



LIFE ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2004

OF THE CONDITION AND AFFAIRS OF

THE PAUL REVERE VARIABLE ANNUITY INSURANCE COMPANY

NAIC Group Code 0565 0565 NAIC Company Code 67601 Employer's ID Number 04-2381280

Organized under the Laws of MASSACHUSETTS, State of Domicile or Port of Entry MASSACHUSETTS

Country of Domicile United States of America

Incorporated 08/06/1965 Commenced Business 02/18/1966

Statutory Home Office 18 CHESTNUT STREET, WORCESTER, MA 01608-1528

Main Administrative Office 1 FOUNTAIN SQUARE, CHATTANOOGA, TN 37402-1330

Mail Address 1 FOUNTAIN SQUARE, CHATTANOOGA, TN 37402-1330

Primary Location of Books and Records 18 CHESTNUT STREET, WORCESTER, MA 01608-1528

Internet Website Address www.unumprovident.com

Statutory Statement Contact VICKI WRIGHT CORBETT, 423-294-1373

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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

WILLIAM LESTER ARMSTRONG, FLOYD DEAN COPELAND, THOMAS ROS WATJEN

State of Tennessee, County of Hamilton } SS

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

SUSAN NANCE ROTH, Secretary (Vice President, Corporate Secretary and Assistant General Counsel)

JOHN JOSEPH IWANICKI, Treasurer (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 PAUL REVERE VARIABLE ANNUITY 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 .....	123,253,503		123,253,503	114,934,897
2. Stocks:				
2.1 Preferred stocks .....	1,348,500		1,348,500	1,348,500
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
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 (\$ .....(345,534) ), cash equivalents (\$ .....24,393,630 ) and short-term investments (\$ .....0 ) .....	24,048,096		24,048,096	25,155,799
6. Contract loans, (including \$ ..... premium notes) .....				
7. Other invested assets .....	1,396,430		1,396,430	1,396,430
8. Receivable for securities .....	5,511		5,511	8,328
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	150,052,040		150,052,040	142,843,954
11. Investment income due and accrued .....	2,594,259		2,594,259	1,764,620
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection .....				
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
12.3 Accrued retrospective premiums .....				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers .....				
13.2 Funds held by or deposited with reinsured companies .....				
13.3 Other amounts receivable under reinsurance contracts .....	571,957		571,957	262,175
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 .....	3,057,269	2,772,492	284,777	277,120
16. Guaranty funds receivable or on deposit .....	1,649,276	1,387,879	261,397	252,825
17. Electronic data processing equipment and software .....				
18. Furniture and equipment, including health care delivery assets (\$ ..... ) .....				
19. Net adjustment in assets and liabilities due to foreign exchange rates .....				
20. Receivables from parent, subsidiaries and affiliates .....	69,574		69,574	0
21. Health care (\$ ..... ) and other amounts receivable .....				
22. Other assets nonadmitted .....				
23. Aggregate write-ins for other than invested assets .....	4,289	4,289		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	157,998,664	4,164,660	153,834,004	145,400,694
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	11,309,780		11,309,780	11,437,098
26. Total (Lines 24 and 25)	169,308,444	4,164,660	165,143,784	156,837,792
<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. Receivable for securities .....	4,289	4,289		
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	4,289	4,289		

