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SUMMIT LIFE CORP
Form 10QSB
November 13, 2002

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the period ended September 30, 2002

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 000-25253

SUMMIT LIFE CORPORATION

(Exact name of registrant as specified in its charter)

OKLAHOMA

73-1448244

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer identification No.)

3021 Epperly Dr., P.O. Box 15808, Oklahoma City, Oklahoma 73155

(Address of principal executive offices)

(405) 677-0781

(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No
--- ---

The number of shares outstanding of the Issuer's Common Stock, \$.01 par value, as of November 14, 2002 was 2,691,305.

Transitional Small Business Disclosure Format (check one): Yes No X
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FORM 10-QSB

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PART I - Financial Information

Item 1. Financial Statements

Summit Life Corporation and Subsidiaries

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Consolidated Balance Sheets

ASSETS

	September 30, 2002	December 31, 2001
	----- (Unaudited)	-----
INVESTMENTS		
Debt securities-held to maturity	\$ 441,787	\$ 279,871
Debt securities-available for sale	1,371,549	2,180,629
Equity securities-trading	90,961	84,934
Equity securities-available for sale	270,166	291,248
Equity securities-other	66,788	66,788
Mortgages	664,724	697,374
Notes receivable	650,671	294,659
Short-term investments	--	--
Policy loans	113,234	113,865
Investment in limited partnerships	32,404	30,800
	-----	-----
	3,702,284	4,040,168
CASH AND CASH EQUIVALENTS	1,938,431	1,661,410
RECEIVABLES		
Accrued investment income	43,874	54,993
Other	23,086	37,583
	-----	-----
	66,960	92,576
PROPERTY AND EQUIPMENT-AT COST		
Building and improvements	394,290	129,419
Furniture and equipment	120,848	119,198
Automobiles	22,015	22,015
	-----	-----
	537,153	270,632
Less accumulated depreciation	(144,947)	(130,870)
	-----	-----
	392,206	139,762
Land	321,000	56,000
	-----	-----
	713,206	195,762
OTHER ASSETS		
Cost in excess of net assets of businesses acquired, less accumulated amortization	31,250	35,000
Deferred policy acquisition costs	138,015	107,765
Value of purchased insurance business	308,671	355,966
Deferred income taxes	37,241	37,240
Other	57,465	103,208
	-----	-----
	572,642	639,179
	-----	-----
	\$ 6,993,523	\$ 6,629,095
	=====	=====

The accompanying notes are an integral part of these interim financial statements

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Summit Life Corporation and Subsidiaries

Consolidated Balance Sheets

LIABILITIES AND STOCKHOLDERS' EQUITY

	September 30, 2002	December 31, 2001
	----- (Unaudited)	-----
LIABILITIES		
Policy reserves and policyholder funds	\$ 5,620,247	\$ 5,364,682
Unpaid claims	150	24,971
Accounts payable	23,545	63,116
Accrued liabilities	12,262	8,233
Notes payable	227,358	111,206
Other liabilities	--	--
	-----	-----
	5,883,562	5,572,208
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value	26,913	22,676
Preferred stock, series A, \$.001 par value, stated at liquidation value	500,000	500,000
Preferred stock, series B, \$1.00 par value	350,000	350,000
Additional paid-in capital	3,286,507	2,923,596
Common stock of parent held by subsidiary	--	(95,000)
Common stock subscribed	--	422,200
Accumulated other comprehensive income (loss)		
Unrealized appreciation (depreciation) of available for sale securities	21,575	13,709
Accumulated deficit	(3,075,034)	(3,080,294)
	-----	-----
	1,109,961	1,056,887
	-----	-----
	\$ 6,993,523	\$ 6,629,095
	=====	=====

The accompanying notes are an integral part of these interim financial

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statements

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Summit Life Corporation and Subsidiaries

Consolidated Statements of Operation
(Unaudited)

