CONSECO INC
Form S-1
January 29, 2004

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JANUARY 29, 2004

NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CONSECO, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	6321	
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I. Ident

11825 N. PENNSYLVANIA STREET
CARMEL, INDIANA 46032
(317) 817-6100
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

EUGENE M. BULLIS, EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
WILLIAM S. KIRSCH, EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
CONSECO, INC.
11825 N. PENNSYLVANIA STREET
CARMEL, INDIANA 46032
(317) 817-6100
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPIES OF ALL COMMUNICATIONS, INCLUDING COMMUNICATIONS SENT TO AGENT FOR SERVICE, SHOULD BE SENT TO:

JAMES S. ROWE KIRKLAND & ELLIS LLP 200 EAST RANDOLPH DRIVE CHICAGO, ILLINOIS 60601 (312) 861-2000	VINCENT J. PISANO KIRKLAND & ELLIS LLP CITIGROUP CENTER 153 EAST 53RD STREET NEW YORK, NEW YORK 10022 (212) 446-4800	WILLIA AND CRAVATH, WOR 825 NEW YOR (2

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)(2)	AMOUN
Common Stock, par value $0.01 per share....................	$ 800,000,000	
Mandatorily Convertible Preferred Stock, Class B, par value $0.01 per share..	$ 350,000,000	
Total...	$1,150,000,000	

(1) Includes amount attributable to shares of common stock and Mandatorily Convertible Preferred Stock, Class B that may be purchased by the underwriters under an option to purchase additional shares at the public offering price less the underwriting discount.

(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

(3) The registrant filed a registration statement on Form S-3 (No. 333-110963) on December 5, 2003 for which the registrant paid a filing fee of $242,700. The registration statement on Form S-3 (No. 333-110963) was not declared effective by the Commission, no securities were sold under such registration statement, and on January 29, 2004, the registrant requested the withdrawal of such registration statement. Pursuant to Rule 457(p) under the Securities Act of 1933, the registrant has offset the registration fee of $145,705 due herewith with a portion of the registration fee paid on December 5, 2003.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF

THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

EXPLANATORY NOTE

This Registration Statement contains alternate sections, paragraphs, sentences or phrases which will be contained in two forms of prospectus covered in this Registration Statement, one to be used in connection with an offering of shares of our common stock and the other to be used in connection with a concurrent offering of shares of our Mandatorily Convertible Preferred Stock, Class B. Those sections, paragraphs, sentences or phrases that will appear only in the common stock prospectus are marked at the beginning of such section, paragraph, sentence or phrase by the symbol [C] and those that will appear only in the Mandatorily Convertible Preferred Stock, Class B prospectus are designated with the symbol [P]. Unless so indicated with a [C] or [P], the language therein will appear in both forms of prospectus.

THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL NOR DOES IT SEEK AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

[C] Subject to Completion, Dated January 29, 2004

(CONSECO LOGO)

Shares

CONSECO, INC.

Common Stock

We are offering shares of our common stock. Concurrently with this offering, we are offering shares of our % Class B Mandatorily Convertible Preferred Stock (the "Class B Preferred Stock"). The closing of this offering is not conditioned upon the closing of the Class B Preferred Stock offering.

Our common stock is listed on the New York Stock Exchange under the symbol "CNO." The last reported sale price of our common stock on January 28, 2004 was $22.94 per share.

Investing in our securities involves risks. See "Risk Factors" beginning on page 14 to read about factors you should consider before buying our securities.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Per Share	Total
Initial price to public	$	$
Underwriting discount	$	$

Proceeds, before expenses, to Conseco...................... $ $

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from us at the initial price to public less the underwriting discount.

The underwriters expect to deliver the shares of common stock to purchasers on , 2004.

Joint Bookrunning Managers

GOLDMAN, SACHS & CO. MORGAN STANLEY

BANC OF AMERICA SECURITIES LLC

Prospectus dated , 2004.

THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES NOR DOES IT SEEK AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

[P] Subject to Completion, Dated January 29, 2004

(CONSECO LOGO)

Shares

CONSECO, INC.

% Mandatorily Convertible Preferred Stock, Class B
(liquidation preference $ per share)

We are offering shares of our % Mandatorily Convertible Preferred Stock, Class B (the "Class B Preferred Stock"). Concurrently with this offering, we are offering shares of our common stock. The closing of this offering is conditioned upon the closing of the common stock offering.

Dividends on the shares of Class B Preferred Stock will be cumulative from , 2004 and will be payable , , and of each year, commencing on , 2004. Accumulated unpaid dividends will cumulate dividends at the annual rate of %. The dividend rate is $ per share per annum.

On the mandatory conversion date, each share of Class B Preferred Stock will automatically convert into shares of our common stock based on the conversion rates described in this prospectus. Our common stock is listed on the New York Stock Exchange under the symbol "CNO." The last reported sale price of our common stock on January 28, 2004 was $22.94 per share.

Prior to this offering there has been no public market for the Class B Preferred Stock. We intend to list the Class B Preferred Stock on the New York Stock Exchange under the symbol "CNO PrB."

Investing in our securities involves risks. See "Risk Factors" beginning on page 14 to read about factors you should consider before buying our securities.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Per Share	Total
Initial price to public....................................	$	$
Underwriting discount......................................	$	$
Proceeds, before expenses, to Conseco......................	$	$

To the extent that the underwriters sell more than shares of Class B Preferred Stock, the underwriters have the option to purchase up to an additional shares of Class B Preferred Stock from us at the initial price to public less the underwriting discount.

The underwriters expect to deliver the shares of Class B Preferred Stock to purchasers on , 2004.

Joint Bookrunning Managers

GOLDMAN, SACHS & CO. MORGAN STANLEY

JPMORGAN

Prospectus dated , 2004.

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not offering these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.

The terms "Conseco," the "Company," "we," "us" and "our" as used in this prospectus refer to Conseco, Inc., a Delaware corporation, and, unless we state otherwise or the context otherwise requires, its subsidiaries. Unless we state otherwise or the context otherwise requires, the terms "Conseco," the "Company," "we," "us" and "our" as used in this prospectus also refer to our predecessor, Conseco, Inc., an Indiana corporation, and its subsidiaries.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our securities. You should read this entire prospectus, including "Risk Factors" and our consolidated financial statements and accompanying notes, before making an investment decision.

OUR COMPANY

We are a holding company for a group of insurance companies operating throughout the United States that develop, market and administer supplemental health insurance, annuity, individual life insurance and other insurance products. We focus on serving the senior and middle-income markets, which we believe are attractive, high growth markets. We sell our products through three distribution channels: career agents, professional independent producers (some of whom sell one or more of our product lines exclusively) and direct marketing. As of September 30, 2003, we had $2.8 billion of shareholders' equity and $29.9 billion of assets. For the one month ended September 30, 2003, we had $366.3 million of revenues and $24.2 million of net income.

We conduct our business operations through two primary operating segments, based on method of product distribution, and a third segment comprised of businesses in run-off:

- BANKERS LIFE, which consists of the businesses of Bankers Life & Casualty Company ("Bankers Life & Casualty") and Colonial Penn Life Insurance Company ("Colonial Penn"). Bankers Life & Casualty markets and distributes Medicare supplement insurance, life insurance, long-term care insurance and fixed annuities to the senior market through approximately 4,000 exclusive career agents and sales managers. Colonial Penn markets graded benefit and simplified issue life insurance directly to consumers through television advertising, direct mail, the internet and telemarketing. Both Bankers Life & Casualty and Colonial Penn market their products under their own brand names.

- CONSECO INSURANCE GROUP, which markets and distributes specified disease insurance, Medicare supplement insurance, and certain life and annuity products to the senior and middle-income markets through over 500 independent marketing organizations ("IMOs") that represent over 9,100 producing independent agents. This segment markets its products under the "Conseco" brand.

- OTHER BUSINESS IN RUN-OFF, which includes blocks of business that we no longer market or underwrite. This segment consists of long-term care insurance sold through independent agents and major medical insurance.

We also have a corporate segment, which consists of holding company activities and certain non-insurance company businesses that are not related to our operating segments.

The following table sets forth information on our segments for the one month ended September 30, 2003 (dollars in millions):

	COLLECTED PREMIUMS		INCOME BEFORE INCOME TAXES
	$	PERCENTAGE	
Bankers Life	$172.1	53.0%	$ 24.9
Conseco Insurance Group	104.7	32.2	20.2
Other Business In Run-off	48.0	14.8	3.6
Corporate	--	--	(10.9)
Total	$324.8	100.0%	$ 37.8

OUR RESTRUCTURING

We are in the process of significantly restructuring our business through a process which included the bankruptcy of our predecessor company and our subsequent emergence from bankruptcy on September 10, 2003. None of our insurance company subsidiaries were a part of the bankruptcy petitions, although the bankruptcy did cause disruptions to our insurance operations.

We have achieved several critical financial goals as part of our restructuring, including:

- reducing our debt and other obligations by $5.7 billion,

- disposing of the assets of our predecessor's finance business,

- selling non-core operating subsidiaries such as Conseco Variable Insurance Company ("CVIC"),

- improving the risk profile of our investment portfolio, and

- improving the financial strength of our insurance companies as measured by risk-based capital.

We have also recruited and integrated new members into our management team, and we have a new board of directors. Since our emergence from bankruptcy, management has continued to take steps in an effort to improve our profitability and further streamline our business. For example, in September 2003, we sold our stake in the General Motors building in New York City (the "GM building"), which increased the statutory capital and surplus of our insurance subsidiaries by over $350 million.

We have also undertaken several strategic initiatives to streamline our business lines, focusing on those businesses we believe are most profitable. These initiatives include emphasizing the sales of Medicare supplement and specified disease products and de-emphasizing sales of certain annuity and life products, ceasing sales of long-term care products in Conseco Insurance Group and attempting to re-price certain lines of business through significant rate increases.

The next stage of our restructuring, which includes the offering of our common stock and the offering of the Class B Preferred Stock, is a recapitalization of our current balance sheet (the "Recapitalization"). The offering of our Class B Preferred Stock is conditioned upon the offering of our common stock. The offering of our common stock is not conditioned upon the offering of our Class B Preferred Stock. Our current capitalization is presented below:

	AS OF SEPTEMBER 30, 2003 (IN MILLIONS)
Notes payable	$1,300.0
Equity:	
Preferred Stock, par value $0.01 per share, 265,000,000 authorized; 34,386,740 shares of Class A Senior Cumulative Convertible Exchangeable Preferred Stock issued and outstanding	865.0
Common Stock, par value $0.01 per share, 8,000,000,000 authorized; 100,098,119 issued and outstanding	1.0
Additional paid-in-capital	1,639.3
Accumulated other comprehensive income	273.2
Retained earnings	18.9
Total equity	2,797.4
Total capitalization	$4,097.4

The Recapitalization has two components:

- REDEMPTION OF OUR EXISTING PREFERRED STOCK. We plan to use a portion of the proceeds of the offerings to redeem our outstanding Class A Senior Cumulative Convertible Exchangeable Preferred Stock (the "Class A Preferred Stock").

- REDUCTION AND REPLACEMENT OR RENEGOTIATION OF OUR EXISTING BANK CREDIT FACILITY. We intend to reduce our overall senior indebtedness, reduce our borrowing costs and improve the terms and conditions of our existing bank credit facility. We believe that we can achieve these goals by using a portion of the proceeds of the offerings of our common stock and our Class B Preferred Stock to retire a portion of our existing debt, or by renegotiating the terms of our existing bank credit facility.

By redeeming all or a part of the Class A Preferred Stock and reducing our overall indebtedness, our goals are to improve the financial flexibility of our top-tier holding company and improve the financial strength ratings of our insurance companies. The completion of the common stock offering is not conditioned upon completion of the Class B Preferred Stock offering, and if we complete the common stock offering but not the Class B Preferred Stock offering, we will have fewer proceeds to apply in this regard.

COMPETITIVE STRENGTHS

We believe our competitive strengths have enabled and will continue to enable us to capitalize on the opportunities in our target markets. These strengths include:

- our position as a leading national provider of life and health insurance products to the senior market,

- our broad-based distribution networks,

- our strong, nationally recognized brand names, and

- our experienced management with a proven track record.

LEADING NATIONAL PROVIDER OF LIFE AND HEALTH INSURANCE PRODUCTS TO THE SENIOR MARKET. The Bankers Life segment is one of the leading national providers of life and health insurance products focused primarily on the senior market. The career agents and direct distribution channels within Bankers Life provide a number of products that are important to the financial well-being of seniors: supplemental health coverage, including Medicare supplement and long-term care insurance, as well as selected life and annuity products. According to the most recently published study on the Medicare supplement market by the Life Insurance Marketing Research Association, we were ranked second in sales of agent-distributed Medicare supplement insurance based on collected premiums in 2002. Our approximately 4,000 career agents are trained to cater to the needs of the senior market. Current demographic trends indicate that the senior market will continue to grow, and we believe our focus on seniors will provide us with a significant opportunity to increase our share of this market.

BROAD-BASED DISTRIBUTION NETWORKS. Our broad-based distribution networks provide us with a number of ways to reach our target markets. Our career agents and direct distribution channels focus on the senior market. We also have independent agents who focus on senior market products such as Medicare supplement insurance. Our independent agents also sell certain of our products that are specifically designed for the under-age-65 middle-income market. These products include our specified disease insurance coverage, such as cancer and heart/stroke products, as well as equity-indexed life insurance and equity-indexed annuities. Despite the bankruptcy, we have retained the majority of our career agents, including 80 percent of our top 1,000 career agents, who accounted for over 50 percent of Bankers Life & Casualty's sales during 2003. In 2002, 55 percent of our sales were through independent distributors, 43 percent were through career agents, and 2 percent were through direct marketing by Colonial Penn.

STRONG, NATIONALLY RECOGNIZED BRAND NAMES. We believe our brands are widely recognized by our customers and distributors. We believe we have successfully developed product-focused consumer recognition in our chosen markets through three distinct brands -- Conseco, Bankers Life & Casualty and Colonial Penn. According to Communicus, an independent research firm, we have increased the awareness of the Conseco brand from 28 percent of consumers in our target market in 1998 to 50 percent in 2003. Additionally, we believe our multiple-brand strategy has helped us maintain sales of certain key products, such as Medicare supplement, and retain business through our reorganization. We continue to raise the profile of our brands through our "Step Up" campaign and several national and local community sponsorship arrangements, including the Indy Racing League and the Conseco Fieldhouse in Indianapolis, home to the Indiana Pacers

NBA basketball team. In addition, we continue to raise the profile of our Bankers Life brand through our continued relationship with the Alzheimer's Association and International Longevity Center as well as a renewed relationship with Paul Harvey, who for many years was the spokesperson for Bankers Life & Casualty. We believe that our brands give us a key competitive advantage, allowing us to continue to build and maintain strong relationships with our customers and distributors.

EXPERIENCED MANAGEMENT WITH A PROVEN TRACK RECORD. Our strong, experienced senior management team has led us through our restructuring to date. Our management is led by our President and Chief Executive Officer, William J. Shea, who has over 25 years of financial services experience and joined Conseco in 2001. Mr. Shea has served as Vice Chairman and Chief Financial Officer of BankBoston Corporation and as Partner and Vice Chairman of PricewaterhouseCoopers LLP (formerly Coopers & Lybrand LLP). In addition to our experienced senior management team, our Non-Executive Chairman, R. Glenn Hilliard, has over 35 years of insurance experience, having served most recently as Chairman and CEO of ING Americas. Mr. Hilliard joined our board in September 2003. Our management's knowledge and experience have helped us maintain our business operations through the restructuring and are expected to provide us with opportunities to further enhance the Company in the future.

STRATEGY

Our objective is to generate attractive returns on equity while growing a stable, well capitalized insurance business focused on serving the middle-income and senior markets. We intend to achieve these objectives by executing the following strategies:

- focus on the senior and middle-income markets,
- continue to improve our financial condition,
- leverage our distribution network to strengthen market access, and
- continue to improve our operational efficiency.

FOCUS ON THE SENIOR AND MIDDLE-INCOME MARKETS. We are committed to serving the senior and middle-income markets in the United States. Our customer base includes approximately 3.8 million policyholders. According to the January 2004 issue of "Journal of Financial Service Professionals," the population of the United States age 50 or older is projected to increase by approximately 27 percent from 2004 to 2014. We have taken several steps in recent periods to sharpen our focus on both markets by strengthening our distribution, reducing our sales of non-core life and annuity products and introducing new and innovative supplemental health and retirement savings products targeting senior and middle-income customers.

CONTINUE TO IMPROVE OUR FINANCIAL CONDITION. We seek to continue to improve our financial condition by reducing leverage at the holding company, maintaining adequate risk-based capital in our operating subsidiaries and focusing on marketing profitable products. We took a series of actions in 2002 and 2003 to enhance our financial condition. In addition to reducing our debt and other obligations at the holding company by $5.7 billion through the bankruptcy, we improved the risk profile of our investment portfolio and the financial strength of our insurance companies as measured by risk-based capital. Our fixed maturity investment portfolio is primarily comprised of government, investment-grade and structured securities. Below-investment grade securities comprised 4.1 percent of our fixed maturity portfolio as of September 30, 2003, down from 6.5 percent as of December 31, 2002. Our insurance companies' consolidated company action level risk-based capital ratio ("RBC") improved from 166 percent at December 31, 2002 to approximately 250 percent at September 30, 2003. The RBC ratio is one of the tools insurance regulators use to determine the adequacy of an insurance company's capital. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Statutory Information" for further information. We intend to continue to manage our business with a view to improving our capitalization, financial strength and ratings.

LEVERAGE OUR DISTRIBUTION NETWORK TO STRENGTHEN MARKET ACCESS. We seek to leverage our broad distribution channels to meet our customers' needs and enhance our market presence. We believe we have

created appropriate incentives focused on persistent and profitable production, as well as improved monitoring and tracking of production and persistency levels by distributor. We promote cross-selling of life, supplemental health and retirement savings products in certain markets to capture a greater share of our policyholders' coverage needs. In addition, we utilize our independent producers and career agent network as important sources of information regarding the evolving needs of our customer base. As a result, our products are tailored to include the specific features that we believe are most important to our customers. If we are successful in raising our ratings, we expect to be able to add new agents to our career and independent agency distribution channels, which we believe will result in increased sales of our insurance products.

CONTINUE TO IMPROVE OUR OPERATIONAL EFFICIENCY. We have undertaken several initiatives to improve our operational efficiency and lower costs. We have simplified our organizational structure by divesting certain businesses and consolidating several legal entities. We are in the process of integrating policy administration and claims management systems from previous acquisitions to lower our operational costs in our Conseco Insurance Group segment. We intend to reduce the number of policy administration and related support systems by 50 percent over the next 12 to 18 months. We have also reduced our headcount over the past two years and have focused on improving the productivity of our employees, career agents and independent distributors. We intend to continue to work to improve our operational efficiency by rationalizing expenses and systems in an effort to enhance our service standards and profitability.

CORPORATE INFORMATION

We are a corporation organized under the laws of the State of Delaware, and the successor to Conseco, Inc., an Indiana corporation. We emerged from bankruptcy on September 10, 2003. Our principal executive offices are located at 11825 N. Pennsylvania Street, Carmel, Indiana 46032, and our telephone number at this location is (317) 817-6100. Our website is www.conseco.com. Information on our website should not be construed to be part of this prospectus.

Our common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "CNO," and our Series A Warrants are listed on the NYSE under the symbol "CNOWS." Our Class A Preferred Stock currently trades on the Over-the-Counter Bulletin Board under the symbol "CNSJP."

5

[C] THE OFFERING

Issuer........................	Conseco, Inc.
Common stock offered..........	shares
Common stock to be outstanding after this offering...........	shares if the underwriters do not exercise the option to purchase additional shares.
Over-allotment option.........	shares
Initial price.................	$ per share
Use of proceeds...............	We intend to use the net proceeds of this offering, together with the net proceeds of the concurrent Class B Preferred Stock offering, to redeem shares of our outstanding Class A Preferred Stock, to repay indebtedness under our existing senior credit facility, to contribute capital to our insurance subsidiaries and/or for general corporate purposes. See "Use of Proceeds." The completion of the common stock offering is not conditioned upon completion of the Class B Preferred Stock offering.
NYSE symbol...................	CNO

The number of shares of our common stock shown above to be outstanding after this offering is based on 100,115,772 shares, the number of shares of our common stock outstanding as of December 31, 2003, and excludes:

- 6 million shares of common stock issuable upon the exercise of outstanding Series A Warrants at an exercise price of $27.60 per share;

- 43.6 million shares of common stock issuable upon the conversion of outstanding Class A Preferred Stock at a conversion price of $20.35 per share, which shares are not convertible into common stock until September 30, 2005, and which we intend to redeem with the proceeds of this offering and the concurrent Class B Preferred Stock offering;

- the shares of common stock issuable upon the conversion of the Class B Preferred Stock expected to be issued in the concurrent offering;

- 1 million shares of common stock issuable upon the exercise of outstanding options at a weighted average exercise price per share of $18.01;

- an aggregate of 1 million shares of unvested restricted stock granted to our President and Chief Executive Officer and to our Non-Executive Chairman;

- approximately 3 million shares of common stock issuable upon the exercise of options to purchase common stock under our long-term equity incentive plan that we currently intend to grant to our officers on or shortly after the date of this prospectus at an exercise price equal to the fair market value on the date of grant; and

- approximately 5 million shares of common stock reserved for future grants under our long-term equity incentive plan.

