320,453
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....	22,200,694		22,200,694	22,522,160
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ encumbrances) .....				
5. Cash (\$ .....665,945 ), cash equivalents (\$ .....50,587,276 ) and short-term investments (\$ .....0 ) .....	51,253,221		51,253,221	21,287,194
6. Contract loans, (including \$ ..... premium notes) .....	12,070,701		12,070,701	12,168,639
7. Other invested assets .....				
8. Receivable for securities .....	172,657		172,657	138,026
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	1,211,207,035		1,211,207,035	1,170,436,472
11. Investment income due and accrued .....	16,345,064		16,345,064	15,216,864
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection .....	30,485,957	2,063,244	28,422,713	26,163,496
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	70,645		70,645	104,199
12.3 Accrued retrospective premiums .....				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers .....	4,739,398	2,911,803	1,827,595	2,242,164
13.2 Funds held by or deposited with reinsured companies .....				
13.3 Other amounts receivable under reinsurance contracts .....	433,244		433,244	1,052,165
14. Amounts receivable relating to uninsured plans .....	435,497		435,497	478,549
15.1 Current federal and foreign income tax recoverable and interest thereon .....				
15.2 Net deferred tax asset .....	37,058,000	34,941,000	2,117,000	4,858,000
16. Guaranty funds receivable or on deposit .....				
17. Electronic data processing equipment and software .....				
18. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	38,749	38,749	0	0
19. Net adjustment in assets and liabilities due to foreign exchange rates .....				
20. Receivables from parent, subsidiaries and affiliates .....	3,179,094		3,179,094	8,332,509
21. Health care (\$ .....0 ) and other amounts receivable .....	2,576,687	2,576,687	0	0
22. Other assets nonadmitted .....	1,574	1,574	0	0
23. Aggregate write-ins for other than invested assets .....	213,595	36,555	177,040	222,600
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	1,306,784,539	42,569,612	1,264,214,927	1,229,107,019
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	3,201,138		3,201,138	3,147,493
26. Total (Lines 24 and 25) .....	1,309,985,677	42,569,612	1,267,416,065	1,232,254,512
<b>DETAILS OF WRITE-INS</b>				
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. Other Assets .....	177,040		177,040	222,600
2302. Receivable for Securities .....	36,555	36,555	0	0
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) .....	213,595	36,555	177,040	222,600

