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Dallas

Glenn A. Tobleman, F.S.A., F.C.A.S.
 S. Scott Gibson, F.S.A.
 Cabe W. Chadick, F.S.A.
 Michael A. Mayberry, F.S.A.
 David M. Dillon, F.S.A.
 Gregory S. Wilson, F.C.A.S.
 Steven D. Bryson, F.S.A.
 Bonnie S. Albritton, F.S.A.
 Brian D. Rankin, F.S.A.
 Wesley R. Campbell, F.S.A.
 Jacqueline B. Lee, F.S.A.
 Robert E. Gove, A.S.A.
 J. Finn Knox-Seith, A.S.A.
 Brian C. Stentz, A.S.A.
 Jay W. Fuller, A.S.A.
 Sujaritha Tansen, A.S.A.
 Josh A. Hammerquist, A.S.A.
 Xiaoxiao (Lisa) Jiang, A.S.A.
 Jennifer M. Allen, A.S.A.
 Sergei Mordovin, A.S.A.
 Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

Kansas City

Gary L. Rose, F.S.A.
 Terry M. Long, F.S.A.
 David L. Batchelder, A.S.A.
 Leon L. Langlitz, F.S.A.
 Gary R. McElwain, FLMI
 Anthony G. Proulx, F.S.A.
 Thomas L. Handley, F.S.A.
 D. Patrick Glenn, A.S.A., A.C.A.S.
 Christopher H. Davis, F.S.A.
 Karen E. Elsom, F.S.A.
 Jill J. Humes, F.S.A.

London / Kansas City

Roger K. Annin, F.S.A.
 Timothy A. DeMars, F.S.A.
 Scott E. Morrow, F.S.A.

Baltimore

David A. Palmer, C.F.E.



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February 25, 2013

ACTUARIAL OPINION

I, Brian D. Rankin, a member of the American Academy of Actuaries, am associated with the firm of Lewis & Ellis, Inc., Actuaries and Consultants. I have been appointed by the Board of Directors of Central United Life Insurance Company in December of 2012 to produce this opinion. I meet the Academy qualification standards for rendering the opinion and am familiar with the valuation requirements applicable to life and health insurance companies.

I have examined the actuarial assumptions and actuarial methods used in determining reserves and related actuarial items listed below, as shown in the annual statement of the company, as prepared for filing with state regulatory officials, as of December 31, 2012. Tabulated below are those reserves and related actuarial items that have been subjected to asset adequacy analysis, and the total reserves for the following statement items:

Statement Item	Reserve and Liabilities				(4) Total Amount (1)+(2)+(3)
	Asset Adequacy Tested Amounts				
	(1) Formula Reserves	(2) Additional Reserves	(3) Analysis Method	(3) Other Amount	
Exhibit 5					
Life insurance	95,006,737		A		95,006,737
Annuities	9,675,324		A		9,675,324
SCILC				1,669,756	1,669,756
ADB				105,030	105,030
Disability, Active Lives				175,294	175,294
Disability, Disabled Lives				1,136,009	1,136,009
Miscellaneous Reserves				<u>1,363,962</u>	<u>1,363,962</u>
Total (Exhibit 5, Item 1. Page 3)	<u>104,682,061</u>			4,450,051	109,132,112



North American Actuarial & Consulting Services

Mailing Address: Post Office Box 851857 • Richardson, Texas 75085-1857
 2929 N Central Expressway, Suite 200 • Richardson, TX 75080 • 972-850-0850 • FAX: 972-850-0851



Total (Exhibit 5, Item 1. Page 3) 104,682,061 4,450,051 109,132,112



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(continued)

Statement Item	Reserve and Liabilities				
	Asset Adequacy Tested Amounts				
	(1) Formula Reserves	(2) Additional Actuarial Reserves	Analysis Method	(3) Other Amount	(4) Total Amount (1)+(2)+(3)
Exhibit 6					
Unearned premium reserve	4,017,845		B		4,017,845
Additional contract reserve	87,470,223		B		87,470,223
Claim reserve	<u>9,081,241</u>		B		<u>9,081,241</u>
Total (Exhibit 6, Item 2, Page 3)	100,569,309				100,569,309
Exhibit 7					
Deposit Type Contracts				3,029,307	3,029,307
Exhibit 8, Part 1					
1 Life (Page 3, Line 4.1)				2,292,822	2,292,822
2 Health (Page 3, Line 4.2)	<u>19,169,339</u>		B	<u>0</u>	<u>19,169,339</u>
Total Exhibit 8, Part 1	19,169,339			2,292,822	21,462,161
Separate accounts					
(Page 3, Line 27)		0			0
Asset Valuation Reserve					
(Page 3, Line 24.1)				1,597,951	1,597,951
Interest Maintenance Reserve					
(Page 3, Line 9.4)	3,696,261		A		3,696,261
Total Reserves	<u>228,116,970</u>			<u>11,370,131</u>	<u>239,487,101</u>
Net life deferred and uncollected premium					1,979,329

The analysis method(s) employed above are: (A) Cash Flow Testing and (B) Gross Premium Valuation. Life and annuity results were aggregated. The accident and health insurance blocks were tested in the aggregate.

In forming my opinion, I relied upon asset records, data, listings and summaries of policies and contracts in force prepared by Kent W. Lamb, Chief Financial Officer of Central United Life Insurance Company, as certified in the attached statement. I evaluated that data for reasonableness and consistency. I also reconciled that data to the appropriate schedules of the Annual Statement. In other respects, my examination included such review of the actuarial assumptions and actuarial methods used and such tests of the calculations as I considered necessary.

In my opinion, with the exception of the item listed hereafter, the reserves and related actuarial values concerning the statement items identified above:

1. Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated, in accordance with sound actuarial principles;
 2. Are based on actuarial assumptions that produce reserves at least as great as those called for in any contract provision as to reserve basis and method, and are in accordance with all other contract provisions;
-
2. Are based on actuarial assumptions that produce reserves at least as great as those called for in any contract provision as to reserve basis and method, and are in accordance with all other contract provisions;

3. Meet the requirements of the Insurance Law and regulation of the state of Arkansas and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed;
4. Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end with any exceptions noted below; and
5. Include provision for all actuarial reserves and related statement items that ought to be established.

The reserves and related items, when considered in light of the assets held by the company with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on such assets, and the considerations anticipated to be received and retained under such policies and contracts, make adequate provision according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the company.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board which standards form the basis of this statement of opinion.

This opinion is updated annually as required by statute. To the best of my knowledge, there have been no material changes from the applicable date of the annual statement to the date of the rendering of this opinion that should be considered in reviewing this opinion.

The impact of unanticipated events subsequent to the date of this opinion is beyond the scope of this opinion. The analysis of asset adequacy portion of this opinion should be viewed recognizing that the company's future experience may not follow all the assumptions used in the analysis.

LEWIS & ELLIS, INC., Actuaries & Consultants



Brian D. Rankin, FSA, MAAA
Vice President & Principal


2929 N. Central Expressway, Suite 200
Richardson, Texas 75080
(972) 850-0850

February 25, 2013

kh

CENTRAL UNITED LIFE

I, Kent W. Lamb, CFO, Central United Life Insurance Company, hereby affirm the listing and summaries of asset records in force as of December 31, 2012, prepared for and submitted to Lewis & Ellis, Inc. were prepared under my direction and, to the best of my knowledge and belief, are accurate and complete.


Name

2-14-13
Date

Central United Life Insurance Company
Worham Tower
2727 Allen Parkway, Suite 500
Houston, TX 77019-2115

Phone: 713-529-0045
Fax: 713-821-8402
Toll Free: 800-669-9030



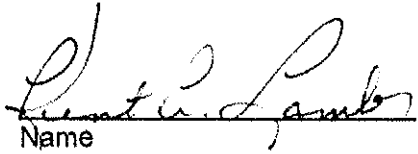
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2727 Allen Parkway, Suite 500
Houston, TX 77019-2115

Phone: 713-529-0045
Fax: 713-821-8402
Toll Free: 800-669-9030



CENTRAL UNITED LIFE

I, Kent W. Lamb, CFO, Central United Life Insurance Company, hereby affirm the listing and summaries of policies in force as of December 31, 2012, prepared for and submitted to Lewis & Ellis, Inc. were prepared under my direction and, to the best of my knowledge and belief, are accurate and complete.


Name

2-14-13
Date

Central United Life Insurance Company
Wortham Tower
2727 Allen Parkway, Suite 500
Houston, TX 77019-2115

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ANNUAL STATEMENT

For the Year Ended December 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

Central United Life Insurance Company

NAIC Group Code 1117 1117 **NAIC Company Code** 61883 **Employer's ID Number** 42-0884060
(Current Period) (Prior Period)

Organized under the Laws of Arkansas, **State of Domicile or Port of Entry** Arkansas
Country of Domicile United States of America

Incorporated/Organized October 22, 1962 **Commenced Business** September 3, 1963

Statutory Home Office 425 West Capitol Avenue Suite 1800, Little Rock, AR, US 72201
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 2727 Allen Parkway Wortham Tower Suite 500
(Street and Number)
Houston, TX, US 77019 713-529-0045
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 2727 Allen Parkway Wortham Tower Suite 500, Houston, TX, US 77019
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2727 Allen Parkway Wortham Tower Suite 500 Houston, TX, US 77019 713-529-0045
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.manhattanlife.com

Statutory Statement Contact Carolyn Pratt 713-821-6422
(Name) (Area Code) (Telephone Number) (Extension)
cpratt@manhattanlife.com 713-821-6502
(E-Mail Address) (Fax Number)

OFFICERS

Chairman of the Board
David Warren Harris

	Name	Title
1.	<u>Daniel James George</u>	<u>President and Treasurer</u>
2.	<u>Mary Lou Rainey</u>	<u>Secretary</u>
3.	<u>Kent William Lamb</u>	<u>Chief Financial Officer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>William Vernon Bay Jr.</u>	<u>Vice-President</u>	<u>Lee Ann Blakey</u>	<u>Vice-President</u>
<u>Todd Zane Hayden</u>	<u>Vice-President</u>	<u>John Egan McGettigan</u>	<u>Senior Vice-President</u>
<u>Teresa Salley Moro</u>	<u>Vice-President</u>	<u>David Lee Parsons</u>	<u>Vice-President</u>
<u>Mary Lou Rainey</u>	<u>Secretary/Vice-President</u>	<u>John Alan Vala</u>	<u>Vice-President</u>

DIRECTORS OR TRUSTEES

<u>David Warren Harris</u>	<u>Daniel James George</u>	<u>Kent William Lamb</u>	<u>John Egan McGettigan</u>
<u>Mary Lou Rainey</u>			

State of Texas
County of Harris ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>(Signature)</u>	<u>(Signature)</u>	<u>(Signature)</u>
<u>Daniel James George</u>	<u>Mary Lou Rainey</u>	<u>Kent William Lamb</u>
<u>(Printed Name)</u>	<u>(Printed Name)</u>	<u>(Printed Name)</u>
<u>1.</u>	<u>2.</u>	<u>3.</u>
<u>President and Treasurer</u>	<u>Secretary</u>	<u>Chief Financial Officer</u>
<u>(Title)</u>	<u>(Title)</u>	<u>(Title)</u>

Subscribed and sworn to (or affirmed) before me on this
25th day of February, 2013, by

- a. Is this an original filing? Yes No
- b. If no:
- 1. State the amendment number
 - 2. Date filed
 - 3. Number of pages attached

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	56,622,796	23.05	56,622,796		56,622,796	23.05
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies						
1.22 Issued by U.S. government sponsored agencies	37,004,635	15.06	37,004,635		37,004,635	15.06
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations						
1.43 Revenue and assessment obligations	784,193	0.32	784,193		784,193	0.32
1.44 Industrial development and similar obligations						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	209	0.00	209		209	0.00
1.512 Issued or guaranteed by FNMA and FHLMC						
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	581,009	0.24	581,009		581,009	0.24
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	18,651,626	7.59	18,651,626		18,651,626	7.59
2.2 Unaffiliated non-U.S. securities (including Canada)	3,007,753	1.22	3,007,753		3,007,753	1.22
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated	49,960,169	20.34	49,960,169		49,960,169	20.34
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties	1,135,414	0.46	1,135,414		1,135,414	0.46
4.4 Multifamily residential properties						
4.5 Commercial loans	3,093,252	1.26	3,093,252		3,093,252	1.26
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company	12,480,918	5.08	12,480,918		12,480,918	5.08
5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)	6,760,296	2.75	6,760,296		6,760,296	2.75
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)						
6. Contract loans	5,574,131	2.27	5,574,131		5,574,131	2.27
7. Derivatives						
8. Receivables for securities						
9. Securities Lending (Line 10, Asset Page reinvested collateral)				X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments	49,981,951	20.35	49,981,951		49,981,951	20.35
11. Other invested assets						
12. Total invested assets	245,638,352	100.00	245,638,352		245,638,352	100.00

SCHEDULE A - VERIFICATION BETWEEN YEARS**Real Estate**

1. Book/adjusted carrying value, December 31 of prior year		17,371,227
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6)		
2.2 Additional investment made after acquisition (Part 2, Column 9)	5,503,916	5,503,916
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13		
3.2 Totals, Part 3, Column 11		
4. Total gain (loss) on disposals, Part 3, Column 18		1,903,375
5. Deduct amounts received on disposals, Part 3, Column 15		5,227,706
6. Total foreign exchange change in book/adjusted carrying value:		
6.1 Totals, Part 1, Column 15		
6.2 Totals, Part 3, Column 13		
7. Deduct current year's other than temporary impairment recognized:		
7.1 Totals, Part 1, Column 12		
7.2 Totals, Part 3, Column 10		
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11	272,235	
8.2 Totals, Part 3, Column 9	37,363	309,598
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		19,241,214
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		19,241,214

SCHEDULE B - VERIFICATION BETWEEN YEARS**Mortgage Loans**

1. Book value/recorded investment excluding accrued interest, December 31 of prior year		4,330,598
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions (Part 2, Column 7)		
2.2 Additional investment made after acquisitions (Part 2, Column 8)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12		
3.2 Totals, Part 3, Column 11		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9		
5.2 Totals, Part 3, Column 8		
6. Total gain (loss) on disposals, Part 3, Column 18		
7. Deduct amounts received on disposals, Part 3, Column 15		101,931
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest:		
9.1 Totals, Part 1, Column 13		
9.2 Totals, Part 3, Column 13		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 11		
10.2 Totals, Part 3, Column 10		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		4,228,667
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		4,228,667
14. Deduct total nonadmitted accounts		
15. Statement value at end of current period (Line 13 minus Line 14)		4,228,667

SCHEDULE BA - VERIFICATION BETWEEN YEARS**Other Long-Term Invested Assets**

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16		
3.2 Totals, Part 3, Column 12		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13	NONE	
5.2 Totals, Part 3, Column 9		
6. Total gain (loss) on disposals, Part 3, Column 19		
7. Deduct amounts received on disposals, Part 3, Column 16		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17		
9.2 Totals, Part 3, Column 14		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 15		
10.2 Totals, Part 3, Column 11		
11. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION BETWEEN YEARS**Bonds and Stocks**

1. Book/adjusted carrying value, December 31 of prior year		182,143,781
2. Cost of bonds and stocks acquired, Part 3, Column 7		22,800,093
3. Accrual of discount		160,653
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12		
4.2 Part 2, Section 1, Column 15		
4.3 Part 2, Section 2, Column 13	(1,270,720)	
4.4 Part 4, Column 11		(1,270,720)
5. Total gain (loss) on disposals, Part 4, Column 19		1,222,080
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7		38,161,654
7. Deduct amortization of premium		281,841
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15		
8.2 Part 2, Section 1, Column 19		
8.3 Part 2, Section 2, Column 16		
8.4 Part 4, Column 15		
9. Deduct current year's other than temporary impairment recognized:		
9.1 Part 1, Column 14		
9.2 Part 2, Section 1, Column 17		
9.3 Part 2, Section 2, Column 14		
9.4 Part 4, Column 13		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		166,612,392
11. Deduct total nonadmitted accounts		
12. Statement value at end of current period (Line 10 minus Line 11)		166,612,392

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	93,627,640	100,325,433	93,982,246	92,406,210
	2. Canada				
	3. Other Countries				
	4. Totals	93,627,640	100,325,433	93,982,246	92,406,210
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals				
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals				
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	1,365,203	1,413,312	1,347,306	1,380,054
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States	18,651,626	20,227,116	18,751,878	18,633,388
	9. Canada	1,757,786	1,844,793	1,831,682	1,724,077
	10. Other Countries	1,249,968	1,358,930	1,247,930	1,250,000
	11. Totals	21,659,380	23,430,839	21,831,490	21,607,465
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	116,652,223	125,169,584	117,161,042	115,393,729
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States				
	15. Canada				
	16. Other Countries				
	17. Totals				
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks				
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States				
	21. Canada				
	22. Other Countries				
	23. Totals				
Parent, Subsidiaries and Affiliates	24. Totals	49,960,169	49,960,169	41,791,077	
	25. Total Common Stocks	49,960,169	49,960,169	41,791,077	
	26. Total Stocks	49,960,169	49,960,169	41,791,077	
	27. Total Bonds and Stocks	166,612,392	175,129,753	158,952,119	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1	52,008,000	43,986,740	29,137,952	6,385,119	1,029,591	132,547,402	80.057	126,473,303	73.738	132,547,402	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	52,008,000	43,986,740	29,137,952	6,385,119	1,029,591	132,547,402	80.057	126,473,303	73.738	132,547,402	
2. All Other Governments											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
3. U.S. States, Territories and Possessions, etc., Guaranteed											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals											
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals											
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Class 1	14,260	20,643	521,445	24,661		581,009	0.351	1,059,741	0.618	581,009	
5.2 Class 2	195,392	588,802				784,194	0.474	943,827	0.550	784,193	
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals	209,652	609,445	521,445	24,661		1,365,203	0.825	2,003,568	1.168	1,365,202	

505

NONE

NONE

NONE

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial & Miscellaneous (unaffiliated)											
6.1 Class 1	15,135,459	7,168,773	4,120,472	747,099		27,171,803	16.411	39,559,286	23.064	27,171,804	
6.2 Class 2	505,535	3,002,545		974,498		4,482,578	2.707	2,482,425	1.447	4,482,579	
6.3 Class 3											
6.4 Class 4								997,982	0.582		
6.5 Class 5											
6.6 Class 6											
6.7 Totals	15,640,994	10,171,318	4,120,472	1,721,597		31,654,381	19.119	43,039,693	25.094	31,654,383	
7. Hybrid Securities											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals											
8. Parent, Subsidiaries and Affiliates											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											