6

[P] THE OFFERING

Issuer........................	Conseco, Inc.
Securities offered............	shares of % Class B Mandatorily Convertible Preferred Stock, which we call the Class B Preferred Stock.
Initial price.................	$ for each share of Class B Preferred Stock.
Option to purchase additional Class B Preferred Stock.......	The underwriters have the option to purchase up to additional shares of Class B Preferred Stock from us at the public offering price, less underwriting discounts and commissions, within 30 days from the date of this prospectus. If the underwriters exercise their option to purchase additional shares of Class B Preferred Stock in full, we will have million shares of Class B Preferred Stock outstanding.
Dividends.....................	$ for each share of Class B Preferred Stock per year. Dividends will be cumulative from the date of issuance, and to the extent that assets are legally available to pay dividends and such payments will not result in a default under our senior credit facility, we will pay dividends in cash on each dividend payment date. Accumulated unpaid dividends will cumulate dividends at the annual rate of %. The dividend payable on the first dividend payment date is $ and on each subsequent dividend payment date will be $. See "Description of the Mandatorily Convertible Preferred Stock -- Dividends."
Dividend payment dates........	, , and of each year, commencing on , 2004.
Redemption....................	The Class B Preferred Stock will not be

redeemable.

Mandatory conversion date.....	, , which we call the mandatory conversion date.
Automatic conversion..........	On the mandatory conversion date, each share of Class B Preferred Stock will automatically convert into shares of our common stock, based on the conversion rate as described below. The holders of the Class B Preferred Stock on the mandatory conversion date will have the right to receive the cash dividends due on such date (including any accrued and unpaid dividends on the shares of Class B Preferred Stock as of the mandatory conversion date), whether or not declared prior to such date, provided that we have legally available assets at such time and such payments will not result in a default under our senior credit facility. If we do not have adequate legally available assets to pay any or all accumulated dividends in cash on the mandatory conversion date or such payment would result in a default under our senior credit facility, then, in respect of the portion of such dividends which we are unable to pay in cash, we will deliver to the holders shares of our common stock as described under "Description of the Mandatorily Convertible Preferred Stock -- Mandatory Conversion."

7

Conversion rate...............	The conversion rate for each share of Class B Preferred Stock will be not more than shares and not less than shares of our common stock, depending on the applicable market value of our common stock, as described below. The "applicable market value" of our common stock is the arithmetic average of the closing price per share of our common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the mandatory conversion date. It will be calculated as described under "Description of the Mandatorily Convertible Preferred Stock -- Mandatory Conversion." The conversion rate is subject to certain adjustments, as described under "Description of the Mandatorily Convertible Preferred Stock -- Anti-Dilution Adjustments." The following table illustrates the conversion rate per share of Class B Preferred Stock, subject to certain anti-dilution adjustments:

APPLICABLE MARKET VALUE ON MANDATORY CONVERSION DATE	CONVERSION RATE
less than or equal to $	
between $ and $	to
equal to or greater than $	

Optional conversion..........	At any time prior to , and on or after the day immediately following the issue date of the Class B Preferred Stock, you may elect to convert each of your shares of Class B Preferred Stock at the minimum conversion rate of shares of our common stock for each share of Class B Preferred Stock. This conversion rate is subject to certain adjustments as described under "Description of the Mandatorily Convertible Preferred Stock -- Anti-Dilution Adjustments."
Provisional conversion at our option.......................	If at any time prior to , and on or after the day immediately following the issue date of the Class B Preferred Stock, the closing price per share of our common stock exceeds $ (150% of the threshold appreciation price of $), subject to anti-dilution adjustments, for at least 20 trading days within a period of 30 consecutive trading days, we may elect to cause the conversion of all, but not less than all, of the shares of Class B Preferred Stock then outstanding at the minimum conversion rate of shares of our common stock for each share of Class B Preferred Stock, subject to certain adjustments as described under "Description of the Mandatorily Convertible Preferred Stock -- Anti-Dilution Adjustments," only if, in addition to issuing you such shares of common stock, we pay

8

you in cash the present value of all the remaining dividend payments through and including , , on the shares of Class B Preferred Stock, computed using a discount rate equal to the treasury yield (as defined), plus any accrued and unpaid dividend payments on the shares of Class B Preferred Stock, whether or not declared, in each case, out of legally available assets. See "Description of the Mandatorily Convertible Preferred Stock -- Provisional Conversion at Our Option."

Early conversion upon cash merger........................	Prior to the mandatory conversion date, if we are involved in a merger in which at least 30% of the consideration for our common stock consists of cash or cash equivalents, which we refer to as a "cash merger," then on the date specified in our notice to you each holder of shares of Class B Preferred Stock will have the right to convert their shares of Class B Preferred Stock at the conversion rate, determined in accordance with "Conversion Rate" above, in effect immediately prior to the cash merger. See "Description of the Mandatorily Convertible Preferred Stock -- Early Conversion upon Cash Merger."
Anti-dilution adjustments.....	The formula for determining the conversion rate on the mandatory conversion date and the number of shares of our common stock to be delivered upon an early conversion event may be adjusted if certain events occur. See "Description of the Mandatorily Convertible Preferred Stock -- Anti-Dilution Adjustments."
Liquidation preference........	$ per share of Class B Preferred Stock, plus an amount equal to the sum of all accrued and unpaid dividends.
Voting rights.................	Holders of shares of Class B Preferred Stock will not be entitled to any voting rights, except as required by applicable state law and as described under "Description of the Mandatorily Convertible Preferred Stock -- Voting Rights."
Ranking.......................	The Class B Preferred Stock will rank: - junior to all of our existing and future debt obligations; - junior to any class or series of our capital stock the terms of which provide that such class or series will rank senior to the Class B Preferred Stock; - senior to any class or series of our capital stock the terms of which provide that such class or series will rank junior to the Class B Preferred Stock; - senior in right of payment to all of our Class A Preferred Stock and common stock now outstanding or to be issued in the future; and - on a parity with any other class or series of our capital stock ranking pari passu with the Class B Preferred Stock as to the payment of dividends or the distribution of assets upon distribution, liquidation or winding up.

We will not be entitled to issue any class or series of our capital stock the terms of which provide that such class or series will rank

senior to the Class B Preferred Stock without the consent of the holders of at least two-thirds of the shares of the Class B Preferred Stock.

As of the date of this prospectus, we are authorized to issue up to 8,000,000,000 shares of common stock, $.01 par value per share. As of December 31, 2003, 100,115,772 shares of common stock were issued and outstanding. In addition, as of such date, there were:

- 6 million shares of common stock issuable upon the exercise of outstanding Series A Warrants at an exercise price of $27.60 per share;

- 43.6 million shares of common stock issuable upon the conversion of outstanding Class A Preferred Stock at a conversion price of $20.35 per share, which shares are not convertible into common stock until September 30, 2005, and which we intend to redeem with the proceeds of this offering and the concurrent common stock offering;

- 1 million shares of common stock issuable upon the exercise of outstanding options at a weighted average exercise price per share of $18.01;

- an aggregate of 1 million shares of unvested restricted stock granted to our President and Chief Executive Officer and to our Non-Executive Chairman;

- approximately 3 million shares of common stock issuable upon the exercise of options to purchase common stock under our long-term equity incentive plan that we currently intend to grant to our officers on or shortly after the date of this prospectus at an exercise price equal to the fair market value on the date of grant; and

- approximately 5 million shares of common stock reserved for future grants under our long-term equity incentive plan.

Use of proceeds............... We intend to use the net proceeds of this offering, together with the net proceeds of the concurrent common stock offering, to redeem all outstanding shares of our Class A Preferred Stock, to repay indebtedness under our existing senior credit facility, to contribute capital

	to our insurance subsidiaries and/or for general corporate purposes. See "Use of Proceeds." The completion of this offering is conditioned upon completion of the common stock offering.
NYSE symbol..................	We intend to list the Class B Preferred Stock on the New York Stock Exchange under the symbol "CNO PrB."

10

SUMMARY FINANCIAL DATA

The following table sets forth summary financial data for Conseco, Inc. for each of the three years ended December 31, 2002, for the eight months ended August 31, 2003, and as of and for the one month ended September 30, 2003. The data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included in this prospectus.

Our predecessor and certain of its subsidiaries emerged from Chapter 11 bankruptcy proceedings on September 10, 2003 (the "Effective Date"). However, for accounting convenience, the Effective Date of the plan was deemed to have occurred on August 31, 2003. Fresh start accounting has been implemented as of August 31, 2003, and accordingly, we restated all of our assets and liabilities to their current estimated value, reestablished shareholders' equity at the reorganization value determined in connection with our Sixth Amended Joint Plan of Reorganization (the "Plan of Reorganization"), and recorded the portion of the reorganization value which could not be attributed to specific tangible or identified intangible assets as goodwill. As a result, our financial statements for periods following August 31, 2003 are not comparable with those prepared before that date.

For financial reporting purposes, we refer to Conseco and its subsidiaries on or prior to August 31, 2003 as the predecessor company and after August 31, 2003 as the successor company.

As part of our Chapter 11 reorganization, we sold the assets of our finance business and exited this line of business effective March 31, 2003. In October 2002, we sold CVIC, our primary writer of variable annuity products. The results of operations of these former businesses have been reported as discontinued operations in all periods prior to their sale presented in the summary financial data. The predecessor's net income (loss) includes amounts related to the discontinued operations of $(2,216.8) million, $(100.6) million, $(381.9) million and $16.0 million, for the years ended December 31, 2002, 2001 and 2000 and for the eight months ended August 31, 2003, respectively. The sales of these businesses further affect the comparability of the summary financial data.

We have derived the summary financial data for the years ended December 31, 2002, 2001 and 2000 from our predecessor's audited consolidated financial statements included in this prospectus. We have derived the summary statement of operations data for the one month ended September 30, 2003, and the eight months ended August 31, 2003 and the summary balance sheet data as of September 30, 2003 from our unaudited interim condensed consolidated financial statements included in this prospectus.

The unaudited interim consolidated financial data presented in the table below reflect all adjustments, consisting only of normal, recurring accruals, that we consider necessary for a fair presentation of our consolidated financial position and results of operations for such periods and as of such dates. The results of operations for the interim periods are not necessarily indicative of the results to be expected for a full year.

We have prepared the summary financial data, other than statutory data, in conformity with generally accepted accounting principles ("GAAP"). We have derived the statutory data from the statements filed by our insurance subsidiaries with regulatory authorities and have prepared the statutory data in accordance with statutory accounting practices, which vary in certain respects from GAAP.

The following is a summary, and in order to more fully understand our historical consolidated financial data, you should read the following in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and notes thereto included in this prospectus.

11

	SUCCESSOR	PREDECESSO	
	AS OF OR FOR THE ONE MONTH ENDED SEPT. 30, 2003	FOR THE EIGHT MONTHS ENDED AUGUST 31, 2003	YEAR END 2002
			(AMOUNTS IN MIL EXCEPT PER SHARE
STATEMENT OF OPERATIONS DATA(a)			
Insurance policy income	$ 256.2	$ 2,204.3	$ 3,602.3
Net investment income	101.2	969.0	1,334.3
Net realized investment gains (losses)	6.7	(5.4)	(556.3)
Total revenues	366.3	3,202.2	4,450.4
Interest expense on corporate notes payable and investment borrowings (contractual interest: $268.5 for the eight months ended August 31, 2003; and $345.3 for 2002)	7.0	202.5	341.9
Total benefits and expenses	328.5	1,030.0	6,082.6
Income (loss) before income taxes, minority interest, discontinued operations and cumulative effect of accounting change	37.8	2,172.2	(1,632.2)
Cumulative effect of accounting change, net of income tax	--	--	(2,949.2)
Net income (loss)	24.2	2,201.7	(7,835.7)
Preferred stock dividends	5.3	--	2.1
Net income (loss) applicable to common stock	18.9	2,201.7	(7,837.8)
PER SHARE DATA			
Net income, basic	$ .19		
Net income, diluted	$ .17		
Book value per common share outstanding	$ 19.31		
Weighted average shares outstanding for basic earnings	100.1		
Weighted average shares outstanding for diluted earnings	144.7		
Shares outstanding at period end	100.1		
BALANCE SHEET DATA -- AT PERIOD END			
Total investments	$22,415.8		

Goodwill	935.4
Total assets	29,859.9
Corporate notes payable	1,300.0
Total liabilities	27,062.5
Shareholders' equity	2,797.4
STATUTORY DATA(B)	
Statutory capital and surplus	$ 1,412.4
Asset valuation reserve ("AVR")	78.4
Total statutory capital and surplus and AVR	1,490.8
OTHER FINANCIAL DATA	
Ratio of earnings to fixed charges(c)	1.82x
Ratio of earnings to fixed charges, preferred stock dividends and distributions on company-obligated mandatorily redeemable preferred securities of subsidiary trusts(d)	1.54x

----

(a) Our financial condition and results of operations have been significantly affected during the periods presented by the discontinued finance operations. Please refer to note 17 to the audited consolidated financial statements of our predecessor included elsewhere in this prospectus.

(b) We have derived the statutory data from statements filed by our insurance subsidiaries with regulatory authorities and have prepared the statutory data in accordance with statutory accounting principles, which vary in certain respects from GAAP.

(c) For the purpose of computing the "ratio of earnings to fixed charges", earnings represent consolidated net income (loss) before income taxes, minority interest, discontinued operations, extraordinary gain (loss), cumulative effect of accounting change and the fixed charges described in the following sentence. Fixed charges consist of: (1) interest

expense on corporate debt, including amortization; (2) interest expense on investment borrowings; (3) interest added to policyholder account balances; and (4) the portion of rental expense we deem representative of the interest factor.

(d) For the purpose of computing the "ratio of fixed charges excluding interest added to policyholder account balances", earnings represent consolidated net income (loss) before income taxes, minority interest, discontinued operations, extraordinary gain (loss), cumulative effect of accounting change and the fixed charges described in the following sentence. Fixed charges consist of: (1) interest expense on corporate debt, including amortization; (2) interest expense on investment borrowings; and (3) the portion of rental expense we deem representative of the interest factor.

We calculate the "ratio of fixed charges excluding interest added to policyholder account balances" as a measure of our historical ability to meet our interest obligations related to corporate debt and investment borrowings, without consideration of insurance policy benefits credited to policyholders in the form of interest.

RISK FACTORS

An investment in our securities involves significant risks. You should carefully consider the risks described below and the other information in this prospectus, including our consolidated financial statements and related notes contained in this prospectus, before you decide to buy our securities. If any of the following risks actually occur, our business prospects, financial condition and results of operations could be materially harmed, the market price of our securities could decline and you could lose all or part of your investment.

RISKS RELATED TO OUR BUSINESS

OUR RECENT BANKRUPTCY AND RELATED PROCEEDINGS MAY CONTINUE TO DISRUPT OUR OPERATIONS AND THE OPERATIONS OF OUR SUBSIDIARIES.

The announcement of our intention to seek a restructuring of our capital in August 2002 and the subsequent filing of bankruptcy petitions under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in December 2002 caused significant disruptions in our operations. Adverse publicity concerning our financial condition and the bankruptcy filings caused sales of our insurance products to decline and policyholder redemptions and lapses to increase. We also experienced increased agent attrition, which in some cases led us to increase agents' commissions or sales incentives in order to retain them.

We continue to be involved in various legal proceedings that arose in the context of our restructuring. For example, since our August 2002 announcement, we and/or our predecessor and certain of our former, and in some instances current, officers and directors have been named as defendants in lawsuits, including class action lawsuits, alleging, among other things, securities fraud and breaches of fiduciary duties under ERISA. We are also involved with, and have been subject to subpoena in respect of, federal investigations relating to certain matters including the accounting for certain interest-only securities of our predecessor's finance subsidiary, which was sold in connection with the reorganization. Our business and financial results may be negatively impacted by resulting adverse publicity and damage to our reputation and brands. Furthermore, we may be required to indemnify some of these officers and directors for certain expenses and losses incurred in connection with such proceedings and investigations. We may also be negatively impacted by adverse publicity in the context of our ongoing litigation with certain of our former officers and directors relating to our collection efforts in respect of our predecessor's 1996-1999 director and officer loan programs. In addition, while our ultimate financial exposure in respect of some of the litigation in which we are named as defendants is limited by our discharge in bankruptcy, not all of the cases relating to periods prior to our bankruptcy are so limited and we cannot predict with certainty what our ultimate liability in such cases may be. See "Business -- Legal Proceedings."

We emerged from bankruptcy on September 10, 2003. The full extent to which our bankruptcy impacted our business operations, reputation and relationships with our customers, employees, regulators, distributors and agents may not be known for some time, and there may be ongoing adverse effects associated with our bankruptcy filing.

A FAILURE TO IMPROVE AND MAINTAIN THE FINANCIAL STRENGTH RATINGS OF OUR INSURANCE SUBSIDIARIES COULD NEGATIVELY IMPACT OUR OPERATIONS AND FINANCIAL RESULTS.

An important competitive factor for our insurance subsidiaries is the ratings they receive from nationally recognized rating organizations, as agents, insurance brokers and marketing companies who market our products and prospective purchasers of our products view ratings as an important factor in determining which insurer's products to market or purchase, particularly with respect to annuity, interest-sensitive life insurance and long-term care products. Our insurance companies' financial strength ratings were downgraded by all of the major rating agencies beginning in July, 2002, in connection with the financial distress that ultimately led to our predecessor's bankruptcy. The current financial strength ratings of our insurance subsidiaries (with the exception of Conseco Senior Health Insurance Company) from A.M. Best Company ("A.M. Best"), Standard & Poors Corporation ("S&P") and Moody's Investors Services, Inc. ("Moody's") are B (Fair), BB- and Ba3, respectively. The current financial strength ratings of Conseco Senior Health Insurance

Company from A.M. Best, Standard & Poor's and Moody's are B (Fair), CCC and Caa1, respectively. For a description of the ratings issued by these firms and additional information on our ratings, see "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity for Insurance Operations." Many of our competitors have higher financial strength ratings and we believe it is critical for us to improve our ratings to be competitive. The lowered ratings assigned to our insurance subsidiaries were one of the primary factors causing sales of our insurance products to decline and policyholder redemptions and lapses to increase during 2002 and 2003. We also experienced increased agent attrition, which in some cases led us to increase commissions or sales incentives in an effort to retain them. These events have had a material adverse effect on our operations, financial results and liquidity.

Our Plan of Reorganization contemplated that our insurance subsidiaries would achieve an A.M. Best "A" category rating approximately by the end of 2004, but we cannot assure you that we will be able to either achieve or maintain this rating. If we fail to achieve and maintain an A.M. Best "A" category rating, sales of our insurance products could fall further, we may face further defections among our independent and career sales force, and existing policyholders may redeem or allow their policies to lapse, adversely affecting our future operations, financial results and liquidity. If we experience a ratings downgrade below "B (Fair)" or a downgrade by two or more levels in any six-month period, a "trigger event" under our existing Class A Preferred Stock will occur and the holders of such stock will have the right to vote with holders of our common stock on all matters on an as-converted basis. Accordingly, our failure to return to our historical ratings levels or further downgrades by A.M. Best, S&P or Moody's would likely have further material and adverse effects on our operations, financial results and liquidity.

OUR INDEBTEDNESS MAY LIMIT OUR FINANCING AND OPERATING ACTIVITIES.

We continue to have significant indebtedness after our emergence from bankruptcy. As of September 30, 2003, our debt to total capital ratio was 32 percent. As adjusted to give effect to the concurrent offerings of our common stock and Class B Preferred Stock and the use of proceeds thereof as described under "Use of Proceeds," our debt to total capital ratio as of September 30, 2003 would have been   percent. Furthermore, our historical capital requirements have been significant and our future capital requirements could vary significantly and may be affected by general economic conditions, regulatory requirements, industry trends, performance, and many other factors that are not within our control. We cannot assure you that our substantial indebtedness will not impair our ability to obtain financing in the future. Our profitability and ability to generate sufficient cash flow to fund our operations and service our substantial indebtedness will depend upon our ability to successfully implement our business strategy. However, we cannot assure you that we will be able to do so. We may encounter a lack of liquidity, which could affect our ability to meet our obligations while attempting to meet competitive pressures or adverse economic conditions.