## STATEMENT AS OF MARCH 31, 2004 OF THE FIRST UNUM LIFE INSURANCE COMPANY

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ ..... 60,891,199 less \$ ..... 0 included in Line 6.3 (including \$ ..... 0 Modco Reserve) .....	60,891,199	60,716,722
2. Aggregate reserve for accident and health contracts (including \$ ..... 0 Modco Reserve) .....	866,722,239	840,152,422
3. Liability for deposit-type contracts (including \$ ..... 0 Modco Reserve) .....	41,904,190	38,681,422
4. Contract claims:		
4.1 Life .....	16,274,513	16,816,223
4.2 Accident and health .....	101,611,744	101,136,844
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 \$ ..... 3,215,458 accident and health premiums .....	3,414,812	2,747,902
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		
9.2 Provision for experience rating refunds, including \$ ..... 113,701 accident and health experience rating refunds .....	213,701	1,178,114
9.3 Other amounts payable on reinsurance, including \$ ..... 29,042 assumed and \$ ..... 1,299,403 ceded .....	1,328,445	826,267
9.4 Interest Maintenance Reserve .....	9,965,965	8,583,202
10. Commissions to agents due or accrued-life and annuity contracts \$ ..... 583,723 , accident and health \$ ..... 4,404,334 and deposit-type contract funds \$ .....	4,988,057	4,866,386
11. Commissions and expense allowances payable on reinsurance assumed .....	18,189	8,599
12. General expenses due or accrued .....	1,002,450	1,005,128
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 .....	1,782,174	4,802,017
15.1 Current federal and foreign income taxes, including \$ ..... 1,646,014 on realized capital gains (losses) .....	7,348,845	8,946,217
15.2 Net deferred tax liability .....		
16. Unearned investment income .....	433,280	433,280
17. Amounts withheld or retained by company as agent or trustee .....		
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....		
19. Remittances and items not allocated .....	5,961,074	2,407,520
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		
21. Liability for benefits for employees and agents if not included above .....		
22. Borrowed money \$ ..... and interest thereon \$ .....		
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve .....	295,112	1,263,184
24.2 Reinsurance in unauthorized companies .....	1,014,229	1,014,229
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....		
24.4 Payable to parent, subsidiaries and affiliates .....		
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 .....	2,097,394	2,681,983
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	1,127,267,612	1,098,267,660
27. From Separate Accounts Statement .....	3,201,138	3,147,493
28. Total liabilities (Lines 26 and 27) .....	1,130,468,750	1,101,415,153
29. Common capital stock .....	2,000,000	2,000,000
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....	3,128,000	3,398,000
32. Surplus notes .....		
33. Gross paid in and contributed surplus .....	143,435,244	133,435,244
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	(11,615,929)	(7,993,885)
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) .....	134,947,315	128,839,359
38. Totals of Lines 29, 30 and 37 .....	136,947,315	130,839,359
39. Totals of Lines 28 and 38 .....	1,267,416,065	1,232,254,512
<b>DETAILS OF WRITE-INS</b>		
2501. Liability for unclaimed property .....	1,132,655	1,206,974
2502. Miscellaneous amounts payable .....	964,739	1,475,009
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	2,097,394	2,681,983
3101. Deferred gain on reinsurance .....	3,128,000	3,398,000
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) .....	3,128,000	3,398,000
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 FIRST UNUM LIFE 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	102,707,083	103,138,919	403,777,125
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	21,460,659	20,183,367	82,083,805
4. Amortization of Interest Maintenance Reserve (IMR)	176,267	190,900	756,288
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	1,991,839	1,638,588	5,082,203
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	9,955	7,011	33,326
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	117,932	10,508	195,346
9. Totals (Lines 1 to 8.3)	126,463,735	125,169,294	491,928,092
10. Death benefits	14,545,800	14,077,759	46,336,370
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits			
13. Disability benefits and benefits under accident and health contracts	54,897,211	57,952,021	232,393,100
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	522,143	448,955	1,875,728
16. Group conversions	(75,705)	(9,065)	(57,253)
17. Interest and adjustments on contract or deposit-type contract funds	160,188	260,841	583,989
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health and contracts	23,572,201	53,316,423	125,520,150
20. Totals (Lines 10 to 19)	93,621,838	126,046,934	406,652,083
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	9,896,498	10,794,724	39,319,707
22. Commissions and expense allowances on reinsurance assumed	29,653	35,916	126,177
23. General insurance expenses	12,818,145	18,967,167	75,223,261
24. Insurance taxes, licenses and fees, excluding federal income taxes	1,222,999	2,620,465	8,000,151
25. Increase in loading on deferred and uncollected premiums	3,164	(13,057)	(25,498)
26. Net transfers to or (from) Separate Accounts net of reinsurance	(476)	5,177	131,475
27. Aggregate write-ins for deductions	75	1,870	9,841
28. Totals (Lines 20 to 27)	117,591,896	158,459,196	529,437,197
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	8,871,839	(33,289,902)	(37,509,105)
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	8,871,839	(33,289,902)	(37,509,105)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	1,475,114	(8,714,307)	(8,802,768)
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)	7,396,725	(24,575,595)	(28,706,337)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 1,183,514 (excluding taxes of \$ (839,478) transferred to the IMR)	(6,616,571)	(6,768,330)	(7,728,860)
35. Net income (Line 33 plus Line 34)	780,154	(31,343,925)	(36,435,197)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year	130,839,359	141,011,243	141,011,242
37. Net income (Line 35)	780,154	(31,343,925)	(36,435,197)
38. Change in net unrealized capital gains (losses)	195,744	4,718,900	2,548,564
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	919,000	1,385,000	6,141,000
41. Change in non-admitted assets and related items	(3,313,989)	516,070	(4,911,184)
42. Change in liability for reinsurance in unauthorized companies	0	0	(183,571)
43. Change in reserve on account of change in valuation basis, (increase) or decrease	(3,171,025)	(7,856,546)	(24,587,769)
44. Change in asset valuation reserve	968,072	125,821	(156,726)
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	10,000,000	0	50,000,000
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance	(270,000)	(288,000)	(1,152,000)
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus	0	(1,435,000)	(1,435,000)
54. Net change in capital and surplus for the year (Lines 37 through 53)	6,107,956	(34,177,680)	(10,171,884)
55. Capital and surplus, as of statement date (Lines 36 + 54)	136,947,315	106,833,563	130,839,359
<b>DETAILS OF WRITE-INS</b>			
08.301. Other income	117,932	10,508	195,346
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)	117,932	10,508	195,346
2701. Fines and penalties	75	1,870	9,841
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)	75	1,870	9,841
5301. Prior year adjustment for other-than-temporary bond impairment	0	(1,435,000)	(1,435,000)
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	(1,435,000)	(1,435,000)