9005

NONE

NONE

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 9.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 Class 1	(d) 67,157,719	51,176,156	33,779,869	7,156,879	1,029,591	160,300,214	96.819	X X X	X X X	160,300,215	
9.2 Class 2	(d) 700,927	3,591,347		974,498		5,266,772	3.181	X X X	X X X	5,266,772	
9.3 Class 3	(d)							X X X	X X X		
9.4 Class 4	(d)							X X X	X X X		
9.5 Class 5	(d)					(c)		X X X	X X X		
9.6 Class 6	(d)					(c)		X X X	X X X		
9.7 Totals	67,858,646	54,767,503	33,779,869	8,131,377	1,029,591	165,566,986	100.000	X X X	X X X	165,566,987	
9.8 Line 9.7 as a % of Col. 6	40.986	33.079	20.403	4.911	0.622	100.000	X X X	X X X	X X X	100.000	
10. Total Bonds Prior Year											
10.1 Class 1	61,007,989	54,715,600	41,140,458	8,044,634	2,183,648	X X X	X X X	167,092,329	97.421	164,088,548	3,003,782
10.2 Class 2	161,410	2,291,239		973,603		X X X	X X X	3,426,252	1.998	3,426,252	
10.3 Class 3						X X X	X X X				
10.4 Class 4		997,982				X X X	X X X	997,982	0.582	997,982	
10.5 Class 5						X X X	X X X	(c)			
10.6 Class 6						X X X	X X X	(c)			
10.7 Totals	61,169,399	58,004,821	41,140,458	9,018,237	2,183,648	X X X	X X X	171,516,563	100.000	168,512,782	3,003,782
10.8 Line 10.7 as a % of Col. 8	35.664	33.819	23.986	5.258	1.273	X X X	X X X	100.000	X X X	98.249	1.751
11. Total Publicly Traded Bonds											
11.1 Class 1	67,157,719	51,176,156	33,779,870	7,156,879	1,029,591	160,300,215	96.819	164,088,548	95.669	160,300,215	X X X
11.2 Class 2	700,927	3,591,347		974,498		5,266,772	3.181	3,426,252	1.998	5,266,772	X X X
11.3 Class 3											X X X
11.4 Class 4								997,982	0.582		X X X
11.5 Class 5											X X X
11.6 Class 6											X X X
11.7 Totals	67,858,646	54,767,503	33,779,870	8,131,377	1,029,591	165,566,987	100.000	168,512,782	98.249	165,566,987	X X X
11.8 Line 11.7 as a % of Col. 6	40.986	33.079	20.403	4.911	0.622	100.000	X X X	X X X	X X X	100.000	X X X
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	40.986	33.079	20.403	4.911	0.622	100.000	X X X	X X X	X X X	100.000	X X X
12. Total Privately Placed Bonds											
12.1 Class 1								3,003,782	1.751	X X X	
12.2 Class 2										X X X	
12.3 Class 3										X X X	
12.4 Class 4										X X X	
12.5 Class 5										X X X	
12.6 Class 6										X X X	
12.7 Totals								3,003,782	1.751	X X X	
12.8 Line 12.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9							X X X	X X X	X X X	X X X	

(a) Includes \$ 0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 0 current year, \$ 0 prior year of bonds with Z designations and \$ 0 current year, \$ 0 prior year of bonds with Z* designations. The letter 'Z' means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5* designations and \$ 0 current year, \$ 0 prior year of bonds with 6* designations. '5*' means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. '6*' means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 48,914,765; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations	52,008,000	43,986,740	29,137,952	6,384,910	1,029,591	132,547,193	80.057	126,473,045	73.738	132,547,193	
1.2 Residential Mortgage-Backed Securities				209		209	0.000	258	0.000	209	
1.3 Commercial Mortgage-Backed Securities											
1.4 Other Loan-Backed and Structured Securities											
1.5 Totals	52,008,000	43,986,740	29,137,952	6,385,119	1,029,591	132,547,402	80.057	126,473,303	73.738	132,547,402	
2. All Other Governments				NONE							
2.1 Issuer Obligations				NONE							
2.2 Residential Mortgage-Backed Securities				NONE							
2.3 Commercial Mortgage-Backed Securities				NONE							
2.4 Other Loan-Backed and Structured Securities				NONE							
2.5 Totals				NONE							
3. U.S. States, Territories and Possessions, Guaranteed				NONE							
3.1 Issuer Obligations				NONE							
3.2 Residential Mortgage-Backed Securities				NONE							
3.3 Commercial Mortgage-Backed Securities				NONE							
3.4 Other Loan-Backed and Structured Securities				NONE							
3.5 Totals				NONE							
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed				NONE							
4.1 Issuer Obligations				NONE							
4.2 Residential Mortgage-Backed Securities				NONE							
4.3 Commercial Mortgage-Backed Securities				NONE							
4.4 Other Loan-Backed and Structured Securities				NONE							
4.5 Totals				NONE							
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Issuer Obligations	195,392	588,802				784,194	0.474	958,827	0.559	784,193	
5.2 Residential Mortgage-Backed Securities	14,260	20,643	521,445	24,661		581,009	0.351	1,044,741	0.609	581,009	
5.3 Commercial Mortgage-Backed Securities											
5.4 Other Loan-Backed and Structured Securities											
5.5 Totals	209,652	609,445	521,445	24,661		1,365,203	0.825	2,003,568	1.168	1,365,202	
6. Industrial and Miscellaneous											
6.1 Issuer Obligations	15,640,995	10,171,318	4,120,472	1,721,598		31,654,383	19.119	43,039,694	25.094	31,654,383	
6.2 Residential Mortgage-Backed Securities											
6.3 Commercial Mortgage-Backed Securities											
6.4 Other Loan-Backed and Structured Securities											
6.5 Totals	15,640,995	10,171,318	4,120,472	1,721,598		31,654,383	19.119	43,039,694	25.094	31,654,383	
7. Hybrid Securities				NONE							
7.1 Issuer Obligations				NONE							
7.2 Residential Mortgage-Backed Securities				NONE							
7.3 Commercial Mortgage-Backed Securities				NONE							
7.4 Other Loan-Backed and Structured Securities				NONE							
7.5 Totals				NONE							
8. Parent, Subsidiaries and Affiliates				NONE							
8.1 Issuer Obligations				NONE							
8.2 Residential Mortgage-Backed Securities				NONE							
8.3 Commercial Mortgage-Backed Securities				NONE							
8.4 Other Loan-Backed and Structured Securities				NONE							
8.5 Totals				NONE							

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. Total Bonds Current Year											
9.1 Issuer Obligations	67,844,387	54,746,860	33,258,424	8,106,508	1,029,591	164,985,770	99.649	X X X	X X X	164,985,769	
9.2 Residential Mortgage-Backed Securities	14,260	20,643	521,445	24,870		581,218	0.351	X X X	X X X	581,218	
9.3 Commercial Mortgage-Backed Securities								X X X	X X X		
9.4 Other Loan-Backed and Structured Securities								X X X	X X X		
9.5 Totals	67,858,647	54,767,503	33,779,869	8,131,378	1,029,591	165,566,988	100.000	X X X	X X X	165,566,987	
9.6 Line 9.5 as a % of Col. 6	40.986	33.079	20.403	4.911	0.622	100.000		X X X	X X X	100.000	
10. Total Bonds Prior Year											
10.1 Issuer Obligations	61,093,334	57,963,132	40,216,674	9,014,778	2,183,648	X X X	X X X	170,471,566	99.391	167,467,783	3,003,782
10.2 Residential Mortgage-Backed Securities	76,065	41,689	923,785	3,459		X X X	X X X	1,044,998	0.609	1,044,999	
10.3 Commercial Mortgage-Backed Securities						X X X	X X X				
10.4 Other Loan-Backed and Structured Securities						X X X	X X X				
10.5 Totals	61,169,399	58,004,821	41,140,459	9,018,237	2,183,648	X X X	X X X	171,516,564	100.000	168,512,782	3,003,782
10.6 Line 10.5 as a % of Col. 8	35.664	33.819	23.986	5.258	1.273	X X X	X X X	100.000	X X X	98.249	1.751
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	67,844,386	54,746,859	33,258,424	8,106,508	1,029,591	164,985,768	99.649	167,467,783	97.639	164,985,768	X X X
11.2 Residential Mortgage-Backed Securities	14,260	20,643	521,445	24,870		581,218	0.351	1,044,999	0.609	581,218	X X X
11.3 Commercial Mortgage-Backed Securities											X X X
11.4 Other Loan-Backed and Structured Securities											X X X
11.5 Totals	67,858,646	54,767,502	33,779,869	8,131,378	1,029,591	165,566,986	100.000	168,512,782	98.249	165,566,986	X X X
11.6 Line 11.5 as a % of Col. 6	40.986	33.079	20.403	4.911	0.622	100.000	X X X	X X X	X X X	100.000	X X X
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	40.986	33.079	20.403	4.911	0.622	100.000	X X X	X X X	X X X	100.000	X X X
12. Total Privately Placed Bonds											
12.1 Issuer Obligations								3,003,782	1.751	X X X	
12.2 Residential Mortgage-Backed Securities										X X X	
12.3 Commercial Mortgage-Backed Securities										X X X	
12.4 Other Loan-Backed and Structured Securities										X X X	
12.5 Totals								3,003,782	1.751	X X X	
12.6 Line 12.5 as a % of Col. 6							X X X	X X X	X X X	X X X	
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9							X X X	X X X	X X X	X X X	

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-Term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	40,603,673	40,603,673			
2. Cost of short-term investments acquired	59,785,828	59,785,828			
3. Accrual of discount					
4. Unrealized valuation increase (decrease)					
5. Total gain (loss) on disposals					
6. Deduct consideration received on disposals	51,474,736	51,474,736			
7. Deduct amortization of premium					
8. Total foreign exchange change in book/adjusted carrying value					
9. Deduct current year's other than temporary impairment recognized					
10. Book adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	48,914,765	48,914,765			
11. Deduct total nonadmitted amounts					
12. Statement value at end of current period (Line 10 minus Line 11)	48,914,765	48,914,765			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: _____

NONE **Schedule DB - Part A and B Verification**

NONE **Schedule DB - Part C - Section 1**

NONE **Schedule DB - Part C - Section 2**

NONE **Schedule DB - Verification**

NONE **Schedule E Verification**

SCHEDULE A - PART 1

Showing All Real Estate OWNED December 31 of Current Year

1 Description of Property	2 Code	Location		5 Date Acquired	6 Date of Last Appraisal	7 Actual Cost	8 Amount of Encumbrances	9 Book/Adjusted Carrying Value Less Encumbrances	10 Fair Value Less Encumbrances	Change in Book/Adjusted Carrying Value Less Encumbrances					16 Gross Income Earned Less Interest Incurred on Encumbrances	17 Taxes, Repairs, and Expenses Incurred
		3 City	4 State							11 Current Year's Depreciation	12 Current Year's Other Than Temporary Impairment Recognized	13 Current Year's Change in Encumbrances	14 Total Change in B./A.C.V. (13 - 11 - 12)	15 Total Foreign Exchange Change in B./A.C.V.		
10777 Northwest Freeway		Houston	TX	05/12/2011	05/12/2011	12,590,633		12,480,918	12,590,633	109,714			(109,714)		1,696,917	1,247,542
0299999 Properties occupied by the reporting entity - Administrative *						12,590,633		12,480,918	12,590,633	109,714			(109,714)		1,696,917	1,247,542
0399999 Total Properties occupied by the reporting entity						12,590,633		12,480,918	12,590,633	109,714			(109,714)		1,696,917	1,247,542
10700 Northwest Freeway CML Realty Corp		Houston Concord	TX NH	09/15/2001 03/31/1999	12/01/2001 05/28/2009	1,933,552 6,801,575		1,933,552 4,826,744	1,933,552 6,801,575				(162,521)		920,871	1,609 543,762
0499999 Properties held for the production of income						8,735,127		6,760,296	8,735,127	162,521			(162,521)		920,871	545,371
0699999 Totals						21,325,760		19,241,214	21,325,760	272,235			(272,235)		2,617,788	1,792,913

E01

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Year, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/ Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs, and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
10700 Northwest Freeway	Houston	TX	04/12/2012	State of Texas	6,763,696		5,295,246	37,363			(37,363)		5,295,246	5,227,706		1,903,375	1,903,375	444,265	321,411
0199999 Property disposed					6,763,696		5,295,246	37,363			(37,363)		5,295,246	5,227,706		1,903,375	1,903,375	444,265	321,411
0399999 Totals					6,763,696		5,295,246	37,363			(37,363)		5,295,246	5,227,706		1,903,375	1,903,375	444,265	321,411

EO3

SCHEDULE B - PART 1

Showing All Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	2 Code	3 Location		5 Loan Type	6 Date Acquired	7 Rate of Interest	8 Book Value/ Recorded Investment Excluding Accrued Interest	9 Change in Book Value/Recorded Investment					14 Value of Land and Buildings	15 Date of Last Appraisal or Valuation
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Amortization)/ Accretion	11 Current Year's Other than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Foreign Exchange Change in Book Value		
1190		Houston	TX		07/01/2003	5.800	942,361						1,458,000	05/22/2003
0299999 Mortgages in Good Standing - Residential Mortgages - Insured or Guaranteed *							942,361						1,458,000	X X X
1192		Houston	TX		03/31/2009	8.000	193,053						258,500	03/31/2009
0399999 Mortgages in Good Standing - Residential Mortgages - All Other *							193,053						258,500	X X X
0990224		Great Neck	NY		03/31/2009	6.200	3,093,252						5,597,880	12/28/2005
0599999 Mortgages in Good Standing - Commercial Mortgages - All Other *							3,093,252						5,597,880	X X X
0899999 Total Mortgages in Good Standing							4,228,666						7,314,380	X X X
3399999 Total Mortgages							4,228,666						7,314,380	X X X

E04

General Interrogatory:

1. Mortgages in good standing \$ 0 unpaid taxes \$ 0 interest due and unpaid.
2. Restructured mortgages \$ 0 unpaid taxes \$ 0 interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure \$ 0 unpaid taxes \$ 0 interest due and unpaid.
4. Mortgages in process of foreclosure \$ 0 unpaid taxes \$ 0 interest due and unpaid.

NONE Schedule B - Part 2

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Year

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	Change in Book Value/Recorded Investment					14 Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	2 City	3 State					8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization)/ Accretion	10 Current Year's Other Than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8 + 9 - 10 + 11)						13 Total Foreign Exchange Change in Book Value
1190	Houston	TX		07/01/2003		982,434							40,073			
1192	Houston	TX		03/31/2009		196,364							3,311			
0990224	Great Neck	NY		03/31/2009		3,151,799							58,547			
0299999	Mortgages with partial repayments					4,330,597							101,931			
						4,330,597							101,931			
0599999 Totals						4,330,597							101,931			

E06

NONE **Schedule BA - Part 1**

NONE **Schedule BA - Part 2**

NONE **Schedule BA - Part 3**

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	Change in Book/Adjusted Carrying Value					Interest				Dates	
		3	4	5			8	9		11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F o r e i g n B o n d C H A R	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase / (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
912828-SX-9	US TREASURY			1	2,280,859	100.633	2,264,243	2,250,000	2,278,860		(1,999)			1.125	0.910	MN	2,225	12,656	07/16/2012	05/31/2019
912828-TD-2	US TREASURY			1	999,066	99.836	998,360	1,000,000	999,201		135			0.250	0.280	JJ	1,155		07/25/2012	07/15/2015
912828-TR-1	US TREASURY			1	1,036,723	99.313	1,042,787	1,050,000	1,037,101		378			1.000	1.190	MS	2,683		10/19/2012	09/30/2019
912828-JQ-4	US TREASURY GOVERN			1	534,075	102.137	518,856	508,000	514,622		(7,916)			2.750	1.160	AO	2,393	13,970	07/08/2010	10/31/2013
912828-KQ-2	US TREASURY GOVERN			1	957,621	113.250	1,132,500	1,000,000	970,833		4,003			3.125	3.640	MN	4,057	31,250	07/23/2009	05/15/2019
912828-LY-4	US TREASURY GOVERN			1	980,160	114.977	1,149,770	1,000,000	985,538		1,825			3.375	3.610	MN	4,382	33,750	12/15/2009	11/15/2019
912828-NF-3	US TREASURY GOVERN			1	4,415,655	104.336	4,590,784	4,400,000	4,407,830		(3,137)			2.125	2.040	MN	8,220	93,500	06/16/2010	05/31/2015
912828-RM-4	US TREASURY GOVERN			1	990,081	101.906	1,019,060	1,000,000	992,352		1,942			1.000	1.200	AO	1,713	10,000	10/27/2011	10/31/2016
912828-RR-3	US TREASURY GOVERN			1	7,182,935	103.789	7,369,019	7,100,000	7,178,600		(4,331)			2.000	1.860	MN	18,436	130,000	07/23/2012	11/15/2021
912828-TN-0	US TREASURY GOVERN			1	2,492,295	99.414	2,485,350	2,500,000	2,492,630		334			1.000	1.040	FA	8,494		09/07/2012	08/31/2019
912828-UA-6	US TREASURY GOVERN			1	149,116	99.664	149,496	150,000	149,122		6			0.625	0.740	MN	82		12/19/2012	11/30/2017
912810-FG-8	US TREASURY BOND			1	499,308	138.484	692,420	500,000	499,460		20			5.250	5.250	FA	9,915	26,250	11/15/2006	02/15/2029
912810-FP-8	US TREASURY BOND			1	4,868,398	142.750	6,066,875	4,250,000	4,736,313		(17,226)			5.375	4.440	FA	86,285	228,438	11/15/2006	02/15/2031
912828-BA-7	US TREASURY NOTE			1	3,571,669	101.289	3,545,115	3,500,000	3,503,129		(8,286)			3.625	3.370	MN	16,473	126,875	04/18/2005	05/15/2013
912828-BH-2	US TREASURY NOTE			1	404,028	102.531	407,049	397,000	400,985		(1,424)			4.250	2.610	FA	6,373	10,498	10/19/2012	08/15/2013
912828-CA-6	US TREASURY NOTE			1	990,938	104.238	1,042,380	1,000,000	998,783		1,040			4.000	4.110	FA	15,109	40,000	04/02/2004	02/15/2014
912828-DM-9	US TREASURY NOTE			1	979,844	107.844	1,078,440	1,000,000	994,983		2,214			4.000	4.240	FA	15,109	40,000	02/18/2005	02/15/2015
912828-DV-9	US TREASURY NOTE			1	1,007,500	108.992	1,089,920	1,000,000	1,002,091		(826)			4.125	4.030	MN	5,356	41,250	07/01/2005	05/15/2015
0199999	U.S. Government - Issuer Obligations				93,982,040	X X X	100,325,190	92,406,000	93,627,433		(119,155)			X X X	X X X	X X X	705,630	2,580,872	X X X	X X X
36225A-B3-3	GNMA #780058			1	209	116.337	244	210	209					7.000	7.020	MON	1	15	10/13/1995	01/15/2025
0299999	U.S. Government - Residential Mortgage-Backed Securities				209	X X X	244	210	209					X X X	X X X	X X X	1	15	X X X	X X X
0599999	Subtotals - U.S. Governments				93,982,249	X X X	100,325,434	92,406,210	93,627,642		(119,155)			X X X	X X X	X X X	705,631	2,580,887	X X X	X X X
413890-BZ-6	HARRIS CNTY HOUSTON TEXAS SP			2FE	781,805	97.890	768,437	785,000	784,193		168			6.500	6.540	MN	6,520	51,025	01/28/2002	11/15/2016
2599999	U.S. Special Revenue - Issuer Obligations				781,805	X X X	768,437	785,000	784,193		168			X X X	X X X	X X X	6,520	51,025	X X X	X X X
31393V-MS-7	CMO FHLMC 2628 AD			1FE	502,609	104.609	557,340	532,784	518,332		11,080			4.000	5.030	MON	1,776	21,311	01/25/2006	06/15/2018
31359D-5P-4	CMO FNMA 1993 165 SB			1FE	62,893	140.574	87,535	62,270	62,677		17			13.757	13.350	MON	143	8,543	07/01/1993	09/25/2023
2699999	U.S. Special Revenue - Residential Mortgage-Backed Securities				565,502	X X X	644,875	595,054	581,009		11,097			X X X	X X X	X X X	1,919	29,854	X X X	X X X
3199999	Subtotals - U.S. Special Revenue				1,347,307	X X X	1,413,312	1,380,054	1,365,202		11,265			X X X	X X X	X X X	8,439	80,879	X X X	X X X