THE COVENANTS IN OUR SENIOR CREDIT FACILITY AND IN THE CERTIFICATE OF

DESIGNATIONS FOR OUR CLASS A PREFERRED STOCK RESTRICT OUR ACTIVITIES AND REQUIRE US TO MEET OR MAINTAIN VARIOUS FINANCIAL RATIOS.

Our Senior Credit Facility and the certificate of designations for our Class A Preferred Stock contain a number of covenants and other provisions that restrict our ability to engage in various financing transactions and pursue certain operating activities without obtaining prior consent. We also must meet or maintain various financial ratios and minimum financial strength ratings for our insurance subsidiaries. For example, we must have earnings before interest, taxes, depreciation and amortization (as defined in the credit agreement), of greater than or equal to $490 million for the two quarters ended March 31, 2004, and increasing over time to $1,296.0 million for the four quarters ending March 31, 2010. Our ability to meet these financial covenants may be affected by events beyond our control. These requirements represent significant restrictions on the manner in which we may operate our business. If we default under any of the requirements of our Senior Credit Facility, the lenders could declare all outstanding borrowings, accrued interest and fees to be immediately due and payable. If that were to occur, we cannot assure you that we would have sufficient liquidity to repay or refinance this indebtedness or any of our other debts. If a trigger event occurs under the certificate of designations for our Class A Preferred Stock, holders of the Class A Preferred Stock will be

entitled to vote with the holders of our common stock, as a single class, on all matters on which holders of common stock are entitled to vote. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources".

CONSECO, INC. AND CDOC, INC. ARE HOLDING COMPANIES AND DEPEND ON THEIR SUBSIDIARIES FOR CASH.

Conseco, Inc. and CDOC, Inc., our wholly owned subsidiary and a guarantor under the Senior Credit Facility, are holding companies with no business operations of their own. As a result, they depend on their operating subsidiaries for cash to make principal and interest payments on debt, and to pay administrative expenses and income taxes. The cash they receive from insurance subsidiaries consists of dividends and distributions, principal and interest payments on surplus debentures, fees for services, tax-sharing payments, and from our non-insurance subsidiaries, loans and advances. A deterioration in the financial condition, earnings or cash flow of the significant subsidiaries of Conseco or CDOC for any reason could limit their ability to pay cash dividends or other disbursements to Conseco and CDOC, which, in turn, would limit the ability of Conseco and CDOC to meet debt service requirements and satisfy other financial obligations, including payments in respect of preferred stock.

The ability of our insurance subsidiaries to pay dividends is subject to state insurance department regulations and is based on the financial statements of our insurance subsidiaries prepared in accordance with statutory accounting practices prescribed or permitted by regulatory authorities, which differ from GAAP. These regulations generally permit dividends to be paid from statutory earned surplus of the insurance company for any 12-month period in amounts equal to the greater of (or in a few states, the lesser of):

- statutory net gain from operations or statutory net income for the prior year; or

- 10 percent of statutory capital and surplus as of the end of the preceding year.

Any dividends in excess of these levels require the approval of the director or commissioner of the applicable state insurance department. See Risk Factors -- "We are Subject to Extensive Regulation."

THE RESULTS OF OPERATIONS OF OUR INSURANCE BUSINESS WILL DECLINE IF OUR PREMIUM RATES ARE NOT ADEQUATE OR IF WE ARE UNABLE TO OBTAIN REGULATORY APPROVAL TO INCREASE RATES.

We set the premium rates on our health insurance policies based on facts and circumstances known at the time we issue the policies and on assumptions about numerous variables, including the actuarial probability of a policyholder incurring a claim, the probable size of the claim, maintenance costs to administer the policies and the interest rate earned on our investment of premiums. In setting premium rates, we consider historical claims information, industry statistics, the rates of our competitors and other factors, but we cannot predict with certainty what the actual claims on our products will be. This is particularly true in the context of setting premium rates for certain products, such as long-term care insurance, with respect to which we have limited historical claims experience. If our actual claims experience proves to be less favorable than we assumed and we are unable to raise our premium rates, our financial results may be adversely affected.

Our estimates of insurance liabilities assume we will be able to raise rates if blocks of our health insurance business are not profitable. The loss ratios for our long-term care products included in the Other Business in Run-Off segment have increased in recent periods and exceeded 106 percent during the one month ended September 30, 2003. We will have to raise rates or take other actions with respect to certain of these policies or this business will continue to be unprofitable and our financial results will be adversely affected. We generally cannot raise our health insurance premiums in any state unless we first obtain the approval of the insurance regulator in that state. We review the adequacy of our premium rates regularly and file proposed rate increases on our products when we believe existing premium rates are too low. It is possible that we will not be able to obtain approval for premium rate increases from currently pending requests or requests filed in the future. If we are unable to raise our premium rates because we fail to obtain approval for a rate increase in one or more states, our net income may decrease. Moreover, our ability to exit unprofitable lines of business is subject to regulatory approval, which may require that we continue to service

certain products at a loss for an extended period of time. If we are successful in obtaining regulatory approval to raise premium rates, the increased premium rates may reduce the volume of our new sales and cause existing policyholders to allow their policies to lapse. This could result in anti-selection if healthier policyholders allow their policies to lapse. This would reduce our premium income and profitability in future periods. Increased lapse rates also could require us to expense all or a portion of the value of policies inforce and/or the cost of policies produced relating to lapsed policies in the period in which those policies lapse, adversely affecting our financial results in that period.

RECENTLY ENACTED AND PENDING OR FUTURE LEGISLATION COULD ADVERSELY AFFECT THE FINANCIAL PERFORMANCE OF OUR INSURANCE OPERATIONS.

During recent years, the health insurance industry has experienced substantial changes, including those caused by healthcare legislation. Recent federal and state legislation and legislative proposals relating to healthcare reform contain features that could severely limit or eliminate our ability to vary our pricing terms or apply medical underwriting standards with respect to individuals, which could have the effect of increasing our loss ratios and have an adverse effect on our financial results. In particular, Medicare reform and legislation concerning prescription drugs could affect our ability to price or sell our products or maintain our blocks inforce. Federal comprehensive medical or long-term care programs, if proposed and implemented, could partially or fully replace some of Conseco's current products.

Proposals currently pending in Congress and some state legislatures may also affect our financial results. These proposals include the implementation of minimum consumer protection standards for inclusion in all long-term care policies, including: guaranteed premium rates; protection against inflation; limitations on waiting periods for pre-existing conditions; setting standards for sales practices for long-term care insurance; and guaranteed consumer access to information about insurers (including lapse and replacement rates for policies and the percentage of claims denied). Enactment of any of these proposals could adversely affect our financial results.

In addition, the federal government may seek to directly regulate the insurance industry, and recent government regulation may increase competition in the insurance industry and may affect our insurance subsidiaries' current sales methods. Although the federal government generally does not directly regulate the insurance industry, federal initiatives often have a direct impact on the insurance business. Current and proposed measures that may significantly affect the insurance business generally include limitations on antitrust immunity and minimum solvency requirements.

TAX LAW CHANGES COULD ADVERSELY AFFECT OUR INSURANCE PRODUCT SALES AND PROFITABILITY.

We sell deferred annuities and some forms of life insurance products which we believe are attractive to purchasers, in part, because policyholders generally are not subject to United States Federal income tax on increases in policy values until some form of distribution is made. Recently, Congress enacted legislation to lower marginal tax rates, reduce the federal estate tax gradually over a ten-year period, with total elimination of the federal estate tax in 2010, and increase contributions which may be made to individual retirement accounts and 401(k) accounts. While these tax law changes will expire at the beginning of 2011 absent future congressional action, they could in the interim diminish the appeal of our annuity and life insurance products. Additionally, Congress has considered, from time to time, other possible changes to the U.S. tax laws, including elimination of the tax deferral on the accretion of value within certain annuities and life insurance products. There can be no assurance that further tax legislation will not be enacted which would contain provisions with possible adverse effects on our insurance products.

WE MAY NOT ACHIEVE THE GOALS OF CERTAIN INITIATIVES WE HAVE UNDERTAKEN WITH RESPECT TO THE RESTRUCTURING OF OUR PRINCIPAL INSURANCE BUSINESSES.

Our Conseco Insurance Group segment has experienced declining sales and expense levels that exceed product pricing. We have adopted several initiatives designed to improve these operations, including focusing sales efforts on higher margin products; reducing operating expenses by eliminating or reducing the costs of

marketing certain products; personnel reductions and streamlined administrative procedures; stabilizing the profitability of inforce business, particularly the long-term care block of business in run-off sold through independent agents; and combining certain legal insurance entities to reduce burdens associated with statutory capital requirements and certain other redundancies. Many of the redundancies present in our business which our current initiatives are intended to address result from the substantial number of acquisitions undertaken by our predecessor. Our future performance depends, in part, on our ability to successfully integrate these prior acquisitions. This process of integration may involve unforeseen expenses, complications and delays, including, among other things, further difficulties in integrating the systems and operations of the acquired companies, and our current initiatives may be inadequate to address such issues. In addition, certain of our initiatives have only recently been adopted, and we cannot assure you that they will be successfully implemented. Our initiatives include the elimination of duplicate processing systems by converting all similar business currently accounted for on multiple systems to a single system. We expect to spend over $30 million to complete these initiatives over the next 2 years, but cannot assure you that such efforts will be successful. Even if we are able to successfully implement these measures, we cannot assure you that our results of operations will improve.

OUR INVESTMENTS MAY DECLINE IN VALUE.

The values of the assets in our investment portfolio are subject to numerous general factors, including, among other things, prevailing economic conditions, volatility in the securities markets and changes in interest rates, as well as factors specific to the particular assets. All of these factors are difficult to predict and are beyond our control. In particular, our actively managed fixed maturity investments, which comprised 86 percent of our total investments as of September 30, 2003, are subject to the risk of issuer default. This risk is significantly greater in respect of below-investment grade securities, which comprised 4.1 percent of our actively-managed fixed maturity investments as of September 30, 2003. In 2001 and 2002, a number of large, highly leveraged issuers experienced significant financial difficulties, which resulted in our recognition of significant other-than-temporary impairments on these assets. In addition, our structured-security investments, which comprised 30 percent of our actively-managed fixed maturity investments as of September 30, 2003, are subject to risks relating to variable prepayment and default on the assets underlying such securities, such as mortgage loans. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Investments."

Accordingly, we are subject to the risk that our investments may decline in value. We have sustained substantial investment losses in the past and may again in the future. Because a substantial portion of our net income is derived from returns on our investment portfolio, significant losses in the portfolio may have a direct and materially adverse impact on our results of operations. In addition, losses on our investment portfolio could reduce the investment returns which we are able to credit to our customers on certain of our products, thereby impacting our sales and further eroding our financial performance. Further, our need for liquidity to fund substantial product surrenders or policy claims may require that we maintain highly liquid, and therefore lower yielding, assets, or that we sell assets at a loss, thereby further eroding the performance of our portfolio. Although we have recently reduced our exposure to certain types of higher risk assets, we cannot assure you that this strategy will prevent or limit investment losses.

A DECLINE OR INCREASED VOLATILITY IN THE SECURITIES MARKETS, AND OTHER ECONOMIC FACTORS, MAY ADVERSELY AFFECT OUR BUSINESS, PARTICULARLY CERTAIN OF OUR LIFE INSURANCE PRODUCTS AND ANNUITIES.

Fluctuations in the securities markets and other economic factors may adversely affect sales and/or policy surrenders of our annuities and life insurance policies. For example, we believe that a protracted and/or steep decline in the capital markets would reduce the popularity of products such as equity-indexed life and annuity products. In addition, significant or unusual volatility in the general level of interest rates could negatively impact sales and/or lapse rates on certain types of insurance products.

OUR RESERVES FOR FUTURE INSURANCE POLICY BENEFITS AND CLAIMS MAY PROVE TO BE INADEQUATE, REQUIRING US TO INCREASE LIABILITIES AND RESULTING IN REDUCED NET INCOME AND SHAREHOLDERS' EQUITY.

We calculate and maintain reserves for the estimated future payment of claims to our policyholders based on assumptions made by our actuaries. For our health insurance business, we establish an active life reserve plus a liability for due and unpaid claims, claims in the course of settlement, and incurred but not reported claims, as well as a reserve for the present value of amounts on claims not yet due. For our long-term care insurance business, we establish reserves based on assumptions and estimates of morbidity rates, policy and claim termination rates, benefit amounts, investment returns and other factors. Many factors can affect these reserves and liabilities, such as economic and social conditions, inflation, hospital and pharmaceutical costs, regulatory actions (including those related to the pricing of our policies), changes in doctrines of legal liability and extra-contractual damage awards. Therefore, the reserves and liabilities we establish are necessarily based on estimates, assumptions and prior years' statistics. Establishing reserves is an uncertain process, and it is possible that actual claims will materially exceed our reserves and have a material adverse effect on our results of operations and financial condition. This is particularly so with respect to certain products with limited claims history from which to extrapolate, such as long-term care insurance. We have recently incurred significant losses as a result of actual claim costs and persistency of certain long-term care business which have exceeded our expectations. Our financial performance depends significantly upon the extent to which our actual claims experience is consistent with the assumptions we used in setting our reserves and pricing our policies. If our assumptions with respect to future claims are incorrect, and our reserves are insufficient to cover our actual losses and expenses, we would be required to increase our liabilities, resulting in an adverse effect on our financial results and financial position if we are unable to increase our premium rates.

WE ARE SUBJECT TO FURTHER RISK OF LOSS NOTWITHSTANDING OUR REINSURANCE AGREEMENTS.

We transfer exposure to certain risks to others through reinsurance arrangements. Under these arrangements, other insurers assume a portion of our losses and expenses associated with reported and unreported claims in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. Furthermore, we face credit risk with respect to reinsurance. When we obtain reinsurance, we are still liable for those transferred risks if the reinsurer cannot meet its obligations. Therefore, the inability of our reinsurers to meet their financial obligations could materially affect our operations and financial condition.

OUR GOODWILL AND OTHER INTANGIBLE ASSETS ARE SUBJECT TO IMPAIRMENT TESTS.

Upon our emergence from bankruptcy, we revalued our assets and liabilities to estimated fair value as of August 31, 2003 and established our capital accounts at the reorganization value determined in conjunction with our bankruptcy plan. We recorded the $1,102.8 million of reorganization value which could not be attributed to specific tangible or identified intangible assets as goodwill.

Under GAAP, we are required to evaluate our goodwill and other intangible assets for impairment on an annual basis, or more frequently if there is an indication that an impairment may exist. If certain criteria are met, we are required to record an impairment charge. We obtained independent appraisals to determine the value of the Company in conjunction with the preparation of our bankruptcy plan which indicated no impairments of our goodwill or other intangible assets existed. However, we cannot assure you that we will not have to recognize an impairment charge in future periods.

The appraisals prepared to determine the value of our subsidiaries are based on numerous estimates and assumptions which, though considered reasonable by management, may not be realized, and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. These estimates and assumptions had a significant effect on the determination of our reorganization value and the amount of goodwill we recognized. Accordingly, if our actual experience differs from our estimates and assumptions, it is possible we will have to recognize an impairment charge in future periods.

WE ARE SUBJECT TO EXTENSIVE REGULATION.

Our insurance business is subject to extensive regulation and supervision in the jurisdictions in which we operate. Our insurance subsidiaries are subject to state insurance laws that establish supervisory agencies with broad administrative powers relative to granting and revoking licenses to transact business, regulating sales and other practices, approving premium rate increases, licensing agents, approving policy forms, setting reserve and solvency requirements, determining the form and content of required statutory financial statements, limiting dividends and prescribing the type and amount of investments we can make.

We have been operating under heightened scrutiny from state insurance regulators. For example, our insurance subsidiaries domiciled in Texas, Bankers National Life Insurance Company and Conseco Life Insurance Company of Texas (on behalf of itself and its subsidiaries), entered into consent orders with the Commissioner of Insurance for the State of Texas on October 30, 2002, which were formally released on November 19, 2003. These consent orders applied to all of our insurance subsidiaries and, among other things, restricted the ability of our insurance subsidiaries to pay dividends and other amounts to the parent company without regulatory consent. Notwithstanding the release of these consent orders, we have agreed with the Texas Department of Insurance to provide prior notice of certain transactions, including up to 30 days prior notice for the payment of dividends by an insurance subsidiary to any non-insurance company parent, and to provide information periodically concerning our financial performance and condition. As noted above, state laws generally provide state insurance regulatory agencies with broad authority to protect policyholders in their jurisdictions. Accordingly, we cannot assure you that regulators will not seek to assert greater supervision and control over our insurance subsidiaries' businesses and financial affairs.

IN CERTAIN CIRCUMSTANCES, REGULATORY AUTHORITIES MAY PLACE OUR INSURANCE SUBSIDIARIES UNDER REGULATORY CONTROL.

Our insurance subsidiaries are subject to risk-based capital requirements. These requirements were designed to evaluate the adequacy of statutory capital and surplus in relation to investment and insurance risks associated with asset quality, mortality and morbidity, asset and liability matching and other business factors. The requirements are used by states as an early warning tool to discover potential weakly-capitalized companies for the purpose of initiating regulatory action. Generally, if an insurer's RBC falls below specified levels, the insurer would be subject to different degrees of regulatory action depending upon the magnitude of the deficiency. See "Business -- Government Regulation."

The National Association of Insurance Commissioner's (the "NAIC") (an association of state regulators and their staffs) Model Act provides for an annual trend test if a company's total adjusted capital is between 100 percent and 125 percent of RBC at the end of the year. Two of our subsidiaries' RBC ratios were less than 125 percent, based on the capital balances reported in their 2002 audited statutory financial statements. Although the RBC ratios for such subsidiaries subsequently exceeded 125 percent, as a result of reserve strengthening of approximately $85 million and other losses on the long-term care business within our Other Business in Run-Off segment during the third quarter of 2003, we will need to contribute additional capital to one subsidiary to enable its RBC ratio to equal or exceed 125 percent at December 31, 2003. Furthermore, we cannot assure you that we will be able to maintain the RBC ratios of our subsidiaries above levels that could give rise to regulatory action. See the information described under the caption "Statutory Information" within "Management's Discussion and Analysis of Financial Condition and Results of Operations."

OUR INSURANCE SUBSIDIARIES MAY BE REQUIRED TO PAY ASSESSMENTS TO FUND POLICYHOLDER LOSSES OR LIABILITIES AND THIS MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR RESULTS OF OPERATIONS.

The solvency or guaranty laws of most states in which an insurance company does business may require that company to pay assessments (up to certain prescribed limits) to fund policyholder losses or liabilities of other insurance companies that become insolvent. Insolvencies of insurance companies increase the possibility that these assessments may be required. These assessments may be deferred or forgiven under most guaranty laws if they would threaten an insurer's financial strength and, in certain instances, may be offset against future premium taxes. We cannot estimate the likelihood and amount of future assessments. Although past

20

assessments have not been material, if there were a number of large insolvencies, future assessments could be material and could have a material adverse effect on our financial results and financial position.

CHANGING INTEREST RATES MAY ADVERSELY AFFECT OUR RESULTS OF OPERATIONS.

Our profitability may be directly affected by the level of and fluctuations in interest rates. While we monitor the interest rate environment and have previously employed hedging strategies designed to mitigate the impact of changes in interest rates, our financial results could be adversely affected by changes in interest rates. Our spread-based insurance and annuity business is subject to several inherent risks arising from movements in interest rates, especially if we fail to anticipate or respond to such movements. First, interest rate changes can cause compression of our net spread between interest earned on investments and interest credited on customer deposits, thereby adversely affecting our results. Our ability to adjust for such a compression is limited by virtue of the guaranteed minimum rates that we must credit to policyholders on certain of our products, as well as by the fact that we are able to reduce the crediting rates on most of our products only at limited, pre-established intervals. Second, if interest rate changes produce an unanticipated increase in surrenders of our spread-based products, we may be forced to sell invested assets at a loss in order to fund such surrenders. The profits from many non-spread-based insurance products, such as long-term care policies, are adversely affected when interest rates decline because we may be unable to reinvest the cash flows generated from premiums received and our investment portfolio at the interest rates anticipated when we sold the policies. Finally, changes in interest rates can have significant effects on the performance of our structured securities portfolio, including collateralized mortgage obligations, as a result of changes in the prepayment rate of the loans underlying such securities. We follow asset/liability strategies that are designed to mitigate the effect of interest rate changes on our profitability but do not currently employ derivative instruments for this purpose. We cannot assure you that we will be successful in implementing these strategies and achieving adequate investment spreads.