## STATEMENT AS OF MARCH 31, 2004 OF THE PAUL REVERE VARIABLE ANNUITY INSURANCE COMPANY

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ ..... less \$ ..... included in Line 6.3 (including \$ ..... Modco Reserve) .....		
2. Aggregate reserve for accident and health contracts (including \$ ..... Modco Reserve) .....		
3. Liability for deposit-type contracts (including \$ ..... Modco Reserve) .....	6,464,685	6,098,469
4. Contract claims:		
4.1 Life .....		
4.2 Accident and health .....		
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 \$ ..... discount; including \$ ..... accident and health premiums .....		
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 \$ ..... assumed and \$ ..... ceded .....		
9.4 Interest Maintenance Reserve .....	6,919,873	6,966,266
10. Commissions to agents due or accrued-life and annuity contracts \$ ..... 34,245 , accident and health \$ ..... and deposit-type contract funds \$ ..... .....	34,245	51,134
11. Commissions and expense allowances payable on reinsurance assumed .....		
12. General expenses due or accrued .....	100,000	100,000
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 .....	867,841	904,460
15.1 Current federal and foreign income taxes, including \$ ..... (99,044) on realized capital gains (losses) .....	672,268	646,525
15.2 Net deferred tax liability .....		
16. Unearned investment income .....		
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 .....		
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 .....	927,731	981,322
24.2 Reinsurance in unauthorized companies .....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....		
24.4 Payable to parent, subsidiaries and affiliates .....	0	2,831,567
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 .....	9,827,200	0
24.9 Capital notes \$ ..... and interest thereon \$ ..... .....		
25. Aggregate write-ins for liabilities .....	109,181	118,228
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	25,923,024	18,698,331
27. From Separate Accounts Statement .....	11,309,780	11,437,098
28. Total liabilities (Lines 26 and 27) .....	37,232,805	30,135,429
29. Common capital stock .....	2,500,000	2,500,000
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....	16,058,813	16,754,357
32. Surplus notes .....		
33. Gross paid in and contributed surplus .....	48,800,000	48,800,000
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	60,552,167	58,648,006
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) .....	125,410,980	124,202,363
38. Totals of Lines 29, 30 and 37 .....	127,910,980	126,702,363
39. Totals of Lines 28 and 38 .....	165,143,784	156,837,792
<b>DETAILS OF WRITE-INS</b>		
2501. Other amounts payable to reinsurers .....	75,184	82,579
2502. Missing claimants liability .....	33,997	35,649
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	109,181	118,228
3101. Deferred gain on reinsurance of inforce block of business .....	16,058,813	16,754,357
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) .....	16,058,813	16,754,357
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) .....		

**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			
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	2,206,192	2,467,305	9,790,884
4. Amortization of Interest Maintenance Reserve (IMR)	46,752	60,417	282,081
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	856,209	1,305,805	4,764,438
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	47,160	38,840	175,044
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	56,427	171,350	32,011
9. Totals (Lines 1 to 8.3)	3,212,740	4,043,717	15,044,457
10. Death benefits			
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits			
13. Disability benefits and benefits under accident and health contracts			
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	0	1,113,360	1,113,360
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	82,578	80,870	324,850
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health and contracts			
20. Totals (Lines 10 to 19)	82,578	1,194,231	1,438,210
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	180,836	615,320	2,037,662
22. Commissions and expense allowances on reinsurance assumed			
23. General insurance expenses	7,353	8,107	50,716
24. Insurance taxes, licenses and fees, excluding federal income taxes	85,162	31,147	266,064
25. Increase in loading on deferred and uncollected premiums			
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions	9,663	5	35,902
28. Totals (Lines 20 to 27)	365,593	1,848,810	3,828,554
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	2,847,147	2,194,907	11,215,903
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	2,847,147	2,194,907	11,215,903
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	771,355	538,067	2,540,607
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)	2,075,792	1,656,840	8,675,296
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (99,044) (excluding taxes of \$ 0 transferred to the IMR)	(246,786)	96,326	(505,672)
35. Net income (Line 33 plus Line 34)	1,829,006	1,753,165	8,169,624
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year	126,702,362	134,708,355	134,708,355
37. Net income (Line 35)	1,829,006	1,753,165	8,169,624
38. Change in net unrealized capital gains (losses)	0	20,098	24,982
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	51,787	(58,867)	(48,625)
41. Change in non-admitted assets and related items	(30,223)	163,038	191,733
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	53,591	(164,270)	(549,864)
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	(695,544)	(713,282)	(2,793,843)
52. Dividends to stockholders	0	0	(13,000,000)
53. Aggregate write-ins for gains and losses in surplus			
54. Net change in capital and surplus for the year (Lines 37 through 53)	1,208,617	999,882	(8,005,993)
55. Capital and surplus, as of statement date (Lines 36 + 54)	127,910,979	135,708,237	126,702,362
<b>DETAILS OF WRITE-INS</b>			
08.301. Other income	56,427	171,350	32,011
08.302. Other income on reinsurance ceded			
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)	56,427	171,350	32,011
2701. Miscellaneous loss	9,663	0	35,496
2702. Fines and penalties paid to regulatory authorities	0	5	407
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	9,663	5	35,902
5301.			
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)			