STATEMENT AS OF MARCH 31, 2004 OF THE FIRST UNUM LIFE INSURANCE COMPANY

**CASH FLOW**

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	100,770,362	403,162,321
2. Net investment income .....	16,605,693	70,157,518
3. Miscellaneous income .....	2,468,646	3,169,854
4. Total (Lines 1 to 3) .....	119,844,701	476,489,693
5. Benefit and loss related payments .....	69,071,168	305,025,461
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts .....	(476)	131,475
7. Commissions, expenses paid and aggregate write-ins for deductions .....	26,814,715	125,654,301
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) \$ ..... 1,108,000 net of tax on capital gains (losses) .....	4,256,000	(10,657,000)
10. Total (Lines 5 through 9) .....	100,141,407	420,154,237
11. Net cash from operations (Line 4 minus Line 10) .....	19,703,294	56,335,456
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	40,625,647	328,003,406
12.2 Stocks .....		1,752,503
12.3 Mortgage loans .....	321,466	4,011,602
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7 Miscellaneous proceeds .....	0	2,154,557
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	40,947,113	335,922,068
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	51,764,106	423,152,198
13.2 Stocks .....		1,761,995
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....	10,602	295,650
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	51,774,708	425,209,843
14. Net increase (or decrease) in policy loans and premium notes .....	(97,939)	(147,530)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(10,729,656)	(89,140,246)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....	10,000,000	50,000,000
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	3,095,303	4,523,617
16.5 Dividends to stockholders .....		
16.6 Other cash provided (applied) .....	7,897,085	1,428,554
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	20,992,388	55,952,171
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash and short-term investments (Line 11, plus Lines 15 and 17) .....	29,966,026	23,147,381
19. Cash and short-term investments:		
19.1 Beginning of year .....	21,287,195	(1,860,185)
19.2 End of period (Line 18 plus Line 19.1) .....	51,253,221	21,287,195

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 .....	458,235	486,281	2,055,896
3. Ordinary individual annuities .....	500	600	4,950
4. Credit life (group and individual) .....			
5. Group life insurance .....	18,446,029	18,126,764	73,923,527
6. Group annuities .....			
7. A & H - group .....	63,494,055	63,788,226	249,673,781
8. A & H - credit (group and individual) .....			
9. A & H - other .....	28,489,652	26,233,389	106,569,010
10. Aggregate of all other lines of business .....			
11. Subtotal .....	110,888,471	108,635,261	432,227,165
12. Deposit-type contracts .....	34,823	33,580	141,809
13. Total	110,923,294	108,668,840	432,368,974
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. Information Concerning Parent, Subsidiaries, and Affiliates

During the first quarter of 2004, the Company received \$10.0 million in capital contributions from UnumProvident Corporation (UnumProvident).

### 2. Contingencies

UnumProvident and its insurance company subsidiaries, including First Unum Life 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. For claim litigation, UnumProvident and its insurance company subsidiaries, including the Company, maintain reserves based on experience to satisfy judgments and settlements in the normal course. Management expects that the ultimate liability, if any, with respect to claim litigation, after consideration of the reserves maintained, will not be material to the financial condition of the Company. Nevertheless, given the inherent unpredictability of litigation, it is possible that an adverse outcome in certain claim litigation involving punitive damages could, from time to time, have a material adverse effect on the Company's results of operations in a period.

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 pretrial 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.

#### The Multidistrict Litigation

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 Company denies the allegations in the complaint and will vigorously defend the litigation and any attempt to certify the putative class. This action was transferred to the Eastern District of Tennessee as part of the multidistrict litigation transfer order.

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

On September 17, 2003, the case of Rudrud et al. v. UnumProvident Corporation, et al., was filed in the United States District Court for the District of Massachusetts. The plaintiffs assert claims on behalf of a putative class of disability participants insured under ERISA plans. The complaint alleges that these claimants had their claims improperly denied or terminated and that the Company breached certain fiduciary duties owed to these participants in ERISA plans. The complaint also alleges violations under the federal Racketeer Influenced and Corrupt Organizations Act (RICO) and Massachusetts state law. The complaint seeks payment of benefits,

## NOTES TO FINANCIAL STATEMENTS

reversal of claim denials or contract rescissions and re-determination by an independent person of claims of the named plaintiffs and others similarly situated, appointment of a master to oversee certain claim handling matters, restitution and damages, and treble damages under RICO. The defendants have not yet answered or otherwise responded to this 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 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 December 11, 2003, the case of Jewel, et al. v. UnumProvident, et al., was filed in the Worcester County Superior Court, Commonwealth of Massachusetts. The Company received service of this matter on March 8, 2004. Plaintiffs seek to represent all individual long-term disability policyholders and all participants in group, long-term disability plans which are not covered by the Employee Retirement Income Security Act of 1974 who (a) had coverage issued by an insuring subsidiary and (b) whose claims for long-term disability benefits were denied, or whose payments of long-term disability benefits were terminated or suspended, on or after July 1, 1999. Plaintiffs allege that the defendants employed various unfair claim practices and seek declaratory, contractual, and injunctive relief. On April 20, 2004, the defendants answered the complaint by denying generally the allegations and asserting various defenses. The Company denies the allegations in the complaint and will vigorously defend the litigation and any attempt to certify the putative class.

### *Other Claim Related Examinations and Investigations*

Some of UnumProvident's insuring 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 UnumProvident 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 [ X ] No [ ]
- 2.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ X ] 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. .... 12/31/2000
- 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. .... 12/31/1997
- 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). .... 11/29/1999
- 7.4 By what department or departments? New York
- 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: ..... \$

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 [ X ]  
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 .....