OUR NET INCOME AND REVENUES WILL SUFFER IF POLICYHOLDER SURRENDER LEVELS DIFFER SIGNIFICANTLY FROM OUR ASSUMPTIONS.

Surrenders of our annuities and life insurance products can result in losses and decreased revenues if surrender levels differ significantly from assumed levels. At December 31, 2002, approximately 20 percent of our total insurance liabilities (or approximately $4.5 billion) could be surrendered by the policyholder without penalty. The surrender charges that are imposed on our fixed rate annuities typically decline during a penalty period which ranges from five to twelve years after the date the policy is issued. Surrenders and redemptions could require us to dispose of assets earlier than we had planned, possibly at a loss. Moreover, surrenders and redemptions require faster amortization of the acquisition costs or commissions associated with the original sale of a product, thus reducing our net income. We believe policyholders are generally more likely to surrender their policies if they believe the issuer is having financial difficulties, or if they are able to reinvest the policy's value at a higher rate of return in an alternative insurance, investment or financial institution product.

LITIGATION AND REGULATORY INVESTIGATIONS ARE INHERENT IN OUR BUSINESS AND MAY HARM OUR FINANCIAL STRENGTH AND REDUCE OUR PROFITABILITY.

Insurance companies historically have been subject to substantial litigation resulting from claims, disputes and other matters. In addition to the traditional policy claims associated with their businesses, insurance companies typically face policyholder suits and class action suits. The class action and policyholder suits are often in connection with insurance sales practices, policy and claims administration practices and other market conduct issues. State insurance departments focus on sales practices and product issues in their market conduct examinations. Negotiated settlements of class action and other lawsuits have had a material adverse effect on the business, financial condition and results of operations of insurance companies. We are, in the ordinary course of our business, a plaintiff or defendant in actions arising out of our insurance business, including class actions and reinsurance disputes, and, from time to time, are also involved in various governmental and administrative proceedings and investigations. This litigation and these proceedings and

investigations may harm our financial strength and reduce our profitability. We cannot assure you that such litigation will not adversely affect our future business, financial condition or results of operations. Because our insurance subsidiaries were not part of our bankruptcy proceedings, the bankruptcy proceedings did not result in the discharge of any claims, including claims asserted in litigation, against our insurance subsidiaries. See "Business -- Legal Proceedings" below.

THE MARKETS IN WHICH WE OPERATE ARE HIGHLY COMPETITIVE.

Each of the markets in which we operate is highly competitive. Competitors include other life and accident and health insurers, commercial banks, thrifts, mutual funds and broker-dealers. Many of our competitors are larger companies that have greater capital, technological and marketing resources, and have access to capital at a lower cost. Recent industry consolidation, including business combinations among insurance and other financial services companies, has resulted in larger competitors with even greater financial resources. Furthermore, recent changes in federal law have narrowed the historic separation between banks and insurance companies, enabling traditional banking institutions to enter the insurance and annuity markets and further increase competition. This increasing competition may harm our ability to maintain or increase our profitability. In addition, because the actual cost of products is unknown when they are sold, we are subject to competitors who may sell a product at a price that does not cover its actual cost. There are many life and health insurance companies in the U.S., most of which currently enjoy higher financial strength ratings than we do. Some of these companies may pay higher commissions and charge lower premium rates, and many companies have more substantial resources. Publicity about our recent financial difficulties, including our bankruptcy, caused agents to place business with other insurers, and we may not be able to recapture business from these agents following our emergence from bankruptcy.

We must attract and retain sales representatives to sell our insurance and annuity products. Strong competition exists among insurance and financial services companies for sales representatives. We compete with other insurance and financial services companies for sales representatives primarily on the basis of our financial position, financial strength ratings, support services and compensation and product features. Our competitiveness for such agents also depends upon the relationships we develop with these agents. If we are unable to attract and retain sufficient numbers of sales representatives to sell our products, our ability to compete and our revenues would suffer.

WE ARE DEPENDENT ON THIRD PARTIES FOR THE DISTRIBUTION OF PRODUCTS SOLD THROUGH THE CONSECO INSURANCE GROUP SEGMENT.

Our Conseco Insurance Group segment markets and distributes its products, including specified disease insurance, Medicare supplement insurance, equity-indexed life insurance and equity-indexed annuities, exclusively through independent agents. As a result, our ability to maintain our relationships with these organizations is critical to our financial performance. This ability is dependent upon, among other things, the compensation we offer independent distributors and the overall attractiveness of our products to their customers. In addition, the distribution of our life insurance and annuity products through this channel is particularly sensitive to the financial strength ratings of our insurance subsidiaries. The downgrades of our ratings in 2002, as well as our bankruptcy, caused significant defections among our independent agents and increased our costs of retaining them, which had a material adverse effect on our results of operations and reduced our operating margins. We cannot assure you that we will be able to restore our relationships with these independent parties. In the event that we are unable to attract and retain qualified independent distributors of our products, our operations and financial results may be materially adversely affected.

WE MAY REQUIRE ADDITIONAL CAPITAL IN THE FUTURE, WHICH MAY NOT BE AVAILABLE OR MAY ONLY BE AVAILABLE ON UNFAVORABLE TERMS.

Our future capital requirements depend on many factors, including our ability to write new business successfully and to establish premium rates and reserves at levels sufficient to cover losses. We may need to raise additional funds through future financings and, if we are unable to do so, we may need to curtail our growth and reduce our assets. Any equity or debt financing, if available at all, may be on terms that are not

favorable to us. In the case of equity financings, dilution to our shareholders could result, and in any case such securities may have rights, preferences and privileges that are senior to those of the shares offered hereby. If we cannot obtain adequate capital on favorable terms or at all, our business, operating results and financial condition could be adversely affected.

A BROAD RANGE OF UNCERTAINTIES ARISING OUT OF WORLD EVENTS MAY ADVERSELY AFFECT THE INSURANCE INDUSTRY AND FINANCIAL MARKETS.

Terrorist attacks in New York City and Washington, D.C. on September 11, 2001 adversely affected commerce throughout the United States and resulted in significant disruption to the insurance industry and significant declines and volatility in financial markets. The continued threat of terrorism within the United States and abroad, the military action and heightened security measures in response to that threat and the risk of global outbreaks of illnesses such as SARS may cause additional disruptions to the insurance industry, reduced economic activity and continued volatility in markets throughout the world, which may adversely impact our financial results.

WE ARE SUBJECT TO RESIDUAL LIABILITIES RELATING TO OUR PRIOR DISPOSAL OF BUSINESSES.

We are subject to retained liabilities and indemnification obligations related to businesses we have sold. For example, we retained liabilities for certain purported class action litigation in connection with our disposal of Manhattan National Life Insurance Company in June 2002. See "Business -- Legal Proceedings." In addition, the agreements entered into in connection with our sales of CVIC and Conseco Finance Corp. ("CFC") impose continuing indemnification obligations in respect of liabilities relating to our period of ownership of such entities and other matters. We cannot assure you that we will not be subject to claims in respect of these continuing or residual obligations, or that any such claims would not be material.

[C] RISKS RELATED TO THE OFFERING

THE PRICE OF OUR COMMON STOCK MAY FLUCTUATE SIGNIFICANTLY, AND YOU COULD LOSE ALL OR PART OF YOUR INVESTMENT.

Volatility in the market price of our common stock may prevent you from being able to sell your shares at or above the price you paid for your shares. The market price of our common stock could fluctuate significantly for various reasons which include:

- our quarterly or annual earnings or those of other companies in our industry;

- the public's reaction to our press releases, our other public announcements and our filings with the Securities and Exchange Commission ("SEC");

- changes in earnings estimates or recommendations by research analysts who track our common stock or the stocks of other companies in our industry;

- new laws or regulations or new interpretations of laws or regulations applicable to our business;

- changes in accounting standards, policies, guidance, interpretations or principles;

- changes in general conditions in the U.S. and global economies or financial markets, including those resulting from war, incidents of terrorism or responses to such events; and

- sales of common stock by our directors and executive officers.

In addition, in recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the insurance industry. The changes frequently appear to occur without regard to the operating performance of these companies. The price of our common stock could drop materially based upon factors that have little or nothing to do with our Company.

If our share price is volatile, we may be the target of additional securities litigation, which is costly and time-consuming to defend. In the past, following periods of market volatility in the price of a company's securities, security holders have often instituted class action litigation. If the market value of our common stock experiences adverse fluctuations and we become involved in this type of litigation, regardless of the outcome, we could incur substantial legal costs and our management's attention could be diverted from the operation of our business, causing our business to suffer.

THERE IS A LIMITED TRADING HISTORY IN OUR COMMON STOCK AND WE CANNOT ASSURE YOU THAT AN ACTIVE MARKET WILL DEVELOP.

We emerged from bankruptcy, and our common stock was approved for listing on the NYSE, on September 10, 2003. Accordingly, there is a limited trading history in our common stock and we cannot predict whether an active market will continue in shares of our common stock or how illiquid that market might become. The liquidity of the market for shares of our common stock and the prices at which the stock trades will depend upon the amount outstanding, the number of holders thereof, the interest of securities dealers in maintaining a market in the securities and other factors beyond our control. Consequently, you may not be able to sell shares of our common stock at prices equal to or greater than the price you paid in this offering.

ISSUANCE OF ADDITIONAL COMMON STOCK OR PREFERRED STOCK COULD ADVERSELY AFFECT HOLDERS OF OUR COMMON STOCK.

We may sell additional shares of common stock in subsequent public offerings. Under certain circumstances, we are authorized to issue, without stockholder approval, over 7.0 billion additional shares of common stock. After the completion of this offering, we will have million outstanding shares of common stock (shares assuming the underwriters exercise in full their option to purchase additional shares). This number includes million shares that we are selling in this offering, which may be resold immediately in the public market. In addition, shares of our outstanding Class A Preferred Stock are convertible by holders at any time on or after September 30, 2005 into shares of our common stock. The Class A Preferred Stock outstanding as of December 31, 2003 would have been convertible into an aggregate amount of 43.2 million shares of our common stock as of such date if it was then convertible. This amount will increase as the holders receive dividends, payable in additional shares of Class A Preferred Stock, at a rate per annum equal to 10.5 percent of the liquidation preference per share, payable semi-annually until September 10, 2005, when the rate increases to 11 percent, and may increase as a result of anti-dilution adjustments. Holders of our outstanding Series A Warrants are entitled to purchase one share of our common stock at a price of $27.60 per share for each such warrant. The Series A Warrants are exercisable for an aggregate of up to 6,000,000 shares of common stock and expire on September 10, 2008. Holders of our Class B Preferred Stock issued in the concurrent offering will be entitled at their option at any time on or after the day immediately following the issue date of the Class B Preferred Stock to convert the shares of Class B Preferred Stock into an aggregate of shares of our common stock and, under specified circumstances, such shares could be convertible into an aggregate of up to shares of our common stock. In the event that we are unable to pay all accumulated dividends on the Class B Preferred Stock in cash on the mandatory conversion date pursuant to the terms thereof, we are obligated to deliver additional shares of our common stock in respect of such unpaid dividends. See "Description of Capital Stock."

In connection with our reorganization, we entered into registration rights agreements with certain of our predecessor's creditors with respect to our common stock and Class A Preferred Stock. Under these agreements, these stockholders have the right, subject to certain limitations, to require us to effect the registration of their shares upon written demand. In addition, subject to certain limitations, if we file a registration statement covering our equity securities for our own account or for the account of any holder of our equity securities (including the registration statement of which this prospectus is a part), we must offer to holders of registrable securities the opportunity to register such number of shares of registrable securities as such holder may request. See "Description of Capital Stock -- Registration Rights Agreements."

In addition, our board of directors is authorized to issue additional series of shares of preferred stock without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such series of shares of preferred stock that may be issued, including voting rights, conversion rights, dividend rights, preferences over our common stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue preferred stock in the future that has preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected. We are also authorized to issue, without stockholder approval, securities convertible into either common stock or preferred stock.

The issuance of additional common stock or securities convertible into common stock would result in dilution of existing stockholders' equity interest in us. We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock, or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

ANTI-TAKEOVER PROVISIONS IN OUR CERTIFICATE OF INCORPORATION, OUR BYLAWS AND DELAWARE LAW, AS WELL AS IN STATE INSURANCE LAWS, MIGHT DELAY, DETER OR PREVENT TAKEOVERS AND BUSINESS COMBINATIONS THAT STOCKHOLDERS CONSIDER TO BE IN THEIR BEST INTERESTS, WHICH COULD NEGATIVELY AFFECT OUR STOCK PRICE.

Provisions in our amended and restated certificate of incorporation and our second amended and restated bylaws, and applicable provisions of the Delaware General Corporation Law ("DGCL") may make it more difficult and expensive for a third party to acquire control of us, even if a change of control would be beneficial to the interests of our stockholders. These provisions could discourage potential takeover attempts and could adversely affect the market price of our common stock . These provisions may also render the removal of the current board of directors and of management more difficult. These provisions include:

- a classified board of directors, which could prevent a stockholder, or group of stockholders, having majority voting power, from obtaining control of our board of directors until the second annual meeting of stockholders following September 10, 2003, the effective date of our emergence from bankruptcy;

- advance notice requirements for stockholder proposals and director nominations;

- removal of directors only for cause prior to the second annual meeting of stockholders following September 10, 2003, the effective date of our emergence from bankruptcy; and

- the authority of our board of directors to issue, without stockholder approval, series of preferred stock with such terms as the board of directors may determine.

In addition to the foregoing, state insurance laws include provisions that may delay, deter or prevent a takeover attempt that may be in the best interests of stockholders. For instance, state insurance holding company laws and regulations applicable to us generally provide that no person may acquire control of a company, and thus indirect control of its insurance subsidiaries, unless the person has provided required information to, and the acquisition is approved or not disapproved by, the appropriate insurance regulatory authorities. Generally, any person acquiring beneficial ownership of 10 percent or more of the voting power of our capital stock would be presumed to have acquired control, unless the appropriate insurance regulatory authorities, upon advance application, determine otherwise. In addition, they may prevent stockholders from receiving the benefit from any premium over the market price of our common stock offered by a bidder in a potential takeover. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock, Class A Preferred Stock or Class B Preferred Stock if they are viewed as discouraging takeover attempts in the future.

25

[P] RISKS RELATED TO THE OFFERING

YOU ASSUME THE RISK THAT THE MARKET VALUE OF OUR COMMON STOCK MAY DECLINE.

The number of shares of our common stock that you will receive upon the conversion of your shares of Class B Preferred Stock is not fixed but instead will depend on the average of the closing price per share of our common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the mandatory conversion date, which we refer to as the applicable market value. There can be no assurance that the market value of common stock received by you on the mandatory conversion date will be equal to or greater than the effective price per share paid by you for our common stock by buying the shares of Class B Preferred Stock. If the applicable market value of the common stock is less than the initial price of $, the market value of the common stock issued to you pursuant to each share of Class B Preferred Stock on the mandatory conversion date (assuming that the market value on the mandatory conversion date is the same as the applicable market value of the common stock) will be less than the effective price per share paid by you for the common stock on the date of issuance of the shares of Class B Preferred Stock. Accordingly, you assume the risk that the market value of the common stock may decline, and the decline could be substantial.

WE COULD BE PREVENTED FROM PAYING DIVIDENDS ON SHARES OF THE CLASS B PREFERRED STOCK.

You will only receive cash dividends on shares of the Class B Preferred

Stock if we have funds legally available for the payment of dividends and such payment will not result in a default under our senior credit facility. Such funds may not be available to pay cash dividends to you, including upon mandatory conversion. For the quarter ended December 31, 2003 on an as adjusted basis to give effect to the concurrent offerings of our common stock and Class B Preferred Stock and the use of proceeds thereof as described under "Use of Proceeds," we would have been entitled to pay dividends of up to $ in compliance with our senior credit facility and in accordance with applicable law. In addition, because we are a holding company, our ability to pay cash dividends on shares of the Class B Preferred Stock may be limited by restrictions on our ability to obtain sufficient funds through dividends from our subsidiaries. See "Risk Factors -- Conseco, Inc. and CDOC, Inc. are Holding Companies and Depend on their Subsidiaries for Cash." Accordingly, there is no guarantee that we will be able to pay any cash dividends on shares of the Class B Preferred Stock.

We have agreed to deliver shares of our common stock in respect of accumulated and unpaid dividends on the mandatory conversion date in the event that we have inadequate legally available assets to pay such dividends in full in cash on such date or such payment would result in a default under our senior credit facility. We cannot assure you as to the value of any such shares of our common stock delivered in those circumstances, or whether such shares will be able to be sold promptly or at any particular price.

OUR ISSUANCE OF ADDITIONAL COMMON STOCK OR PREFERRED STOCK MAY CAUSE OUR COMMON STOCK PRICE TO DECLINE, WHICH MAY NEGATIVELY IMPACT YOUR INVESTMENT.

Issuances or sales of substantial numbers of additional shares of our common or preferred stock, including in connection with future acquisitions, if any, or the perception that such issuances or sales could occur, may cause prevailing market prices for our common stock to decline. We may sell additional shares of common stock in subsequent public offerings. As of the date of this prospectus, our amended and restated certificate of incorporation provides that we have authority to issue up to 8.0 billion shares of common stock. As of December 31, 2003, 100,115,772 shares of common stock were outstanding. Also, as of such date, there were 43.9 million shares of common stock authorized and available for issuance, 7.8 billion shares of common stock authorized and reserved for issuance upon conversion or exchange of our Class A Preferred Stock, 6.0 million shares of common stock authorized but reserved for issuance upon exercise of our Series A Warrants, and 10.0 million shares of common stock authorized and reserved for issuance under our long-term equity incentive plan (including a total of 2.0 million shares of unvested restricted stock and unvested options to purchase common stock issued to our Chief Executive Officer and Non-Executive Chairman). If all of the Class A Preferred Stock is redeemed with the proceeds of the offerings, the shares of common stock reserved for issuance upon conversion or exchange of the Class A Preferred Stock will be available for issuance for

other purposes. to shares of common stock will be issuable upon conversion of the shares of Class B Preferred Stock, assuming that all dividends on the Class B Preferred Stock are paid in cash (and an additional to shares of common stock if the underwriters exercise their option to purchase additional shares of Class B Preferred Stock in full). We will reserve for issuance the maximum number of shares of our common stock issuable upon conversion of the shares of Class B Preferred Stock at all times that the Class B Preferred Stock is convertible. See "Description of the Mandatorily Convertible Preferred Stock." Holders of our outstanding Series A Warrants are also entitled to purchase one share of our common stock at a price of $27.60 per share for each such warrant. The Series A Warrants are exercisable for an aggregate of up to 6.0 million shares of common stock and expire on

September 10, 2008. See "Description of the Mandatorily Convertible Preferred Stock" and "Description of Capital Stock." Because the value of the Class B Preferred Stock is derived in large part from the value of the underlying common stock into which it is convertible, such declines in the value of our common stock could negatively impact the value of your investment in the Class B Preferred Stock.

In connection with our Plan of Reorganization, we entered into registration rights agreements with certain of our predecessor's creditors with respect to our common stock and Class A Preferred Stock. Under these agreements, these stockholders have the right, subject to certain limitations, to require us to effect the registration of their shares upon written demand. In addition, subject to certain limitations, if we file a registration statement covering our equity securities for our own account or for the account of any holder of our equity securities (including the registration statement of which this prospectus is a part), we must offer to holders of registrable securities the opportunity to register such number of shares of registrable securities as such holder may request. See "Description of Capital Stock -- Registration Rights Agreements." In addition, our board of directors is authorized to issue additional series of shares of preferred stock without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such series of shares of preferred stock that may be issued, including voting rights, conversion rights, dividend rights, preferences over our common stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue cumulative preferred stock in the future that has preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the market price of our common stock could decrease, adversely affecting the value of our Class B Preferred Stock. We are also authorized to issue, without stockholder approval, securities convertible into either common stock or preferred stock.

THE TRADING PRICES FOR THE SHARES OF CLASS B PREFERRED STOCK WILL BE DIRECTLY AFFECTED BY THE TRADING PRICES OF OUR COMMON STOCK.

The trading prices for the shares of Class B Preferred Stock in the secondary market will be directly affected by the trading prices of our common stock, the general level of interest rates and our credit quality. It is impossible to predict whether the price of the common stock or interest rates will rise or fall. Trading prices of the common stock will be influenced by our operating results and prospects and by economic, financial and other factors. In addition, general market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, and sales of substantial amounts of common stock by us in the market after the offering of the Class B Preferred Stock, or the perception that such sales could occur, could affect the price of our common stock, and thus the price of our Class B Preferred Stock. Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of the common stock underlying the Class B Preferred Stock. Any such arbitrage could, in turn, affect the trading prices of the shares of Class B Preferred Stock and our common stock.