STATEMENT AS OF MARCH 31, 2004 OF THE PAUL REVERE VARIABLE ANNUITY 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 .....		
2. Net investment income .....	1,388,938	10,334,669
3. Miscellaneous income .....	163,483	2,324,906
4. Total (Lines 1 to 3) .....	1,552,420	12,659,575
5. Benefit and loss related payments .....	0	1,113,360
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	228,417	2,296,143
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) \$ ..... 24,668 net of tax on capital gains (losses) .....	646,568	2,743,749
10. Total (Lines 5 through 9) .....	874,985	6,153,252
11. Net cash from operations (Line 4 minus Line 10) .....	677,435	6,506,323
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	1,150,379	27,597,462
12.2 Stocks .....	0	122,734
12.3 Mortgage loans .....		
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 .....	9,843,924	257,772
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	10,994,303	27,977,968
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	9,827,200	3,990,234
13.2 Stocks .....		
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....	0	284,305
13.6 Miscellaneous applications .....		
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	9,827,200	4,274,539
14. Net increase (or decrease) in policy loans and premium notes .....	0	(192,124)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	1,167,103	23,895,553
<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 .....		
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	(42,054)	(419,569)
16.5 Dividends to stockholders .....	0	13,000,000
16.6 Other cash provided (applied) .....	(2,910,188)	2,645,714
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(2,952,242)	(10,773,855)
<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) .....	(1,107,703)	19,628,021
19. Cash and short-term investments:		
19.1 Beginning of year .....	25,155,800	5,527,779
19.2 End of period (Line 18 plus Line 19.1) .....	24,048,097	25,155,800

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 .....	2,347,074	1,970,975	7,033,495
3. Ordinary individual annuities .....			
4. Credit life (group and individual) .....			
5. Group life insurance .....			
6. Group annuities .....			
7. A & H - group .....			
8. A & H - credit (group and individual) .....			
9. A & H - other .....			
10. Aggregate of all other lines of business .....			
11. Subtotal .....	2,347,074	1,970,975	7,033,495
12. Deposit-type contracts .....	5,576,375	7,449,780	23,226,769
13. Total	7,923,449	9,420,755	30,260,264
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

In 1997 two alleged class action lawsuits were filed in Superior Court in Worcester, Massachusetts (Superior Court) against UnumProvident Corporation (UnumProvident) and several of its subsidiaries, including The Paul Revere Variable Insurance Company (the Company) and The Paul Revere Corporation (Paul Revere). One purported to represent independent brokers who sold certain individual disability income policies with benefit riders that were issued by subsidiaries of Paul Revere and who claimed that their compensation had been reduced in breach of their broker contract and in violation of the Massachusetts Consumer Protection Act (the Massachusetts Act). A class was certified in February 2000. In April 2001, the jury returned a complete defense verdict on the breach of contract claim. Notwithstanding the jury verdict, the judge was obligated to rule separately on the claim that UnumProvident and its affiliates violated the Act. In September 2002, the judge ruled that Paul Revere violated the Massachusetts Act and awarded double damages plus attorneys' fees. Most of the issues concerning how to calculate the damages have been determined but several remain outstanding before an appeal can be perfected. Complicating the matter was the unexpected death of the trial judge. In March 2003, a new judge was assigned to the case so the parties can proceed to conclude matters before the trial court. The Company feels strongly that the judge's ruling that the Massachusetts Act was violated is contrary to both the law and the facts of the case and plans to appeal after the judgment is made final.

The career agent class action purports to represent all career agents of subsidiaries of Paul Revere whose employment relationships ended on June 30, 1997 and who were offered contracts to sell insurance policies as independent producers. The career agents claimed that the termination of their employment relationship was contrary, inter alia, to promises of lifetime employment. Class certification was denied for the career agents. The career agent plaintiffs have since re-filed their complaint seeking class action status by limiting the issues to compensation matters similar to those in the certified broker class action. A motion for certification of a class with respect to this narrower claim was filed, but has not been acted upon.

In addition, the same plaintiffs' attorney who had initially filed the class action lawsuits filed approximately 50 (including the two individual career agents who brought the class action referenced above) individual lawsuits on behalf of current and former Paul Revere sales managers alleging various breach of contract claims. Of the 48 general manager cases, one was arbitrated and all the others have been settled. UnumProvident and its affiliates believe that they have strong defenses for the two individual career agent cases and plan to vigorously defend their position. Management does not currently expect these suits to materially affect the financial position or results of operations of the Company.