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SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

E102

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	Change in Book/Adjusted Carrying Value					Interest					Dates	
		3 Code	4 F o r e i g n B o n d C H A R	5 B o n d C H A R			8 Rate Used To Obtain Fair Value	9 Fair Value		11 Book / Adjusted Carrying Value	12 Unrealized Valuation Increase / (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
020039-AD-5	ALLTEL CORP				1FE	988,750	104,754	1,047,540	1,000,000	999,186			922		6,500	6,600	MN	10,833	65,000	10/21/1993	11/01/2013
025816-AQ-2	AMERICAN EXPRESS CO				1FE	979,547	102,327	1,023,270	1,000,000	998,473			2,727		4,875	5,160	JJ	22,479	48,750	11/15/2006	07/15/2013
035229-CS-0	ANHEUSER BUSCH COS INC				1FE	967,740	113,581	1,135,810	1,000,000	985,863			2,316		4,500	4,800	AO	11,250	45,000	07/21/2003	04/01/2018
046003-JU-4	ASSOCIATES CORP NA (CITIGROU				1FE	1,140,937	120,460	1,204,600	1,000,000	1,079,771			(11,381)		6,950	5,340	MN	11,583	69,500	11/15/2006	11/01/2018
06406H-BP-3	BANK OF NEW YORK MELLON				1FE	506,740	114,326	571,630	500,000	505,090			(604)		4,600	4,430	JJ	10,606	23,000	02/10/2010	01/15/2020
071813-AU-3	BAXTER INTERNATIONAL INC				1FE	992,335	108,299	1,082,990	1,000,000	998,192			761		4,625	4,710	MS	13,618	46,250	11/10/2003	03/15/2015
073902-CD-8	BEAR STEARNS CORP				1FE	936,053	113,196	1,131,960	1,000,000	964,853			5,353		4,650	5,390	JJ	23,121	46,500	11/15/2006	07/02/2018
12189P-AL-6	BURLINGTON NORTHERN & SANTA				1FE	683,388	110,386	754,365	683,388	683,388					5,943	5,940	JJ	18,727	40,615	06/20/2002	01/15/2023
136380-AB-8	CANADIAN NATL RR SER 97A2 PAS		A		1FE	838,612	114,445	828,673	724,077	758,165			(10,198)		7,195	5,450	JAN	51,953	48,349	02/05/2003	01/02/2016
879240-AX-7	COMCAST CABLE (TELE COMMUNI				2FE	595,195	104,194	520,970	500,000	505,535			(9,078)		7,875	5,910	FA	16,406	39,375	12/02/1998	08/01/2013
2515E0-AA-7	DEUTSCHE BANK FINANCIAL				2FE	1,028,197	105,906	1,059,060	1,000,000	1,008,544			(3,637)		5,375	4,950	FA	19,410	53,750	11/15/2006	03/02/2015
349631-AG-6	FORTUNE BRANDS INC				2FE	967,320	121,126	1,211,260	1,000,000	974,498			895		6,625	6,890	JJ	30,549	66,250	04/19/2002	07/15/2028
38143U-AB-7	GOLDMAN SACHS GROUP INC				1FE	498,409	104,291	521,455	500,000	499,757			222		5,150	5,190	JJ	11,874	25,750	01/06/2006	01/15/2014
38143U-AW-1	GOLDMAN SACHS GROUP INC				1FE	998,620	106,519	1,065,190	1,000,000	999,719			150		5,000	5,010	AO	12,500	50,000	12/17/2004	10/01/2014
46625H-AX-8	JP MORGAN CHASE & CO				1FE	1,005,300	108,783	1,087,830	1,000,000	1,001,343			(529)		5,250	5,180	MN	8,750	52,500	07/23/2003	05/01/2015
590188-JN-9	MERRILL LYNCH & CO INC				1FE	355,887	122,410	428,435	350,000	353,509			(474)		6,875	6,660	MN	3,075	24,063	05/03/2007	11/15/2018
59018Y-SU-6	MERRILL LYNCH & CO INC SER C M				1FE	997,510	104,065	1,040,650	1,000,000	999,665			292		5,000	5,030	FA	20,556	50,000	01/29/2004	02/03/2014
61748A-AE-6	MORGAN STANLEY				2FE	987,780	103,548	1,035,480	1,000,000	998,133			1,416		4,750	4,900	AO	11,875	47,500	03/26/2004	04/01/2014
656531-AD-2	NORSK HYDRO A/S		F		1FE	249,990	141,440	353,600	250,000	250,000					7,150	7,140	MN	2,284	17,875	07/23/2001	11/15/2025
742651-DF-6	PRIVATE EXPORT FUNDING CORP-				1FE	1,140,656	100,981	1,110,791	1,100,000	1,103,337			(11,398)		3,550	2,480	AO	8,244	39,050	08/12/2009	04/15/2013
75968N-AB-7	RENAISSANCE RE HOLDINGS LTD.		F		1FE	997,940	100,533	1,005,330	1,000,000	999,968			257		5,875	5,900	FA	22,194	58,750	01/28/2003	02/15/2013
78442F-AQ-1	SLM CORP CORPORAT				2FE	985,857	105,412	1,054,120	1,000,000	995,868			1,660		5,000	5,190	AO	10,556	50,000	01/25/2006	04/15/2015
8447HB-AE-2	SOUTH TRUST BANK NA SER BKNT				1FE	496,447	111,063	555,315	500,000	497,099			115		6,125	6,180	JJ	14,632	30,625	11/15/2006	01/09/2028
89233P-SS-6	TOYOTA MOTOR CREDIT CORP				1FE	500,000	100,987	504,935	500,000	500,000					3,190	3,190	MON	576	19,714	01/11/2005	01/18/2015
89352H-AA-7	TRANSCANADA PIPELINES		A		1FE	993,070	101,612	1,016,120	1,000,000	999,620			810		4,000	4,080	JD	1,778	40,000	06/09/2003	06/15/2013
92976G-AD-3	WACHOVIA BANK NA CORP				1FE	999,210	107,946	1,079,460	1,000,000	999,802			88		4,875	4,880	FA	20,313	48,750	01/26/2005	02/01/2015
3299999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					21,831,490	X X X	23,430,839	21,607,465	21,659,378			(29,315)		X X X	X X X	X X X	389,742	1,146,916	X X X	X X X
3899999	Subtotals - Industrial and Miscellaneous (Unaffiliated)					21,831,490	X X X	23,430,839	21,607,465	21,659,378			(29,315)		X X X	X X X	X X X	389,742	1,146,916	X X X	X X X
7799999	Totals - Issuer Obligations					116,595,335	X X X	124,524,466	114,798,465	116,071,004			(148,302)		X X X	X X X	X X X	1,101,892	3,778,813	X X X	X X X
7899999	Totals - Residential Mortgage-Backed Securities					565,711	X X X	645,119	595,264	581,218			11,097		X X X	X X X	X X X	1,920	29,869	X X X	X X X
8399999	Total Bonds					117,161,046	X X X	125,169,585	115,393,729	116,652,222			(137,205)		X X X	X X X	X X X	1,103,812	3,808,682	X X X	X X X

NONE Schedule D - Part 2 - Section 1

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book/ Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3 Code	4 F o r e i g n			7 Rate per Share Used to Obtain Fair Value	8 Fair Value		10 Declared But Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase / (Decrease)	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (13 - 14)	16 Total Foreign Exchange Change in B./A.C.V.		
99C000-02-5 564000-9A-7	INVESTORS CONSOLIDATED INSURA MANHATTAN INSURANCE GROUP			2,500,000.000 614,740.000	7,611,155 42,349,014	3.044 68.889	7,611,155 42,349,014	5,577,044 36,214,033				55,793 (1,326,513)		55,793 (1,326,513)		U U	12/31/2004 09/30/2009
9199999	Parent, Subsidiaries, and Affiliates				49,960,169	X X X	49,960,169	41,791,077				(1,270,720)		(1,270,720)		X X X	X X X
9799999	Total Common Stocks				49,960,169	X X X	49,960,169	41,791,077				(1,270,720)		(1,270,720)		X X X	X X X
9899999	Total Preferred and Common Stocks				49,960,169	X X X	49,960,169	41,791,077				(1,270,720)		(1,270,720)		X X X	X X X

E12

(a) For all common stocks bearing the NAIC market indicator 'U' provide: the number of such issues 2, the total \$ value (included in Column 8) of all such issues \$ 49,960,169

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
3133EA-DK-1	FEDERAL FARM CREDIT BANK		02/09/2012	WELLER ANDERSON & CO		1,000,000	1,000,000.00	
3133EA-GG-7	FEDERAL FARM CREDIT BANK		03/01/2012	WELLER ANDERSON & CO		1,000,000	1,000,000.00	
3133EA-H6-8	FEDERAL FARM CREDIT BANK		08/07/2012	WELLER ANDERSON & CO		1,000,000	1,000,000.00	
3133EA-JU-3	FEDERAL FARM CREDIT BANK		04/13/2012	GX CLARKE		1,009,837	1,000,000.00	525
313373-UU-4	FEDERAL HOME LOAN BANK		02/01/2012	GX CLARKE		4,332,280	4,000,000.00	16,500
912828-RF-9	US TREASURY		03/20/2012	BANK OF TEXAS WEALTH MANAGEMENT		1,097,515	1,100,000.00	628
912828-SK-7	US TREASURY		03/14/2012	VARIOUS		2,986,885	3,000,000.00	
912828-SU-5	US TREASURY		06/26/2012	MORGAN STANLEY & CO. INCORPORATED		1,991,257	2,000,000.00	584
912828-SX-9	US TREASURY		07/16/2012	BANK ONE		2,280,859	2,250,000.00	3,251
912828-TD-2	US TREASURY		07/25/2012	BANK ONE		999,066	1,000,000.00	75
912828-TR-1	US TREASURY		10/19/2012	VARIOUS		1,036,723	1,050,000.00	525
912828-RR-3	US TREASURY GOVERNMENT		07/23/2012	WELLS FARGO		1,269,239	1,200,000.00	4,565
912828-TN-0	US TREASURY GOVERNMENT		09/07/2012	DEUTSCHE BANK SECURITIES INC.		2,492,295	2,500,000.00	691
912828-UA-6	US TREASURY GOVERNMENT		12/19/2012	DEUTSCHE BANK SECURITIES INC.		149,116	150,000.00	52
912828-BH-2	US TREASURY NOTE		10/19/2012	US BANK		155,021	150,000.00	1,178
0599999	Subtotal - Bonds - U. S. Government				X X X	22,800,093	22,400,000.00	28,574
8399997	Subtotal - Bonds - Part 3				X X X	22,800,093	22,400,000	28,574
8399999	Total - Bonds				X X X	22,800,093	22,400,000.00	28,574
9999999	Totals				X X X	22,800,093	X X X	28,574

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SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)							15 Total Foreign Exchange Change in B./A.C.V.
8399999	Total - Bonds				X X X	38,161,654	36,634,435.00	37,216,916	36,923,554		16,017		16,017		36,939,571		1,222,080	1,222,080	791,526	X X X
9999999	Totals					38,161,654	X X X	37,216,916	36,923,554		16,017		16,017		36,939,571		1,222,080	1,222,080	791,526	X X X

E14.1

NONE Schedule D - Part 5

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 F o r e i g n	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book/ Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
99C000-02-5	Investors Consolidated Insurance		85189	2ciB1	YES	180,236	7,611,155	2,500,000.000	100.000
981350-9A-1	Manhattan Life Insurance Compan		65870	2ciB2	YES	2,929,447	42,349,014	614,740.000	100.000
1299999	Common Stocks - U.S. Life Insurer					3,109,683	49,960,169	X X X	X X X
1899999	Total - Common Stocks					3,109,683	49,960,169	X X X	X X X
1999999	Totals					3,109,683	49,960,169	X X X	X X X

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ 53,464,572
2. Total amount of intangible assets nonadmitted \$ 0

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999	Total			X X X	X X X

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Date Acquired	6 Name of Vendor	7 Maturity Date	8 Book / Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				13 Par Value	14 Actual Cost	Interest						21 Paid for Accrued Interest			
		3 Code	4 F o r e i g n					9 Unrealized Valuation Increase / (Decrease)	10 Current Year's (Amortization) / Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Total Foreign Exchange Change in B./A.C.V.			15 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	16 Non-Admitted Due And Accrued	17 Rate of	18 Effective Rate of	19 When Paid	20 Amount Received During Year				
60934N-50-0	FEDERATED TREASURY OBLIGATION-IS			08/01/2011	SUNTRUST		99,996					99,996								MON	11		
825252-30-7	INVESCO AIM TREAS CASH MGMT FD#19			12/17/2012	VARIOUS		2,510,287					2,510,287								MON	51		
4812C0-66-2	JP MORGAN US GOVERNMENT MMKT - A			12/31/2012	VARIOUS		5,402,519					5,402,519	2							MON	167		
4812C0-67-0	JP MORGAN US GOVERNMENT MMKT -			12/31/2012	BANK ONE		30,882,405					30,882,405	433							MON	1,456		
9AMMF0-5B-2	US BANK NATIONAL ASSN MMKT			12/04/2012	US BANK		23,941					23,941								MON	11		
94975H-29-6	WELLS FARGO ADV TR PL MM			12/04/2012	VARIOUS		614					614								MON	1		
8899999	Exempt Money Market Mutual Funds						38,919,762					X X X	38,919,762	435			X X X	X X X	X X X			1,697	
31846V-41-9	FIRST AMERICAN TREASURY OBLIGATIO			08/15/2012	VARIOUS		115,276					115,276								MON	2,035		
94975P-40-5	GOVT MONEY MARKET FUND - INSITUTI			12/31/2012	WELLS FARGO		9,879,726					9,879,726								MON	663		
8999999	Class One Money Market Mutual Funds						9,995,002					X X X	9,995,002				X X X	X X X	X X X			2,698	
9199999	TOTALS						48,914,764					X X X	48,914,764	435			X X X	X X X	X X X			4,395	

E17

- NONE** **Schedule DB - Part A - Section 1**
- NONE** **Schedule DB - Part A - Section 2**
- NONE** **Schedule DB - Part B - Section 1**
- NONE** **Schedule DB - Part B - Section 2**
- NONE** **Schedule DB - Part D**
- NONE** **Schedule DL - Part 1**
- NONE** **Schedule DL - Part 2**

SCHEDULE E - PART 1 - CASH

1	2	3	4	5	6	7
Depository	Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
OPEN DEPOSITORIES						
J P Morgan Chase Citizens Bank of New Hampshire State Street Bank					(211,823) 320,062 958,949	
0199998 Deposits in () depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	X X X	X X X				X X X
0199999 Totals - Open Depositories	X X X	X X X			1,067,188	X X X
SUSPENDED DEPOSITORIES						
0299998 Deposits in () depositories that do not exceed the allowable limit in any one depository (See Instructions) - Suspended Depositories	X X X	X X X				X X X
0299999 Totals - Suspended Depositories	X X X	X X X				X X X
0399999 Total Cash on Deposit	X X X	X X X			1,067,188	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X		X X X
0599999 Total Cash	X X X	X X X			1,067,188	X X X

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	(773,823)	4. April	(2,246,658)	7. July	(1,255,087)	10. October	577,986
2. February	(148,954)	5. May	(757,531)	8. August	(154,072)	11. November	828,271
3. March	(1,026,145)	6. June	180,717	9. September	1,578,031	12. December	1,067,188

NONE Schedule E - Part 2

SCHEDULE E – PART 3 – SPECIAL DEPOSITS

States, etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits		
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value	
1. Alabama	AL						
2. Alaska	AK						
3. Arizona	AZ						
4. Arkansas	AR	B State Deposit All Policyholders/Creditors -	1,682,128	2,141,250			
5. California	CA						
6. Colorado	CO						
7. Connecticut	CT						
8. Delaware	DE						
9. District of Columbia	DC						
10. Florida	FL	B State Deposit All Policyholder/Creditors	479,987	664,723			
11. Georgia	GA	B State Deposit All Policyholders	49,392	49,657			
12. Hawaii	HI						
13. Idaho	ID						
14. Illinois	IL						
15. Indiana	IN						
16. Iowa	IA						
17. Kansas	KS						
18. Kentucky	KY						
19. Louisiana	LA						
20. Maine	ME						
21. Maryland	MD						
22. Massachusetts	MA	B State Deposit MA Policyholders Only			557,725	713,750	
23. Michigan	MI	B State Deposit All Policyholders/Creditor	105,115	106,353			
24. Minnesota	MN						
25. Mississippi	MS						
26. Missouri	MO						
27. Montana	MT						
28. Nebraska	NE						
29. Nevada	NV						
30. New Hampshire	NH						
31. New Jersey	NJ						
32. New Mexico	NM	B State Deposit NM Policyholder/ Creditors O			155,170	156,998	
33. New York	NY						
34. North Carolina	NC	B State Deposit NC Policyholder/ Creditors O			400,985	407,049	
35. North Dakota	ND						
36. Ohio	OH						
37. Oklahoma	OK						
38. Oregon	OR						
39. Pennsylvania	PA						
40. Rhode Island	RI						
41. South Carolina	SC	B State Deposit All Policyholders/Creditor	224,284	285,500			
42. South Dakota	SD						
43. Tennessee	TN						
44. Texas	TX	B State Deposit All Policyholders,,	3,134,366	3,453,280			
45. Utah	UT						
46. Vermont	VT						
47. Virginia	VA						
48. Washington	WA						
49. West Virginia	WV						
50. Wisconsin	WI						
51. Wyoming	WY						
52. American Samoa	AS						
53. Guam	GU						
54. Puerto Rico	PR						
55. US Virgin Islands	VI						
56. Northern Mariana Islands	MP						
57. Canada	CAN						
58. Aggregate Other Alien and Other	OT	X X X	X X X				
59. Total		X X X	X X X	5,675,272	6,700,763	1,113,880	1,277,797

DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for Line 58 from overflow page		X X X	X X X			
5899. Totals (Lines 5801 - 5803 plus 5898) (Line 58 above)		X X X	X X X			

OVERFLOW PAGE FOR WRITE-INS

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ANNUAL STATEMENT

OF THE

Central United Life Insurance Company

of **Houston**

in the state of **Texas**

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2012

LIFE AND ACCIDENT AND HEALTH

2012



61883201220100100

ANNUAL STATEMENT

For the Year Ended December 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

Central United Life Insurance Company

NAIC Group Code 1117, NAIC Company Code 61883, Employer's ID Number 42-0884060, Organized under the Laws of Arkansas, State of Domicile or Port of Entry Arkansas, Country of Domicile United States of America, Incorporated/Organized October 22, 1962, Commenced Business September 3, 1963, Statutory Home Office 425 West Capitol Avenue Suite 1800, Little Rock, AR, US 72201, Main Administrative Office 2727 Allen Parkway Wortham Tower Suite 500, Houston, TX, US 77019, Mail Address 2727 Allen Parkway Wortham Tower Suite 500, Houston, TX, US 77019, Primary Location of Books and Records 2727 Allen Parkway Wortham Tower Suite 500, Houston, TX, US 77019, Internet Web Site Address www.manhattanlife.com, Statutory Statement Contact Carolyn Pratt, cpratt@manhattanlife.com

OFFICERS

Chairman of the Board
David Warren Harris

Table with 2 columns: Name, Title. Rows: Daniel James George (President and Treasurer), Mary Lou Rainey (Secretary), Kent William Lamb (Chief Financial Officer)

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Rows: William Vernon Bay Jr. (Vice-President), Todd Zane Hayden (Vice-President), Teresa Salley Moro (Vice-President), Mary Lou Rainey (Secretary/Vice-President), Lee Ann Blakey (Vice-President), John Egan McGettigan (Senior Vice-President), David Lee Parsons (Vice-President), John Alan Vala (Vice-President)

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows: David Warren Harris, Daniel James George, Kent William Lamb, John Egan McGettigan, Mary Lou Rainey

State of Texas
County of Harris ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Signature and Title section for Daniel James George (President and Treasurer), Mary Lou Rainey (Secretary), and Kent William Lamb (Chief Financial Officer)

Subscribed and sworn to (or affirmed) before me on this 25th day of February, 2013, by

- a. Is this an original filing? [X] Yes [] No
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	116,652,222		116,652,222	130,912,887
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	49,960,169		49,960,169	51,230,889
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	4,228,666		4,228,666	4,330,598
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	12,480,918		12,480,918	12,615,753
4.2 Properties held for the production of income (less \$ 0 encumbrances)	6,760,296		6,760,296	4,755,474
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 1,067,188, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 48,914,765, Schedule DA)	49,981,953		49,981,953	40,549,665
6. Contract loans (including \$ 0 premium notes)	5,574,131		5,574,131	6,462,223
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	245,638,355		245,638,355	250,857,489
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,230,672		1,230,672	1,593,078
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,102,484	798,498	1,303,986	1,264,988
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	675,343		675,343	693,443
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	129,881		129,881	918,794
16.2 Funds held by or deposited with reinsured companies	44,946,387		44,946,387	49,640,982
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	7,948,316	2,615,884	5,332,432	5,211,853
19. Guaranty funds receivable or on deposit	33,267		33,267	28,139
20. Electronic data processing equipment and software	606,196		606,196	629,575
21. Furniture and equipment, including health care delivery assets (\$ 0)	2,215,289	2,215,289		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,655,752		1,655,752	998,182
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	433,525		433,525	616,601
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	307,615,467	5,629,671	301,985,796	312,453,124
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	307,615,467	5,629,671	301,985,796	312,453,124

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Goodwill	364,972		364,972	455,996
2502. Other Receivables	68,553		68,553	160,605
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	433,525		433,525	616,601

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 109,132,112 (Exhibit 5, Line 9999999) less \$ 0 included in Line 6.3 (including \$ 0 Modco Reserve)	109,132,113	110,766,093
2. Aggregate reserve for accident and health contracts (including \$ 0 Modco Reserve)	100,569,309	109,341,905
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ 0 Modco Reserve)	3,029,307	3,402,412
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	2,292,822	1,997,297
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	19,169,339	21,558,225
5. Policyholders' dividends \$ 0 and coupons \$ 0 due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends and coupons payable in following calendar year -- estimated amounts:		
6.1 Dividends apportioned for payment (including \$ 0 Modco)	349,165	347,938
6.2 Dividends not yet apportioned (including \$ 0 Modco)		
6.3 Coupons and similar benefits (including \$ 0 Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ 0 discount; including \$ 459,698 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	514,799	451,000
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ 0 accident and health experience rating refunds of which \$ 0 is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including \$ 0 assumed and \$ 0 ceded		
9.4 Interest Maintenance Reserve (IMR, Line 6)	3,696,261	3,756,128
10. Commissions to agents due or accrued-life and annuity contracts \$ 0 accident and health \$ 0 and deposit-type contract funds \$ 0		
11. Commissions and expense allowances payable on reinsurance assumed	62,981	113,019
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	786,823	747,567
13. Transfers to Separate Accounts due or accrued (net) (including \$ 0 accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	400,000	803,405
15.1 Current federal and foreign income taxes, including \$ 0 on realized capital gains (losses)	244,112	957,670
15.2 Net deferred tax liability		
16. Unearned investment income	74,777	79,244
17. Amounts withheld or retained by company as agent or trustee	401,802	409,866
18. Amounts held for agents' account, including \$ 0 agents' credit balances		
19. Remittances and items not allocated	(12,954)	19,748
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ 0 and interest thereon \$ 0		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	1,597,951	1,136,584
24.02 Reinsurance in unauthorized and certified \$ (0) companies		
24.03 Funds held under reinsurance treaties with unauthorized and certified \$ (0) reinsurers		
24.04 Payable to parent, subsidiaries and affiliates		
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities		
24.10 Payable for securities lending		
24.11 Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	242,308,607	255,888,101
27. From Separate Accounts statement		
28. Total liabilities (Lines 26 and 27)	242,308,607	255,888,101
29. Common capital stock	2,500,000	2,500,000
30. Preferred capital stock	200,000	200,000
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes	14,250,000	15,000,000
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	3,236,734	3,236,734
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	39,490,455	35,628,289
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 29 \$ 0)		
36.2 0 shares preferred (value included in Line 30 \$ 0)		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ 0 in Separate Accounts Statement)	56,977,189	53,865,023
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	59,677,189	56,565,023
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	301,985,796	312,453,124

DETAILS OF WRITE-IN LINES		
2501.		
2502.	NONE	
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
3101.		
3102.	NONE	
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401.		
3402.	NONE	
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		

SUMMARY OF OPERATIONS

	1	2
	Current Year	Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	92,015,084	97,606,123
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	7,204,481	8,654,805
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	983,987	965,004
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	250,068	245,895
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	1,980,936	2,569,723
9. Totals (Lines 1 to 8.3)	102,434,556	110,041,550
10. Death benefits	4,707,219	5,254,595
11. Matured endowments (excluding guaranteed annual pure endowments)	223,559	314,818
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	23,670	23,299
13. Disability benefits and benefits under accident and health contracts	60,603,230	71,658,478
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	2,911,696	2,501,343
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	83,672	167,713
18. Payments on supplementary contracts with life contingencies	305,180	356,546
19. Increase in aggregate reserves for life and accident and health contracts	(10,406,580)	(11,454,504)
20. Totals (Lines 10 to 19)	58,451,646	68,822,288
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	12,511,573	12,419,156
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	1,694,704	1,731,512
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	16,749,513	17,931,212
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	3,451,014	3,706,628
25. Increase in loading on deferred and uncollected premiums	(10,879)	(38,498)
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions		
28. Totals (Lines 20 to 27)	92,847,571	104,572,298
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	9,586,985	5,469,252
30. Dividends to policyholders	377,046	368,246
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	9,209,939	5,101,006
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	1,551,712	1,201,333
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	7,658,227	3,899,673
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 581,561 (excluding taxes of \$ 476,062 transferred to the IMR)	1,143,713	
35. Net income (Line 33 plus Line 34)	8,801,940	3,899,673
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	56,565,023	53,855,478
37. Net income (Line 35)	8,801,940	3,899,673
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	(1,270,720)	(75,429)
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	491,912	1,347,927
41. Change in nonadmitted assets	(1,199,598)	(1,063,410)
42. Change in liability for reinsurance in unauthorized and certified companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)		
44. Change in asset valuation reserve	(461,367)	(128,758)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts statement		
48. Change in surplus notes	(750,000)	
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders	(2,500,000)	(750,000)
53. Aggregate write-ins for gains and losses in surplus		(520,458)
54. Net change in capital and surplus for the year (Lines 37 through 53)	3,112,167	2,709,545
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	59,677,190	56,565,023

DETAILS OF WRITE-IN LINES			
08.301	Gain on Reinsurance - Savers	1,923,481	2,462,800
08.302	Miscellaneous Income	57,455	106,923
08.303			
08.398	Summary of write-ins for Line 08.3 from overflow page		
08.399	Totals (Lines 08.301 through 08.303 plus 08.398) (Line 08.3 above)	1,980,936	2,569,723
2701.			
2702.			
2703.			
2798.	Summary of write-ins for Line 27 from overflow page		
2799.	Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
5301.	Audit Adjustment		(520,458)
5302.			
5303.			
5398.	Summary of write-ins for Line 53 from overflow page		
5399.	Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)		(520,458)

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	92,068,862	97,441,611
2. Net investment income	7,662,273	9,388,393
3. Miscellaneous income	2,230,630	2,815,618
4. Total (Lines 1 through 3)	101,961,765	109,645,622
5. Benefit and loss related payments	70,192,689	83,624,817
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	33,893,293	35,152,364
8. Dividends paid to policyholders	375,819	376,099
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	3,322,892	1,432,108
10. Total (Lines 5 through 9)	107,784,693	120,585,388
11. Net cash from operations (Line 4 minus Line 10)	(5,822,928)	(10,939,766)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	38,161,653	38,685,884
12.2 Stocks		
12.3 Mortgage loans	101,931	4,242,953
12.4 Real estate	5,227,706	
12.5 Other invested assets		
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	43,491,290	42,928,837
13. Cost of investments acquired (long-term only):		
13.1 Bonds	22,800,091	22,227,189
13.2 Stocks		
13.3 Mortgage loans		3,676,731
13.4 Real estate	5,503,916	7,400,301
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	28,304,007	33,304,221
14. Net increase (decrease) in contract loans and premium notes	(888,092)	(435,118)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	16,075,375	10,059,734
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	(750,000)	
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(435,045)	36,634
16.5 Dividends to stockholders	2,500,000	750,000
16.6 Other cash provided (applied)	2,864,886	41,646
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(820,159)	(671,720)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	9,432,288	(1,551,752)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	40,549,665	42,101,417
19.2 End of year (Line 18 plus Line 19.1)	49,981,953	40,549,665

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
20.0002		
20.0003		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supple- mentary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	92,015,084		6,117,565	73,979				7,338,484		78,485,056		
2. Considerations for supplementary contracts with life contingencies												
3. Net investment income	7,204,481		3,103,793	289,224	59,383			65,583		3,686,498		
4. Amortization of Interest Maintenance Reserve (IMR)	983,987		423,917	39,502	8,110			8,957		503,501		
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded	250,068		219,135							30,933		
7. Reserve adjustments on reinsurance ceded												
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts												
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income	1,980,937		1,980,937									
9. Totals (Lines 1 to 8.3)	102,434,557		11,845,347	402,705	67,493			7,413,024		82,705,988		
10. Death benefits	4,707,219		4,707,219									
11. Matured endowments (excluding guaranteed annual pure endowments)	223,559		223,559									
12. Annuity benefits	23,670			23,670								
13. Disability benefits and benefits under accident and health contracts	60,603,230		47,026					5,517,635		55,038,569		
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	2,911,696		2,709,118	202,578								
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds	83,672		117,737		(34,065)							
18. Payments on supplementary contracts with life contingencies	305,180				305,180							
19. Increase in aggregate reserves for life and accident and health contracts	(10,406,580)		(1,539,498)	30,498	(124,980)			347,881		(9,120,481)		
20. Totals (Lines 10 to 19)	58,451,646		6,265,161	256,746	146,135			5,865,516		45,918,088		
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	12,511,573		189,032					1,481,577		10,840,964		
22. Commissions and expense allowances on reinsurance assumed	1,694,704		1,039,040							655,664		
23. General insurance expenses	16,749,513		2,472,973					146,770		14,129,770		
24. Insurance taxes, licenses and fees, excluding federal income taxes	3,451,015		232,022					146,770		3,072,223		
25. Increase in loading on deferred and uncollected premiums	(10,879)		(10,879)									
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions												
28. Totals (Lines 20 to 27)	92,847,572		10,187,349	256,746	146,135			7,640,633		74,616,709		
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	9,586,985		1,657,998	145,959	(78,642)			(227,609)		8,089,279		
30. Dividends to policyholders	377,046		377,046									
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	9,209,939		1,280,952	145,959	(78,642)			(227,609)		8,089,279		
32. Federal income taxes incurred (excluding tax on capital gains)	1,551,712		250,032	28,499	(78,642)			(227,609)		1,579,432		
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	7,658,227		1,030,920	117,460						6,509,847		

DETAILS OF WRITE-IN LINES											
08.301 Gain on Reinsurance - Savers	1,923,481		1,923,481								
08.302 Miscellaneous Income	57,456		57,456								
08.303											
08.398 Summary of remaining write-ins for Line 08.3 from overflow page											
08.399 Totals (Lines 08.301 through 08.303 plus 08.398) (Line 08.3 above)	1,980,937		1,980,937								
2701.											
2702.											
2703.											
2798. Summary of remaining write-ins for Line 27 from overflow page											
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)											

NONE

(a) Includes the following amounts for FEGLI/SGLI: Line 1 0 Line 10 0 Line 16 0 Line 23 0 Line 24 0

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	110,766,093		99,326,533	9,644,825	1,794,735			
2. Tabular net premiums or considerations	4,345,284		4,271,305	73,979				
3. Present value of disability claims incurred					X X X			
4. Tabular interest	4,236,401		4,018,469	182,767	35,165			
5. Tabular less actual reserve released	140,435				140,435			
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)								
8. Totals (Lines 1 to 7)	119,488,213		107,616,307	9,901,571	1,970,335			
9. Tabular cost	6,398,908		6,398,908		X X X			
10. Reserves released by death	890,274		890,274	X X X	X X X			X X X
11. Reserves released by other terminations (net)	2,695,643		2,493,065	202,578				
12. Annuity, supplementary contract, and disability payments involving life contingencies	371,276		47,026	23,670	300,580			
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Lines 9 to 13)	10,356,101		9,829,273	226,248	300,580			
15. Reserve December 31, current year	109,132,112		97,787,034	9,675,323	1,669,755			

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 2,950,477	2,838,769
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 1,499,970	1,305,081
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	3,900,000	3,900,000
3. Mortgage loans	(c) 265,283	262,532
4. Real estate	(d) 3,062,052	3,056,384
5. Contract loans	531,087	488,152
6. Cash, cash equivalents and short-term investments	(e) 9,299	9,311
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	94,621	94,621
10. Total gross investment income	12,312,789	11,954,850
11. Investment expenses		(g) 3,407,188
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 335,829
13. Interest expense		(h) 697,755
14. Depreciation on real estate and other invested assets		(i) 309,598
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		4,750,370
17. Net investment income (Line 10 minus Line 16)		7,204,480

DETAILS OF WRITE-IN LINES		
0901. Interest on Agent's Balances	94,621	94,621
0902.		
0903.		
0998. Summary of remaining write-ins for Line 09 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)	94,621	94,621
1501.	NONE	
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		

- (a) Includes \$ 160,653 accrual of discount less \$ 281,841 amortization of premium and less \$ 28,572 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 919,345 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 697,755 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 309,598 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	1,400,181		1,400,181		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(178,101)		(178,101)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates				(1,270,720)	
3. Mortgage loans					
4. Real estate	1,903,375		1,903,375		
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	3,125,455		3,125,455	(1,270,720)	

DETAILS OF WRITE-IN LINES					
0901.	NONE				
0902.					
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)					

EXHIBIT 1 – PART 1 – PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
FIRST YEAR (other than single)											
1. Uncollected	137,218		6,319					43,572		87,327	
2. Deferred and accrued	86,902		86,902								
3. Deferred, accrued and uncollected:											
3.1 Direct	224,120		93,221					43,572		87,327	
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net (Line 1 + Line 2)	224,120		93,221					43,572		87,327	
4. Advance	49,822		1,076					8,693		40,053	
5. Line 3.4 - Line 4	174,298		92,145					34,879		47,274	
6. Collected during year:											
6.1 Direct	8,580,484		79,602					1,911,768		6,589,114	
6.2 Reinsurance assumed	809,266		809,266								
6.3 Reinsurance ceded	173,143		173,143								
6.4 Net	9,216,607		715,725					1,911,768		6,589,114	
7. Line 5 + Line 6.4	9,390,905		807,870					1,946,647		6,636,388	
8. Prior year (uncollected + deferred and accrued - advance)	83,909		17,996					66,352		(439)	
9. First year premiums and considerations:											
9.1 Direct	8,670,873		153,751					1,880,295		6,636,827	
9.2 Reinsurance assumed	809,266		809,266								
9.3 Reinsurance ceded	173,143		173,143								
9.4 Net (Line 7 - Line 8)	9,306,996		789,874					1,880,295		6,636,827	
SINGLE											
10. Single premiums and considerations:											
10.1 Direct											
10.2 Reinsurance assumed											
10.3 Reinsurance ceded											
10.4 Net											
RENEWAL											
11. Uncollected	1,240,060		282,730					108,580		848,750	
12. Deferred and accrued	852,991		852,991								
13. Deferred, accrued and uncollected:											
13.1 Direct	2,009,683		1,170,672					91,059		747,952	
13.2 Reinsurance assumed	118,319							17,521		100,798	
13.3 Reinsurance ceded	34,951		34,951								
13.4 Net (Line 11 + Line 12)	2,093,051		1,135,721					108,580		848,750	
14. Advance	464,977		54,025					21,664		389,288	
15. Line 13.4 - Line 14	1,628,074		1,081,696					86,916		459,462	
16. Collected during year:											
16.1 Direct	72,880,494		3,998,009	77,110				4,764,068		64,041,307	
16.2 Reinsurance assumed	11,943,992		3,234,285					916,680		7,793,027	
16.3 Reinsurance ceded	1,972,231		1,829,163	3,131						139,937	
16.4 Net	82,852,255		5,403,131	73,979				5,680,748		71,694,397	
17. Line 15 + Line 16.4	84,480,329		6,484,827	73,979				5,767,664		72,153,859	
18. Prior year (uncollected + deferred and accrued - advance)	1,772,241		1,157,136					309,475		305,630	
19. Renewal premiums and considerations:											
19.1 Direct	72,712,585		3,908,948	77,110				4,548,505		64,178,022	
19.2 Reinsurance assumed	11,955,904		3,234,285					909,684		7,811,935	
19.3 Reinsurance ceded	1,960,401		1,815,542	3,131						141,728	
19.4 Net (Line 17 - Line 18)	82,708,088		5,327,691	73,979				5,458,189		71,848,229	
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	81,383,458		4,062,699	77,110				6,428,800		70,814,849	
20.2 Reinsurance assumed	12,765,170		4,043,551					909,684		7,811,935	
20.3 Reinsurance ceded	2,133,544		1,988,685	3,131						141,728	
20.4 Net (Lines 9.4 + 10.4 + 19.4)	92,015,084		6,117,565	73,979				7,338,484		78,485,056	