We emerged from bankruptcy, and our common stock was approved for listing on the NYSE, on September 10, 2003. Accordingly, there has been a limited trading history in our common stock and we cannot predict whether an active market will continue in shares of our common stock or how illiquid that market might become. The liquidity of the market for shares of our common stock and the prices at which the stock trades will depend upon the amount outstanding, the number of holders thereof, the interest of securities dealers in maintaining a market in the securities and other factors beyond our control.

Consequently, you bear the risk that the value of your investment in the Class B Preferred Stock will be negatively impacted if shares of our common stock do not trade at prices equal to or greater than the value of such common stock on the date you purchased the Class B Preferred Stock.

THE OPPORTUNITY FOR EQUITY APPRECIATION PROVIDED BY AN INVESTMENT IN OUR CLASS B PREFERRED STOCK IS LESS THAN THAT PROVIDED BY A DIRECT INVESTMENT IN OUR COMMON STOCK.

Your opportunity for equity appreciation afforded by investing in shares of our Class B Preferred Stock is less than your opportunity for equity appreciation if you directly invested in our common stock. This opportunity is less because the market value of the common stock to be received by you pursuant to the shares of Class B Preferred Stock on the mandatory conversion date (assuming that the market value is the same as the applicable market value of the common stock) will only exceed the effective price per share paid by you for our common stock on the date of issuance of the Class B Preferred Stock if the applicable market value of the common stock exceeds the threshold appreciation price of $ (which represents an appreciation of approximately   % over the initial price of $). If the applicable market value of our common stock exceeds the initial price but falls below the threshold appreciation price, you realize no equity appreciation of the common stock for the period during which you own the Class B Preferred Stock. Furthermore, if the applicable market value of our common stock equals or exceeds the threshold appreciation price, you would receive on the mandatory conversion date only approximately   % of the value of the shares of common stock you could have purchased with $ at the last reported sale price of our common stock on the date hereof.

HOLDERS OF THE SHARES OF CLASS B PREFERRED STOCK WILL HAVE NO RIGHTS AS A COMMON STOCKHOLDER UNTIL THEY ACQUIRE OUR COMMON STOCK.

Until you acquire shares of our common stock upon conversion, you will have no rights with respect to our common stock, including voting rights (except as required by applicable state law or our amended and restated certificate of incorporation, and as described under "Description of the Mandatorily Convertible Preferred Stock -- Voting Rights"), rights to respond to tender offers and rights to receive any dividends or other distributions on our common stock. Upon conversion, you will be entitled to exercise the rights of a holder of common stock only as to matters for which the record date occurs after the conversion date. For example, in the event that an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to delivery of the common stock, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

OUR CLASS B PREFERRED STOCK HAS NEVER BEEN PUBLICLY TRADED AND AN ACTIVE TRADING MARKET FOR SUCH STOCK MAY NOT DEVELOP.

Prior to this offering, there has been no public market for the shares of Class B Preferred Stock. Although we intend to apply to list the shares of Class B Preferred Stock on the NYSE, we cannot assure you that an active trading market will develop, or, if developed, will be maintained. Also, the underwriters have advised us that they intend to facilitate secondary market trading by making a market in the shares of Class B Preferred Stock. However, the underwriters are not obligated to make a market in the shares of Class B Preferred Stock and may discontinue market making activities at any time.

THE SHARES OF CLASS B PREFERRED STOCK WILL RANK JUNIOR TO ALL OF OUR AND OUR SUBSIDIARIES' LIABILITIES IN THE EVENT OF A BANKRUPTCY, LIQUIDATION OR WINDING

UP OF OUR ASSETS.

In the event of bankruptcy, liquidation or winding up, our assets will be available to pay obligations on the Class B Preferred Stock only after all of our liabilities have been paid and only on a pari passu basis with any pari passu preferred stock we may issue hereafter. In addition, the Class B Preferred Stock will effectively rank junior to all existing and future liabilities of our subsidiaries and the capital stock (other than common stock) of our subsidiaries held by third parties, if any, and thus rights of holders of the shares of

Class B Preferred Stock to participate in the assets of our subsidiaries upon any liquidation or reorganization of any subsidiary will be subject to the prior claims of that subsidiary's creditors and equity holders. As of September 30, 2003, we had approximately $27.1 billion of total liabilities (excluding indebtedness to our subsidiaries). In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets remaining, after paying our and our subsidiaries' liabilities, to pay amounts due on the Class B Preferred Stock then outstanding. To the extent we have assets remaining after paying our and our subsidiaries' liabilities, we are obligated to pay amounts due on any parity stock then outstanding on a pari passu basis with amounts due on any or all the shares of Class B Preferred Stock then outstanding.

THE SHARES OF CLASS B PREFERRED STOCK PROVIDE LIMITED CONVERSION RATE ADJUSTMENTS.

The number of shares of common stock that you are entitled to receive on the mandatory conversion date, or as a result of early conversion of a share of Class B Preferred Stock, is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, cash dividends and certain other actions by us that modify our capital structure. See "Description of the Mandatorily Convertible Preferred Stock -- Anti-Dilution Adjustments." We will not adjust the conversion rate for other events, including offerings of common stock for cash by us or in connection with acquisitions. We cannot assure you that an event that adversely affects the value of the shares of Class B Preferred Stock, but does not result in an adjustment to the conversion rate, will not occur. Further, we are not restricted from issuing additional common stock during the term of the Class B Preferred Stock and have no obligation to consider your interests for any reason. If we issue additional shares of common stock, it may materially and adversely affect the price of our common stock and, because of the relationship of the number of shares to be received on the mandatory date to the price of the common stock, such other events may adversely affect the trading price of the shares of Class B Preferred Stock.

YOU MAY HAVE TO PAY TAXES WITH RESPECT TO DISTRIBUTIONS ON OUR COMMON STOCK THAT YOU DO NOT RECEIVE.

The number of shares of common stock that you are entitled to receive on the mandatory conversion date, or as a result of early conversion of the shares of Class B Preferred Stock, is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, certain cash dividends and certain other actions by us that modify our capital structure. See "Description of the Mandatorily Convertible Preferred Stock -- Anti-Dilution Adjustments." If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, you would be required to include an amount in income for federal income tax purposes, notwithstanding the fact that you do not actually receive such distribution. The amount that you will generally have to include in income would be the fair market value of the additional common stock to which you would be entitled by reason of the increase in your proportionate equity interest in the company to the extent of our current and accumulated earnings and profits. In addition, non-U.S. holders of shares of Class B Preferred Stock may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal withholding tax requirements.

ANTI-TAKEOVER PROVISIONS IN OUR CERTIFICATE OF INCORPORATION, OUR BYLAWS AND DELAWARE LAW, AS WELL AS IN STATE INSURANCE LAWS, MIGHT DELAY, DETER OR PREVENT TAKEOVERS AND BUSINESS COMBINATIONS THAT STOCKHOLDERS CONSIDER TO BE IN THEIR BEST INTERESTS, WHICH COULD NEGATIVELY AFFECT OUR STOCK PRICE.

Provisions in our amended and restated certificate of incorporation and our second amended and restated bylaws, and applicable provisions of the DGCL may make it more difficult and expensive for a third party to acquire control of us, even if a change of control would be beneficial to the interests of our stockholders. These provisions could discourage potential takeover attempts and could adversely affect the market price of our common stock, and thus the market price of the Class B Preferred Stock. These provisions may also render the removal of the current board of directors and of management more difficult. These provisions include:

- a classified board of directors, which could prevent a stockholder, or group of stockholders, having majority voting power, from obtaining control of our board of directors until the second annual

meeting of stockholders following September 10, 2003, the effective date of our emergence from bankruptcy;

- advance notice requirements for stockholder proposals and director nominations;

- removal of directors only for cause prior to the second annual meeting of stockholders following September 10, 2003, the effective date of our emergence from bankruptcy; and

- the authority of our board of directors to issue, without stockholder approval, series of preferred stock with such terms as the board of directors may determine.

In addition to the foregoing, state insurance laws include provisions that may delay, deter or prevent a takeover attempt that may be in the best interests of stockholders. For instance, state insurance holding company laws and regulations applicable to us generally provide that no person may acquire control of a company, and thus indirect control of its insurance subsidiaries, unless the person has provided required information to, and the acquisition is approved or not disapproved by, the appropriate insurance regulatory authorities. Generally, any person acquiring beneficial ownership of 10 percent or more of the voting power of our capital stock would be presumed to have acquired control, unless the appropriate insurance regulatory authorities, upon advance application, determine otherwise. In addition, they may prevent stockholders from receiving the benefit from any premium over the market price of our common stock offered by a bidder in a potential takeover. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock and Class B Preferred Stock if they are viewed as discouraging takeover attempts in the future.

OUR RECENT EMERGENCE FROM BANKRUPTCY

On December 17, 2002, our predecessor and certain of its non-insurance company subsidiaries filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the "Bankruptcy Court"). We emerged from bankruptcy protection under the Plan of Reorganization, which was confirmed pursuant to an order of the Bankruptcy Court on September 9, 2003 (the "Confirmation Date"), and became effective on September 10, 2003. Upon the confirmation of the Plan of Reorganization, we implemented fresh start accounting in accordance with Statement of Position 90-7 "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" ("SOP 90-7"). Our accounting and actuarial systems and procedures are designed to produce financial information as of the end of a month. Accordingly, for accounting convenience purposes, we applied the effects of fresh start accounting on August 31, 2003. The activity of the Company for the period from September 1, 2003 through September 10, 2003 is therefore included in the successor's statement of operations and excluded from the predecessor's statement of operations. See "Selected Consolidated Financial and Operating Data" and "Basis of Presentation" and "Fresh Start Reporting" in our unaudited consolidated financial statements included elsewhere in this prospectus for more information on fresh start accounting.

The Plan of Reorganization generally provided for the full payment or reinstatement of allowed administrative claims, priority claims, fully secured claims and certain intercompany claims, and the distribution of new equity securities (including warrants) to partially secured and unsecured creditors of our predecessor. Holders of claims arising under our predecessor's $1.5 billion senior bank credit facility also received a pro rata interest in our Senior Credit Facility. Holders of our predecessor's common stock and preferred stock did not receive any distribution under the Plan of Reorganization, and these securities, together with all other prepetition securities and the $1.5 billion senior bank credit facility of our predecessor, were cancelled on the Effective Date.

On the Effective Date, under the terms of the Plan of Reorganization, we emerged from the bankruptcy proceedings with a capital structure consisting of:

- our $1.3 billion Senior Credit Facility;

- approximately 34.4 million shares of Class A Preferred Stock with an initial aggregate liquidation preference of approximately $859.7 million;

- 100.0 million shares of common stock, excluding shares issued to our new non-executive chairman upon his appointment and shares issued or to be issued to directors, officers or employees under a new equity incentive plan; and

- warrants to purchase 6.0 million shares of our common stock (the "Series A Warrants").

Under the terms of the Plan of Reorganization, we distributed the equity securities to the creditors of our predecessor in the amounts outlined below:

- lenders under our predecessor's senior bank credit facility and director and officer loan program received approximately 34.4 million shares of our Class A Preferred Stock, with an initial aggregate liquidation preference of $859.7 million;

- holders of our predecessor's senior notes received approximately 32.3 million shares of our common stock;

- holders of our predecessor's guaranteed senior notes received approximately 60.6 million shares of our common stock;

- holders of our predecessor's general unsecured claims received approximately 3.8 million shares of our common stock; and

- holders of trust preferred securities issued by our predecessor's subsidiary trusts received approximately 1.5 million shares of our common stock and Series A Warrants to purchase 6.0 million shares of our common stock at an exercise price of $27.60 per share.

The distribution of our common stock summarized above represents approximately 98 percent of all of the shares of common stock to be distributed under the Plan of Reorganization. As of December 31, 2003, approximately 1.8 million shares of common stock have been reserved for distribution under the Plan of Reorganization in respect of disputed claims, the resolution of which is still pending. If reserved shares remain after resolution of these disputed claims, then the reserved shares will be reallocated to other general unsecured creditors of our predecessor as provided for under the Plan of Reorganization.

As part of our Chapter 11 reorganization, we sold substantially all of the assets of our predecessor's finance business and exited from this line of business. Our finance business was conducted through our predecessor's indirect wholly-owned subsidiary, CFC. We accounted for our finance business as a discontinued operation in 2002 once we formalized our plans to sell it. On April 1, 2003, CFC and 22 of its direct and indirect subsidiaries, which collectively comprised substantially all of the finance business, filed liquidating plans of reorganization with the Bankruptcy Court in order to facilitate the sale of this business. The sale of the finance business was completed in the second quarter of 2003. We did not receive any proceeds from this sale in respect of our interest in CFC, nor did any creditors of our predecessor. As of March 31, 2003, we ceased to include the assets and liabilities of CFC on our predecessor's consolidated balance sheet.

For a complete discussion of the distributions provided for under the Plan of Reorganization, you should refer to the complete text of the Plan of Reorganization confirmed by the Bankruptcy Court, which is filed as an exhibit to the registration statement of which this prospectus forms a part.

[P] RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO FIXED CHARGES, PREFERRED STOCK DIVIDENDS, AND DISTRIBUTIONS ON COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUSTS

The following table sets forth our ratio of earnings to fixed charges and our ratio of earnings to fixed charges, preferred stock dividends and distributions on company-obligated mandatorily redeemable preferred securities of subsidiary trusts for the periods indicated. For purposes of the table, "earnings" represent consolidated net income (loss) before income taxes, minority interest, discontinued operations, extraordinary gain (loss), cumulative effect of accounting change and fixed charges, as defined below.

"Fixed charges" for the "ratio of earnings to fixed charges as reported" consist of:

- interest expense on corporate debt, including amortization;

- interest expense on investment borrowings;

- interest added to policyholder account balances; and

- the portion of rental expense we deem representative of the interest factor.

"Fixed charges" for the "ratio of earnings to fixed charges excluding interest added to policyholder balances" consist of:

- interest expense on corporate debt, including amortization;

- interest expense on investment borrowings; and

- the portion of rental expense we deem representative of the interest factor.

We calculate the "ratio of fixed charges excluding interest added to policyholder account balances" as a measure of our historical ability to meet our interest obligations related to corporate debt and investment borrowings, without consideration of insurance policy benefits credited to policyholders in the form of interest.

"Preferred stock dividends" and "distributions on company-obligated mandatorily redeemable preferred securities of subsidiary trusts" consist of income before taxes that is required to pay dividends or distributions on such securities. For further information with respect to the following table, please see Exhibit 12.1 to the registration statement of which this prospectus is a part.

	SUCCESSOR	PREDECESSOR				
	ONE MONTH ENDED SEPTEMBER 30, 2003	EIGHT MONTHS ENDED AUGUST 31, 2003(A)	YEAR ENDED DECEMBER 31			
			2002	2001	2000	1999
Ratio of earnings to fixed charges:						
As reported	1.82x	4.94x	(b)	(d)	(f)	2.10x
Excluding interest added to policyholder account balances	5.61x	10.04x	(b)	(d)	(f)	4.24x
Ratio of earnings to fixed charges, preferred stock dividends and distributions on company-obligated mandatorily redeemable preferred securities of subsidiary trusts:						
As reported	1.54x	4.94x	(c)	(e)	(g)	1.72x
Excluding interest added to policyholder account balances	2.80x	10.04x	(c)	(e)	(g)	2.55x

----

(a) Earnings for the eight months ended August 31, 2003 included reorganization items totaling $2,130.5 million. The reorganization items included: (1) $3,151.4 million related to the gain on the discharge of prepetition liabilities; (2) $(950.0) million related to fresh start adjustments; and (3) $(70.9) million related to professional fees. The ratios for the eight months ended August 31, 2003, excluding such reorganization items, would be as follows: (1) ratio of earnings to fixed charges -- 1.08x; and (2) ratio of earnings to fixed charges excluding interest added to policyholder account balances -- 1.17x. There were no preferred stock dividends or distributions on company-obligated mandatorily redeemable preferred securities of subsidiary trusts during the eight months ended August 31, 2003.

(b) For such ratios, earnings were $1,632.2 million less than fixed charges. Earnings for the year ended December 31, 2002 included: (1) special and reorganization charges of $110.9 million; (2) goodwill impairment charges of $500 million; and (3) provision for losses related to loan guarantees of $240.0 million, as described in greater detail in the notes to the consolidated financial statements included in this prospectus.

(c) For such ratios, earnings were $1,808.6 million less than fixed charges. Earnings for the year ended December 31, 2002 included: (1) special and reorganization charges of $110.9 million; (2) goodwill impairment charges of $500 million; and (3) provision for losses related to loan guarantees of $240.0 million, as described in greater detail in the notes to the consolidated financial statements included in this prospectus.

(d) For such ratios, earnings were $243.4 million less than fixed charges. Earnings for the year ended December 31, 2001 included: (1) special charges of $80.4 million; and (2) provision for losses related to loan guarantees of $169.6 million, as described in greater detail in the notes to the consolidated financial statements included in this prospectus.

(e) For such ratios, earnings were $447.1 million less than fixed charges. Earnings for the year ended December 31, 2001 included: (1) special charges of $80.4 million; and (2) provision for losses related to loan guarantees of $169.6 million, as described in greater detail in the notes to the consolidated financial statements included in this prospectus.

(f) For such ratios, earnings were $777.5 million less than fixed charges. Earnings for the year ended December 31, 2000 included: (1) special charges of $305.0 million; and (2) provision for losses related to loan guarantees of $231.5 million, as described in greater detail in the notes to the consolidated financial statements included in this prospectus.

(g) For such ratios, earnings were $1,018.0 million less than fixed charges. Earnings for the year ended December 31, 2000 included: (1) special charges of $305.0 million; and (2) provision for losses related to loan guarantees of $231.5 million, as described in greater detail in the notes to the consolidated financial statements included in this prospectus.

34

USE OF PROCEEDS

[C] Net proceeds from the offering of the common stock will be approximately $ million, or $ million if the underwriters exercise in full their option to purchase additional shares of common stock in the offering, assuming a public offering price of $ per share, and after deducting underwriting discounts and commissions and the estimated expenses of the offering. Concurrently with the offering of the common stock, we are offering shares of Class B Preferred Stock. The closing of the common stock offering is not conditioned upon the closing of the Class B Preferred Stock offering.

[P] Net proceeds from the offering of the Class B Preferred Stock will be approximately $ million, or $ million if the underwriters exercise in full their option to purchase additional shares of Class B Preferred Stock in the offering, assuming a public offering price of $ per share, and after deducting underwriting discounts and commissions and the estimated expenses of the offering. Concurrently with the offering of the Class B Preferred Stock, we are offering shares of common stock. The closing of the Class B Preferred Stock offering is conditioned upon the closing of the common stock offering and upon having sufficient net proceeds from the offerings to redeem all of our outstanding Class A Preferred Stock.

We expect to use the net proceeds from the offering of the common stock and the Class B Preferred Stock in one or more of the following ways:

- to redeem shares of our Class A Preferred Stock,

- to repay indebtedness under our Senior Credit Facility, which matures in 2009 and currently has a weighted average interest rate of 7.8 percent,

- to contribute capital to our insurance subsidiaries, and/or

- for general corporate purposes.

PRICE RANGE OF OUR COMMON STOCK

All of our predecessor's common stock was cancelled pursuant to the Plan of Reorganization, which became effective September 10, 2003. Our common stock has traded on the NYSE under the symbol "CNO" since September 12, 2003. The high and low sale prices of our common stock, as reported on the NYSE, for the quarterly periods (beginning September 12, 2003) are set forth below. On January 28, 2004, the last reported sale price of our common stock on the NYSE was $22.94. As of January 21, 2004, there were 100,115,772 shares of our common stock outstanding, and there were approximately 65,000 holders of our common stock.

	CONSECO COMMON STOCK	
	HIGH	LOW
2003		
Third Quarter (beginning September 12)....................	$22.50	$17.70
Fourth Quarter...	22.18	18.05
2004		
First Quarter (through January 27).......................	$23.89	$20.90

DIVIDEND POLICY

We have not declared or paid any cash dividends on our common stock since our emergence from bankruptcy, nor do we expect to pay any cash dividends on our common stock for the foreseeable future. We intend to pay cash dividends on our Class B Preferred Stock in accordance with its terms. We currently intend to retain any additional future earnings to finance our operations and growth. Any future determination to pay cash dividends on our common stock will be at the discretion of our board of directors and will be dependent on our earnings, financial condition, operating results, capital requirements, any contractual restrictions, regulatory and other restrictions on the payment of dividends by our subsidiaries to us, and other factors that our board of directors deems relevant. In addition, our Senior Credit Facility contains limitations on our ability to declare and pay cash dividends. Moreover, the payment of dividends on our common stock is subject to our prior satisfaction of our obligations under any outstanding shares of preferred stock with preference as to the payment of dividends, including our existing Class A Preferred Stock and Class B Preferred Stock.