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

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. One such purported class action is described below.

#### The Multidistrict Litigation

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 and 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 the above action, along with other actions involving other subsidiaries, 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 these actions filed motions seeking certification of a plaintiffs 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.

Although the Company is a defendant in this action, the Company does not believe the litigation will have any material affect upon the Company or its operations due to the fact that the Company did not market or issue policies or contracts of the type alleged in the complaint.

Various other lawsuits against the Company have arisen in the normal course of the Company's business. Contingent liabilities from litigation, income taxes, and other matters are not deemed likely to have a material effect on the financial position of the Company.

## NOTES TO FINANCIAL STATEMENTS

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### **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 UnumProvident 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 UnumProvident and its insurance subsidiaries. UnumProvident 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 claims handling and other business practices, increases in policy liabilities, reopening certain closed or denied claims, injury to the Company's reputation, negative publicity, and harm to 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. .... 12/31/2002
- 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). .... 02/26/2002
- 7.4 By what department or departments? Massachusetts and Nevada 12/31/1999; Massachusetts 12/31/2002.
- 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: ..... \$ ..... 0
13. Amount of real estate and mortgages held in short-term investments: ..... \$ ..... 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [ X ]
- 14.2 If yes, please complete the following:

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

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

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

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

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

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

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

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

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

**GENERAL INTERROGATORIES**

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

**PART 2 - LIFE & HEALTH**

1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:	1 Amount
1.1 Long-Term Mortgages In Good Standing	
1.11 Farm Mortgages .....	\$ ..... 0
1.12 Residential Mortgages .....	\$ ..... 0
1.13 Commercial Mortgages .....	\$ ..... 0
1.14 Total Mortgages in Good Standing .....	\$ ..... 0
1.2 Long-Term Mortgages In Good Standing with Restructured Terms	
1.21 Total Mortgages in Good Standing with Restructured Terms .....	\$ ..... 0
1.3 Long-Term Mortgage Loans Upon which Interest is Overdue more than Three Months	
1.31 Farm Mortgages .....	\$ ..... 0
1.32 Residential Mortgages .....	\$ ..... 0
1.33 Commercial Mortgages .....	\$ ..... 0
1.34 Total Mortgages with Interest Overdue more than Three Months .....	\$ ..... 0
1.4 Long-Term Mortgage Loans in Process of Foreclosure	
1.41 Farm Mortgages .....	\$ ..... 0
1.42 Residential Mortgages .....	\$ ..... 0
1.43 Commercial Mortgages .....	\$ ..... 0
1.44 Total Mortgages in Process of Foreclosure .....	\$ ..... 0
1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2) .....	\$ ..... 0
1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61 Farm Mortgages .....	\$ ..... 0
1.62 Residential Mortgages .....	\$ ..... 0
1.63 Commercial Mortgages .....	\$ ..... 0
1.64 Total Mortgages Foreclosed and Transferred to Real Estate .....	\$ ..... 0

STATEMENT AS OF MARCH 31, 2004 OF THE PAUL REVERE VARIABLE ANNUITY 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 .....		
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 .....		
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 .....		
10. Total valuation allowance .....		
11. Subtotal (Lines 9 plus 10) .....		
12. Total nonadmitted amounts .....		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

NONE

**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 .....	1,396,430	1,107,240
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions .....		
2.2. Additional investment made after acquisitions .....		284,305
3. Accrual of discount .....		
4. Increase (decrease) by adjustment .....		4,884
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 .....	1,396,430	1,396,430
10. Total valuation allowance .....		
11. Subtotal (Lines 9 plus 10) .....	1,396,430	1,396,430
12. Total nonadmitted amounts .....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	1,396,430	1,396,430

**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 .....	116,283,397	138,954,664
2. Cost of bonds and stocks acquired .....	9,827,200	3,990,234
3. Accrual of discount .....	12,152	44,493
4. Increase (decrease) by adjustment .....	(345,830)	(345,031)
5. Increase (decrease) by foreign exchange adjustment .....		
6. Total profit (loss) on disposal .....		1,426,169
7. Consideration for bonds and stocks disposed of .....	1,150,379	27,720,196
8. Amortization of premium .....	24,537	66,936
9. Book value/adjusted carrying value, current period .....	124,602,003	116,283,397
10. Total valuation allowance .....		
11. Subtotal (Lines 9 plus 10) .....	124,602,003	116,283,397
12. Total nonadmitted amounts .....		
13. Statement value	124,602,003	116,283,397