	Three Months Ended September 30,		
	2002	2001	
Revenues			
Insurance premiums	\$ 124,284	\$ 117,709	\$
Reinsurance premium ceded	(20,106)	(18,087)	
	-----	-----	-----
Net premium income	104,178	99,622	
Investment activity			
Investment income	64,813	73,906	
Net realized gain (loss) on available for sale securities	--	--	
Net loss on revaluation of held to maturity security	(35,411)	--	
Net gain (loss) on trading securities	(32,651)	(104,479)	
Other	15,107	29,460	
	-----	-----	-----
	116,036	98,509	
Benefits, losses and expenses			
Policy benefits	29,482	48,697	
Change in policy reserves	85,216	(3,973)	
Interest expense	97	3,179	
Taxes, licenses and fees	5,719	5,463	
Depreciation and amortization	24,992	31,985	
General, administrative and other operating expenses	87,942	67,209	
	-----	-----	-----
	233,448	152,560	
	-----	-----	-----
Earnings (Loss) before income taxes	(117,412)	(54,051)	
Income tax provision	--	--	
	-----	-----	-----
NET EARNINGS (LOSS)	\$ (117,412)	\$ (54,051)	\$
Preferred Stock Dividend Requirement	12,500	12,500	
	-----	-----	-----
NET EARNINGS (LOSS) APPLICABLE TO COMMON SHARES	\$ (129,912)	\$ (66,551)	\$
	=====	=====	=====
Earnings (Loss) per common share -			

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Basic and diluted	\$ (0.05)	\$ (0.03)	\$
	=====	=====	=====
Weighted average outstanding common shares, basic and diluted	2,691,305	2,492,283	
	=====	=====	=====

The accompanying notes are an integral part of these interim financial statements

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Summit Life Corporation and Subsidiaries
Consolidated Statement of Stockholders' Equity
Nine Months Ended September 30, 2002
(Unaudited)

	Total	Common Stock		Preferred Stock "	
		Shares Issued	Par Value	Shares Out-standing	Liqui- ati- Val
	-----	-----	-----	-----	-----
Balance at January 1, 2002	\$ 1,056,887	2,267,605	\$ 22,676	5,000	\$ 50
Common stock subscribed	1,500	--	--	--	
Dividends on preferred stock	(25,000)	--	--	--	
Close of public offering less expense of \$56,652	(56,552)	423,700	4,237	--	
Sale of stock held by subsidiary	95,000	--	--	--	
Comprehensive income					
Net income (loss)	30,260	--	--	--	
Other comprehensive inc (loss)					
Unrealized gain on investments	7,866	--	--	--	
Comprehensive inc (loss)	38,126				
Balance at Sept. 30, 2002	\$ 1,109,961	2,691,305	\$ 26,913	5,000	\$ 50
	=====	=====	=====	=====	=====

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	Additional Paid-in Capital	Common Stock of Parent Held by Subsidiary	Accumulated Other Comprehensive Income (Loss)	Common stock subscribed	Accumu Def
Balance at January 1, 2002	\$ 2,923,596	\$ (95,000)	\$ 13,709	\$ 422,200	\$ (3,08
Common stock subscribed	--	--	--	1,500	
Dividends on preferred stock	--	--	--	--	(2
Close of public offering less expense of \$56,652	362,911	--	--	(423,700)	
Sale of stock held by subsidiary	--	95,000	--	--	
Comprehensive income					
Net income (loss)	--	--	--	--	3
Other comprehensive inc (loss)					
Unrealized gain on investments	--	--	7,866	--	
Comprehensive inc (loss)					
Balance at Sept. 30, 2002	\$ 3,286,507	\$ --	\$ 21,575	\$ --	\$ (3,07

The accompanying notes are an integral part of these interim financial statements

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Summit Life Corporation and Subsidiaries
Condensed Consolidated Statement of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2002	2001
Increase (Decrease) in Cash and Cash Equivalents		
Net cash provided by (used in) operating activities	\$ 160,674	\$ (161,704)
Net cash provided by (used in) investing activities	(87,997)	1,325,670

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Net cash provided by (used in) financing activities	204,344	(702,445)
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	277,021	461,521
Cash and cash equivalents at the beginning of the period	1,661,410	935,746
	-----	-----
Cash and cash equivalents at the end of the period	\$ 1,938,431	\$ 1,397,267
	=====	=====

The accompanying notes are an integral part of these interim financial statements

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Summit Life Corporation and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month and nine month periods ended September 30, 2002 are not necessarily indicative of the results that may be expected for the year ended December 31, 2002. For further information, refer to the consolidated annual financial statements and footnotes thereto for the year ended December 31, 2001.

Item 2. Management's Discussion and Analysis or Plan of Operation.