STATEMENT AS OF MARCH 31, 2004 OF THE FIRST UNUM LIFE INSURANCE COMPANY

**GENERAL INTERROGATORIES**

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

**PART 2 - LIFE & HEALTH**

1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:	1
		Amount
1.1	Long-Term Mortgages In Good Standing	
1.11	Farm Mortgages .....	\$ .....
1.12	Residential Mortgages .....	\$ .....
1.13	Commercial Mortgages .....	\$ 22,200,694
1.14	Total Mortgages in Good Standing .....	<u>\$ 22,200,694</u>
1.2	Long-Term Mortgages In Good Standing with Restructured Terms	
1.21	Total Mortgages in Good Standing with Restructured Terms.....	\$ .....
1.3	Long-Term Mortgage Loans Upon which Interest is Overdue more than Three Months	
1.31	Farm Mortgages .....	\$ .....
1.32	Residential Mortgages .....	\$ .....
1.33	Commercial Mortgages .....	\$ .....
1.34	Total Mortgages with Interest Overdue more than Three Months .....	<u>\$ .....</u>
1.4	Long-Term Mortgage Loans in Process of Foreclosure	
1.41	Farm Mortgages .....	\$ .....
1.42	Residential Mortgages .....	\$ .....
1.43	Commercial Mortgages .....	\$ .....
1.44	Total Mortgages in Process of Foreclosure .....	\$ .....
1.5	Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2) .....	<u>\$ 22,200,694</u>
1.6	Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61	Farm Mortgages .....	\$ .....
1.62	Residential Mortgages .....	\$ .....
1.63	Commercial Mortgages .....	\$ .....
1.64	Total Mortgages Foreclosed and Transferred to Real Estate .....	<u>\$ .....</u>

STATEMENT AS OF MARCH 31, 2004 OF THE FIRST UNUM LIFE 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 .....		
2. Increase (decrease) by adjustment .....		
3. Cost of acquired .....		
4. Cost of additions to and permanent improvements .....		
5. Total profit (loss) on sales .....		
6. Increase (decrease) by foreign exchange adjustment .....		
7. Amount received on sales .....		
8. Book/adjusted carrying value at end of current period .....		
9. Total valuation allowance .....		
10. Subtotal (Lines 8 plus 9) .....		
11. Total nonadmitted amounts .....		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

NONE

**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 .....	22,522,160	26,533,762
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 .....	321,466	4,011,602
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 .....	22,200,694	22,522,160
10. Total valuation allowance .....		
11. Subtotal (Lines 9 plus 10) .....	22,200,694	22,522,160
12. Total nonadmitted amounts .....		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	22,200,694	22,522,160

**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 .....		
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions .....		
2.2. Additional investment made after acquisitions .....		
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 .....		
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 .....		
10. Total valuation allowance .....		
11. Subtotal (Lines 9 plus 10) .....		
12. Total nonadmitted amounts .....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)		

NONE

**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 .....	1,114,320,453	1,007,890,932
2. Cost of bonds and stocks acquired .....	51,764,107	424,914,193
3. Accrual of discount .....	4,135,407	13,573,411
4. Increase (decrease) by adjustment .....	(5,804,256)	(7,805,771)
5. Increase (decrease) by foreign exchange adjustment .....		
6. Total profit (loss) on disposal .....	2,125,974	7,184,654
7. Consideration for bonds and stocks disposed of .....	40,625,647	329,755,909
8. Amortization of premium .....	406,276	1,681,057
9. Book value/adjusted carrying value, current period .....	1,125,509,762	1,114,320,453
10. Total valuation allowance .....		
11. Subtotal (Lines 9 plus 10) .....	1,125,509,762	1,114,320,453
12. Total nonadmitted amounts .....		
13. Statement value	1,125,509,762	1,114,320,453

STATEMENT AS OF MARCH 31, 2004 OF THE FIRST UNUM LIFE 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 .....	539,882,272	16,451,188	3,311,527	3,883,026	556,904,959			539,882,272
2. Class 2 .....	475,144,650	33,312,919	25,598,192	(3,186,363)	479,673,014			475,144,650
3. Class 3 .....	69,655,005		378,188	(2,993,919)	66,282,898			69,655,005
4. Class 4 .....	10,837,571	2,000,000	5,840,378	2,807	7,000,000			10,837,571
5. Class 5 .....	16,231,916		3,007,963	(1,032,503)	12,191,450			16,231,916
6. Class 6 .....	2,569,039		363,425	1,251,827	3,457,441			2,569,039
7. Total Bonds	1,114,320,453	51,764,107	38,499,673	(2,075,125)	1,125,509,762			1,114,320,453
PREFERRED STOCK								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	1,114,320,453	51,764,107	38,499,673	(2,075,125)	1,125,509,762			1,114,320,453