As an insurance holding company, the assets of which consist primarily of direct and indirect equity interests in our insurance company subsidiaries, our ability to pay dividends to our stockholders and meet our other obligations, including operating expenses and debt service, depends primarily on the receipt of dividends and other payments from our insurance company subsidiaries. The payment of dividends by Conseco Life Insurance Company of Texas, our top tier insurance holding company, is regulated under the insurance laws of the State of Texas. See "Risk Factors -- Conseco, Inc. and CDOC, Inc. are Holding Companies and Depend on their Subsidiaries for Cash," and "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

CAPITALIZATION

The following table sets forth, as of September 30, 2003, our actual consolidated capitalization and our capitalization as adjusted to give effect to:

- the sale of shares of common stock at a public offering price of $ per share; and

- the sale of shares of Class B Preferred Stock at a public offering price of $ per share (which sale is conditioned upon the closing of the common stock offering); and

- the application of the estimated net proceeds from the offerings as set forth under "Use of Proceeds" as if the offerings had occurred as of September 30, 2003.

The table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited consolidated financial statements and the related notes thereto appearing elsewhere in this prospectus.

	AS OF SEPTEMBER 30, 2003	
	ACTUAL	AS ADJUSTED
	(IN MILLIONS)	
Notes payable...	$1,300.0	$
Equity:		
Preferred Stock, par value $0.01 per share, 265,000,000 authorized:		
34,386,740 shares of Class A Preferred Stock issued and outstanding actual; shares of Class A		

Preferred Stock issued and outstanding as adjusted..	865.0	
No shares of Class B Preferred Stock issued and outstanding actual; shares of Class B Preferred Stock issued and outstanding as adjusted..	--	
Common Stock, par value $0.01 per share, 8,000,000,000 authorized 100,098,119 shares issued and outstanding actual, shares issued and outstanding as adjusted...	1.0	
Additional paid-in-capital................................	1,639.3	
Accumulated other comprehensive income....................	273.2	
Retained earnings...	18.9	
Total equity..	2,797.4	
Total capitalization.............................	$4,097.4	$

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The following table sets forth selected financial data for Conseco, Inc. as of and for each of the five years ended December 31, 2002, as of and for the eight months ended August 31, 2003, and as of and for the one month ended September 30, 2003. The data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included in this prospectus.

Our predecessor and certain of its subsidiaries emerged from Chapter 11 bankruptcy proceedings on September 10, 2003. However, for accounting convenience, the effective date of the plan was deemed to have occurred on August 31, 2003. Fresh start accounting has been implemented as of August 31, 2003, and accordingly, we restated all of our assets and liabilities to their current estimated value, reestablished shareholders' equity at the reorganization value determined in connection with our plan of reorganization, and recorded the portion of the reorganization value which could not be attributed to specific tangible or identified intangible assets as goodwill. As a result, our financial statements for periods following August 31, 2003, are not comparable with those prepared before that date.

For financial reporting purposes, we refer to Conseco and its subsidiaries on or prior to August 31, 2003 as the predecessor company and after August 31, 2003 as the successor company.

As part of our Chapter 11 reorganization, we sold the assets of our finance business and exited this line of business effective March 31, 2003. In October 2002, we sold CVIC, our primary writer of variable annuity products. The results of operations of these former businesses have been reported as discontinued operations in all periods presented in the selected financial data prior to their sale. The predecessor's net income (loss) includes amounts related to the discontinued operations of $(2,216.8) million, $(100.6) million, $(381.9) million, $117.3 million, $(53.7) million and $16.0 million for the years ended December 31, 2002, 2001, 2000, 1999 and 1998 and for the eight months ended August 31, 2003, respectively. The sales of these businesses further affect the comparability of the selected financial data.

We have derived the selected financial data for the years ended December

31, 2002, 2001 and 2000 and as of December 31, 2002 and 2001 from the predecessor's audited consolidated financial statements included in this prospectus. We have derived the selected financial data for the years ended December 31, 1999 and 1998 and as of December 31, 2000, 1999 and 1998 from our audited consolidated financial statements not included in this prospectus. We have derived the selected statement of operations data for the one month ended September 30, 2003 and the eight months ended August 31, 2003 and the selected balance sheet data as of September 30, 2003 and August 31, 2003 from our unaudited interim condensed consolidated financial statements included in this prospectus.

The unaudited interim historical consolidated financial data presented in the table below reflects all adjustments, consisting only of normal, recurring accruals, that we consider necessary for a fair presentation of our consolidated financial position and results of operations for such periods and as of such dates. The results of operations for the interim periods are not necessarily indicative of the results to be expected for a full year.

We have prepared the selected financial data, other than statutory data, in conformity with GAAP. We have derived the statutory data from the statements filed by our insurance subsidiaries with regulatory authorities and have prepared the statutory data in accordance with statutory accounting practices, which vary in certain respects from GAAP.

You should read the following in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and notes thereto included in this prospectus.

	SUCCESSOR	PREDECESSO		
	AS OF OR FOR THE ONE MONTH ENDED SEPT. 30, 2003	AS OF OR FOR THE EIGHT MONTHS ENDED AUGUST 31, 2003	YEARS END	
			2002	2001
	(AMOUNTS IN MILLIONS, EXCEPT PER S			
STATEMENT OF OPERATIONS DATA(a)				
Insurance policy income.................	$ 256.2	$ 2,204.3	$ 3,602.3	$ 3,992.7 $
Net investment income...................	101.2	969.0	1,334.3	1,550.0
Net realized investment gains (losses)..............................	6.7	(5.4)	(556.3)	(340.0)
Total revenues..........................	366.3	3,202.2	4,450.4	5,492.0
Interest expense on corporate notes payable and investment borrowings (contractual interest: $268.5 for the eight months ended August 31, 2003; and $345.3 for 2002).................	7.0	202.5	341.9	400.0
Total benefits and expenses.............	328.5	1,030.0	6,082.6	5,735.4
Income (loss) before income taxes, minority interest, discontinued operations and cumulative effect of accounting change....................	37.8	2,172.2	(1,632.2)	(243.4)
Cumulative effect of accounting change, net of income tax....................	--	--	(2,949.2)	--

Net income (loss)	24.2	2,201.7	(7,835.7)	(405.9)	
Preferred stock dividends	5.3	--	2.1	12.8	
Net income (loss) applicable to common stock	18.9	2,201.7	(7,837.8)	(418.7)	
PER SHARE DATA					
Net income, basic	$ .19				
Net income, diluted	$ .17				
Book value per common share outstanding	$ 19.31				
Weighted average shares outstanding for basic earnings	100.1				
Weighted average shares outstanding for diluted earnings	144.7				
Shares outstanding at period-end	100.1				
BALANCE SHEET DATA -- AT PERIOD END					
Total investments	$22,415.8	$22,018.3	$21,783.7	$25,067.1	$
Goodwill	935.4	99.4	100.0	3,695.4	
Total assets	29,859.9	28,318.1	46,509.0	61,432.2	
Corporate notes payable and commercial paper	1,300.0	--	--	4,085.0	
Liabilities subject to compromise	--	6,951.4	4,873.3	--	
Total liabilities	27,062.5	30,519.5	46,637.9	54,764.7	
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts	--	--	1,921.5	1,914.5	
Shareholders' equity (deficit)	2,797.4	(2,201.4)	(2,050.4)	4,753.0	
STATUTORY DATA(b)					
Statutory capital and surplus	$ 1,412.4		$ 1,064.4	$ 1,649.8	$
Asset valuation reserve ("AVR")	78.4		11.6	105.1	
Total statutory capital and surplus and AVR	1,490.8		1,076.0	1,754.9	

(a) Our financial condition and results of operations have been significantly affected during the periods presented by the discontinued finance operations. Please refer to note 17 to the audited consolidated financial statements of our predecessor included elsewhere in this prospectus.

(b) We have derived the statutory data from statements filed by our insurance subsidiaries with regulatory authorities and have prepared the statutory data in accordance with statutory accounting principles, which vary in certain respects from GAAP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following analysis of the consolidated results of our operations and financial condition should be read in conjunction with "Selected Consolidated Financial and Operating Data," and the consolidated financial statements and the related notes to the financial statements and the other financial information included elsewhere in this prospectus.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Our narrative analysis below and elsewhere in this prospectus contains forward-looking statements within the meaning of the federal securities laws and the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically are identified by the use of terms such as "may," "will," "should," "expect," "anticipate," "believe," "estimate," "intend" and similar words, although some forward-looking statements are expressed differently. You should consider statements that contain these words carefully because they describe our expectations, plans, strategies and goals and our beliefs concerning future business conditions, our results of operations, financial position, and our business outlook or they state other "forward-looking" information based on currently available information. The "Risk Factors" section of this prospectus provides examples of risks, uncertainties and events that could cause our actual results to differ materially from the expectations expressed in our forward-looking statements. Assumptions and other important factors that could cause our actual results to differ materially from those anticipated in our forward-looking statements include, among other things:

- the potential adverse impact of our predecessor's Chapter 11 petition on our business operations, and relationships with our customers, employees, regulators, distributors and agents;

- our ability to operate our business under the restrictions imposed by our senior bank credit facility or future credit facilities;

- our ability to improve the financial strength ratings of our insurance company subsidiaries and the impact of recent ratings downgrades on our business;

- general economic conditions and other factors, including prevailing interest rate levels, stock and credit market performance and health care inflation, which may affect (among other things) our ability to sell products and access capital on acceptable terms, the market value of our investments, and the lapse rate and profitability of policies;

- our ability to achieve anticipated synergies and levels of operational efficiencies;

- customer response to new products, distribution channels and marketing initiatives;

- mortality, morbidity, usage of health care services, persistency and other factors which may affect the profitability of our insurance products;

- performance of our investments;

- changes in Federal income tax laws and regulations which may affect or eliminate the relative tax advantages of some of our products;

- increasing competition in the sale of insurance and annuities;

- regulatory changes or actions, including those relating to regulation of the financial affairs of our insurance companies, including the payment of dividends to us, regulation of financial services affecting (among other things) bank sales and underwriting of insurance products, regulation of the sale, underwriting and pricing of products, and health care regulation affecting health insurance products;

- the ultimate outcome of lawsuits filed against us and other legal and regulatory proceedings to which we are subject; and

- the risk factors or uncertainties listed from time to time in our filings with the Securities and Exchange Commission.

Other factors and assumptions not identified above are also relevant to the forward-looking statements, and if they prove incorrect, could also cause actual results to differ materially from those projected. The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

OVERVIEW

We are a holding company for a group of insurance companies operating throughout the United States that develop, market and administer supplemental health insurance, annuity, individual life insurance and other insurance products. We focus on serving the senior and middle-income markets, which we believe are attractive, high growth markets. We sell our products through three distribution channels: career agents, professional independent producers (some of whom sell one or more of our product lines exclusively) and direct marketing.

We conduct our business operations through two primary operating segments, based on method of product distribution, and a third segment comprised of businesses in run-off. Prior to September 30, 2003, we conducted our insurance operations through one segment. In the fourth quarter of 2003, we implemented changes contemplated in our restructuring plan to conduct our business through the following segments:

- BANKERS LIFE, which consists of the businesses of Bankers Life & Casualty and Colonial Penn. Bankers Life & Casualty markets and distributes Medicare supplement insurance, life insurance, long-term care insurance and fixed annuities to the senior market through approximately 4,000 exclusive career agents and sales managers. Colonial Penn markets graded benefit and simplified issue life insurance directly to consumers through television advertising, direct mail, the internet and telemarketing. Both Bankers Life & Casualty and Colonial Penn market their products under their own brand names.

- CONSECO INSURANCE GROUP, which markets and distributes specified disease insurance, Medicare supplement insurance, and certain life and annuity products to the senior and middle-income markets through over 500 IMOs that represent over 9,100 producing independent agents. This segment markets its products under the "Conseco" brand.

- OTHER BUSINESS IN RUN-OFF, which includes blocks of business that we no longer market or underwrite. This segment consists of long-term care insurance sold through independent agents and major medical insurance.

We also have a corporate segment, which consists of holding company activities and certain non-insurance company businesses that are not related to our operating segments.

We have restated all historical periods presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations" to reflect our new segments.

We emerged from bankruptcy protection under our Plan of Reorganization, which was confirmed pursuant to an order of the Bankruptcy Court on September 9, 2003, and became effective on September 10, 2003. Upon the confirmation of the Plan, we implemented fresh start accounting in accordance with SOP 90-7. Our accounting and actuarial systems and procedures are designed to produce financial information as of the end of a month. Accordingly, for accounting convenience purposes, we applied the effects of fresh start accounting on August 31, 2003. The activity of the Company for the period September 1, 2003 through September 10, 2003 is therefore included in the successor's statement of

operations and excluded from the predecessor's statement of operations. We believe the net income impact of the use of the convenience date is immaterial.

In accordance with SOP 90-7, we restated all of our assets and liabilities to their current estimated value, reestablished shareholders' equity at the reorganization value determined in connection with our Plan of Reorganization and recorded the portion of the reorganization value which could not be attributed to specific tangible or identified intangible assets as goodwill. As a result, our financial statements for periods following August 31, 2003, are not comparable with those prepared before that date.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management has made estimates in the past that we believed to be appropriate but were subsequently revised to reflect actual experience. If our future experience differs materially from these estimates and assumptions, our results of operations and financial condition could be affected.

We base our estimates on historical experience and other assumptions that we believe are reasonable under the circumstances. We continually evaluate the information used to make these estimates as our business and the economic environment change. The use of estimates is pervasive throughout our financial statements. The accounting policies and estimates we consider most critical are summarized below. Additional information on our accounting policies is included in the note to our predecessor's consolidated financial statements for the year ended December 31, 2002 entitled "Summary of Significant Accounting Policies".

INVESTMENTS

At September 30, 2003, the carrying value of our investment portfolio was $22.4 billion. The accounting risks associated with these assets relate to the recognition of income, our determination of other-than-temporary impairments and our estimation of fair values.

We defer any fees received or costs incurred when we originate investments. We amortize fees, costs, discounts and premiums as yield adjustments over the contractual lives of the investments. We consider anticipated prepayments on structured securities in determining estimated yields on such securities. Adjustments to yields as a result of actual prepayments being different than anticipated are recognized as investment income (loss).

When we sell a security (other than trading securities or venture capital investments), we report the difference between the sale proceeds and the amortized cost (determined based on specific identification) as a realized investment gain or loss.

We regularly evaluate all of our investments for possible impairment based on current economic conditions, credit loss experience and other investee-specific developments. If there is a decline in a security's net realizable value that is other than temporary, the decline is recognized as a realized loss and the cost basis of the security is reduced to its estimated fair value. For 2002, we recorded $556.8 million of writedowns of fixed maturities, equity securities and other invested assets as a result of conditions that caused us to conclude a decline in the fair value of the investments was other than temporary. During the eight months ended August 31, 2003, we recorded writedowns of fixed maturity investments totaling $45.9 million. During the one month ended September 30, 2003, we did not record any writedowns of fixed maturity investments.

If a decline in value is determined to be other than temporary and the cost basis of the security is written down to fair value, we review the circumstances which caused us to believe that the decline was other than temporary with respect to other investments in our portfolio. If such circumstances exist with respect to other investments, those investments are also written down to fair value. Future events may occur, or additional or updated information may become available, which may necessitate future realized losses of

securities in our portfolio. Significant losses in the carrying value of our investments could have a material adverse effect on our earnings in future periods.

Our evaluation of investments for impairment requires significant judgments to be made, including: (1) the identification of potentially impaired securities; (2) the determination of their estimated fair value; and (3) assessment of whether any decline in estimated fair value is other than temporary. Our periodic assessment of whether unrealized losses are "other than temporary" also requires significant judgment. Factors considered include: (1) the extent to which market value is less than the cost basis; (2) the length of time that the market value has been less than cost; (3) whether the unrealized loss is event driven, credit-driven or a result of changes in market interest rates; (4) the near-term prospects for improvement in the issuer and/or its industry; (5) whether the investment is investment grade and our security analyst's view of the investment's rating and whether the investment has been downgraded since its purchase; (6) whether the issuer is current on all payments in accordance with the contractual terms of the investment and is expected to meet all of its obligations under the terms of the investment; (7) our ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery; and (8) the underlying asset and enterprise values of the issuer. If new information becomes available or the financial condition of the investee changes, our judgments may change resulting in the recognition of a realized investment loss at that time. At September 30, 2003, our net accumulated other comprehensive income included gross unrealized losses on investments of $20.0 million; we consider all such declines in estimated fair value to be temporary.

Estimated fair values for our investments are determined based on estimates from nationally recognized pricing services, broker-dealer market makers and internally developed methods. Our internally developed methods require us to make judgments about the security's credit quality, liquidity and market spread.

Below-investment grade securities have different characteristics than investment grade corporate debt securities. Risk of loss upon default by the borrower is significantly greater with respect to below-investment grade securities than with other corporate debt securities. Below-investment grade securities are generally unsecured and are often subordinated to other creditors of the issuer. Also, issuers of below-investment grade securities usually have higher levels of debt and are more sensitive to adverse economic conditions, such as recession or increasing interest rates, than are investment grade issuers. We attempt to reduce the overall risk in the below-investment grade portfolio, as in all investments, through careful credit analysis, strict investment policy guidelines, and diversification by issuer and/or guarantor and by industry.

During 2002, we sold $11.3 billion of fixed maturity investments which resulted in gross realized investment losses (before income taxes) of $251.8 million. During the first eight months of 2003, we sold $2.7 billion of fixed maturity investments which resulted in gross realized investment losses (before income taxes) of $59.4 million. During the one month ended September 30, 2003, we sold $50.9 million of fixed maturity investments which resulted in gross realized investment losses (before income taxes) of $0.8 million. Securities sold at a loss are sold for a number of reasons including: (1) changes in the investment environment; (2) expectation that the market value could deteriorate further; (3) desire to reduce our exposure to an issuer or an industry; (4) changes in credit quality; and (5) our analysis indicating there is a high probability that the security is other-than-temporarily impaired.

We seek to closely match the estimated duration of our invested assets to the expected duration of our insurance liabilities. When the estimated durations of assets and liabilities are similar, exposure to interest rate risk is minimized because a change in the value of assets should be largely offset by a change in the value of liabilities. A mismatch of the durations of invested assets and insurance liabilities could have a significant impact on our results of operations and financial position. See "-- Quantitative and Qualitative Disclosures About Market Risks" for additional discussion of the duration of our invested assets and insurance liabilities.

VALUE OF POLICIES INFORCE AT THE EFFECTIVE DATE AND COST OF POLICIES PRODUCED

In conjunction with the implementation of fresh start accounting, we eliminated the historical balances of our predecessor's cost of policies purchased and cost of policies produced as of the Effective Date and replaced them with the value of policies inforce.

43

The cost assigned to the right to receive future cash flows from contracts existing at August 31, 2003 is referred to as the value of policies inforce. We also defer renewal commissions paid in excess of ultimate commission levels related to the existing policies in this account. The balance of this account is amortized, evaluated for recovery, and adjusted for the impact of unrealized gains (losses) in the same manner as the cost of policies produced described below. We expect to amortize approximately 2 percent of the September 30, 2003 balance of value of policies inforce during the remainder of 2003, 8 percent in 2004, 9 percent in 2005, 9 percent in 2006 and 8 percent in 2007.

The cost of policies produced are those costs that vary with, and are primarily related to, producing new insurance business. These amounts are amortized using the interest rate credited to the underlying policy: (1) in relation to the estimated gross profits for investment and universal life-type products or (2) in relation to future anticipated premium revenue for other products. The amortization for investment and universal life-type products is adjusted retrospectively when estimates of current or future gross profits and margins to be realized from a group of products and contracts are revised.

When we realize a gain or loss on investments backing our universal life or investment-type products, we adjust the amortization to reflect the change in estimated gross profits from the products due to the gain or loss realized and the effect of the event on future investment yields. We also adjust the cost of policies produced for the change in amortization that would have been recorded if actively managed fixed maturity securities had been sold at their stated aggregate fair value and the proceeds reinvested at current yields. We include the impact of this adjustment in accumulated other comprehensive income (loss) within shareholders' equity.

At September 30, 2003, the combined balance of the value of policies inforce and cost of policies produced was $2.8 billion. The recovery of these costs is dependent on the future profitability of the related business.