This Report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this Report, including, without limitation, statements regarding the Company's future financial position, business strategy, budgets, projected costs and plans and objectives of Management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate" or "believe" or the negative thereof or variations thereon or similar terminology. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Such statements are based upon numerous assumptions about future conditions which may ultimately prove to be inaccurate and actual events and results may materially differ from anticipated results described in such statements. Important factors that could cause actual results to differ materially from the Company's expectations ("cautionary statements") include the risks inherent generally in the insurance and financial services industries, the impact of competition and product pricing, changing market conditions, the risks disclosed in the Company's Annual Report on Form 10-KSB for the Year Ended December 31, 2001 under "ITEM 6--MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION," as well as the risks disclosed in this Report. All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements. The Company assumes no duty to update or revise its forward-looking statements based on changes in internal estimates or expectations or otherwise. As a result, the reader is cautioned not to place reliance on these forward-looking statements.

General

The Company's primary focus is its life insurance operations.

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Results of Operations

Three Months Ended September 30, 2002 Compared to Three Months ended September 30, 2001

Revenue. Total revenues increased 18% from \$98,509 to \$116,036 for the three months ended September 30, 2001 and September 30, 2002, respectively. Revenues attributable to life insurance increased 5% from \$99,622 to \$104,178 for the three months ended September 30, 2002, compared to the same period ended September 30, 2001.

Investment income decreased 12% from \$73,906 for the three months ended September 30, 2001 to \$64,813 for the three months ended September 30, 2002, primarily as a result of historically low interest rates which have increased prepayments of government securities which comprise a significant portion of the Company's investment portfolio.

The Company recognized a loss on the write-down of an impaired security during the quarter in the amount of \$35,411. The Company continues to hold the security.

Net losses on trading securities of \$32,651 were reported for the three months ended September 30, 2002 compared to net losses on trading securities of \$104,479 for the three months ended September 30, 2001. The terrorist acts of September 2001 severely impacted the market during that month and a slow economic recovery has had lasting repercussions in the market over the last twelve months. The Company began trading securities in the fourth quarter of 2000 and is required to report unrealized gains and losses in operations. The realized gain or loss for each trading security may differ materially depending on the date of sale, the underlying performance of the represented company and other market conditions.

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Other income decreased from \$29,460 for the three months ended September 30, 2001 to \$15,107 for the three months ended September 30, 2002. Other income results from administration contracts whereby the Company administers blocks of business for third parties and the Company also generates commission income from ceded reinsurance.

Costs and Expenses. Total expenses increased 53% from \$152,560 to \$233,448 for the three months ended September 30, 2001 and 2002, respectively. Policies written in the third quarter of 2002 resulted in substantial increases in reserves while the third quarter of 2001 reflected slight decreases. The increase in expenses is a result of marketing strategies employed by the Company that have been responsible for increases in premium revenues.

Policy benefits decreased from \$48,697 to \$29,482 for the comparable periods. Policy reserves increased \$89,189 for the comparable periods. Interest expense decreased from \$3,179 to \$97 for the comparable periods due to the reduction of Company debt. Depreciation and amortization decreased from \$31,985 to \$24,992 for the three months ended September 30, 2001 and 2002, respectively, as the Company continued to amortize the block of business acquired with Great Midwest Life Insurance Company. General expenses increased 31% from \$67,209 to \$87,942 for the comparable periods due in part to commission expense associated with the new business written by the Company.

Income/Loss. The Company reported a net loss for the three months ended September 30, 2002 of \$117,412, compared to a net loss for the three months ended September 30, 2001 of \$54,051. The Company increased revenues from life

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insurance and reduced trading losses, but was impacted by the one-time security write-off and new business costs during the quarter.

The Company reported net loss per share of \$0.05 per share for the three months ended September 30, 2002, compared to a net loss of \$0.03 per share for the three months ended September 30, 2001.

Nine Months Ended September 30, 2002 Compared to Nine Months ended September 30, 2001

Revenue. Total revenues increased 60% from \$408,877 to \$652,390 for the nine months ended September 30, 2001 and September 30, 2002, respectively. The increase was primarily the result of the acquisition of business from Presidential Life Insurance Company of Dallas, Texas ("Presidential") that was completed in August 2001, as well as the sale of a communications tower lease for \$211,000 in June 2002. Revenues attributable to life insurance decreased 24% from \$301,887 to \$228,770 for the nine months ended September 30, 2002, compared to the same period ended September 30, 2001. The decrease was due primarily to the sale of several sizeable contracts during the second and third quarters of 2001.

Investment income increased 70% from \$244,195 for the nine months ended September 30, 2001 to \$415,192 for the nine months ended September 30, 2002, primarily as a result of the sale of a communications tower lease for \$211,000.

The Company recognized a loss on the write-down of an impaired security during the third quarter of 2002 in the amount of \$35,411. The Company continues to hold the security.