**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 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	3,923,891
2. Cost of short-term investments acquired .....	0	1,712,269,766
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 .....	0	1,716,193,657
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 .....	0	417,125
13. Income earned during period .....	0	416,445

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 FIRST UNUM LIFE 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	No	13,873		4,350	
2. Alaska	AK	No	986		5,403	
3. Arizona	AZ	No	26,354		65,200	
4. Arkansas	AR	No	856		2,840	
5. California	CA	No	173,764		372,382	
6. Colorado	CO	No	2,794		32,194	
7. Connecticut	CT	No	112,254		912,813	
8. Delaware	DE	No	185		2,686	
9. District of Columbia	DC	No	23,003		60,773	
10. Florida	FL	No	146,769		555,175	
11. Georgia	GA	No	20,093		37,223	
12. Hawaii	HI	No	6,421		2,238	
13. Idaho	ID	No	315		281	
14. Illinois	IL	No	81,732		161,785	
15. Indiana	IN	No	16,566		15,149	
16. Iowa	IA	No	997		10,897	
17. Kansas	KS	No	1,737		4,529	
18. Kentucky	KY	No	29,808		29,004	
19. Louisiana	LA	No	670		2,667	
20. Maine	ME	No	1,910		23,948	
21. Maryland	MD	No	13,955		87,294	
22. Massachusetts	MA	No	28,041		447,145	
23. Michigan	MI	No	10,884		31,921	
24. Minnesota	MN	No	8,335		23,505	
25. Mississippi	MS	No	2,232		1,725	
26. Missouri	MO	No	161,062		163,593	
27. Montana	MT	No	288		152	
28. Nebraska	NE	No	66		117	
29. Nevada	NV	No	690		14,171	
30. New Hampshire	NH	No	548		3,887	
31. New Jersey	NJ	No	214,002		3,064,488	
32. New Mexico	NM	No	10,166		6,713	
33. New York	NY	Yes	16,271,670	500	82,881,486	34,823
34. North Carolina	NC	No	14,394		435,645	
35. North Dakota	ND	No	187			
36. Ohio	OH	No	177,685		121,094	
37. Oklahoma	OK	No	13,216		8,711	
38. Oregon	OR	No	144		20,711	
39. Pennsylvania	PA	No	54,815		458,267	
40. Rhode Island	RI	No	13,957		15,855	
41. South Carolina	SC	No	31,225		61,839	
42. South Dakota	SD	No	48		2,446	
43. Tennessee	TN	No	5,662		16,344	
44. Texas	TX	No	13,180		66,521	
45. Utah	UT	No	1,753		8,507	
46. Vermont	VT	No	1,450		31,058	
47. Virginia	VA	No	11,490		80,522	
48. Washington	WA	No	4,672		66,316	
49. West Virginia	WV	No	164,111		63,999	
50. Wisconsin	WI	No	12,178		34,108	
51. Wyoming	WY	No	46		510	
52. American Samoa	AS	No				
53. Guam	GU	No				
54. Puerto Rico	PR	No	59		2,079	
55. U.S. Virgin Islands	VI	No			288	
56. Canada	CN	No	1,361		712	
57. Aggregate Other Aliens	OT	XXX			50	
58. Subtotal	(a) 1		17,904,659	500	90,523,316	34,823
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		11,551		517,157	
94. Aggregate or other amounts not allocable by State	XXX					
95. Totals (Direct Business)	XXX		17,916,210	500	91,040,473	34,823
96. Plus Reinsurance Assumed	XXX		1,001,480			
97. Totals (All Business)	XXX		18,917,690	500	91,040,473	34,823
98. Less Reinsurance Ceded	XXX		967,643	500	8,220,159	22,654
99. Totals (All Business) less Reinsurance Ceded	XXX		17,950,047		82,820,314	12,169
DETAILS OF WRITE-INS						
5701. Other Alien	XXX				50	
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				50	
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]