**EXHIBIT 1 – PART 2 – DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE
ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)**

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums	15,717		15,717								
22. All other	255,765		255,765								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	193,715		193,715								
23.2 Reinsurance assumed	922,454		922,454								
23.3 Net ceded less assumed	(728,739)		(728,739)								
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed											
24.3 Net ceded less assumed											
25. Renewal:											
25.1 Reinsurance ceded	56,353		25,420							30,933	
25.2 Reinsurance assumed	772,250		116,586							655,664	
25.3 Net ceded less assumed	(715,897)		(91,166)							(624,731)	
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	250,068		219,135							30,933	
26.2 Reinsurance assumed (Page 6, Line 22)	1,694,704		1,039,040							655,664	
26.3 Net ceded less assumed	(1,444,636)		(819,905)							(624,731)	
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	5,247,813		69,322					1,083,496		4,094,995	
28. Single											
29. Renewal	7,263,760		119,710					398,081		6,745,969	
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	12,511,573		189,032					1,481,577		10,840,964	

EXHIBIT 2 – GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			
1. Rent	27,230		154,301		919,345	1,100,876
2. Salaries and wages	1,463,695		8,316,132		243,593	10,023,420
3.11 Contributions for benefit plans for employees	133,867		760,577			894,444
3.12 Contributions for benefit plans for agents						
3.21 Payments to employees under non-funded benefit plans						
3.22 Payments to agents under non-funded benefit plans						
3.31 Other employee welfare	16,615		94,397			111,012
3.32 Other agent welfare						
4.1 Legal fees and expenses	98,913		560,510			659,423
4.2 Medical examination fees	(20,676)					(20,676)
4.3 Inspection report fees						
4.4 Fees of public accountants and consulting actuaries	217,531		1,232,676			1,450,207
4.5 Expense of investigation and settlement of policy claims	998		5,668			6,666
5.1 Traveling expenses	48,579		276,006			324,585
5.2 Advertising	541		3,059			3,600
5.3 Postage, express, telegraph and telephone	155,546		883,751			1,039,297
5.4 Printing and stationery	51,498		292,589			344,087
5.5 Cost or depreciation of furniture and equipment	12,908		73,337			86,245
5.6 Rental of equipment	16,335		92,810			109,145
5.7 Cost or depreciation of EDP equipment and software	121,192		688,565			809,757
6.1 Books and periodicals	5,398		30,670			36,068
6.2 Bureau and association fees	5,141		29,130			34,271
6.3 Insurance, except on real estate	32,355		183,830			216,185
6.4 Miscellaneous losses						
6.5 Collection and bank service charges					434,640	434,640
6.6 Sundry general expenses	(7,826)		(44,463)			(52,289)
6.7 Group service and administration fees	(55,077)		(312,101)			(367,178)
6.8 Reimbursements by uninsured plans						
7.1 Agency expense allowance	6,180		35,112			41,292
7.2 Agents' balances charged off (less \$ 0 recovered)	(77)		(436)			(513)
7.3 Agency conferences other than local meetings	142,108		807,400			949,508
9.1 Real estate expenses					1,749,759	1,749,759
9.2 Investment expenses not included elsewhere					59,851	59,851
9.3 Aggregate write-ins for expenses			113,023			113,023
10. General expenses incurred	2,472,974		14,276,543		3,407,188	(a) 20,156,705
11. General expenses unpaid December 31, prior year	186,892		560,675			747,567
12. General expenses unpaid December 31, current year	118,023		668,800			786,823
13. Amounts receivable relating to uninsured plans, prior year						
14. Amounts receivable relating to uninsured plans, current year						
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	2,541,843		14,168,418		3,407,188	20,117,449

DETAILS OF WRITE-IN LINES					
09.301. Amortization of Goodwill			113,023		113,023
09.302.					
09.303.					
09.398. Summary of remaining write-ins for Line 09.3 from overflow page					
09.399. Totals (Lines 09.301 through 09.303 plus 09.398) (Line 09.3 above)			113,023		113,023

(a) Includes management fees of \$ (5,027,261) to affiliates and \$ (117,806) to non-affiliates.

EXHIBIT 3 – TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes				335,829	335,829
2. State insurance department licenses and fees	30,048	416,878			446,926
3. State taxes on premiums	115,096	1,596,797			1,711,893
4. Other state taxes, incl. \$ 0 for employee benefits	25,584	354,940			380,524
5. U.S. Social Security taxes	50,089	694,917			745,006
6. All other taxes	11,205	155,460			166,665
7. Taxes, licenses and fees incurred	232,022	3,218,992		335,829	3,786,843
8. Taxes, licenses and fees unpaid December 31, prior year	118,118	354,355		330,932	803,405
9. Taxes, licenses and fees unpaid December 31, current year	60,000	340,000			400,000
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	290,140	3,233,347		666,761	4,190,248

EXHIBIT 4 – DIVIDENDS OR REFUNDS

	Insurance	
	1 Life	2 Accident and Health
1. Applied to pay renewal premiums	15,717	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions	255,765	
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4	271,482	
6. Paid-in cash	75,279	
7. Left on deposit	29,058	
8. Aggregate write-ins for dividend or refund options		
9. Total Lines 5 through 8	375,819	
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year	349,165	
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 through 14	349,165	
16. Total from prior year	347,938	
17. Total dividends or refunds (Lines 9 + 15 - 16)	377,046	

DETAILS OF WRITE-IN LINES	
0801.	NONE
0802.	
0803.	
0898. Summary of remaining write-ins for Line 08 from overflow page	
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 08 above)	

EXHIBIT 5 – AGGREGATE RESERVE FOR LIFE CONTRACTS

1		2	3	4	5	6
Valuation Standard		Total	Industrial	Ordinary	Credit (Group and Individual)	Group
LIFE INSURANCE:						
0100001	01CSO 4.50% CRVM	8,610		8,610		
0100002	01CSO 4.00% CRVM	2,626,656		2,626,656		
0100003	01CSO 4.50% CRVM	498,053		498,053		
0100004	130% 41CSO 3.00% NLP	137,068		137,068		
0100005	41 CSO 3.00% CRVM	1,527		1,527		
0100006	41CSO 2.50% CRVM	858,952		858,952		
0100007	41CSO 2.50% NLP	225,741		225,741		
0100008	41CSO 3.00% CRVM	428,862		428,862		
0100009	41CSO 3.00% NLP	570,407		570,407		
0100010	52DIS/58CSO 3.00%	88,926		88,926		
0100011	58 CSO 3.00% CRVM	4,800		4,800		
0100012	58 CSO 3.00% NLP	59,302		59,302		
0100013	58 CSO 4.00% CRVM	667		667		
0100014	58CET 2.50% NLP	262,154		262,154		
0100015	58CET 3.00% CRVM	1,617,476		1,617,476		
0100016	58CET 3.00% NLP	454,214		454,214		
0100017	58CET 3.50% CRVM	157,537		157,537		
0100018	58CET 3.50% NLP	1,100,921		1,100,921		
0100019	58CET 4.00% CRVM	1,021,355		1,021,355		
0100020	58CET 4.00% NLP	78,654		78,654		
0100021	58CET 4.25% NLP	13,915		13,915		
0100022	58CET 4.50% NLP	432,376		432,376		
0100023	58CET 5.00% NLP	32,692		32,692		
0100024	58CSO 2.50% CRVM	241,599		241,599		
0100025	58CSO 2.50% MOD	69,007		69,007		
0100026	58CSO 2.50% NJ	107,432		107,432		
0100027	58CSO 2.50% NLP	258,475		258,475		
0100028	58CSO 3.00% CRVM	10,663,920		10,663,920		
0100029	58CSO 3.00% MOD	114,601		114,601		
0100030	58CSO 3.00% NLP	9,010,822		9,010,822		
0100031	58CSO 3.50% CRVM	805,662		805,662		
0100032	58CSO 3.50% NLP	1,360,985		1,360,985		
0100033	58CSO 4.00% CRVM	7,919,202		7,919,202		
0100034	58CSO 4.00% NLP	846,164		846,164		
0100035	58CSO 4.25% CRVM	45,494		45,494		
0100036	58CSO 4.25% NLP	108,846		108,846		
0100037	58CSO 4.50% CRVM	617,358		617,358		
0100038	58CSO 4.50% NLP	207,649		207,649		
0100039	58CSO 5.50% NLP	164,483		164,483		
0100040	59ADB/58CSO 3.00%	18,067		18,067		
0100041	61CSI 3.50% CRVM	35,902		35,902		
0100042	80 CSO 4.00% CRVM	12,134		12,134		
0100043	80 CSO 5.00% NLP	341,801		341,801		
0100044	80CET 4.50% CRVM	175,898		175,898		
0100045	80CET 5.00% CRVM	124,700		124,700		
0100046	80CET 5.00% NLP	598,746		598,746		
0100047	80CET 5.50% CRVM	244,746		244,746		
0100048	80CSO 3.00% CRVM	19,899		19,899		
0100049	80CSO 4.00% CRVM	5,298,271		5,298,271		
0100050	80CSO 4.50% CRVM	6,001,669		6,001,669		
0100051	80CSO 5.00% CRVM	19,494,108		19,494,108		
0100052	80CSO 5.00% NLP	13,391,071		13,391,071		
0100053	80CSO 5.25% CRVM	45,513		45,513		
0100054	80CSO 5.50% CRVM	5,561,583		5,561,583		
0100055	80CSO 5.50% NLP	14,849		14,849		
0100056	80CSO 6.00% CRVM	115,777		115,777		
0100057	80CSO 6.00% NLP	2,747,209		2,747,209		
0100058	AE 3.50% CRVM	1,219,823		1,219,823		
0100059	AE 4.00% CRVM	4,362		4,362		
0100060	GIB	111		111		
0100061	substd	21,065		21,065		
0199997	Totals (Gross)	98,709,868		98,709,868		
0199998	Reinsurance ceded	3,703,131		3,703,131		
0199999	Totals (Net)	95,006,737		95,006,737		
ANNUITIES (excluding supplementary contracts with life contingencies):						
0200001	52DIS/58CSO 3.00%	11,563	X X X	11,563	X X X	
0200002	83 IAM 5.00%	653,234	X X X	653,234	X X X	
0200003	FPA 2.50%	4,102	X X X	4,102	X X X	
0200004	FPA 3.50%	498,682	X X X	498,682	X X X	
0200005	FPA 4.00%	56,984	X X X	56,984	X X X	
0200006	FPA 4.00%	3,087,018	X X X	3,087,018	X X X	
0200007	INT ACCUM 3.00%	169,263	X X X	169,263	X X X	
0200008	INT ACCUM 3.00%	3,870,555	X X X	3,870,555	X X X	
0200009	SPDA 4.00%	1,109,751	X X X	1,109,751	X X X	
0200010	SPDA 5.00%	214,172	X X X	214,172	X X X	
0299997	Totals (Gross)	9,675,324	X X X	9,675,324	X X X	
0299998	Reinsurance ceded		X X X		X X X	
0299999	Totals (Net)	9,675,324	X X X	9,675,324	X X X	
SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:						
0300001	71 GAM ANB 8.00%	471,930		471,930		
0300002	71 IAM 7.50%	826,252		826,252		
0300003	83 GAM 5.50%	394,679		394,679		
0300004	83 IAM ANB 3.00%	60,455		60,455		
0300005	83 IAM ANB 7.25%	112,364		112,364		

EXHIBIT 5 – AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0399997 Totals (Gross)	1,865,680		1,865,680		
0399998 Reinsurance ceded	195,924		195,924		
0399999 Totals (Net)	1,669,756		1,669,756		
ACCIDENTAL DEATH BENEFITS:					
0400001 52DIS/58CSO 3.00%	8,227		8,227		
0400002 58CSO 3.00% CRVM	8		8		
0400003 59ADB/58CSO 3.00%	27,107		27,107		
0400004 59ADB/58CSO 3.00%	61,920		61,920		
0400005 80CSO 4.00% CRVM	4,666		4,666		
0400006 80CSO 5.00% CRVM	3,102		3,102		
0499997 Totals (Gross)	105,030		105,030		
0499998 Reinsurance ceded					
0499999 Totals (Net)	105,030		105,030		
DISABILITY — ACTIVE LIVES:					
0500001 01CSO 4.50% CRVM	1,133		1,133		
0500002 52 Dis Period 2 w/ 58CSO 3%	135		135		
0500003 52DIS/58CSO 3.00%	33,685		33,685		
0500004 52DIS/58CSO 3.00%	923		923		
0500005 52DIS/58CSO 3.50%	126,441		126,441		
0500006 58CSO 4.50% CRVM	1,068		1,068		
0500007 80 CSO 5.00% CRVM	768		768		
0500008 80CSO 4.00% CRVM	5,421		5,421		
0500009 80CSO 5.00% CRVM	5,720		5,720		
0599997 Totals (Gross)	175,294		175,294		
0599998 Reinsurance ceded					
0599999 Totals (Net)	175,294		175,294		
DISABILITY — DISABLED LIVES:					
0600001 26DIS/41CSO 2.50%	790		790		
0600002 52DIS/58CSO 3.00%	1,370,904		1,370,904		
0600003 70DIS/58CSO 3.50%	16,981		16,981		
0600004 IBNR	7,922		7,922		
0699997 Totals (Gross)	1,396,597		1,396,597		
0699998 Reinsurance ceded	260,588		260,588		
0699999 Totals (Net)	1,136,009		1,136,009		
MISCELLANEOUS RESERVES:					
0700001 DEFICIENCY	84,044		84,044		
0700002 GIB	9,265		9,265		
0700003 IPC	1,118,590		1,118,590		
0700004 NON-DEDUCT	152,320		152,320		
0799997 Totals (Gross)	1,364,219		1,364,219		
0799998 Reinsurance ceded	257		257		
0799999 Totals (Net)	1,363,962		1,363,962		
9999999 Totals (Net) - Page 3, Line 1	109,132,112		109,132,112		

EXHIBIT 5 – INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes [] No [X]
 1.2 If not, state which kind is issued.
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes [] No [X]
 2.2 If not, state which kind is issued.
3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes [X] No []
 If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes [] No [X]
 If so, state:
- 4.1 Amount of insurance? \$
 4.2 Amount of reserve? \$
 4.3 Basis of reserve:
- 4.4 Basis of regular assessments:
- 4.5 Basis of special assessments:
- 4.6 Assessments collected during the year: \$
 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.
6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [] No [X]
 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$
 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$
 Attach statement of methods employed in their valuation.
7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes [] No [X]
 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: \$
 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:
- 7.3 State the amount of reserves established for this business: \$
 7.4 Identify where the reserves are reported in the blank:
8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year? Yes [] No [X]
 8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements: \$
 8.2 State the amount of reserves established for this business: \$
 8.3 Identify where the reserves are reported in the blank:
9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? Yes [] No [X]
 9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders: \$
 9.2 State the amount of reserves established for this business: \$
 9.3 Identify where the reserves are reported in the blank:

EXHIBIT 5A – CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
LIFE CONTRACTS (Including supplementary contracts set upon a basis other than that used to determine benefits) (Exhibit 5)			
0199999 Subtotal (Page 7, Line 6)	X X X	X X X	
ACCIDENT AND HEALTH CONTRACTS (Exhibit 6)	NONE		
0299999 Subtotal	X X X	X X X	
DEPOSIT-TYPE CONTRACTS (Exhibit 7)			
0399999 Subtotal	X X X	X X X	
9999999 TOTAL (Column 4 only)	X X X	X X X	

EXHIBIT 6 – AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	4,017,845	65,983			5,364	3,946,498			
2. Additional contract reserves (a)	88,166,895	592,093			424,668	87,150,134			
3. Additional actuarial reserves - Asset/Liability analysis									
4. Reserve for future contingent benefits									
5. Reserve for rate credits									
6. Aggregate write-ins for reserves									
7. Totals (Gross)	92,184,740	658,076			430,032	91,096,632			
8. Reinsurance ceded	696,672					696,672			
9. Totals (Net)	91,488,068	658,076			430,032	90,399,960			
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	10,542,280	429,573			1,124,176	8,988,531			
11. Additional actuarial reserves-Asset/Liability analysis									
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. Totals (Gross)	10,542,280	429,573			1,124,176	8,988,531			
15. Reinsurance ceded	1,461,039				455,564	1,005,475			
16. Totals (Net)	9,081,241	429,573			668,612	7,983,056			
17. TOTAL (Net)	100,569,309	1,087,649			1,098,644	98,383,016			
18. TABULAR FUND INTEREST									

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DETAILS OF WRITE-IN LINES									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 06 from overflow page									
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)									
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page									
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)									

NONE

NONE

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

EXHIBIT 7 – DEPOSIT TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	3,402,412			268,711	1,430,471	1,703,230
2. Deposits received during the year	89,092				23,805	65,287
3. Investment earnings credited to the account	89,106			12,118	49,921	27,067
4. Other net change in reserves	(27,166)			(12,069)		(15,097)
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	524,137			35,214	68,575	420,348
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8)	3,029,307			233,546	1,435,622	1,360,139
10. Reinsurance balance at the beginning of the year						
11. Net change in reinsurance assumed						
12. Net change in reinsurance ceded						
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12)						
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	3,029,307			233,546	1,435,622	1,360,139