STATEMENT AS OF MARCH 31, 2004 OF THE PAUL REVERE VARIABLE ANNUITY 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 .....	27,856,084	9,827,200	149,230	13,674	37,547,728			27,856,084
2. Class 2 .....	76,869,398		1,001,149	(6,140)	75,862,109			76,869,398
3. Class 3 .....	6,171			(6)	6,165			6,171
4. Class 4 .....	3,548,414			(19,913)	3,528,501			3,548,414
5. Class 5 .....	6,654,830			(345,830)	6,309,000			6,654,830
6. Class 6								
7. Total Bonds	114,934,897	9,827,200	1,150,379	(358,215)	123,253,503			114,934,897
PREFERRED STOCK								
8. Class 1 .....								
9. Class 2 .....	1,348,500				1,348,500			1,348,500
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6								
14. Total Preferred Stock	1,348,500				1,348,500			1,348,500
15. Total Bonds and Preferred Stock	116,283,397	9,827,200	1,150,379	(358,215)	124,602,003			116,283,397

**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 .....		5,551,434
2. Cost of short-term investments acquired .....		574,997,070
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 .....		580,548,504
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 .....		173,294
13. Income earned during period .....		172,176

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 PAUL REVERE VARIABLE ANNUITY INSURANCE COMPANY  
**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**

Current Year To Date - Allocated by States and Territories

1 States, Etc.	2 Life Insurance Premiums	3 Annuity Considerations	Direct Business Only		
			4 Accident and Health Insurance Premiums, Including Policy Membership and Other Fees	5 Deposit-Type Contract Funds	6 Other Considerations
1. Alabama	25,782			906	
2. Alaska					
3. Arizona	40,425			6,590	
4. Arkansas	22,078				
5. California	99,475			4,225,042	
6. Colorado	4,770				
7. Connecticut	42,323			21,849	
8. Delaware	2,738				
9. District of Columbia	254			151	
10. Florida	59,971			48,772	
11. Georgia	18,006			604	
12. Hawaii	794				
13. Idaho	405			20,121	
14. Illinois	14,355			12,117	
15. Indiana	13,128			11,904	
16. Iowa	69,788			25,486	
17. Kansas	7,443			3,776	
18. Kentucky	12,394			5,324	
19. Louisiana	40,857			21,641	
20. Maine	107,051			16,744	
21. Maryland	30,332			846	
22. Massachusetts	100,613			119,469	
23. Michigan	34,248			6,947	
24. Minnesota	5,447				
25. Mississippi	68,192			12,456	
26. Missouri	47,136			2,562	
27. Montana	710			151	
28. Nebraska	3,676				
29. Nevada	22,760			3,071	
30. New Hampshire	15,040			5,135	
31. New Jersey	116,942			115,090	
32. New Mexico	3,406				
33. New York	15,557			6,783	
34. North Carolina	113,860			60,006	
35. North Dakota					
36. Ohio	271,780			178,850	
37. Oklahoma	44,537			10,695	
38. Oregon	2,001			1,963	
39. Pennsylvania	22,200			586,620	
40. Rhode Island	8,847			8,055	
41. South Carolina	14,287			784	
42. South Dakota	932				
43. Tennessee	89,926			4,407	
44. Texas	20,333			4,068	
45. Utah	543				
46. Vermont	44,623			4,843	
47. Virginia	44,149			14,733	
48. Washington	3,686			6,269	
49. West Virginia	14,282			111	
50. Wisconsin	3,744			831	
51. Wyoming	33				
52. American Samoa					
53. Guam					
54. Puerto Rico					
55. U.S. Virgin Islands					
56. Canada					
57. Aggregate Other Aliens	309			603	
58. Subtotal	(a) 49	1,746,168		5,576,375	
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	600,906			
94. Aggregate or other amounts not allocable by State	XXX				
95. Totals (Direct Business)	XXX	2,347,074		5,576,375	
96. Plus Reinsurance Assumed	XXX				
97. Totals (All Business)	XXX	2,347,074		5,576,375	
98. Less Reinsurance Ceded	XXX	2,347,074		5,239,311	
99. Totals (All Business) less Reinsurance Ceded	XXX			337,064	
DETAILS OF WRITE-INS					
5701. Other Alien	XXX	309		603	
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	309		603	
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**