Net losses on trading securities of \$4,977 were reported for the period ended September 30, 2002 compared to losses on trading securities of \$178,341 for the period ended September 30, 2001. The terrorist acts of September 2001 severely impacted the market during that month and a slow economic recovery has had lasting repercussions in the market over the last twelve months. The Company began trading securities in the fourth quarter of 2000 and is required to report unrealized gains and losses in operations. The realized gain or loss for each trading security may differ materially depending on the date of sale, the underlying performance of the represented company and other market conditions.

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Other income decreased slightly from \$47,966 for the nine months ended September 30, 2001 to \$46,316 for the nine months ended September 30, 2002. Other income results from administration contracts whereby the Company administers blocks of business for third parties and the Company also generates commission income from ceded reinsurance.

Costs and Expenses. Total expenses decreased 16% from \$740,304 to \$622,130 for the nine months ended September 30, 2001 and 2002, respectively. Reserve increases for the first nine months of 2002 were not as substantial as those reported in the first nine months of 2001 due to the amount and type of business written. As a result, the size of the reserve increase dropped substantially for the first nine months of 2002 as compared to the same period of 2001.

Policy benefits increased from \$106,597 to \$136,954 for the comparable periods, due in part to the acquisition of business from Presidential. Policy reserves decreased \$76,400 for the comparable periods. Interest expense decreased from \$13,381 to \$248 for the comparable periods due to the reduction of Company debt. Depreciation and amortization decreased from \$89,470 to \$72,723

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for the nine months ended September 30, 2001 and 2002, respectively, as the Company continued to amortize the block of business acquired with Great Midwest Life Insurance Company. General expenses decreased 14% from \$290,378 to \$249,459 for the comparable periods as a result of management cost containment programs.

Net Gain/Loss. The Company reported a net gain for the nine months ended September 30, 2002 of \$30,260, compared to a net loss for the nine months ended September 30, 2001 of \$331,427. The increase was primarily due to the sale of a communications tower lease for \$211,000 and the acquisition of business from Presidential. The Company reported income from the sale of a communications tower lease and reduced trading losses and operating costs significantly during the period.

The Company reported a net loss per share of \$0.00 per share for the nine months ended September 30, 2002, compared to a net loss of \$0.16 per share for the nine months ended September 30, 2001.

Liquidity and Capital Resources

Total assets were \$6,993,523 at September 30, 2002, compared to \$6,849,138 at September 30, 2001, an increase of 2%. The increase was due to new business written by the Company during the last twelve months.

Total liabilities (primarily insurance reserves for future policyholder benefits) were \$5,883,562 at September 30, 2002, compared to \$5,556,230 at September 30, 2001, an increase of 6%. The increase was due primarily to new business written by the Company.

Total stockholders' equity was \$1,109,961 at September 30, 2002, compared to \$1,292,908 at September 30, 2001, a decrease of 14%. The decrease was attributable to the Company's operating losses during the last twelve months.

The principal requirements for liquidity in connection with the Company's operations are its contractual obligations to policyholders and annuitants. The Company's contractual obligations include payments of surrender benefits, contract withdrawals, policy loans and claims under outstanding insurance policies and annuities. Payment of surrender benefits is a function of "persistency," which is the extent to which insurance policies are maintained by the policyholder. Policyholders sometimes do not pay premiums, thus causing their policies to lapse, or policyholders may choose to surrender their policies for their cash surrender value. If actual experience of a policy or block of policies is different from the initial or acquisition date assumptions, a gain or loss could result. Depending on the nature of the underlying policy, a lapse or surrender may result in surrender charge revenue or surrender benefit expense. Such amounts may be less than, or greater than, unamortized acquisition expenses and/or the related policy reserves; accordingly, current period earnings may either increase or decrease. Additionally, policy lapses and surrenders may result in lost future revenues and profits associated with those policies that are lapsed or surrendered.

The Company acquired commercial property during the third quarter of 2002 for \$529,871. The property, which is located in the Oklahoma City metro area, consists of offices and an extended warehouse, as well as land surrounding the building. The Company currently rents the offices to tenants, but may move its corporate operations to the property and sell or lease the building which houses its current offices. In addition, during the fourth quarter the Company has expended, and expects to further expend, a total of approximately \$300,000

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to convert the warehouse and remaining land into temperature controlled and regular mini-storage units. When the property is fully leased, the Company expects to recognize investment income from the property. The purchase of the property and the improvements were and are being made from existing cash flow from operations."