Each year, we evaluate the recoverability of the unamortized balance of the value of policies inforce and the cost of policies produced. We consider estimated future gross profits or future premiums, expected mortality or morbidity, interest earned and credited rates, persistency and expenses in determining whether the balance is recoverable. If we determine a portion of the unamortized balance is not recoverable, it is charged to amortization expense.

The assumptions we use to amortize and evaluate the recoverability of the value of policies inforce and the cost of policies produced involve significant judgment. A revision to these assumptions could have a significant adverse effect on our results of operations and financial position.

GOODWILL

Upon our emergence from bankruptcy, we revalued our assets and liabilities to current estimated fair value and established our capital accounts at the reorganization value determined in connection with the Plan of Reorganization. We recorded the $1,102.8 million of the reorganization value which could not be attributed to specific tangible or identified intangible assets as goodwill. Under current accounting rules (which became effective January 1, 2002) goodwill is not amortized but is subject to an annual impairment test (or more frequently if there is an indication that an impairment may exist). We obtained an independent appraisal of our business in connection with the preparation of the Plan of Reorganization which indicated no impairment of our goodwill existed. However, we cannot assure you that we will not have to recognize impairment charges in the future.

Although the goodwill balance will not be subject to amortization, it will be reduced by future use of our net deferred income tax assets (including the deferred tax assets associated with tax operating loss carryforwards) existing at August 31, 2003 (which balance was reduced by $167.4 million in the one month ended September 30, 2003). A valuation allowance has been provided for the remaining balance of such net deferred income tax assets due to the uncertainties regarding their realization. See "-- Income Taxes" below for further discussion.

INCOME TAXES

Our income tax expense includes deferred income taxes arising from temporary differences between the financial reporting bases of assets and liabilities, capital loss carryforwards and net operating loss carryforwards. In assessing the realization of deferred income tax assets, we consider whether it is more likely than not that the deferred income tax assets will be realized. The ultimate realization of our deferred income tax assets depends upon generating future taxable income during the periods in which our temporary differences become deductible and before our net operating loss carryforwards expire. In addition, the use of our net operating loss carryforwards is dependent, in part, on whether the IRS ultimately agrees with the tax position we plan to take in our current and future tax returns. With respect to the deferred income tax assets, we assess the need for a valuation allowance on a quarterly basis.

A valuation allowance has been provided for the entire balance of net deferred income tax assets at September 30, 2003, as we believe the realization of such assets in future periods is uncertain. We reached this conclusion after considering the availability of taxable income in prior carryback years, tax planning strategies, our recent history of significant losses and the likelihood of future taxable income exclusive of reversing temporary differences and carryforwards.

As of September 30, 2003, we had approximately $3.6 billion of net operating loss carryforwards (after taking into account the reduction in tax attributes described in the paragraph which follows and the loss resulting from the worthlessness of our predecessor's investment in CFC discussed below), which expire as follows: $2.3 million in 2003; $11.2 million in 2004; $4.5 million in 2005; $0.2 million in 2006; $5.7 million in 2007; $6.6 million in 2008; $10.5 million in 2009; $4.2 million in 2010; $2.5 million in 2011; $16.0 million in 2012; $43.4 million in 2013; $6.9 million in 2014; $60.5 million in 2016; $116.7 million in 2017; $3,322.5 million in 2018; $0.2 million in 2019; $12.1 million in 2020. The timing and manner in which we will utilize the net operating loss carryforwards in any year or in total may be limited by various provisions of the Internal Revenue Code (the "Code") (and interpretation thereof) and our ability to generate sufficient future taxable income in the relevant carryforward period.

The Code provides that any income realized as a result of the cancellation of indebtedness (cancellation of debt income or "CODI") in bankruptcy will reduce certain tax attributes, including net operating loss carryforwards. We realized an estimated $2.5 billion of CODI when we emerged from bankruptcy. Accordingly, our net operating loss carryforwards were reduced by $2.5 billion.

The following paragraphs summarize some of the various limitations and contingencies which exist with respect to the future utilization of the net operating loss carryforwards.

We realized an estimated $5.4 billion tax loss in 2003 as a result of our investment in CFC. In consultation with our tax advisors and based on relevant provisions of the Code, we intend to treat this loss as an ordinary loss, thereby increasing our net operating loss carryforward. We have requested a pre-filing examination by the IRS to confirm that this loss should be treated as an ordinary loss. If the IRS were to disagree with our conclusion and such determination ultimately prevailed, the loss would be treated as a capital loss, which would only be available to reduce future capital gains for the next 5 years. The procedures related to the pre-filing examination are in process, but are not expected to be completed before August 2004.

The Code limits the extent to which losses realized by a non-life entity (or entities) may offset income from a life insurance company (or companies) to the lesser of: (1) 35 percent of the income of the life insurance company and (2) 35 percent of the total loss. There is no limitation with respect to the ability to utilize net operating losses generated by a life insurance company. Subsequent to our emergence from bankruptcy, we reorganized certain of our subsidiaries to improve their capital position and, as a result, the loss related to CFC was realized by a life insurance company. Accordingly, we believe the loss should be treated as a life insurance loss and would not be subject to the limitations described above.

The timing and manner in which we will be able to utilize our net operating loss carryforward will be limited by Section 382 of the Code. Section 382 imposes limitations on a corporation's ability to use its net operating losses if the company undergoes an ownership change. Because we underwent an ownership change pursuant to our reorganization, we have determined that this limitation applies to us. In order to determine the amount of this limitation we must determine how much of our net operating loss carryforward relates to the period prior to our emergence from bankruptcy (which amount will be subject to the Section 382 limitation) and how much relates to the period after emergence (which amount will not be subject to the Section 382 limitation). Pursuant to the Code, we may (1) allocate the current year tax loss on a pro rata basis to determine earnings (loss) post- and pre-emergence; or (2) specifically identify transactions in each period and record them in the period in which they actually occurred. We intend to elect the latter, which we believe will result in a substantial portion of the loss related to CFC being treated as post-emergence and therefore not subject to the Section 382 limitation. Any losses that are subject to the Section 382 limitation will only be utilized by us up to approximately $140 million per year, with any unused amounts carried forward to the following year.

The use of our net deferred income tax assets (including the deferred tax assets associated with net operating loss carryforwards) existing as of August 31, 2003, will be accounted for as a reduction of goodwill when utilized pursuant to SOP 90-7. If goodwill is eliminated, any additional use of net deferred income tax assets existing at August 31, 2003 will be accounted for as a reduction of other intangible assets until exhausted and thereafter as an addition to paid-in-capital. Goodwill was reduced by $167.4 million during the one month ended September 30, 2003 due to a reduction in the valuation allowance for net deferred income tax assets established at the Effective Date.

LIABILITIES FOR INSURANCE PRODUCTS

At September 30, 2003, the total balance of our liabilities for insurance and asset accumulation products was $24.5 billion. These liabilities are often payable over an extended period of time and the profitability of the related products is dependent on the pricing of the products and other factors. Differences between our expectations when we sold these products and our actual experience could result in future losses.

We calculate and maintain reserves for the estimated future payment of claims to our policyholders based on actuarial assumptions. For our supplemental health insurance business, we establish an active life reserve plus a liability for due and unpaid claims, claims in the course of settlement and incurred but not reported claims, as well as a reserve for the present value of amounts not yet due on claims. Many factors can affect these reserves and liabilities, such as economic and social conditions, inflation, hospital and pharmaceutical costs, changes in doctrines of legal liability and extra-contractual damage awards. Therefore, the reserves and liabilities we establish are necessarily based on extensive estimates, assumptions and historical experience. Establishing reserves is an uncertain process, and it is possible that actual claims will materially exceed our reserves and have a material adverse effect on our results of operations and financial condition. Our financial results depend significantly upon the extent to which our actual claims experience is consistent with the assumptions we used in determining our reserves and pricing our products. If our assumptions with respect to future claims are incorrect, and our reserves are insufficient to cover our actual losses and expenses, we would be required to increase our liabilities, which would negatively affect our operating results.

Liabilities for insurance products are calculated using management's best judgments of mortality, morbidity, lapse rates, investment experience and expense levels that are based on our past experience and standard actuarial tables.

In accordance with SOP 90-7, the successor established insurance liabilities and an asset for the value of policies inforce at the effective date using current assumptions. Adjustments to the predecessor's liabilities for insurance and asset accumulation products as of August 31, 2003 are summarized below (dollars in millions):

	PREDECESSOR BALANCE SHEET	FRESH START ADJUSTMENT	SUCCE BALANCE
Liabilities for insurance and asset accumulation products:			
Traditional and limited payment products:			
Traditional life insurance products	$ 1,817.7	$ 309.3	$ 2,1
Limited pay products	758.9	135.2	8
Individual accident and health	5,245.8	1,838.4	7,0
Group life and health	692.0	136.7	8
Unearned premiums	3.3	--	
Total liabilities for traditional and limited payment products	8,517.7	2,419.6	10,9
Interest sensitive products:			
Investment contracts	8,678.5	(66.8)	8,6
Universal life-type products	3,994.6	(4.8)	3,9
Total liabilities for interest sensitive products	12,673.1	(71.6)	12,6
Other liabilities for insurance and asset accumulation products:			
Separate accounts and investment trusts	87.7	--	
Claims payable and other policyholder funds	897.1	(10.3)	8
Total other liabilities for insurance and asset accumulation products	984.8	(10.3)	9
Total liabilities for insurance and asset accumulation products	$22,175.6	$2,337.7	$24,5

The following provides explanations for the fresh-start adjustment to insurance liabilities related to our insurance inforce at the effective date.

TRADITIONAL INSURANCE AND LIMITED PAY PRODUCTS

In accordance with Statement of Financial Accounting Standards No. 60, "Accounting and Reporting by Insurance Enterprises" and Statement of Financial Accounting Standards No. 97, "Accounting and Reporting by Insurance Enterprises for certain Long-Duration Contracts and for Realized Gains and Losses from the Sale of Investments" ("FAS 97"), the predecessor used the original actuarial assumptions determined when traditional long-duration and limited payment insurance contracts were issued in determining liability calculations through the fresh start date, provided the resulting liabilities were adequate to provide for future benefits and expenses under the related contracts. This accounting principle is referred to as the "lock in" principle and is only applicable to traditional insurance and limited pay products. The use of assumptions that are locked in at the time of issue means that absent loss recognition, the same assumptions are used in accounting for a particular block of business unless the block is subject to purchase or fresh start accounting.

At the Effective Date, the successor established insurance liabilities at the present value of future benefits and expenses associated with the policies, by using current best-estimate assumptions with provisions for adverse deviation. Such assumptions include estimates as to investment yields, mortality, morbidity, withdrawals, lapses and maintenance expenses. The current best-estimate assumptions for these blocks of business differ from the original actuarial assumptions determined when the business was acquired or issued as further described in the following paragraphs.

Due to the current interest rate environment and the requirement to mark the value of the investment portfolio to market, we changed our assumptions related to future investment earnings. The weighted average expected yield on our investment portfolio decreased to approximately 5.5 percent from 6.5 percent at

December 31, 2002. Approximately $.9 billion of the fresh-start increase to insurance liabilities is the result of changes in future expected investment earnings.

The performance of our long-term care business (especially the acquired block originally sold through independent agents) has generally been unfavorable to the predecessor's assumptions established when these blocks of business were acquired. For example, variance in actual versus estimated morbidity, lapses and expenses have been unfavorable to original assumptions. Approximately $1.3 billion of the increase to insurance liabilities is the result of changes in non-interest assumptions for our long-term care policies. Our assumption changes for long-term care business included: (1) changes in morbidity assumptions from estimates made when the business was acquired to recent Company experience; (2) changes in mortality assumptions related to certain blocks of this business from the 1958 and 1980 Commissioners Standard Ordinary Mortality table to the 1983 Group Annuity Mortality table; and (3) changes in ultimate lapse ratios from a range of approximately 3 percent to 5.5 percent prior to the adoption of fresh start accounting to a range of 2 percent to 3.5 percent.

INTEREST-SENSITIVE PRODUCTS SUBJECT TO REQUIREMENTS OF FAS 97

The insurance liability for asset accumulation products (such as deferred annuities and universal life products) are generally equal to current policyholder account balances. These balances generally do not change as a result of the adoption of fresh start accounting. The fresh-start adjustment to insurance liabilities for interest sensitive products primarily results from: (1) the adoption of SOP 03-01 as of the Effective Date; and (2) certain predecessor insurance liabilities that exceed the present value of estimated future benefits as of August 31, 2003.

The adoption of SOP 03-01 as of the effective date required a change in methodology regarding persistency bonuses provided to policyholders who continue to keep their policies inforce for a stated period of time. The predecessor recognized the cost of this benefit over the period prior to the time the benefit is credited in proportion to estimated gross profits and assumed a certain number of policies would terminate before the benefit was credited. Under SOP 03-1, the cost for such benefits is recognized ratably over the period prior to the time the benefit is credited without assuming policy terminations. Insurance liabilities increased by approximately $.1 billion as a result of the adoption of SOP 03-01.

The predecessor had previously established an insurance liability related to certain business, to recognize the future loss expected to be recognized for the former practice of reducing the cost of insurance charges to amounts below the level permitted under the provisions of the policy. The predecessor amortized this liability into income in proportion to estimated gross profits on the business, consistent with SFAS 97 requirements for unearned revenues. The predecessor had previously decided to discontinue the practice of providing this nonguaranteed benefit. Accordingly, the remaining insurance liability established for this benefit was no longer required at August 31, 2003, resulting in a $.1 billion reduction to reserves in conjunction with our adoption of fresh-start accounting.

LIABILITIES FOR LOSS CONTINGENCIES RELATED TO LAWSUITS

We are involved on an ongoing basis in lawsuits relating to our operations, including with respect to sales practices, and we and current and former officers and directors are defendants in pending class action lawsuits asserting claims under the securities laws and in derivative lawsuits. The ultimate outcome of these lawsuits cannot be predicted with certainty. We recognize an estimated loss from these loss contingencies when we believe it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. However, it is difficult to measure the actual loss that might be incurred related to litigation. The ultimate outcome of these lawsuits could have a significant impact on our results of operations and financial position.

48

RESULTS OF OPERATIONS

Due to the application of fresh start accounting, the reported historical financial statements of our predecessor for periods prior to August 31, 2003 generally are not comparable to our financial statements prepared after that date. Therefore, our results of operations have not been combined with those of our predecessor. Please read this discussion in conjunction with the accompanying consolidated financial statements and notes included elsewhere in this prospectus.

After our emergence from bankruptcy, we began to manage our business operations through two primary operating segments, based on method of product distribution, and a third segment comprised of business in run-off. We refer to these segments as: (1) Bankers Life; (2) Conseco Insurance Group; and (3) Other Business in Run-Off. Prior to its disposition effective March 31, 2003, we also had a finance segment. We also have a corporate segment, which consists of holding company activities and certain non-insurance company businesses that are not related to our other operating segments. The following tables and narratives summarize the operating results of our segments for the periods presented as we currently manage them (dollars in millions):

	SUCCESSOR	PREDECESSOR		
	ONE MONTH ENDED SEPTEMBER 30, 2003	EIGHT MONTHS ENDED AUGUST 31, 2003	NINE MONTHS ENDED SEPTEMBER 30, 2002	YEAR DECEM 2002
Earnings (losses) before taxes:				
Bankers Life	$ 24.9	$ 159.6	$ 69.1	$ 136.
Conseco Insurance Group	20.2	299.9	(178.4)	(211.
Other business in run-off	3.6	(171.3)	(161.8)	(216.
Corporate operations	(10.9)	1,884.0	(1,154.4)	(1,340.

Income (loss) before income taxes, minority interest, discontinued operations and cumulative effect of accounting change..................	$ 37.8	$2,172.2	$(1,425.5)	$(1,632.

GENERAL: Conseco, Inc. is the top tier holding company for a group of insurance companies operating throughout the United States that develop, market and administer supplemental health insurance, annuity, individual life insurance and other insurance products. We distribute these products through a career agency force and direct response marketing (which, together, represent our Bankers Life segment) and through professional independent producers (which represent our Conseco Insurance Group segment). Our Other Business in Run-off segment consists of: (1) long-term care products written in prior years through independent agents; (2) small group and individual major medical business which we began to nonrenew in 2001; and (3) other group major medical business which we no longer actively market. Most of the long-term care business in run-off relates to business written by certain of our subsidiaries prior to their acquisitions by Conseco in 1996 and 1997.

BANKERS LIFE (DOLLARS IN MILLIONS)

	SUCCESSOR	PREDECESSOR		
	ONE MONTH ENDED SEPTEMBER 30, 2003	EIGHT MONTHS ENDED AUGUST 31, 2003	NINE MONTHS ENDED SEPTEMBER 30, 2002	YEARS E DECEMBER 2002
Premiums and asset accumulation product collections:				
Annuities.....................	$ 63.5	$ 698.4	$ 496.8	$ 740.9
Supplemental health...........	96.6	759.6	854.8	1,159.4
Life..........................	12.0	102.7	99.7	139.0
Total premium collections...	$ 172.1	$1,560.7	$1,451.3	$2,039.3
Deposit type contracts.........	$ 3.8	$ 39.6	$ 28.0	$ 40.7
Average liabilities for insurance products:				
Annuities:				
Mortality based................	$ 94.7	$ 84.9	$ 75.9	$ 75.7
Equity-linked.................	214.9	183.2	192.6	187.5
Deposit based.................	3,390.2	3,130.9	2,477.9	2,550.1
Health...........................	2,537.3	1,916.3	1,678.2	1,709.6
Life:				
Interest sensitive............	333.3	324.4	309.2	311.0
Non-interest sensitive.........	755.3	652.4	661.0	657.7
Total average liabilities for insurance products, net of reinsurance ceded....................	$7,325.7	$6,292.1	$5,394.8	$5,491.6

Revenues:				
Insurance policy income	$ 111.7	$ 892.7	$ 962.1	$1,300.1
Net investment income:				
General account invested assets	32.4	253.4	286.1	382.2
Equity-indexed products based on the change in value of the S&P 500 Call Options	(1.4)	4.8	(14.6)	(14.8)
Trading account income related to policyholder and reinsurer accounts	6.4	--	--	--
Change in value of embedded derivatives related to modified coinsurance agreements	(6.4)	--	--	--
Net realized investment gains (losses)	2.8	5.5	(131.4)	(128.7)
Fee revenue and other income	.4	.2	1.0	1.3
Total revenues	145.9	1,156.6	1,103.2	1,540.1
Expenses:				
Insurance policy benefits	83.6	701.9	710.0	968.3
Amounts added to policyholder account balances:				
Annuity products and interest-sensitive life products other than those listed below	13.1	93.2	89.5	122.0
Equity-indexed products based on S&P 500 Index	(2.2)	--	.6	.6
Amortization related to operations	15.5	113.4	128.0	171.9
Amortization related to net realized investment gains (losses)	--	.5	(3.9)	(3.2)
Interest expense on investment borrowings	.2	3.4	3.1	4.6

50

	SUCCESSOR	PREDECESSOR		
	ONE MONTH ENDED SEPTEMBER 30, 2003	EIGHT MONTHS ENDED AUGUST 31, 2003	NINE MONTHS ENDED SEPTEMBER 30, 2002	YEARS E DECEMBER 2002
Other operating costs and expenses	10.8	84.6	63.0	94.4
Special charges	--	--	43.8	45.0
Total benefits and expenses	121.0	997.0	1,034.1	1,403.6
Income before income taxes, minority interest, discontinued operations				

and cumulative effect of accounting change	$ 24.9	$ 159.6	$ 69.1	$ 136.5
Health loss ratios:				
All health lines:				
Insurance policy benefits	$ 73.1	$ 578.5	$ 626.5	$ 840.9
Loss ratio(a)	75.73%	75.30%	73.83%	74.06%
Medicare Supplement:				
Insurance policy benefits	$ 35.3	$ 283.3	$ 329.7	$ 437.6
Loss ratio(a)	66.50%	66.39%	67.32%	67.15%
Long-Term Care:				
Insurance policy benefits	$ 37.3	$ 287.2	$ 290.7	$ 394.3
Loss ratio(a)	87.81%	86.08%	83.24%	83.69%
Interest-adjusted loss ratio(b)	62.37%	69.26%	67.71%	67.95%
Other:				
Insurance policy benefits	$ .5	$ 8.0	$ 6.1	$ 9.0
Loss ratio(a)	52.48%	101.05%	63.98%	71.21%

(a) We calculate loss ratios by taking the related product's (1) insurance policy benefits divided by (2) insurance policy income.