STATEMENT AS OF MARCH 31, 2004 OF THE PAUL REVERE VARIABLE ANNUITY INSURANCE COMPANY  
**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]



Schedule A - Part 2

**N O N E**

Schedule A - Part 3

**N O N E**

Schedule B - Part 1

**N O N E**

Schedule B - Part 2

**N O N E**

Schedule BA - Part 1

**N O N E**

Schedule BA - Part 2

**N O N E**

STATEMENT AS OF MARCH 31, 2004 OF THE PAUL REVERE VARIABLE ANNUITY 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)
377372-AB-3	BONDS Industrial & Miscellaneous United States GLAXOSMITHKLINE CAP INC NTS 5.375% 04/15/34		03/30/2004	Various		9,827,200	10,000,000		1FE
Total United States						9,827,200	10,000,000		XXX
4599999. Bonds - Industrial and Miscellaneous						9,827,200	10,000,000		XXX
6099997. Total - Bonds - Part 3						9,827,200	10,000,000		XXX
6099998. Total - Bonds - Part 5									XXX
6099999. Total - Bonds						9,827,200	10,000,000		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						9,827,200	XXX		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 PAUL REVERE VARIABLE ANNUITY 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 Special Revenue & Assessment United States																				
313401-EP-2	FHLMC Pool# 160037 (30yr cash) 8.500% 01/01/08		03/01/2004	Paydown		2,473	2,473	1,678	2,030		443		443		2,473				477	01/01/2008	1FE
313401-EU-1	FHLMC Pool# 160042 (30yr cash) 8.750% 04/01/08		03/01/2004	Paydown		1,153	1,153	785	939		214		214		1,153				230	04/01/2008	1FE
313401-FN-6	FHLMC Pool# 160060 (30yr cash) 9.250% 11/01/08		02/01/2004	Paydown		1,600	1,600	1,334	1,435		165		165		1,600				189	11/01/2008	1FE
313401-JJ-1	FHLMC Pool# 170023 (30yr cash) 12.750% 02/01/10		03/01/2004	Paydown		912	912	904	902		10		10		912				23	02/01/2010	1FE
31340A-BF-7	FHLMC Pool# 140038 (30yr FHA/VA Gtd) 8.750% 10/01/10		03/01/2004	Paydown		544	544	447	498		46		46		544				54	10/01/2010	1FE
31340L-NZ-6	FHLMC Pool# 180408 (30yr Gtd) 8.000% 04/01/09		03/01/2004	Paydown		2,602	2,602	1,814	2,243		359		359		2,602				382	04/01/2009	1FE
31340M-LK-9	FHLMC Pool# 181230 (30yr Gtd) 9.000% 06/01/09		03/01/2004	Paydown		351	351	259	292		59		59		351				64	06/01/2009	1FE
31340Q-5E-2	FHLMC Pool# 184445 (30yr Gtd) 8.000% 06/01/08		03/01/2004	Paydown		6	6	4	5		1		1		6				1	06/01/2008	1FE
31340R-XT-6	FHLMC Pool# 185190 (30yr Gtd) 12.750% 07/01/13		03/01/2004	Paydown		275	275	198	224		51		51		275				56	07/01/2013	1FE
31340S-GM-8	FHLMC Pool# 185604 (30yr Gtd) 11.500% 09/01/13		03/01/2004	Paydown		49	49	31	37		12		12		49				13	09/01/2013	1FE
31340S-T5-1	FHLMC Pool# 185972 (30yr Gtd) 8.000% 05/01/08		03/01/2004	Paydown		1,537	1,537	1,025	1,289		248		248		1,537				278	05/01/2008	1FE
31340T-YA-2	FHLMC Pool# 187005 (30yr Gtd) 9.500% 09/01/04		03/01/2004	Paydown		1,543	1,543	1,145	1,480		63		63		1,543				84	09/01/2004	1FE
31340U-F9-3	FHLMC Pool# 187392 (30yr Gtd) 10.500% 12/01/13		03/01/2004	Paydown		122	122	93	104		18		18		122				21	12/01/2013	1FE
31340U-NS-2	FHLMC Pool# 187601 (30yr Gtd) 12.250% 03/01/11		02/01/2004	Paydown		155	155	171	168		(13)		(13)		155				(10)	03/01/2011	1FE
31341F-2H-1	FHLMC Pool# 255276 (30yr Gtd) 10.000% 05/01/09		03/01/2004	Paydown		1,180	1,180	1,089	1,120		60		60		1,180				79	05/01/2009	1FE