The Company currently funds most of its activity directly from cash flow from operations and cash flow from activities, which includes deposits to policyholders' account balances. The Company's liquidity position showed improvement from the previous comparable quarter, with a 39% net increase in cash and cash equivalents. However, this liquidity was provided substantially from two nonrecurring transactions: the sale of a communications tower lease for \$211,000 in June 2002 and the sale in June 2002 of 19,000 shares of the Company's common stock for \$95,000.

The Company has made and intends to make substantial expenditures in connection with its subsidiary's acquisition and marketing programs. Historically, the Company has funded these expenditures from cash flow from operations.

The Company believes that the liquidity resulting from the transactions described above, together with anticipated cash from continuing operations, should be sufficient to fund its operations and the annual 10% dividend on the Series A Preferred Stock for at least the next 12 months. The Company may not, however, generate sufficient cash flow for these purposes. The Company's ability to fund its operations will depend on its future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control.

Item 3. Controls and Procedures.

The Company's principal executive officers and principal financial officers have concluded, based on their evaluation as of a date within 90 days of the filing of this Form 10-QSB, that its disclosure controls and procedures (as defined in Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934) are effective. There have been no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit Number -----	Name of Exhibit -----
3.1	First Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference).

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- 3.2 First Amended and Restated Bylaws (filed as Exhibit 3.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference).
- 4.1 Specimen Certificate of the common stock (filed as Exhibit 4.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference).
- 4.2 See Articles V and X of the Company's Certificate of Incorporation and Article VI of the Company's Bylaws (filed as Exhibit 4.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference).
- 4.3 Specimen Certificate of the Series A Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference).
- 4.4 Certificate of Designation of Series A Preferred Stock (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference).
- 4.5 Certificate of Designation of Series B Convertible Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended September 30, 2000 and incorporated herein by reference).
- 99.1* Certification of Periodic Financial Report by Chief Financial Officer Pursuant to 18 U.S.C.ss. 1350.
- 99.2* Certification of Periodic Financial Report by Chief Executive Officer Pursuant to 18 U.S.C.ss. 1350.
- 99.3* Certification of Periodic Financial Report by Chief Accounting Officer Pursuant to 18 U.S.C.ss. 1350.
- * Filed herewith.
- (b) Reports on Form 8-K: none.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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SUMMIT LIFE CORPORATION
an Oklahoma corporation

Date: November 14, 2002

/s/Charles L. Smith

Charles L. Smith
President, Chief Operating Officer
and Chief Financial Officer

Date: November 14, 2002

/s/Quinton L. Hiebert

Quinton L. Hiebert
Chief Accounting Officer

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CERTIFICATIONS

I, Charles L. Smith, President, Chief Operating Officer, Chief Financial Officer and a Director of Summit Life Corporation certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Summit Life Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly

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during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/Charles L. Smith

Charles L. Smith
President, Chief Operating Officer,
Chief Financial Officer, and Director

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I, Quinton L. Hiebert, Chief Accounting Officer of Summit Life Corporation certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Summit Life Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

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4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ Quinton L. Hiebert

Quinton L. Hiebert
Chief Accounting Officer

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I, James L. Smith, Chief Executive Officer and a Director of Summit Life Corporation certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Summit Life Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

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3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ James L. Smith

James L. Smith
Chief Executive Officer and
Chairman of the Board of Directors

Exhibit
Number

Name of Exhibit

3.1 First Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company's Registration Statement on Form

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SB-2, file number 333-65097 and incorporated herein by reference).

- 3.2 First Amended and Restated Bylaws (filed as Exhibit 3.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference).
- 4.1 Specimen Certificate of the common stock (filed as Exhibit 4.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference).
- 4.2 See Articles V and X of the Company's Certificate of Incorporation and Article VI of the Company's Bylaws (filed as Exhibit 4.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference).
- 4.3 Specimen Certificate of the Series A Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference).
- 4.4 Certificate of Designation of Series A Preferred Stock (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference).
- 4.5 Certificate of Designation of Series B Convertible Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended September 30, 2000 and incorporated herein by reference).
- 99.1* Certification of Periodic Financial Report by Chief Financial Officer Pursuant to 18 U.S.C.ss. 1350.
- 99.2* Certification of Periodic Financial Report by Chief Executive Officer Pursuant to 18 U.S.C.ss. 1350.
- 99.3* Certification of Periodic Financial Report by Chief Accounting Officer Pursuant to 18 U.S.C.ss. 1350.

* Filed herewith.