EXHIBIT 8 – CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 – Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit Life (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct											
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net											
2. In course of settlement:											
2.1 Resisted											
2.11 Direct											
2.12 Reinsurance assumed											
2.13 Reinsurance ceded											
2.14 Net			(b)	(b)		(b)	(b)				
2.2 Other											
2.21 Direct	3,589,684		3,099,257								490,427
2.22 Reinsurance assumed	669,024		669,024								
2.23 Reinsurance ceded	1,655,402		1,655,402								
2.24 Net	2,603,306		(b) 2,112,879	(b)		(b)	(b)		(b)	(b)	(b) 490,427
3. Incurred but unreported:											
3.1 Direct	16,017,143		98,838						1,139,708		14,778,597
3.2 Reinsurance assumed	2,863,482		81,105						154,808		2,627,569
3.3 Reinsurance ceded	21,770										21,770
3.4 Net	18,858,855		(b) 179,943	(b)		(b)	(b)		(b) 1,294,516	(b)	(b) 17,384,396
4. TOTALS											
4.1 Direct	19,606,827		3,198,095						1,139,708		15,269,024
4.2 Reinsurance assumed	3,532,506		750,129						154,808		2,627,569
4.3 Reinsurance ceded	1,677,172		1,655,402								21,770
4.4 Net	21,462,161	(a)	(a) 2,292,822				(a)		1,294,516		17,874,823

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ 0 in Column 2, \$ 0 in Column 3 and \$ 0 in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$ 0, Individual Annuities \$ 0, Credit Life (Group and Individual) \$ 0, and Group Life \$ 0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ 0, Credit (Group and Individual) Accident and Health \$ 0, and Other Accident and Health \$ 0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

EXHIBIT 8 – CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 – Incurred During the Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit Life (Group and Individual)	Other
1. Settlements during the year:											
1.1 Direct	58,554,193		2,792,366	44,827	305,180				4,064,288		51,347,532
1.2 Reinsurance assumed	11,856,377		3,758,778						1,417,868		6,679,731
1.3 Reinsurance ceded	3,243,264		2,619,354	21,157							602,753
1.4 Net	(d) 67,167,306		3,931,790	23,670	305,180				5,482,156		57,424,510
2. Liability December 31, current year from Part 1:											
2.1 Direct	19,606,827		3,198,095						1,139,708		15,269,024
2.2 Reinsurance assumed	3,532,506		750,129						154,808		2,627,569
2.3 Reinsurance ceded	1,677,172		1,655,402								21,770
2.4 Net	21,462,161		2,292,822						1,294,516		17,874,823
3. Amounts recoverable from reinsurers December 31, current year	129,881		3,453								126,428
4. Liability December 31, prior year:											
4.1 Direct	19,440,306		1,011,911						1,125,341		17,303,054
4.2 Reinsurance assumed	4,497,360		1,338,600						133,696		3,025,064
4.3 Reinsurance ceded	382,144		353,214								28,930
4.4 Net	23,555,522		1,997,297						1,259,037		20,299,188
5. Amounts recoverable from reinsurers December 31, prior year	918,794		753,942								164,852
6. Incurred benefits:											
6.1 Direct	58,720,714		4,978,550	44,827	305,180				4,078,655		49,313,502
6.2 Reinsurance assumed	10,891,523		3,170,307						1,438,980		6,282,236
6.3 Reinsurance ceded	3,749,379		3,171,053	21,157							557,169
6.4 Net	65,862,858		4,977,804	23,670	305,180				5,517,635		55,038,569

- (a) Including matured endowments (but not guaranteed annual pure endowments) amounting to: \$ 0 in Line 1.1, \$ 0 in Line 1.4.
 \$ 0 in Line 6.1, and \$ 0 in Line 6.4.
- (b) Including matured endowments (but not guaranteed annual pure endowments) amounting to: \$ 223,559 in Line 1.1, \$ 223,559 in Line 1.4.
 \$ 223,559 in Line 6.1, and \$ 223,559 in Line 6.4.
- (c) Including matured endowments (but not guaranteed annual pure endowments) amounting to: \$ 0 in Line 1.1, \$ 0 in Line 1.4.
 \$ 0 in Line 6.1, and \$ 0 in Line 6.4.
- (d) Includes \$ 47,026 premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2), and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	798,498	931,629	133,131
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	2,615,884	2,244,551	(371,333)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	2,215,289	1,253,893	(961,396)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	5,629,671	4,430,073	(1,199,598)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	5,629,671	4,430,073	(1,199,598)

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	NONE		
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	NONE		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)			

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The financial statements of Central United Life Insurance Company, (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Arkansas Department of Insurance.

The Arkansas Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Arkansas Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective March 2012, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Arkansas. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

B. Uses of Estimates in the Preparation of Financial Statements

The preparation of financial statements of insurance companies requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes, and disclosures of contingent assets and liabilities. Ultimate results could differ from these estimates.

C. Accounting Policies

Premium and Annuity considerations for Life and Accident and Health are recognized as revenue when received. Expenses incurred in connection with acquiring new insurance business, including acquisition costs are carried as a Goodwill asset, and amortized over 10 years.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific method.
- (3) Mortgage-backed securities and asset-backed securities are stated at amortized cost using the scientific method. Quarterly changes in estimated cash flows from the original purchase assumptions are accounted for using the retrospective method.
- (4) Preferred stocks are stated at cost (or amortized cost).
- (5) Common stocks are stated at fair value except that investments in stocks of unconsolidated subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- (6) Investment real estate or property acquired in satisfaction of debt is stated at depreciation cost, less encumbrances, except where permanent impairments have been recognized.
- (7) Mortgage loans and policy loans are stated at the aggregate unpaid balance.
- (8) Other invested assets are stated on the equity basis.
- (9) Derivative instruments are valued in accordance with the NAIC Accounting Practices and Procedures manual of the Securities Valuation Office. All derivative instruments are valued consistently with the hedged items.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

A. Effective January 1, 2012, the Company adopted SSAP No. 101, *Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10*. There was no effect on income or liabilities.

B. The Company prepares its statutory basis financial statements in conformity with accounting practices prescribed or permitted by the State of Arkansas. Effective January 1, 2001, the State of Arkansas required that insurance companies domiciled in the State of Arkansas prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001 subject to any deviations prescribed or permitted by the State of Arkansas insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of the capital and surplus that would have been reported at the date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle of \$3,521,727 as of December 31, 2001. This change in accounting principle was recorded as an increase to unassigned funds (surplus) and is entirely made up of deferred tax asset.

NOTES TO FINANCIAL STATEMENTS

3. BUSINESS COMBINATIONS AND GOODWILL

A. Statutory Purchase Method

- (1) On December 31, 2010 the Company received cash of \$4.1 million and posted reserves of \$3.3 million and a deferred income liability of \$0.8 million from the EMC acquisition. The Company amortized all of the deferred income which was \$0.8 million in 2010. For the 2011 statutory audit the Company posted additional reserves for \$0.8 million which was \$0.5 million net of tax and recorded in the 2011 financials as an aggregate write-in on page 4 line 53.

B. Statutory Merger

Not Applicable

4. DISCONTINUED OPERATIONS

Not applicable

5. INVESTMENTS

A. Mortgage Loans

- (1) There were no new loans in 2012. The maximum and minimum lending rates for mortgage loans during 2012 were:
Maximum 8.0%, minimum 5.8%.
- (2) During the year ended December 31, 2012, no interest rate was reduced.
- (3) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured, guaranteed, refinanced, or purchase money mortgages was 80%. The Company non-admits any loans which exceed 75% of the value of security.
- (4) As of December 31, 2012, there were no loans that had interest more than 180 days overdue.
- (5) As of December 31, 2012, there were no taxes, assessments, or other amounts advanced by the Company on account of mortgage loans outstanding.
- (6) As of December 31, 2012 and 2011, the Company had no impaired mortgage loans.

B. Debt Restructuring

The Company did not restructure any loans during the year ended December 31, 2012.

C. Reverse Mortgages

The Company did not have any reverse mortgages as of December 31, 2012.

D. Loan-Backed Securities

- (1) The Company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective method to loan-backed securities purchased prior to that date.
- (2) The retrospective adjustment method is used to value all loan-backed securities.
- (3) The Company used the custodial bank pricing services in determining the fair value of its loan-backed securities.
- (4) For the year ended December 31, 2012, the Company did not use the prospective method to value any loan-backed securities.

E. Repurchase Agreements

The Company did not have any repurchase agreements as of December 31, 2012.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

The Company did not have any joint ventures, partnerships or investments in limited liability companies as of December 31, 2012.

7. INVESTMENT INCOME

A. Due and accrued income was excluded from investment income on the following basis:

- (1) Bonds – where the collection of interest is uncertain.
- (2) Mortgage Loans – on loans in process of foreclosure, loans delinquent more than 60 days, or loans where collection of interest is uncertain.
- (3) Real Estate – where rent is in arrears more than three months.
- (4) Collateral Loans or Other Notes – where collection of interest is uncertain.

B. The total amount of due and accrued income excluded for the year ended December 31, 2012 was \$-0-.

NOTES TO FINANCIAL STATEMENTS

8. DERIVATIVE INSTRUMENTS

The Company does not own any derivative investments.

9. INCOME TAXES

A. Components of the net deferred tax asset (liability) at December 31 are as follows:

	12/31/2012			12/31/2011		
	-1 Ordinary	-2 Capital	-3 (Col 1 + 2) Total	-4 Ordinary	-5 Capital	-6 (Col 4 + 5) Total
01.						
a. Gross Deferred Tax Assets	\$ 8,352,228	0	8,352,228	7,935,918	0	7,935,918
b. Statutory Valuation Allowance Adjustments	\$ 0	0	0	0	0	0
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 8,352,228	0	8,352,228	7,935,918	0	7,935,918
d. Deferred Tax Assets Nonadmitted	\$ 2,615,884	0	2,615,884	2,244,551	0	2,244,551
e. Subtotal Net Admitted Deferred Tax Asset (1c - d)	\$ 5,736,344	0	5,736,344	5,691,367	0	5,691,367
f. Deferred Tax Liabilities	\$ 403,915	0	403,915	479,514	0	479,514
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f)	\$ 5,332,432	0	5,332,432	5,211,853	0	5,211,853
01.						
	Change					
	-7 (Col 1 - 4) Ordinary	-8 (Col 2 - 5) Capital	-9 (Col 7 + 8) Total			
a. Gross Deferred Tax Assets	416,310	0	416,310			
b. Statutory Valuation Allowance Adjustment	0	0	0			
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	416,310	0	416,310			
d. Deferred Tax Assets Nonadmitted	371,333	0	371,333			
e. Subtotal Net Admitted Deferred Tax Asset (1c - d)	44,977	0	44,977			
f. Deferred Tax Liabilities	(75,599)	0	(75,599)			
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f)	120,579	0	120,579			
2.						
	12/31/2012			12/31/2011		
	-1 Ordinary	-2 Capital	-3 (Col 1 + 2) Total	-4 Ordinary	-5 Capital	-6 (Col 4 + 5) Total
a. Admission Calculation Components SSAP No. 101 Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 5,332,432	0	5,332,432	2,669,731	0	2,669,731
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 0	0	0	2,542,123	0	2,542,123
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ 0	0	0	2,542,123	0	2,542,123
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ XXX	XXX	7,940,794	XXX	XXX	6,887,967
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 403,915	0	403,915	479,514	0	479,514
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 5,736,347	0	5,736,347	5,691,368	0	5,691,368
2.						
	Change					
	-7 (Col 1 - 4) Ordinary	-8 (Col 2 - 5) Capital	-9 (Col 7 + 8) Total			
a. Admission Calculation Components SSAP No. 101 Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 2,662,701	0	2,662,701			
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ (2,542,123)	0	(2,542,123)			
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ (2,542,123)	0	(2,542,123)			
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ XXX	XXX	1,052,827			
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ (75,599)	0	(75,599)			
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 44,979	0	44,979			
3.						
	2012	2011				
a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	770.709%	713.186%				
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 56,117,291	55,205,845				
4.						
	12/31/2012			12/31/2011		
	-1 Ordinary Percent	-2 Capital Percent	-3 (Col 1 + 2) Total Percent	-4 Ordinary Percent	-5 Capital Percent	-6 (Col 4 + 5) Total Percent
a. Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	\$ 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
b. Net Admitted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	\$ 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

NOTES TO FINANCIAL STATEMENTS

4.

		Change		
		-7	-8	-9
		(Col 1 - 4) Ordinary Percent	(Col 2- 5) Capital Percent	(Col 7 + 8) Total Percent
Impact of Tax Planning Strategies				
a.	Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	\$ 0.000%	0.000%	0.000%
b.	Net Admitted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	\$ 0.000%	0.000%	0.000%
c.	Does the Company's Tax-planning Strategies include the use of reinsurance?	NO		

* As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with S:

B. The Company does not have any deferred tax liabilities that are not recognized in the financial statements.

C. Current income taxes incurred consist of the following major components:

		-1	-2	-3
		12/31/2012	12/31/2011	(Col 1 - 2) Change
01.	Current Income Tax			
a.	Federal.....	\$ 1,551,713	1,201,333	350,380
b.	Foreign.....	\$ 0	0	0
c.	Subtotal.....	\$ 1,551,713	1,201,333	350,380
d.	Federal Income Tax on net capital gains.....	\$ 1,057,622	667,817	389,805
e.	Utilization of capital loss carry-forwards.....	\$ 0	0	0
f.	Other.....	\$ 0	0	0
g.	Federal and foreign income taxes incurred.....	\$ 2,609,335	1,869,150	740,185
02.	Deferred Tax Assets:			
a.	Ordinary			
	-1 Discounting of unpaid losses.....	\$ 21,162	23,226	(2,064)
	-2 Unearned premium reserve.....	\$ 0	0	0
	-3 Policyholder reserves.....	\$ 2,477,185	2,645,315	(168,130)
	-4 Investments.....	\$ 25,424	26,943	(1,519)
	-5 Deferred acquisition costs.....	\$ 4,750,244	4,357,151	393,093
	-6 Policyholder dividends accrual.....	\$ 118,716	118,299	417
	-7 Fixed assets.....	\$ 617,560	386,350	231,210
	-8 Compensation and benefits accrual.....	\$ 68,000	61,880	6,120
	-9 Pension accrual.....	\$ 0	0	0
	-10 Receivables - nonadmitted.....	\$ 271,489	316,754	(45,265)
	-11 Net operating loss carry-forward.....	\$ 0	0	0
	-12 Tax credit carry-forward.....	\$ 0	0	0
	-13 Other (including items <5% of total ordinary tax assets).....	\$ 2,448	0	2,448
	-99 Subtotal.....	\$ 8,352,228	7,935,918	416,310
b.	Statutory valuation allowance adjustment.....	\$ 0	0	0
c.	Nonadmitted.....	\$ 2,615,884	2,244,551	371,333
d.	Admitted ordinary deferred tax assets (2a99 - 2b - 2c).....	\$ 5,736,344	5,691,367	44,977
e.	Capital:			
	-1 Investments.....	\$ 0	0	0
	-2 Net capital loss carry-forward.....	\$ 0	0	0
	-3 Real estate.....	\$ 0	0	0
	-4 Other (including items <5% of total capital tax assets).....	\$ 0	0	0
	-99 Subtotal.....	\$ 0	0	0
f.	Statutory valuation allowance adjustment.....	\$ 0	0	0
g.	Nonadmitted.....	\$ 0	0	0
h.	Admitted capital deferred tax assets (2e99 - 2f - 2g).....	\$ 0	0	0
i.	Admitted deferred tax assets (2d + 2h).....	\$ 5,736,344	5,691,367	44,977
03.	Deferred Tax Liabilities:			
a.	Ordinary			
	-1 Investments.....	\$ 35,205	100,370	(65,165)
	-2 Fixed assets.....	\$ 0	0	0
	-3 Deferred and uncollected premium.....	\$ 302,974	293,294	9,680
	-4 Policyholder reserves.....	\$ 0	0	0
	-5 Other (including items <5% of total ordinary tax assets).....	\$ 65,736	85,850	(20,114)
	-99 Subtotal.....	\$ 403,915	479,514	(75,599)
b.	Capital:			
	-1 Investments.....	\$ 0	0	0
	-2 Real Estate.....	\$ 0	0	0
	-3 Other (including items <5% of total capital tax assets).....	\$ 0	0	0
	-99 Subtotal.....	\$ 0	0	0
c.	Deferred tax liabilities (3a99 + 3b99).....	\$ 403,915	479,514	(75,599)
04.	Net deferred tax assets/liabilities (2i - 3c).....	\$ 5,332,432	5,211,853	120,579

NOTES TO FINANCIAL STATEMENTS

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	Amount	Effective Tax Rate
Income tax at applicable rate	3,131,380	34.0%
Dividend income not taxable	(1,326,000)	-14.4%
IMR Amortization	(334,556)	-3.6%
Tax on statutory capital gains	1,057,622	11.5%
Non-deductible expenses	5,413	0.1%
Prior Period Tax Return True-up	342,947	3.7%
Change in nonadmitted assets	(759,384)	-8.2%
Total	2,117,423	23.0%
Current Tax Expense	2,609,335	28.3%
Deferred Tax Expense	(491,912)	-5.3%
Total Tax Expense	2,117,423	23.0%

- E. The Company has no net operating loss carryforward. The company has no AMT credit.
- F. The Company is subject to taxation as a life insurance company and files a consolidated return with its parent, Harris Insurance Holdings, Inc.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

- A. 100% of the Company is owned by Harris Insurance Holding Company domiciled in the state of Delaware.

The Company does not hold assets of its parent. The Company holds commons stock in affiliates and the value of such stocks is reflected in Schedule D.

Company	Relationship	Asset Category	Book Value	Statement Value
Manhattan Insurance Group	Subsidiary	Common Stock	\$ 36,214,033	\$ 42,349,014
Investors Consolidated	Subsidiary	Common Stock	5,577,044	7,611,155
			\$ 41,791,077	\$ 49,960,169

- B. Not applicable.
- C. Amounts due from or to parent, subsidiaries and affiliates are generally settled within 60 days.
- D. The Company has no guarantees or undertakings for the benefit of an affiliate that results in a material contingent exposure of the Company's assets, or any affiliated Insurer's assets to liability.
- E. The Company and several of its affiliates have entered into contracts indefinite in duration for the performance of various services. All affiliated and unaffiliated management, service, and administrative fees were allocated to the appropriate classifications on Exhibit 2. These services include various routine business services or materials which may be provided to the Company. All other agreements are cost allocation agreements, based upon generally accepted accounting principles, involving the Company with its parent or any affiliated insurer.
- F. There were no material management or service contracts and cost-sharing arrangements involving the Company and any related party.
- G. The Company did not own shares of an upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated company.
- H. The Company's total investments in subsidiary, controlled or affiliated companies exceeded 10% of its admitted assets as of December 31, 2012, and is 16.5% of its admitted assets.
- I. The Company did not recognize any impairment write-downs for its investments in subsidiary, controlled or affiliated companies during the year ended December 31, 2012.

11. DEBT

Not applicable.