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STATEMENT AS OF MARCH 31, 2004 OF THE PAUL REVERE VARIABLE ANNUITY 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)
31360A-AY-2	FNMA Pool# 23 8.500% 08/01/11		03/01/2004	Paydown		975	975	659	728		247		247		975				261	08/01/2011	1FE
31360A-H5-8	FNMA Pool# 252 (40yr Calif ARM) 7.209% 01/01/25		03/01/2004	Paydown		3,448	3,448	3,409	3,410		38		38		3,448				72	01/01/2025	1FE
31360B-AW-4	FNMA Pool# 921 (30yr FHA/VA Gtd) 8.250% 09/01/09		03/01/2004	Paydown		1,953	1,953	1,601	1,816		137		137		1,953				164	09/01/2009	1FE
31360Y-QZ-0	FNMA Pool# 20272 (40yr Calif ARM) 8.798% 01/01/22		03/01/2004	Paydown		181	181	199	195		(14)		(14)		181				(11)	01/01/2022	1FE
<b>Total United States</b>						21,059	21,059	16,845	18,915		2,144		2,144		21,059				2,427	XXX	XXX
<b>3199999. Bonds - Special Revenues</b>						21,059	21,059	16,845	18,915		2,144		2,144		21,059				2,427	XXX	XXX
26229*-AD-2	Industrial & Miscellaneous United States DRUMMOND COMPANY, INC SR NTS 9.510% 03/27/07		03/27/2004	Redemption 100.0000		1,000,000	1,000,000	1,000,000	1,000,000						1,000,000				47,550	03/27/2007	2
564902-AA-2	Manuf Hanover Mtg Corp A-A(Whole loans) 11.500% 04/25/15		03/01/2004	Paydown		149	149	142	142		7		7		149				4	04/25/2015	2FE
655356-BM-4	NOMURA ASSET SECURITIES CORP Megadeal 1 A3 10.408% 03/15/18		03/01/2004	Paydown		128,171	128,171	121,625	123,135		5,036		5,036		128,171				7,187	03/15/2018	1FE
655844-AB-4	NORFOLK SOUTHERN CORP Nts 7.875% 02/15/04		02/15/2004	Maturity		1,000	1,000	1,040	1,001		(1)		(1)		1,000				39	02/15/2004	2
<b>Total United States</b>						1,129,320	1,129,320	1,122,807	1,124,278		5,042		5,042		1,129,320				54,780	XXX	XXX
<b>4599999. Bonds - Industrial and Miscellaneous</b>						1,129,320	1,129,320	1,122,807	1,124,278		5,042		5,042		1,129,320				54,780	XXX	XXX
<b>6099997. Total - Bonds - Part 4</b>						1,150,379	1,150,379	1,139,652	1,143,193		7,186		7,186		1,150,379				57,207	XXX	XXX
<b>6099998. Total - Bonds - Part 5</b>																				XXX	XXX
<b>6099999. Total - Bonds</b>						1,150,379	1,150,379	1,139,652	1,143,193		7,186		7,186		1,150,379				57,207	XXX	XXX
<b>6599997. Total - Preferred Stocks - Part 4</b>								XXX												XXX	XXX
<b>6599998. Total - Preferred Stocks - Part 5</b>								XXX												XXX	XXX
<b>6599999. Total - Preferred Stocks</b>								XXX												XXX	XXX
<b>7299997. Total - Common Stocks - Part 4</b>								XXX												XXX	XXX
<b>7299998. Total - Common Stocks - Part 5</b>								XXX												XXX	XXX
<b>7299999. Total - Common Stocks</b>								XXX												XXX	XXX
<b>7399999. Total - Preferred and Common Stocks</b>								XXX												XXX	XXX
<b>7499999 - Totals</b>						1,150,379	XXX	1,139,652	1,143,193		7,186		7,186		1,150,379				57,207	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) Reported per NAIC website instruction "Guidance for Reporting Cash Equivalents in the 2004 Quarterly Statements."