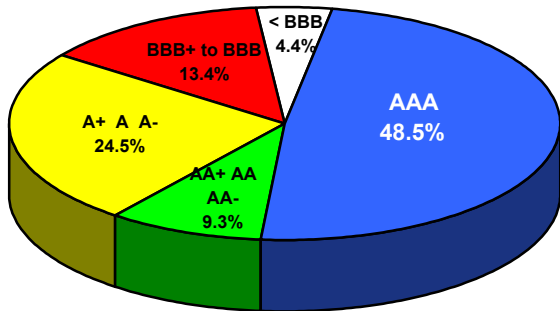


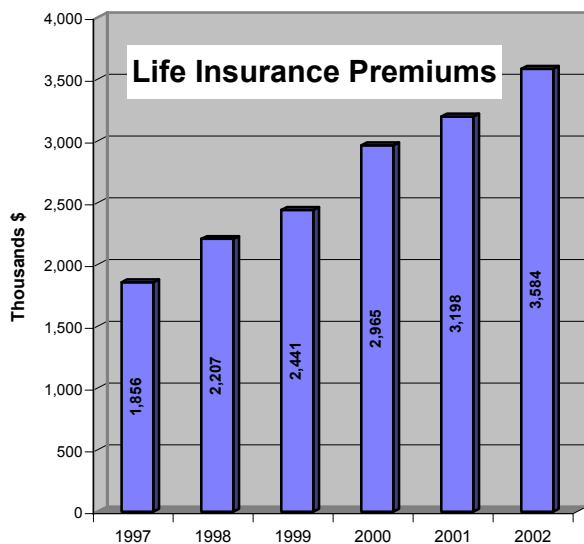
Loyal Christian Benefit Association

2002 ANNUAL REPORT

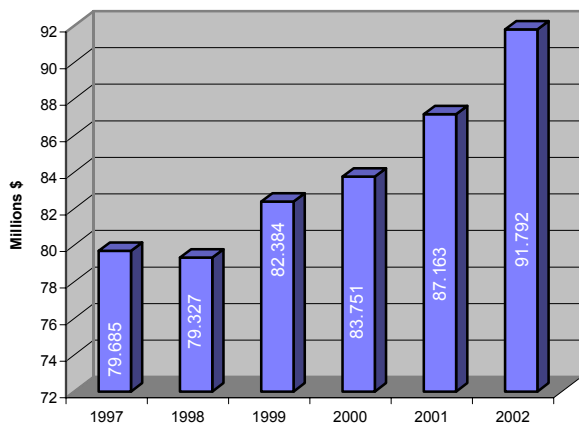
Book Value of Bonds by S & P Rating



Life Insurance Premiums



Total Assets



STATEMENTS OF FINANCIAL POSITION

December 31, 2002 & 2001

Assets	2002	2001
Bonds	86,285,466	80,441,611
Common & Preferred Stock	1,138,173	1,119,652
Real Estate	845,623	867,692
Certificate Loans	1,067,472	1,009,526
Cash on Deposit	(171,987)	(45,665)
Short term investments	1,424,935	2,446,267
EDP equipment	37,119	72,855
Income due & accrued	1,165,147	1,250,651
Total assets	91,791,948	87,162,589
Liabilities & Surplus		
Certificate reserves	75,628,801	70,017,811
Deposit-type contracts	4,825,927	4,307,858
Certificate claims	662,601	636,661
Provision for dividends	176,228	237,220
Premiums received in advance	216,501	247,403
Investment reserves	2,423,030	2,848,653
Pension reserves	128,386	33,209
Other liabilities	548,038	938,309
Special reserves	6,050,000	6,050,000
Unassigned funds	1,132,436	1,845,465
Total liabilities & surplus	91,791,948	87,162,589

SUMMARY OF OPERATIONS

Year ended December 31, 2002 & 2001

Income	2002	2001
Life insurance premiums	3,584,206	3,198,176
Annuity premiums	6,388,776	5,153,051
Investment income	5,903,822	5,773,855
Other income	101,639	11,436
Total income	15,978,443	14,136,518
Member Benefits		
Death benefits	1,383,726	1,281,029
Life & annuity benefits	5,173,940	4,702,297
Reserve changes	5,610,990	4,479,559
Operating Expenses		
Commissions	854,636	967,703
General operating expenses	2,985,176	3,106,444
Total benefits & expenses	16,008,468	14,537,032
Net gain from operations	(30,025)	(400,514)
Investment capital gain (loss)	(622,509)	275,801
Dividends paid to members	(128,714)	(229,115)
Net Income	(781,248)	(353,828)