12. RETIREMENT PLANS, DEFERRED COMPENSATION AND OTHER POSTRETIREMENT BENEFIT PLANS

- A. Defined Contribution Plans

(1) Retirement Plans

All full time employees of Central United Life Insurance Company, Family Life Insurance Company, Investors Consolidated Insurance Company and Manhattan Life Insurance Company over the age of 18 are eligible to participate in the Manhattan Insurance Group 401(k) Plan, a qualified defined contribution plan, after the completion of three months service with the company. Employees who elect to participate may contribute from one to twenty percent of their base pay. Effective January 1, 2001, the Company's contributions are based on the safe harbor matching formula provisions of the Internal Revenue Code, which is a rate of 25% on the first 4% of employee contributions. At December 31, 2012, the Company contributed \$71,784 with an administration fee of \$20,906.

NOTES TO FINANCIAL STATEMENTS

(2) Post-retirement Benefit Plans

Not applicable

B. Deferred Contribution Plans

Not applicable

13. CAPITAL AND SURPLUS AND SHAREHOLDERS' DIVIDEND RESTRICTIONS

A. The Company has 150 common shares authorized and 100 shares issued and outstanding.

B. The Company has 100,000 preferred shares authorized and 20,000 shares issued and outstanding.

C. Under Arkansas insurance regulations, the Company is required to maintain a combined capital and surplus of \$750,000. Additionally, the Company is limited by the laws of the state of incorporation, Arkansas, to the amount of dividends that can be paid to shareholders during any given year.

D. Within the limitations of C. above, there are no restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to its shareholder.

E. There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

F. There were no advances to surplus requiring repayment.

G. There are no amounts of stock held by the Company, including stock of affiliated companies, for special purposes.

H. The Company did not have any special surplus funds as of December 31, 2012.

I. The portion of unassigned funds (surplus) represented or reduced by each item below at December 31, 2012 are as follows:

(1) Unrealized gains and losses net of tax	\$ 8,169,092
(2) Non-admitted asset values	(5,629,671)
(3) Separate account business	-
(4) Asset valuation reserves	(1,597,951)

J. The Company issued \$15,000,000 principal amount of its Floating Rate Surplus Notes due May 23, 2033 to InCapS Funding I, Ltd. pursuant to an Indenture by and between the Issuer and Wilmington Trust Company, as Trustee on May 22, 2003 for \$15,000,000 cash. The Texas Department of Insurance has approved this subordinated indebtedness agreement pursuant to the provisions of article 1.39, Texas Insurance Code and 28 Texas Administrative Code Section 7.7. The interest rate is capped at 12.5% during the first five years of the insurance of the surplus note. In the event the tax status of the interest deduction changes for the Company within five years of the issuance of the surplus note, the Company can redeem the surplus note for a Special Redemption Price specified in the Indenture. On or after five years of the issuance date of the surplus note, the Company may redeem the outstanding principal amount of the surplus note at 100% (no premium) with the prior approval of the Texas Department of Insurance. The interest payments of \$697,755 were paid in 2012. Principal payments of \$750,000 were paid in 2012. The state of Arkansas has approved this agreement as part of the redomestication that became effective May 15, 2006.

K. The Company did not enter into quasi-reorganization during the year ended December 31, 2012.

14. CONTINGENCIES

A. The Company does not have any commitments or contingent commitments to any subsidiary, controlled or affiliated companies, joint venture, partnership or limited liability company. Also, the Company is not the guarantor under any guarantee agreements.

B. All 50 states have laws requiring solvent life insurance companies to pay assessments to protect the interests of policyholders of insolvent life insurance and annuity companies. Known insolvencies of life insurance companies are expected to result in future assessments. While it is not possible to accurately estimate the portion of the industry assessments for which CUL will be responsible, it is expected that the remaining assessments will not be material to the statutory basis financial statements. The expenses related to these insolvencies are being recorded as state guaranty association assessments are received.

C. The Company has not realized any gain contingencies subsequent to December 31, 2012.

D. The Company is a defendant in various lawsuits arising in the normal course of business. The Company believes it has valid defenses in these lawsuits and is defending the cases vigorously. The Company also believes that the total amounts that would ultimately have to be paid arising from these lawsuits would have no material effect on its financial position or results of operations.

15. LEASES

The Company leases office space with a commercial building which will expire July 31, 2017. The company does not perceive this lease to have a material financial effect at this time.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable

NOTES TO FINANCIAL STATEMENTS

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES

- A. The Company does not have any transfers of receivables reported as sales.
- B. The Company did not obtain any assets or incur any liabilities related to transfers of financial assets during the year ended December 31, 2012.
- C. The Company did not have any wash sales during the year ended December 31, 2012.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Not applicable

19. DIRECT PREMIUMS WRITTEN BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

Not applicable

20. FAIR VALUE MEASUREMENTS

Not applicable

21. OTHER ITEMS

- A. The Company was redomesticated from Texas to Arkansas on May 15, 2006.
- B. The Company did not have any troubled debt restructuring during the year ended December 31, 2012.
- C. Assets in the amount of \$6,789,152 and \$6,755,185 at December 31, 2012 and 2011, respectively, were on deposit with various state insurance departments as required by law.
- D. The Company routinely assesses the collectibility of its receivable balances. Any potential loss related to admitted asset balances that may ultimately become uncollectible is not material to the Company's financial condition.

22. SUBSEQUENT EVENTS

The Company has made an offer that has been accepted to acquire all of the outstanding shares of Western United Life Assurance (WULA), a Washington domiciled company. The acquisition is pending approval from the Washington Department of Insurance as well as approval from the Arkansas Department of Insurance.

23. REINSURANCE

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?
- Yes () No (X)
2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U. S. Branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
- Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
- Yes () No (X)
2. Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
- Yes () No (X)

NOTES TO FINANCIAL STATEMENTS

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

Not applicable.

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

B. UNCOLLECTIBLE REINSURANCE

The Company did not write off any uncollectible reinsurance during the year and has no uncollectible reinsurance as of December 31, 2012.

C. COMMUTATION OF REINSURANCE REFLECTED IN INCOME AND EXPENSES

The Company had no commutation of ceded reinsurance during the year.

24. RETROSPECTIVELY RATED CONTRACTS

Not applicable

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Not applicable

26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable

27. STRUCTURED SETTLEMENTS

Not applicable

28. HEALTH CARE RECEIVABLES

Not applicable

29. PARTICIPATING POLICIES

Not applicable

30. PREMIUM DEFICIENCY RESERVES

The Company performs asset adequacy testing and has determined this reserve to be sufficient as of December 31, 2012.

31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

- A. The Company waives deduction of deferred fractional premiums upon death of the insured and returns any portion of the final premium for periods beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- B. The Company has substandard policies in force. Traditional policies issued on a substandard basis are charged an extra premium, in addition to the standard gross premium. Additional reserves for substandard mortality are equal to one-half of the substandard annual premium.
- C. At December 31, 2012, the Company had business in force for which the gross premiums are less than the net premiums. Reserves in the amount of \$84,044 to cover the above are provided in Exhibit 5, Miscellaneous Reserves.
- D. The Tabular Interest (Page 7, Line 4) has been determined by formula as described in the instructions for Page 7.
- E. The Tabular Interest on Deposit Type Contracts (Page 15, Line 3) has been determined by formula which included each valuation rate of interest and the mean of the funds held subject to each rate.
- F. The Company has no "Other increases" (net) under Page 7 Line 7 for 2012.

NOTES TO FINANCIAL STATEMENTS

32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS

	Amount	% of Total
(1) Subject to discretionary withdrawal:		
(1.1) With market value adjustment	\$ -	0.0%
(1.2) At book value less current surrender charge of 5% or more	-	0.0%
(1.3) At market value	-	0.0%
(1.4) Total with adjustment or at market value	-	0.0%
(1.5) At book value without adjustment (minimal or no charge or adjustment)	12,259,399	84.1%
(2) Not subject to discretionary withdrawal	2,310,912	15.9%
(3) Total gross actuarial reserves	14,570,311	100.0%
(4) Reinsurance ceded	195,924	
(5) Total (net)* (3) - (4)	\$ 14,374,387	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

Life and Accident and Health Annual Statement:

(6) Exhibit 5, Line 02999999 Total (net)	\$ 9,675,324
(7) Exhibit 5, Line 03999999 Total (net)	1,669,756
(8) Exhibit 7, Column 1	3,029,307
(9) Subtotal	\$ 14,374,387

Separate Accounts Annual Statement:

(10) Exhibit 3, Line 02999999, Column 2	\$ -
(11) Exhibit 3, Line 03999999, Column 2	-
(12) Page 3, Line 3	-
(13) Subtotal	\$ -
(14) Total Annuity Actuarial Reserves and Deposit Fund Liabilities	\$ 14,374,387

33. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

Type	Gross	Loading	Net of Loading
Ordinary, new business	\$ 93,221	\$ 25,943	\$ 67,278
Ordinary, renewal	1,135,721	311,899	823,822
Group life	-	-	-
Total	\$ 1,228,942	\$ 337,842	\$ 891,100

34. SEPARATE ACCOUNTS

Not applicable

35. LOSS/CLAIM ADJUSTMENTS EXPENSES

Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating? Arkansas
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/09/2008
- 3.4 By what department or departments?
Arkansas Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Company Code | 3
State of Domicile |
|---------------------|------------------------|------------------------|
| | | |
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No

GENERAL INTERROGATORIES

6.2 If yes, give full information:

.....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,

- 7.21 State the percentage of foreign control. _____ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Deloitte & Touche, LLP, 2200 Ross Avenue, Dallas, TX 75201-6778

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

.....

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

.....

GENERAL INTERROGATORIES

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes No N/A

10.6 If the response to 10.5 is no or n/a, please explain:

.....

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Lewis & Ellis, 2929 N. Central Expressway, Suite 200, Richardson, TX 75080

.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$ _____

12.2 If yes, provide explanation:

.....

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

.....

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No

13.3 Have there been any changes made to any of the trust indentures during the year? Yes No

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules, and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.

Yes No

14.11 If the response to 14.1 is no, please explain:

.....

14.2 Has the code of ethics for senior managers been amended? Yes No

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

.....

GENERAL INTERROGATORIES

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

.....

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....
.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate thereof? Yes [X] No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers	\$ _____
20.12 To stockholders not officers	\$ _____
20.13 Trustees, supreme or grand (Fraternal only)	\$ _____

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers	\$ _____
20.22 To stockholders not officers	\$ _____
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others	\$ _____
21.22 Borrowed from others	\$ _____
21.23 Leased from others	\$ _____
21.24 Other	\$ _____

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	\$ _____
22.22 Amount paid as expenses	\$ _____
22.23 Other amounts paid	\$ _____

GENERAL INTERROGATORIES

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes No

24.02 If no, give full and complete information, relating thereto:

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided):

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes No N/A

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ _____

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ _____

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ _____

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ _____

24.103 Total payable for securities lending reported on the liability page \$ _____

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes No

25.2 If yes, state the amount thereof at December 31 of the current year:

	25.21	Subject to repurchase agreements	\$ _____
	25.22	Subject to reverse repurchase agreements	\$ _____
	25.23	Subject to dollar repurchase agreements	\$ _____
	25.24	Subject to reverse dollar repurchase agreements	\$ _____
	25.25	Pledged as collateral	\$ _____
	25.26	Placed under option agreements	\$ _____
	25.27	Letter stock or securities restricted as to sale	\$ _____
	25.28	On deposit with state or other regulatory body	\$ <u>6,789,152</u>
	25.29	Other	\$ _____

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

GENERAL INTERROGATORIES

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
 If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
J P Morgan Trust Company	Houston, TX

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No

28.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes No

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

GENERAL INTERROGATORIES

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	165,566,986	174,084,349	8,517,363
30.2 Preferred stocks			
30.3 Totals	165,566,986	174,084,349	8,517,363

30.4 Describe the sources or methods utilized in determining the fair values:
The Company uses the custodian pricing service in determining the fair value of its securities.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes No

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes No

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes No

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 34,270

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
A M Best Company	\$ 18,000
	\$
	\$

34.1 Amount of payments for legal expenses, if any? \$ 659,423

GENERAL INTERROGATORIES

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$ _____

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

GENERAL INTERROGATORIES

PART 2 – LIFE INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes No
 1.2 If yes, indicate premium earned on U.S. business only. \$ 1,660,556
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 1,278,230

1.6 Individual policies:
 Most current three years:
 1.61 Total premium earned \$
 1.62 Total incurred claims \$
 1.63 Number of covered lives _____
 All years prior to most current three years:
 1.64 Total premium earned \$ 1,660,556
 1.65 Total incurred claims \$ 1,278,230
 1.66 Number of covered lives 771

1.7 Group policies:
 Most current three years:
 1.71 Total premium earned \$
 1.72 Total incurred claims \$
 1.73 Number of covered lives _____
 All years prior to most current three years:
 1.74 Total premium earned \$
 1.75 Total incurred claims \$
 1.76 Number of covered lives _____

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ 4,939,339		\$ 6,023,436	
2.2 Premium Denominator	\$ 92,015,084		\$ 97,606,123	
2.3 Premium Ratio (2.1 / 2.2)	0.054		0.062	
2.4 Reserve Numerator	\$ 23,187,184		\$ 26,285,613	
2.5 Reserve Denominator	\$ 229,799,621		\$ 242,262,491	
2.6 Reserve Ratio (2.4 / 2.5)	0.101		0.109	

3.1 Does this reporting entity have Separate Accounts? Yes No
 3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes No N/A
 3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$
 3.4 State the authority under which Separate Accounts are maintained:

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes No

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes No
 3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?" \$

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes No

4.2 Net reimbursement of such expenses between reporting entities:
 4.21 Paid \$
 4.22 Received \$ 5,027,261

5.1 Does the reporting entity write any guaranteed interest contracts? Yes No

5.2 If yes, what amount pertaining to these items is included in:
 5.21 Page 3, Line 1 \$
 5.22 Page 4, Line 1 \$

6. For stock reporting entities only:
 6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$

7. Total dividends paid stockholders since organization of the reporting entity:
 7.11 Cash \$ 14,340,167
 7.12 Stock \$

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance. Yes No

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes No

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1		2		3
	Reinsurance Assumed		Reinsurance Ceded		Net Retained
8.31 Earned premium
8.32 Paid claims
8.33 Claim liability and reserve (beginning of year)
8.34 Claim liability and reserve (end of year)
8.35 Incurred claims

GENERAL INTERROGATORIES

PART 2 – LIFE INTERROGATORIES

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

	Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 - 99,999	.....	.....
8.43	\$100,000 -249,999	.....	.....
8.44	\$250,000 - 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$ _____

9.1 Does the company have variable annuities with guaranteed benefits? Yes [] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3 Waiting Period Remaining	4 Account Value Related to Col. 3	5 Total Related Account Values	6 Gross Amount of Reserve	7 Location of Reserve	8 Portion Reinsured	9 Reinsurance Reserve Credit
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit							
.....

10. For reporting entities having sold annuities to another issuer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year: \$ _____

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)
.....	\$
.....	\$
.....	\$

11.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

11.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____

11.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

11.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____

FIVE – YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

Show amounts of life insurance in this exhibit in thousands (OMIT \$000)