(b) We calculate the interest-adjusted loss ratio for Bankers Life's long-term care products by taking the product's (1) insurance policy benefits less interest income on the accumulated assets which back the insurance liabilities divided by (2) policy income. Interest income is an important factor in measuring losses on this product. The net cash flows from long-term care products generally result in the accumulation of amounts in the early years of a policy (accounted for as reserve increases) which will be paid out as benefits in later policy years (accounted for as reserve decreases). Accordingly, as the policies age, the loss ratio will typically increase, but the increase in the change in reserve will be partially offset by investment income earned on the assets which have accumulated. The interest-adjusted loss ratio reflects the effects of the investment income offset.

PERIODS ENDED SEPTEMBER 30, 2003 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 2002

TOTAL PREMIUM COLLECTIONS were $172.1 million in the one month ended September 30, 2003; $1,560.7 million in the eight months ended August 31, 2003; and $1,451.3 million in the nine months ended September 30, 2002. Bankers Life's annuity premium collections in 2003 were positively impacted by sales inducements provided to purchasers of our annuities and sales incentives to our career agents. These programs ended at various times during the second quarter of 2003. Premium collections on Bankers Life's other products have been negatively impacted by the A.M. Best ratings downgrade to "B (Fair)." See "-- Premium and Asset Accumulation Product Collections" for further analysis.

AVERAGE LIABILITIES FOR INSURANCE PRODUCTS, NET OF REINSURANCE CEDED, were $7.3 billion in the one month ended September 30, 2003; $6.3 billion in the eight months ended August 31, 2003; and $5.4 billion in the nine months ended September 30, 2002. The increase in such liabilities through August 31, 2003 is primarily due to increases in annuity reserves. As discussed above under "-- Total premium collections", annuity premium collections in our Bankers Life segment were positively impacted during 2003 by sales inducements and incentives. The increase in such liabilities for the one month ended September 30, 2003 reflects the adoption of fresh start accounting as further discussed under "-- Critical Accounting Policies -- Liabilities for Insurance Products."

INSURANCE POLICY INCOME is comprised of (1) premiums earned on policies which provide mortality or morbidity coverage and (2) fees and other charges made against other policies. See "Premium and Asset Accumulation Product Collections" for further analysis.

NET INVESTMENT INCOME ON GENERAL ACCOUNT INVESTED ASSETS (which excludes income on policyholder and reinsurer accounts) was $32.4 million in the one month ended September 30, 2003; $253.4 million in the eight months ended August 31, 2003; and $286.1 million in the nine months ended September 30, 2002. The average balance of general account invested assets was $6.9 billion in the one month ended September 30, 2003; $6.6 billion in the eight months ended August 31, 2003; and $6.1 billion in the nine months ended September 30, 2002. The yield on these assets was 5.6 percent in the one month ended September 30, 2003; 5.7 percent in the eight months ended August 31, 2003; and 6.3 percent in the nine months ended September 30, 2002. The decrease in yield during 2003 reflects the lower interest rate environment and the resulting lower rates earned on invested assets from the 2003 annuity sales.

NET INVESTMENT INCOME RELATED TO EQUITY-INDEXED PRODUCTS BASED ON THE CHANGE IN VALUE OF THE S&P 500 CALL OPTIONS represents the change in the estimated fair value of Bankers Life's S&P 500 Index Call Options which are purchased in an effort to cover certain benefits accruing to the policyholders of our equity-indexed products. Our equity-indexed products are designed so that the investment income spread earned on the related insurance liabilities should be more than adequate to cover the cost of the S&P 500 Call Options and other costs related to these policies. Option costs that are attributable to benefits provided were $0.8 million in the one month ended September 30, 2003; $7.7 million in the eight months ended August 31, 2003; and $10.2 million in the nine months ended September 30, 2002. These costs are reflected in the change in market value of the S&P 500 Call Options included in the investment income amounts. Net investment income (loss) related to equity-indexed products before this expense was $(0.6) million in the one month ended September 30, 2003; $12.5 million in the eight months ended August 31, 2003; and $(4.4) million in the nine months ended September 30, 2002. Such amounts were partially offset by the corresponding charge (credit) to AMOUNTS ADDED TO POLICYHOLDER ACCOUNT BALANCES FOR EQUITY-INDEXED PRODUCTS BASED ON S&P 500 INDEX of $(2.2) million in the one month ended September 30, 2003; nil in the eight months ended August 31, 2003; and $0.6 million in the nine months ended September 30, 2002. Such income and related charge fluctuate based on the value of options embedded in the segment's equity-indexed annuity policyholder account balances subject to this benefit and to the performance of the S&P 500 Index to which the returns on such products are linked.

CHANGE IN VALUE OF EMBEDDED DERIVATIVES RELATED TO MODIFIED COINSURANCE AGREEMENTS are described in the note to our consolidated financial statements for the period ended September 30, 2003 entitled "Accounting for Derivatives." We have transferred the specific block of investments related to these agreements to our trading securities account, which we carry at estimated fair value with changes in such value recognized as trading account income. We expect the change in the value of the embedded derivatives largely to be offset by the change in value of the trading securities.

NET REALIZED INVESTMENT GAINS (LOSSES) fluctuate from period to period. During the one month ended September 30, 2003, we recognized net realized investment gains in our Bankers Life segment of $2.8 million related to the net gains from the sales of investments (primarily fixed maturities). There were no writedowns of fixed maturity investments in the one month period. During the first eight months of 2003, we recognized net investment gains of $5.5 million. During the first eight months of 2003, the net realized investment gains included (1) $20.1 million of net gains from the sales of investments (primarily fixed maturities) net of (2) $14.6 million of writedowns of fixed maturity investments as a result of conditions which caused us to conclude a decline in fair value of the investment was other than temporary. The net realized investment losses during the first nine months of 2002 included (1) $120.9 million of writedowns of fixed maturity investments, equity securities and other invested assets as a result of conditions which caused us to conclude a decline in fair value of the investments was other than temporary and (2) $10.5 million of net losses from the sales of investments (primarily fixed maturities). The facts and circumstances resulting in the other-than-

temporary losses are described in "Investments with Other-Than-Temporary Losses" included in this "Management's Discussion and Analysis of Financial Condition and Results of Operations."

INSURANCE POLICY BENEFITS fluctuated as a result of the factors summarized in the explanations for loss ratios related to specific products which follow. Loss ratios are calculated by taking the related insurance product's (1) insurance policy benefits divided by (2) policy income.

The loss ratios on Bankers Life's Medicare supplement products have generally been within our range of expectations. Governmental regulations generally require us to attain and maintain a statutory loss ratio, after three years, of not less than 65 percent on these products.

The loss ratios on Bankers Life's long-term care products have generally been within our range of expectations. The net cash flows from our long-term care products generally result in the accumulation of amounts in the early years of a policy (accounted for as reserve increases) which will be paid out as benefits in later policy years (accounted for as reserve decreases). Accordingly, as the policies age, the loss ratio will typically increase, but the increase in the change in reserve will be partially offset by investment income earned on the assets which have accumulated. The interest-adjusted loss ratio for long-term care products is calculated by taking the insurance product's (1) insurance policy benefits less interest income on the accumulated assets which back the insurance liabilities divided by (2) policy income.

The loss ratios on our other products fluctuate due to the smaller size of these blocks of business. The loss ratios on this business have generally been within our expectations.

AMOUNTS ADDED TO POLICYHOLDER ACCOUNT BALANCES FOR ANNUITY PRODUCTS AND INTEREST-SENSITIVE LIFE PRODUCTS were $13.1 million in the one month ended September 30, 2003; $93.2 million in the eight months ended August 31, 2003; and $89.5 million in the nine months ended September 30, 2002. This increase is primarily due to increases in annuity reserves. The weighted average crediting rates for these products were 4.2 percent for the one month ended September 30, 2003; 4.0 percent for the eight months ended August 31, 2003; and 4.3 percent for the nine months ended September 30, 2002.

AMOUNTS ADDED TO EQUITY-INDEXED PRODUCTS BASED ON S&P 500 INDEX correspond to the related investment income accounts described above.

AMORTIZATION RELATED TO OPERATIONS includes amortization of the value of policies inforce at the Effective Date, cost of policies produced and the cost of policies purchased (such amortization is collectively referred to as "amortization of insurance intangibles"). Insurance intangibles are amortized:

(1) in relation to the estimated gross profits for universal life-type and investment-type products; or (2) in relation to future anticipated premium revenue for other products. Bankers Life's amortization expense in the 2003 periods and the nine months ended September 30, 2002 was generally within our range of expectations given the related premium revenue and gross profits for the periods.

AMORTIZATION RELATED TO NET REALIZED INVESTMENT GAINS (LOSSES) represents the increases or decreases in amortization which result from realized investment gains or losses. When we sell securities at a gain (loss) and reinvest the proceeds at a different yield, we increase (reduce) the amortization of insurance intangibles in order to reflect the change in future expected yields. Sales of fixed maturity investments resulted in an increase (decrease) in the amortization of insurance intangibles of nil in the one month ended September 30, 2003; $0.5 million in the eight months ended August 31, 2003; and $(3.9) million in the nine months ended September 30, 2002.

INTEREST EXPENSE ON INVESTMENT BORROWINGS fluctuates along with our investment borrowing activities and the interest rates thereon. Average investment borrowings in our Bankers Life segment (excluding borrowings related to the GM building) were $208.1 million during the one month ended September 30, 2003; $263.7 million during the eight months ended August 31, 2003; and $465.7 million in the nine months ended September 30, 2002. The weighted average interest rates on such borrowings (excluding borrowings related to the GM building) were 1.1 percent during the one month ended September 30, 2003; 1.9 percent during the eight months ended August 31, 2003; and 0.9 percent during the nine months ended September 30, 2002.

OTHER OPERATING COSTS AND EXPENSES in our Bankers Life segment were $10.8 million in the one month ended September 30, 2003; $84.6 million in the eight months ended August 31, 2003; and $63.0 million in the nine months ended September 30, 2002. Increases in these expenses in 2003 are primarily related to increased policy acquisition costs which were non-deferrable.

SPECIAL CHARGES in the nine months ended September 30, 2002 included: (1) losses of $39.0 million on a reinsurance transaction entered into as part of our cash raising initiatives; and (2) other items totaling $4.8 million primarily related to severance benefits.

PREDECESSOR'S YEAR ENDED DECEMBER 31, 2002 COMPARED TO YEAR ENDED DECEMBER 31, 2001

TOTAL PREMIUM COLLECTIONS in 2002 were $2.0 billion, up 7.5 percent from 2001. See "-- Premium and Asset Accumulation Product Collections" for further analysis.

AVERAGE LIABILITIES FOR INSURANCE PRODUCTS, NET OF REINSURANCE CEDED were $5.5 billion in 2002 and $5.3 billion in 2001. Bankers Life's average life reserves decreased by $414.5 million, or 30 percent, due primarily to a first quarter 2002 reinsurance transaction which ceded approximately $400 million of liabilities to the assuming company. See the notes to our consolidated financial statements for the year ended December 31, 2002, included in this prospectus for additional discussion of the reinsurance transaction. Bankers Life's average annuity liabilities increased during 2002 reflecting increased annuity sales.

INSURANCE POLICY INCOME is comprised of: (i) premiums earned on policies which provide mortality or morbidity coverage; and (ii) fees and other charges made against other policies. See "Premium and Asset Accumulation Product Collections" for further analysis.

NET INVESTMENT INCOME ON GENERAL ACCOUNT INVESTED ASSETS (which excludes the income (loss), cost and change in the fair value of S&P 500 Call Options related to equity-indexed products) decreased by 2.5 percent, to $382.2 million in 2002. Bankers Life's average balance of general account invested assets increased by 7.1 percent in 2002 to $6.1 billion. The yield on these assets was 6.3 percent in 2002 and 6.9 percent in 2001. The decrease in yield reflects general decreases in market interest rates between 2002 and 2001. Net investment income and the average balance of general account invested assets both reflect the transfer of a portion of our investment portfolio to the reinsurer pursuant to the above-mentioned first quarter 2002 reinsurance transaction. See the notes to our consolidated financial statements for the year ended December 31, 2002, included in this prospectus for additional discussion of the reinsurance transaction.

NET INVESTMENT INCOME RELATED TO EQUITY-INDEXED PRODUCTS BASED ON THE CHANGE IN VALUE OF THE S&P 500 CALL OPTIONS represents the change in the estimated fair value of Bankers Life's S&P 500 Call Options which are purchased in an effort to cover certain benefits accruing to the policyholders of our equity-indexed products. Our equity-indexed products are designed so that the investment income spread earned on the related insurance liabilities should be more than adequate to cover the cost of the S&P 500 Call Options and other costs related to these policies. Option costs that are attributable to benefits provided were $15.2 million and $16.0 million in 2002 and 2001, respectively. These costs are reflected in the change in market value of the S&P 500 Call Options included in the investment income amounts. Net investment income related to equity-indexed products before this expense was $.4 million and $.5 million in 2002 and 2001, respectively. Such amounts were partially offset by the corresponding charge (credit) to AMOUNTS ADDED TO POLICYHOLDER ACCOUNT BALANCES FOR EQUITY-INDEXED PRODUCTS BASED ON S&P 500 INDEX of $.6 million in both 2002 and 2001. Such income and related charge fluctuated based on the value of options embedded in our equity-indexed annuity policyholder account balances subject to this benefit and to the performance of the S&P 500 Index to which the returns on such products are linked.

NET REALIZED INVESTMENT GAINS (LOSSES) fluctuate from period to period. During 2002 and 2001, Bankers Life recognized net realized investment losses of $128.7 million and $43.5 million, respectively. The net realized investment losses during 2002 included: (i) $138.5 million to write down certain securities to fair value due to an other-than-temporary decline in value (including issuers who have faced significant problems: K-Mart Corp., Amerco, Inc., Global Crossing, MCI Communications, Mississippi Chemical, United Airlines and Worldcom, Inc.); and (ii) $9.8 million of net gains from the sales of investments (primarily fixed

maturities). The net realized investment losses during 2001 included writedowns of $69.4 million related to: (i) the impact of higher default rate assumptions on certain structured investments; (ii) losses on investments held in our private equity portfolio; and (iii) the writedown of certain securities to fair value due to an other-than-temporary decline in value or our plan to sell the securities in connection with investment restructuring activities (including issuers who have faced significant problems: Sunbeam Corp., Enron Corp., Crown Cork & Seal Company Inc., Global Crossing Ltd. and K-Mart Corp.).

INSURANCE POLICY BENEFITS fluctuated in 2002 and 2001 as a result of the factors summarized in the explanations for loss ratios related to specific products which follow. Loss ratios are calculated by taking the related insurance product's: (i) insurance policy benefits; divided by (ii) policy income.

The loss ratio for Bankers Life's Medicare supplement products was within the ranges expected during 2002 and 2001. Governmental regulations generally require us to attain and maintain a statutory loss ratio, after three years, of not less than 65 percent.

The loss ratio on Bankers Life's long-term care products during 2001 reflected the elimination of reserve redundancies based on the ultimate development of reserves at December 31, 2000.

The loss ratios on Bankers Life's other products fluctuate due to the smaller size of these blocks of business. The loss ratios on this business were generally within our expectations during 2002 and 2001.

AMOUNTS ADDED TO POLICYHOLDER ACCOUNT BALANCES FOR ANNUITY PRODUCTS AND INTEREST-SENSITIVE LIFE PRODUCTS increased by 11 percent, to $122.0 million, in 2002. The increase in 2002 is primarily due to the above-mentioned increase in Bankers Life's average annuity liabilities, partially offset by a decrease in the weighted average crediting rates. The weighted average crediting rates for these products were 4.3 percent and 4.9 percent in 2002 and 2001, respectively.

AMOUNTS ADDED TO EQUITY-INDEXED PRODUCTS BASED ON S&P 500 INDEX correspond to the related investment income accounts described above.

AMORTIZATION RELATED TO OPERATIONS includes amortization of insurance intangibles. Amortization generally fluctuates in relationship to the total account balances subject to amortization. Bankers Life's amortization expense for the years ended December 31, 2002 and 2001 was generally within our range of expectations given the related premium revenue and gross profits for the periods.

AMORTIZATION RELATED TO NET REALIZED INVESTMENT GAINS (LOSSES) represents the decreases in amortization which result from realized investment losses. When we sell securities at a loss and reinvest the proceeds at a different yield, we reduce the amortization of insurance intangibles in order to reflect the change in future expected yields. Sales of fixed maturity investments resulted in reductions in the amortization of insurance intangibles of $3.2 million in 2002 and $5.0 million in 2001.

INTEREST EXPENSE ON INVESTMENT BORROWINGS decreased in 2002 due to lower interest rates while our investment borrowing activities increased. Average investment borrowings were $452.2 million during 2002, compared to $222.4 million during 2001. The weighted average interest rate on such borrowings were 1.0 percent and 2.7 percent during 2002 and 2001, respectively.

OTHER OPERATING COSTS AND EXPENSES decreased in 2002 by $36.2 million, or 28 percent compared to 2001, reflecting cost cutting programs implemented in the Bankers Life segment.

SPECIAL CHARGES in 2002 included: (i) a loss of $39.0 million on a reinsurance transaction entered into as part of our cash raising initiatives; and (ii) other items totaling $6.0 million primarily related to severance benefits and costs incurred with the transfer of certain customer service and backroom operations to our India subsidiary. Special charges in 2001 were $6.0 million. Such charges primarily related to severance benefits and costs incurred in conjunction with the transfer of certain customer service and backroom operations to our former India subsidiary.

CONSECO INSURANCE GROUP (DOLLARS IN MILLIONS)

	SUCCESSOR	PREDECESSOR		
	ONE MONTH ENDED SEPTEMBER 30, 2003	EIGHT MONTHS ENDED AUGUST 31, 2003	NINE MONTHS ENDED SEPTEMBER 30, 2002	YEAR DECEM 2002
Premiums and asset accumulation product collections:				
Annuities..........................	$ 5.2	$ 74.0	$ 307.3	$ 351.9
Supplemental health................	65.0	525.3	614.3	830.3
Life...............................	34.5	280.7	384.1	498.0
Collections on insurance products from continuing lines of business.....................	$ 104.7	$ 880.0	$ 1,305.7	$ 1,680.2
Deposit type contracts.............	$ 27.0	$ 220.5	$ 209.6	$ 246.9
Average liabilities for insurance and asset accumulation products:				
Annuities:				
Mortality based..................	$ 244.1	$ 171.0	$ 174.6	$ 175.0
Equity-linked....................	1,354.6	1,514.7	2,065.5	1,983.1
Deposit based....................	4,057.0	4,245.4	5,520.2	5,352.1
Separate accounts and investment trust liabilities.............	62.6	401.3	695.9	672.6
Health.............................	2,284.5	2,046.8	1,968.4	1,981.6
Life:				
Interest sensitive...............	3,347.3	3,407.8	3,743.5	3,798.7
Non-interest sensitive...........	1,494.1	1,493.9	1,428.7	1,327.6
Total average liabilities for insurance and asset accumulation products.......	$12,844.2	$13,280.9	$15,596.8	$15,290.7
Revenues:				
Insurance policy income.............	$ 102.9	$ 892.8	$ 1,089.0	$ 1,454.9
Net investment income:				
General account invested assets....	60.0	562.2	751.4	982.0
Equity-indexed products based on the change in value of the S&P 500 Call Options.................	(6.9)	20.4	(83.2)	(85.7
Separate account assets............	--	--	(8.5)	--
Trading account income related to policyholder and reinsurer accounts.........................	8.4	--	--	--
Change in value of embedded derivatives related to modified coinsurance agreements...........	(2.2)	--	--	--
Net realized investment gains (losses)........................	3.1	(17.1)	(314.7)	(368.1
Fee revenue and other income.........	--	17.0	19.1	25.4
Total revenues................	165.3	1,475.3	1,453.1	2,008.5

	SUCCESSOR	PREDECESSOR		
	ONE MONTH ENDED SEPTEMBER 30, 2003	EIGHT MONTHS ENDED AUGUST 31, 2003	NINE MONTHS ENDED SEPTEMBER 30, 2002	YEAR DECEM 2002
Expenses:				
Insurance policy benefits............	83.8	461.3	746.6	998.2
Amounts added to policyholder account balances:				
Annuity products and interest-sensitive life products other than those listed below..................	25.0	218.4	287.8	379.7
Equity-indexed products based on S&P 500 Index.................	(3.0)	66.6	(19.5)	(.9
Separate account liabilities.......	--	--	(8.5)	--
Amortization related to operations...	9.9	202.7	426.0	566.0
Amortization related to net realized investment gains (losses)..........	--	(.9)	(20.7)	(24.6
Interest expense on investment borrowings.........................	.4	4.7	7.7	10.2
Other operating costs and expenses...	29.0	222.6	213.9	292.1
Special charges......................	--	--	(1.8)	(.7
Total benefits and expenses...	145.1	1,175.4	1,631.5	2,220.0