**OVERFLOW PAGE FOR WRITE-INS**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

STATEMENT AS OF MARCH 31, 2004 OF THE FIRST UNUM LIFE 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)
<b>Total United States</b>									
	Special Revenue & Assessment United States								XXX
31339D-YK-8	FHLMC 2412-Z 6.500% 02/15/32		03/01/2004	Interest Capitalization		92,000	92,000		1FE
31339G-BY-6	FHLMC 2369 Z 6.500% 10/15/31		03/01/2004	Interest Capitalization		94,010	94,010		1FE
31339N-G2-6	FHLMC 2413 Z 6.500% 02/15/32		03/01/2004	Interest Capitalization		184,000	184,000		1FE
3133TV-NP-7	FHLMC 2433 EZ 6.500% 04/15/32		03/01/2004	Interest Capitalization		318,540	318,540		1FE
31359X-ZH-5	FNMA FNR 2000-5 ZA 6.500% 03/25/30		03/01/2004	Various		7,130,784	6,813,599	36,708	1FE
313920-WU-0	FNMA SERIES 2001-47 CLASS Z 6.000% 09/25/31		03/01/2004	Interest Capitalization		319,457	319,457		1FE
31392P-R7-2	FHLMC SERIES 2487 ZB 6.000% 07/15/32		03/01/2004	Interest Capitalization		167,373	167,373		1FE
31392R-MA-6	FHLMC 2470 CLASS Z 6.000% 07/15/32		03/01/2004	Interest Capitalization		82,046	82,046		1FE
31393G-V3-5	FHLMC 2533 Z 5.500% 12/15/32		03/01/2004	Interest Capitalization		510,730	510,730		1FE
<b>Total United States</b>						8,898,940	8,581,755	36,708	XXX
<b>3199999. Bonds - Special Revenues</b>									
	Public Utilities (unaffiliated) United States								XXX
842400-ES-8	SO CALIF EDISON 1ST MORT 6.000% 01/15/34		01/29/2004	Various		9,986,000	10,000,000	15,833	2FE
<b>Total United States</b>						9,986,000	10,000,000	15,833	XXX
<b>3899999. Bonds - Public Utilities</b>									
	Industrial & Miscellaneous United States								XXX
125581-AH-1	CIT GROUP INC SNR NTS 5.000% 02/13/14		02/09/2004	Various		7,447,575	7,500,000		1FE
162456-AL-1	CHATTEM INC. 144A SR SUB NTS 7.000% 03/01/14		02/19/2004	MORGAN STANLEY		2,000,000	2,000,000		4Z
574599-BA-3	MASCO CORP MTN FLT 1.370% 03/09/07		03/02/2004	MERRILL LYNCH		5,000,000	5,000,000		2FE
761042-CF-5	RMT 2000-A A4 Z 6.500% 04/19/29		03/01/2004	Interest Capitalization		104,673	104,673		1FE
<b>Total United States</b>						14,552,248	14,604,673		XXX
	Canada								XXX
257561-AV-2	DOMTAR CORP SR NTS 5.375% 12/01/13	C	01/27/2004	J P MORGAN CHASE		8,399,019	8,300,000	89,225	2FE
<b>Total Canada</b>						8,399,019	8,300,000	89,225	XXX
	Other Country								XXX
02364W-AB-1	AMERICA MOVIL SA de CV 144A COMPANY GUARNT 5.500% 03/01/14	F	03/03/2004	J P MORGAN CHASE		9,927,900	10,000,000		2FE
<b>Total Other Country</b>						9,927,900	10,000,000		XXX
<b>4599999. Bonds - Industrial and Miscellaneous</b>									
<b>6099997. Total - Bonds - Part 3</b>						51,764,107	51,486,428	141,766	XXX
<b>6099998. Total - Bonds - Part 5</b>									XXX
<b>6099999. Total - Bonds</b>						51,764,107	51,486,428	141,766	XXX
<b>6599997. Total - Preferred Stocks - Part 3</b>							XXX		XXX
<b>6599998. Total - Preferred Stocks - Part 5</b>							XXX		XXX
<b>6599999. Total - Preferred Stocks</b>							XXX		XXX
<b>7299997. Total - Common Stocks - Part 3</b>							XXX		XXX
<b>7299998. Total - Common Stocks - Part 5</b>							XXX		XXX
<b>7299999. Total - Common Stocks</b>							XXX		XXX
<b>7399999. Total - Preferred and Common Stocks</b>							XXX		XXX
<b>7499999 - Totals</b>						51,764,107	XXX	141,766	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 FIRST UNUM LIFE 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																				
362170-DZ-2	GNMA MORTGAGE SERIES 1 POOL 208120 10.000% 08/15/17		03/01/2004	Paydown		94	94	94	94						94				1	08/15/2017	1FE
362180-4B-4	GNMA MORTGAGE SERIES 1 POOL 237618 10.000% 12/15/17		03/01/2004	Paydown		8	8	8	8						8					12/15/2017	1FE
36218U-R7-2	GNMA MORTGAGE SERIES 1 POOL 232810 10.000% 02/15/18		03/01/2004	Paydown		105	105	105	105						105				2	02/15/2018	1FE
Total US Governments - United States						207	207	207	207						207				3	XXX	XXX
0399999. Bonds - U.S. Governments						207	207	207	207						207				3	XXX	XXX
	Special Revenue & Assessment  United States																				
31359Q-DE-1	FNMA 1997-54 Z 6.500% 08/01/27		03/01/2004	Paydown		631,402	631,402	543,492	561,604		69,798		69,798		631,402				76,406	08/01/2027	1FE
31371H-YC-6	FNMA PC# 252807 8.000% 10/01/29		03/01/2004	Paydown		253,410	253,410	259,507	259,284		(5,875)		(5,875)		253,410				(3,034)	10/01/2029	1FE
31381C-EY-9	FNMA PC# 456551 8.000% 08/01/29		03/01/2004	Paydown		64,748	64,748	66,306	66,269		(1,521)		(1,521)		64,748				(892)	08/01/2029	1FE
31384V-LN-0	FNMA POOL 535033 7.500% 11/01/29		03/01/2004	Paydown		280,264	280,264	280,647	280,575		(311)		(311)		280,264				3,226	11/01/2029	1FE
31401D-CB-5	FNMA POOL 704866 5.500% 02/01/33		03/01/2004	Paydown		389,611	389,611	394,231	394,218		(4,606)		(4,606)		389,611				(850)	02/01/2033	1FE
31402E-2E-7	FNMA POOL 727173 5.500% 08/01/33		03/01/2004	Paydown		30,987	30,987	31,354	31,353		(366)		(366)		30,987				(82)	08/01/2033	1FE
Total Special Revenue & Assessment - United States						1,650,422	1,650,422	1,575,537	1,593,303		57,119		57,119		1,650,422				74,774	XXX	XXX
3199999. Bonds - Special Revenues						1,650,422	1,650,422	1,575,537	1,593,303		57,119		57,119		1,650,422				74,774	XXX	XXX
	Public Utilities (unaffiliated)  United States																				
744448-AY-7	PUBLIC SERVICE CO COLORADO 1ST MTGE 8.125% 03/01/04		03/01/2004	Maturity		3,000,000	3,000,000	2,991,000	2,999,820		180		180		3,000,000				122,055	03/01/2004	2FE
Total Public Utilities (unaffiliated) - United States						3,000,000	3,000,000	2,991,000	2,999,820		180		180		3,000,000				122,055	XXX	XXX
3899999. Bonds - Public Utilities						3,000,000	3,000,000	2,991,000	2,999,820		180		180		3,000,000				122,055	XXX	XXX
	Industrial & Miscellaneous United States																				