	1	2	3	4	5
	2012	2011	2010	2009	2008
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Col. 4)	572,395	710,178	751,490	684,919	625,265
2. Ordinary-term (Line 21, Col. 4, less Line 34, Col. 4)	623,838	742,620	676,299	600,239	521,388
3. Credit life (Line 21, Col. 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	2,914	3,183	3,428	3,594	4,112
5. Industrial (Line 21, Col. 2)					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)					
7. Total (Line 21, Col. 10)	1,199,147	1,455,981	1,431,217	1,288,752	1,150,765
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Col. 2)	3,818	3,804	6,194	4,642	12,276
9. Ordinary-term (Line 2, Col. 4, less Line 34, Col. 2)	3,389	9,540	16,460	9,615	3,921
10. Credit life (Line 2, Col. 6)					
11. Group (Line 2, Col. 9)					
12. Industrial (Line 2, Col. 2)					
13. Total (Line 2, Col. 10)	7,207	13,344	22,654	14,257	16,197
Premium Income - Lines of Business					
(Exhibit 1 – Part 1)					
14. Industrial life (Line 20.4, Col. 2)					
15.1 Ordinary life insurance (Line 20.4, Col. 3)	6,117,565	6,506,354	6,686,279	5,796,627	6,602,608
15.2 Ordinary individual annuities (Line 20.4, Col. 4)	73,979	51,489	47,721	54,772	70,847
16. Credit life, (group and individual) (Line 20.4, Col. 5)					
17.1 Group life insurance (Line 20.4, Col. 6)					
17.2 Group annuities (Line 20.4, Col. 7)					
18.1 A & H-group (Line 20.4, Col. 8)	7,338,484	7,138,844	4,554,727	4,439,424	4,660,416
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9)					
18.3 A & H-other (Line 20.4, Col. 10)	78,485,056	83,909,436	91,264,261	87,916,241	81,217,671
19. Aggregate of all other lines of business (Line 20.4, Col. 11)					
20. Total	92,015,084	97,606,123	102,552,988	98,207,064	92,551,542
Balance Sheet					
(Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	301,985,796	312,453,124	321,772,192	332,629,228	321,380,867
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	242,308,607	255,888,101	267,916,714	288,009,632	283,291,155
23. Aggregate life reserves (Page 3, Line 1)	109,132,113	110,766,093	113,344,101	115,764,150	115,581,569
24. Aggregate A & H reserves (Page 3, Line 2)	100,569,309	109,341,905	118,218,404	128,904,163	121,451,140
25. Deposit-type contract funds (Page 3, Line 3)	3,029,307	3,402,412	3,354,444	3,144,890	4,354,918
26. Asset valuation reserve (Page 3, Line 24.01)	1,597,951	1,136,584	1,007,826	945,140	1,148,793
27. Capital (Page 3, Lines 29 & 30)	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
28. Surplus (Page 3, Line 37)	56,977,189	53,865,023	51,155,478	41,919,596	35,389,712
Cash Flow (Page 5)					
29. Net cash from operations (Line 11)	(5,822,928)	(10,939,766)	(5,082,870)	9,104,988	(8,093,028)
Risk-Based Capital Analysis					
30. Total adjusted capital	61,449,723	57,875,576	55,041,200	45,742,833	39,412,049
31. Authorized control level risk-based capital	7,281,256	7,740,740	8,034,524	8,513,092	3,826,466
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3) (Line No./Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1)	47.5	52.2	55.9	55.8	52.3
33. Stocks (Lines 2.1 and 2.2)	20.3	20.4	19.4	19.4	10.6
34. Mortgage loans on real estate (Lines 3.1 and 3.2)	1.7	1.7	1.9	1.8	0.6
35. Real estate (Lines 4.1, 4.2 and 4.3)	7.8	6.9	3.9	3.8	4.0
36. Cash, cash equivalents and short-term investments (Line 5)	20.3	16.2	16.2	16.5	29.5
37. Contract loans (Line 6)	2.3	2.6	2.6	2.7	2.9
38. Derivatives (Page 2, Line 7)				X X X	X X X
39. Other invested assets (Line 8)					
40. Receivables for securities (Line 9)					
41. Securities lending reinvested collateral assets (Line 10)				X X X	X X X
42. Aggregate write-ins for invested assets (Line 11)					
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2012	2011	2010	2009	2008
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
45. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
46. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	49,960,169	51,230,889	50,634,229	52,688,346	28,118,590
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)					
48. Affiliated mortgage loans on real estate					
49. All other affiliated					
50. Total of above Lines 44 to 49	49,960,169	51,230,889	50,634,229	52,688,346	28,118,590
51. Total investment in parent included in Lines 44 to 49 above					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2)	5,629,671	4,430,073	3,366,663	4,516,709	1,533,681
53. Total admitted assets (Page 2, Line 28, Col. 3)	301,985,796	312,453,124	321,772,192	332,629,228	321,380,867
Investment Data					
54. Net investment income (Exhibit of Net Investment Income)	7,204,480	8,654,805	12,371,974	6,045,804	8,190,275
55. Realized capital gains (losses) (Page 4, Line 34, Column 1)	1,143,713	1,964,168	2,182,484	615,921	861,287
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	(1,270,720)	(75,429)	(3,494,967)	2,254,495	(2,505,631)
57. Total of above Lines 54, 55 and 56	7,077,473	10,543,544	11,059,491	8,916,220	6,545,931
Benefits and Reserve Increase (Page 6)					
58. Total contract benefits-life (Lines 10, 11, 12, 13, 14 and 15, Col.1 minus Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 and 11)	7,913,170	8,148,769	8,277,196	8,951,472	10,301,802
59. Total contract benefits-A & H (Lines 13 & 14, Cols. 9, 10 & 11)	60,556,204	71,603,764	75,046,613	82,047,325	82,643,651
60. Increase in life reserves-other than group and annuities (Line 19, Cols. 2 & 3)	(1,539,498)	(1,867,203)	(1,874,582)	(1,118,130)	(3,285,785)
61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	(8,772,600)	(8,876,497)	(11,028,084)	(17,820,058)	(14,527,102)
62. Dividends to policyholders (Line 30, Col. 1)	377,046	368,246	386,719	388,692	335,481
Operating Percentages					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00	33.4	32.6	30.5	26.6	23.8
64. Lapse percent (ordinary only) [Exhibit of Life Insurance, Column 4, Lines 14 & 15] / ½ (Exhibit of Life Insurance, Column 4, Lines 1 & 21)] x 100.00	4.3	5.1	4.6	7.1	12.4
65. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	60.6	69.1	67.0	70.1	79.5
66. A & H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)					
67. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)	35.2	32.8	31.2	26.9	23.1
A & H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims-group health (Sch. H, Part 3, Line 3.1, Col. 2)	1,903,580	1,201,538	1,119,979	1,445,126	1,329,457
69. Prior years' claim liability and reserve-group health (Sch. H, Part 3, Line 3.2, Col. 2)	1,338,403	1,654,155	2,388,465	2,179,108	2,322,915
70. Incurred losses on prior years' claims-health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2)	19,322,198	23,837,572	19,756,010	30,961,543	42,680,969
71. Prior years' claim liability and reserve-health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2)	30,976,834	33,516,971	39,929,610	49,895,522	44,310,093
Net Gains From Operations After Federal Income					
Taxes by Lines of Business					
(Page 6, Line 33)					
72. Industrial life (Col. 2)					
73. Ordinary-life (Col. 3)	1,030,920	1,452,559	3,344,579	1,748,623	1,183,949
74. Ordinary-individual annuities (Col. 4)	117,460	167,847	319,550	171,336	175,705
75. Ordinary-supplementary contracts (Col. 5)		335,294	9,362	117,427	(13,364)
76. Credit life (Col. 6)					
77. Group life (Col. 7)					
78. Group annuities (Col. 8)					
79. A & H-group (Col. 9)		734,948	1,032,617	19,756	235,229
80. A & H-credit (Col. 10)					
81. A & H-other (Col. 11)	6,509,847	1,209,026	7,344,560	2,453,353	670,219
82. Aggregate of all other lines of business (Col. 12)					
83. Total (Col. 1)	7,658,227	3,899,674	12,050,668	4,510,495	2,251,738

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No [X]

If no, please explain:

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group		10 Total Amount of Insurance (a)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	7 Number of			9 Amount of Insurance (a)
							7 Policies	8 Certificates		
1. In force end of prior year			30,946	1,452,798				188	3,183	1,455,981
2. Issued during year			225	7,207						7,207
3. Reinsurance assumed										
4. Revived during year			132	11,114						11,114
5. Increased during year (net)				1,295						1,295
6. Subtotals, Lines 2 to 5			357	19,616						19,616
7. Additions by dividends during year	X X X		X X X		X X X		X X X	X X X		
8. Aggregate write-ins for increases										
9. Totals (Lines 1 and 6 to 8)			31,303	1,472,414				188	3,183	1,475,597
Deductions during year:										
10. Death			431	3,932			X X X			3,932
11. Maturity			23	51			X X X			51
12. Disability							X X X			
13. Expiry			174	2,908						2,908
14. Surrender			301	9,761						9,761
15. Lapse			750	46,666				11	269	46,935
16. Conversion							X X X	X X X	X X X	
17. Decreased (net)			26	9,052						9,052
18. Reinsurance				203,811						203,811
19. Aggregate write-ins for decreases										
20. Totals (Lines 10 to 19)			1,705	276,181				11	269	276,450
21. In force end of year (Line 9 minus Line 20)			29,598	1,196,233				177	2,914	1,199,147
22. Reinsurance ceded end of year	X X X		X X X	535,789	X X X		X X X	X X X		535,789
23. Line 21 minus Line 22	X X X		X X X	660,444	X X X	(b)	X X X	X X X	2,914	663,358
DETAILS OF WRITE-IN LINES										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 08 from overflow page										
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 08 above)										
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. Totals (Lines 1901 through 1903 plus 1998) (Line 19 above)										

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) Group \$ 0; Individual \$ 0

EXHIBIT OF LIFE INSURANCE (Continued)**ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR**

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	X X X		X X X	10,693
25. Other paid-up insurance			9,221	59,860
26. Debit ordinary insurance	X X X	X X X		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies - decreasing				154
28. Term policies - other	24	3,389	2,719	530,050
29. Other term insurance - decreasing	X X X		X X X	179
30. Other term insurance	X X X		X X X	59,372
31. Totals, (Lines 27 to 30)	24	3,389	2,719	589,755
Reconciliation to Lines 2 and 21:				
32. Term additions	X X X		X X X	
33. Totals, extended term insurance	X X X	X X X	2,455	34,083
34. Totals, whole life and endowment	201	3,818	24,424	572,395
35. Totals (Lines 31 to 34)	225	7,207	29,598	1,196,233

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary	7,207		1,192,461	3,772
38. Credit Life (Group and Individual)				
39. Group			2,914	
40. Totals (Lines 36 to 39)	7,207		1,195,375	3,772

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies	X X X		X X X	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis		X X X		X X X
43. Federal Employees' Group Life Insurance included in Line 21				
44. Servicemen's Group Life Insurance included in Line 21				
45. Group Permanent Insurance included in Line 21			177	2,914

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	30,135
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.	
47.1 N/A	
47.2 N/A	

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium			2,605	81,681				
49. Disability Income								
50. Extended Benefits			X X X	X X X				
51. Other								
52. Total		(b)	2,605	(b) 81,681		(b)		(b)

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	99	7		
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	99	7		
Deductions during year:				
6. Decreased (net)	18	1		
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	18	1		
9. In force end of year	81	6		
10. Amount on deposit	(a) 81	56,005		(a)
11. Income now payable		2		
12. Amount of income payable	(a) 170,666	(a) 38,561	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	31	895		
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)		6		
5. Total (Lines 1 to 4)	31	901		
Deductions during year:				
6. Decreased (net)		34		
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)		34		
9. In force end of year	31	867		
Income now payable:				
10. Amount of income payable	(a) 179,753	X X X	X X X	(a)
Deferred fully paid:				
11. Account Balance	X X X	(a) 3,405,527	X X X	(a)
Deferred not fully paid:				
12. Account Balance	X X X	(a) 4,364,957	X X X	(a)

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	8,242	7,280,623			116,788	84,359,510
2. Issued during year	2,229	1,913,802			8,469	8,250,035
3. Reinsurance assumed						
4. Increased during year (net)		X X X		X X X		X X X
5. Totals (Lines 1 to 4)	10,471	X X X		X X X	125,257	X X X
Deductions during year:						
6. Conversions		X X X	X X X	X X X	X X X	X X X
7. Decreased (net)	3,104	X X X		X X X	14,296	X X X
8. Reinsurance ceded		X X X		X X X		X X X
9. Totals (Lines 6 to 8)	3,104	X X X		X X X	14,296	X X X
10. In force end of year	7,367	(a) 6,994,798		(a)	110,961	(a) 79,377,932

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds Contracts	2 Dividend Accumulations Contracts
1. In force end of prior year	85	2,373
2. Issued during year	6	
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (Lines 1 to 4)	91	2,373
Deductions during year:		
6. Decreased (net)	16	92
7. Reinsurance ceded		
8. Totals (Lines 6 and 7)	16	92
9. In force end of year	75	2,281
10. Amount of account balance	(a) 1,360,139	(a) 1,435,621

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Direct Business Only						
		Active Status	Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 Through 5	7 Deposit-Type Contracts
			2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama	AL	L	161,038		1,978,419		2,139,457	
2. Alaska	AK	L	563		9,576		10,139	
3. Arizona	AZ	L	26,053	450	554,305		580,808	
4. Arkansas	AR	L	175,857		3,802,280		3,978,137	
5. California	CA	L	64,476		1,666,305		1,730,781	
6. Colorado	CO	L	114,177	630	340,381		455,188	
7. Connecticut	CT	N	6,538		12,449		18,987	
8. Delaware	DE	L	1,125		11,912		13,037	
9. District of Columbia	DC	L	43		46,959		47,002	
10. Florida	FL	L	120,785	13,453	1,437,431		1,571,669	
11. Georgia	GA	L	279,207	504	5,052,650		5,332,361	
12. Hawaii	HI	N			4,783		4,783	
13. Idaho	ID	L	9,640		114,824		124,464	
14. Illinois	IL	L	118,852	3,525	1,375,194		1,497,571	
15. Indiana	IN	L	35,856	849	1,358,059		1,394,764	
16. Iowa	IA	L	73,151	1,582	962,487		1,037,220	
17. Kansas	KS	L	174,187	5,884	1,834,191		2,014,262	
18. Kentucky	KY	L	64,233		1,991,204		2,055,437	
19. Louisiana	LA	L	111,263		2,405,919		2,517,182	
20. Maine	ME	L	63,156	14,270	67,444		144,870	
21. Maryland	MD	L	6,329		503,554		509,883	
22. Massachusetts	MA	L	29,173	17,521	144,480		191,174	
23. Michigan	MI	L	51,330	586	54,795		106,711	
24. Minnesota	MN	L	10,717		300,274		310,991	
25. Mississippi	MS	L	139,016		10,377,941		10,516,957	
26. Missouri	MO	L	101,084	302	1,573,395		1,674,781	
27. Montana	MT	L	2,170		292,359		294,529	
28. Nebraska	NE	L	48,277	1,411	1,372,888		1,422,576	
29. Nevada	NV	L	6,140		195,349		201,489	
30. New Hampshire	NH	L	45,104	4,616	92,614		142,334	
31. New Jersey	NJ	N	7,935		76,798		84,733	
32. New Mexico	NM	L	7,949	1,337	302,119		311,405	
33. New York	NY	N	4,202		65,403		69,605	
34. North Carolina	NC	L	21,035	1,730	3,205,280		3,228,045	
35. North Dakota	ND	L	3,502		446,008		449,510	
36. Ohio	OH	L	199,085	100	1,792,606		1,991,791	
37. Oklahoma	OK	L	89,012	160	4,934,598		5,023,770	
38. Oregon	OR	L	12,770		171,049		183,819	
39. Pennsylvania	PA	L	125,709	6,220	975,306		1,107,235	
40. Rhode Island	RI	N	48		6,585		6,633	
41. South Carolina	SC	L	62,060	474	7,232,032		7,294,566	
42. South Dakota	SD	L	23,397		257,380		280,777	
43. Tennessee	TN	L	136,546		4,393,463		4,530,009	
44. Texas	TX	L	402,402	666	9,179,555		9,582,623	
45. Utah	UT	L	18,489		81,882		100,371	
46. Vermont	VT	N	1,453		5,791		7,244	
47. Virginia	VA	L	17,187	769	3,296,162		3,314,118	
48. Washington	WA	L	6,600	70	399,960		406,630	
49. West Virginia	WV	L	8,619		174,218		182,837	
50. Wisconsin	WI	L	49,709		215,167		264,876	
51. Wyoming	WY	L	8,087		89,874		97,961	
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. US Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	X X X	529,484		70,600		600,084	
59. Subtotal	(a) 45		3,774,820	77,109	77,306,257		81,158,186	
90. Reporting entity contributions for employee benefits plans	X X X							
91. Dividends or refunds applied to purchase paid-up additions and annuities	X X X		255,765				255,765	
92. Dividends or refunds applied to shorten endowment or premium paying period	X X X							
93. Premium or annuity considerations waived under disability or other contract provisions	X X X		47,026				47,026	
94. Aggregate other amounts not allocable by State	X X X							
95. Totals (Direct Business)	X X X		4,077,611	77,109	77,306,257		81,460,977	
96. Plus Reinsurance Assumed	X X X		4,043,551		8,709,707		12,753,258	
97. Totals (All Business)	X X X		8,121,162	77,109	86,015,964		94,214,235	
98. Less Reinsurance Ceded	X X X		2,002,306	3,131	139,937		2,145,374	
99. Totals (All Business) less Reinsurance Ceded	X X X		6,118,856	73,978	(b) 85,876,027		92,068,861	

DETAILS OF WRITE-INS							
58001. Other Alien	X X X		529,484		70,600		600,084
58002.	X X X						
58003.	X X X						
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999. Total (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X		529,484		70,600		600,084
9401.	X X X						
9402.	X X X						
9403.	X X X						
9498. Summary of remaining write-ins for Line 94 from overflow page	X X X						
9499. Total (Lines 9401 through 9403 plus 9498) (Line 94 above)	X X X						

NONE

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, etc., of premiums and annuity considerations

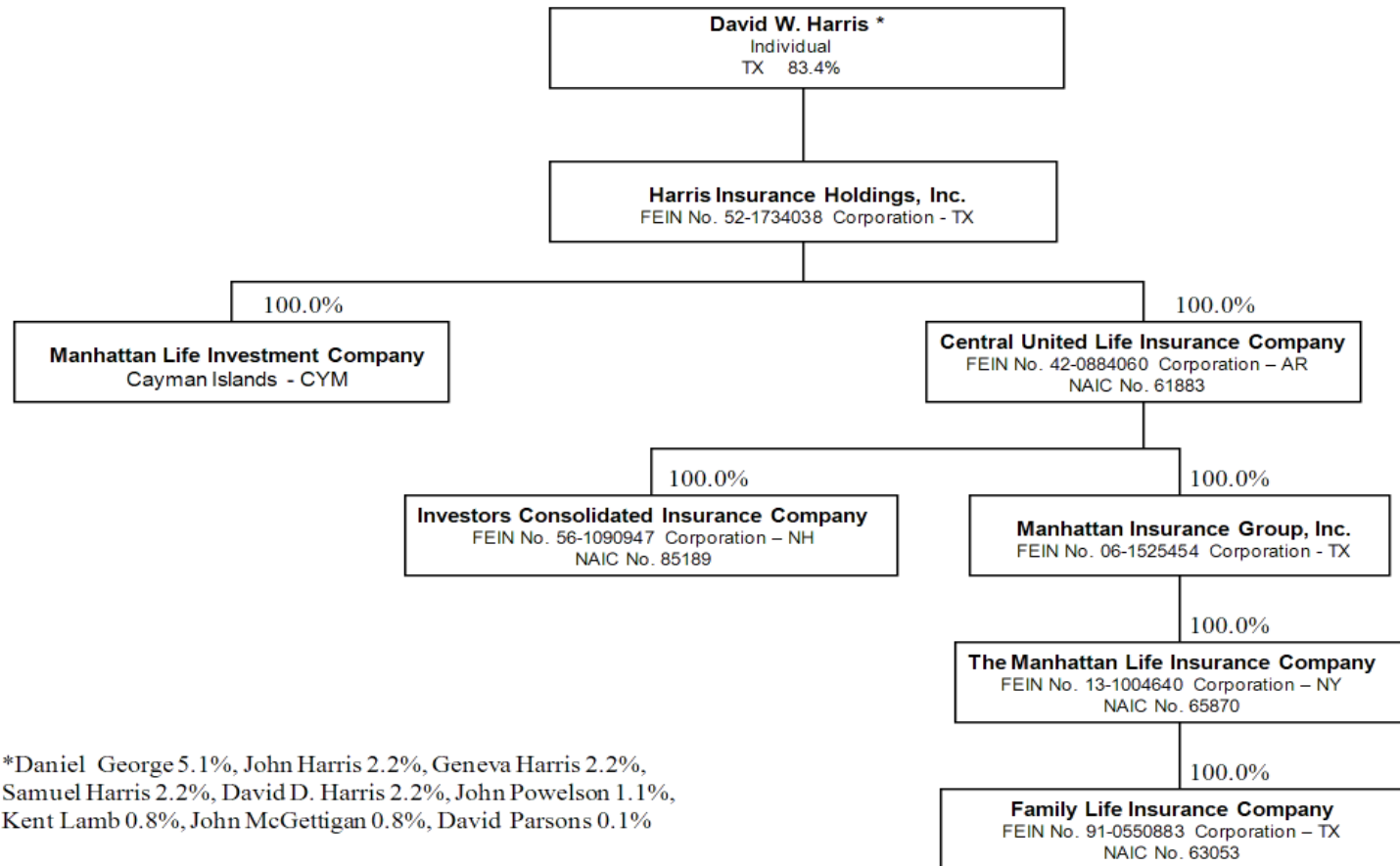
Life insurance premiums and annuity considerations have been allocated on the basis of the last recorded address to which the Company has been directed to send official notice of premium or consideration due.

- (a) Insert the number of L responses except for Canada and Other Alien.
- (b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Column 1, Line 1 indicate which: Exhibit 1

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

**MANHATTAN INSURANCE GROUP
Organization Chart
12/31/2012**



*Daniel George 5.1%, John Harris 2.2%, Geneva Harris 2.2%, Samuel Harris 2.2%, David D. Harris 2.2%, John Powelson 1.1%, Kent Lamb 0.8%, John McGettigan 0.8%, David Parsons 0.1%

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

OVERFLOW PAGE FOR WRITE-INS

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