E05

STATEMENT AS OF MARCH 31, 2004 OF THE FIRST UNUM LIFE 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)
00077B-D2-6	ABN AMRO MORTGAGE CORP 2001-8 A7		03/01/2004	Paydown		934,533	934,533	830,298	833,017		101,516		101,516		934,533				111,470	01/25/2032	1FE
023551-AF-1	AMERADA HESS SR NOTES 7.875% 10/01/29		03/24/2004	LEHMAN BROTHERS		11,520,050	10,000,000	9,875,400	9,880,598		345		345		9,880,943		1,639,107	1,639,107	389,720	10/01/2029	2FE
162456-AH-0	CHATTEM INC. GUAR NTS 8.875% 04/01/08		02/26/2004	TENDER OFFER		1,006,730	1,000,000	957,500	974,763		740		740		975,504		31,226	31,226	36,486	04/01/2008	4
172953-4J-7	CMSI 2002-1 A4 6.250% 01/25/32		02/01/2004	Prior Period Adjustment		3,187	3,187	2,665	2,661		526		526		3,187				(2,661)	01/25/2032	1FE
207543-V#-3	SSB SER B NT (WHEELABRATOR) 9.600% 01/01/04		01/01/2004	Redemption		24,112	24,112	24,112	24,112						24,112				1,157	01/01/2004	2
29332*-AA-6	ENHANCED NEW YOR LLC SER 2000 NTS 9.320% 12/15/11		03/22/2004	Redemption		46,748	46,748	46,748	46,748						46,748				1,089	12/15/2011	1FE
294838-AA-1	ERICSSON US HQ LESSOR TRUST SR SEC BNDS 8.015% 12/29/20		03/29/2004	Redemption		27,599	27,599	27,599	27,599						27,599				370	12/29/2020	3
36232*-AB-0	GTE CORP SERIES-B ESOP NOTE 9.730% 01/02/05		01/02/2004	Redemption		345,179	345,179	345,179	345,179						345,179				33,586	01/02/2005	1FE
56032E-AB-9	MAIL-WELL CORP SR SUB NOTES 8.750% 12/15/08		01/27/2004	TENDER OFFER		5,075,000	5,000,000	4,785,000	4,862,807		2,068		2,068		4,864,874		210,126	210,126	61,613	12/15/2008	4
720101-J#-2	PIEDMONT AVIATION SECURED NOTES 9.900% 09/30/04		03/31/2004	Redemption		25,424	25,424	25,424	24,407	1,017			1,017		25,424				1,258	09/30/2004	6
73664#-AA-8	PORTLAND NAT GAS TRANS SYSTEM SR SEC NT 5.900% 12/31/18		03/31/2004	Redemption		65,909	65,909	65,909	65,909						65,909				972	12/31/2018	2Z
74913E-AJ-9	QWEST CAP FUND CO 7.750% 02/15/31		03/22/2004	Various		2,460,000	3,000,000	2,990,970	2,991,233		22		22		2,991,255		(531,255)	(531,255)	142,106	02/15/2031	5
834376-AB-1	SOLUTIA INC DEBENTURES 7.375% 10/15/27		03/03/2004	LEHMAN BROTHERS		346,000	800,000	338,000	272,000	66,000			66,000		338,000		8,000	8,000		10/15/2027	6
908587-AE-8	UNION TANK CAR COMPANY PASS THRU CERTIFICATES 1998-A 6.570% 01/02/14		01/02/2004	Redemption		331,251	331,251	355,101	352,174		(20,923)		(20,923)		331,251				(10,041)	01/02/2014	1FE
97180*-UJ-5	WILM (TUCSON ELEC) SEC NT SER B-1 10.211% 01/01/08		01/01/2004	Redemption		16,738	16,738	16,738	16,738						16,738				855	01/01/2008	3
97180*-UK-2	WILM (TUCSON ELEC) SEC NT SER B-2 10.211% 01/01/08		01/01/2004	Redemption		6,669	6,669	6,669	6,669						6,669				340	01/01/2008	3
97180*-UL-0	WILM (TUCSON ELEC) SEC NT SER B-3 10.211% 01/01/09		01/01/2004	Redemption		5,678	5,678	5,678	5,678						5,678				290	01/01/2009	3

E05.1

STATEMENT AS OF MARCH 31, 2004 OF THE FIRST UNUM LIFE 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)
97180*-UM-8	WILM (TUCSON ELEC) SEC NT SER B-4 10.211% 01/01/08		01/01/2004	Redemption 100.0000		7,470	7,470	7,470	7,470						7,470				381	01/01/2008	3
97180*-UN-6	WILM (TUCSON ELEC) SEC NT SER B-5 10.211% 01/01/08		01/01/2004	Redemption 100.0000		11,309	11,309	11,309	11,309						11,309				577	01/01/2008	3
97180*-UP-1	WILM (TUCSON ELEC) SEC NT SER B-6 10.211% 01/01/09		01/01/2004	Redemption 100.0000		69,641	69,641	69,641	69,641						69,641				3,555	01/01/2009	3
97180*-UQ-9	WILM (TUCSON ELEC) SEC NT SER B-7 10.211% 01/01/09		01/01/2004	Redemption 100.0000		17,973	17,973	17,973	17,973						17,973				918	01/01/2009	3
97313*-AD-6	WINCO FOODS INC SER D SR NTS 8.230% 12/15/10		03/31/2004	Call 127.1205		7,627,228	6,000,000	6,000,000	6,000,000		1,627,228		1,627,228		7,627,228				1,773,996	12/15/2010	2
						29,974,428	27,739,420	26,805,383	26,838,685	67,017	1,711,522		1,778,539		28,617,224		1,357,204	1,357,204	2,548,037	XXX	XXX
50730K-AM-9	Industrial & Miscellaneous Canada LAIDLAW INC YANKEE BOND 6.500% 05/01/05	C	02/23/2004	Class Action Settlement		250,720											250,720	250,720			6
						250,720											250,720	250,720		XXX	XXX
	Other Country																				
022202-AA-3	ALUMINA ENTERPRISES LTD SR NTS 10.480% 07/15/10	F	01/15/2004	Redemption 100.0000		215,111	215,111	215,111	215,111						215,111				5,636	07/15/2010	3
795750-AA-6	SALTA HYDROCARBON TRST TARGET AMORT NTS 11.550% 12/28/12	F	03/28/2004	Redemption 100.0000		16,708	16,708	16,708	16,708						16,708				488	12/28/2012	5
63782*-AN-7	GLENCORE FINANCE (BERMUDA) LTD SER M SR NT 9.070% 08/31/19	F	02/09/2004	LEHMAN BROTHERS		5,518,050	5,000,000	5,000,000	5,000,000						5,000,000		518,050	518,050	210,374	08/31/2019	2FE
Total Industrial & Miscellaneous - Other Countries						5,749,869	5,231,819	5,231,819	5,231,819						5,231,819		518,050	518,050	216,498	XXX	XXX
4599999. Bonds - Industrial and Miscellaneous						35,975,017	32,971,239	32,037,202	32,070,504	67,017	1,711,522		1,778,539		33,849,043		2,125,974	2,125,974	2,764,535	XXX	XXX
6099997. Total - Bonds - Part 4						40,625,646	37,621,868	36,603,946	36,663,834	67,017	1,768,821		1,835,838		38,499,672		2,125,974	2,125,974	2,961,367	XXX	XXX
6099998. Total - Bonds - Part 5																				XXX	XXX
6099999. Total - Bonds						40,625,646	37,621,868	36,603,946	36,663,834	67,017	1,768,821		1,835,838		38,499,672		2,125,974	2,125,974	2,961,367	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						40,625,646	XXX	36,603,946	36,663,834	67,017	1,768,821		1,835,838		38,499,672		2,125,974	2,125,974	2,961,367	XXX	XXX

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

E05.2

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."