

**ANNUAL STATEMENT**

Including Supplements

OF THE

**AMERICAN MUTUAL LIFE**

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**ASSOCIATION**

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of **Cleveland**

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in the state of **Ohio**

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TO THE

**Insurance Department**

OF THE

STATE OF

**FOR THE YEAR ENDED  
December 31, 2002**



56286200220100100

**ANNUAL STATEMENT**

For the Year Ended December 31, 2002  
OF THE CONDITION AND AFFAIRS OF THE

**American Mutual Life Association**

NAIC Group Code 0000 0000 NAIC Society Code 56286 Employer's ID Number 34-6577472  
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated: March 13, 1914 Commenced Business: November 13, 1910

Statutory Home Office: 19424 South Waterloo Road Cleveland, OH 44119

Main Administrative Office: 19424 South Waterloo Road Cleveland, OH 44119 216-531-1900

Mail Address: 19424 South Waterloo Road Cleveland, OH 44119

Primary Location of Books and Records: 19424 South Waterloo Road Cleveland, OH 44119 216-531-1900

Internet Website Address: N/A

Statement Contact: Theresa A. Aveni 216-531-1900  
N/A 216-531-8123  
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 19424 South Waterloo Road Cleveland, OH 44119 216-531-1900

**OFFICERS**

**President** #ALBERT R. AMIGONI 278-50-5827  
**Secretary** JOSEPH F. PETRIC, JR. 285-38-4512  
**Treasurer** JOSEPH F. PETRIC, JR. 285-38-4512  
**Actuary** BRUCE AND BRUCE COMPANY

**Vice-Presidents**

<u>ANNA MAE MANNION 276-26-7701</u>	<u>#JOSEPH G. ZAB 295-07-3576</u>	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**DIRECTORS OR TRUSTEES**

<u>CHRISTINE ARVEY 280-54-6069</u>	<u>THERESA AVENI 293-48-8861</u>	<u>#JAMES E. CZECK 277-70-5291</u>	<u>JOANN LAMPA 302-38-7223</u>
<u>#BERNADETTE A. PAVLIK 285-50-7363</u>	<u>#KENNETH E. SHINE 289-54-8977</u>	<u>RUDOLPH M. SUSEL 285-36-0132</u>	<u>JAN M. TILISKY 293-58-6076</u>
<u>VIDA ZAK 286-22-7381</u>	<u>#STANLEY G. ZIHERL 298-24-1626 DIED 10/02</u>	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State of Ohio  
County of Cuyahoga 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.

_____ (Signature)	_____ (Signature)	_____ (Signature)
<u>ALBERT R. AMIGONI 278-50-5827</u>	<u>JOSEPH F. PETRIC, JR. 285-38-4512</u>	<u>JOSEPH F. PETRIC, JR. 285-38-4512</u>
(Printed Name) President	(Printed Name) Secretary	(Printed Name) Treasurer

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2003

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

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols 1 - 2)	4 Net Admitted Assets
1. Bonds	27,247,574		27,247,574	26,100,896
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)				
2.2 Common stocks (Schedule D, Part 2, Section 2)				
3. Mortgage loans on real estate (Schedule B, Part 1):				
3.1 First liens	86,062		86,062	131,182
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the society (less \$ 0 encumbrances)	107,927		107,927	290,907
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Certificate loans and liens	172,186		172,186	176,045
6. Cash (\$ 1,450,691, Schedule E, Part 1) and short-term investments (\$ 0, Schedule DA, Part 2)	1,450,691		1,450,691	627,410
7. Other invested assets (Schedule BA, Part 1)				
8. Receivable for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	29,064,440		29,064,440	27,326,440
11. Reinsurance ceded:				
11.1 Amounts recoverable from reinsurers (Schedule S, Part 2)				
11.2 Commissions and expense allowances due				
11.3 Experience rating and other refunds due				
11.4 Other amounts receivable under reinsurance contracts				
12. Electronic data processing equipment and software	29,931	29,931		
13. Premiums actually collected by subordinate lodges not yet remitted to home office (excluding \$ 0 loading)				
14. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ 0 loading)	3,919		3,919	3,986
15. Accident and health premiums due and unpaid	97		97	167
16. Investment income due and accrued	266,331		266,331	333,823
17. Net adjustment in assets and liabilities due to foreign exchange rates				
18. Receivable from subsidiaries and affiliates				
19. Amounts due from agents				
20. Other assets nonadmitted (Exhibit 9)	12,331	12,331		
21. Aggregate write-ins for other than invested assets	36,125	36,125		
22. Total assets excluding Separate Accounts business (Lines 10 to 21)	29,413,174	78,387	29,334,787	27,664,416
23. From Separate Accounts statement				
24. Total (Lines 22 and 23)	29,413,174	78,387	29,334,787	27,664,416

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 thru 0903 + 0998) (Line 9 above)				
2101. Prepaid Expenses	34,710	34,710		
2102. Advances	1,415	1,415		
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Lines 2101 thru 2103 + 2198) (Line 21 above)	36,125	36,125		

<b>LIABILITIES, SURPLUS AND OTHER FUNDS</b>	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts (Exhibit 5, Line 9999999) (including \$ 0 Modco Reserve)	15,164,000	13,986,000
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 16, Col. 1) (including \$ 0 Modco Reserve)	194,191	224,000
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Column 1) (including \$ 0 Modco Reserve)	865,287	609,134
4. Contract claims:		
4.1 Life (Exhibit 11, Part 1, Line 4.4, Column 1 less Column 5)	79,822	57,571
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, Column 5)	3,081	3,092
5. Refunds due and unpaid (Exhibit 4, Line 10)		
6. Provisions for refunds payable in following calendar year-estimated amounts:		
6.1 Apportioned for payment to 2002	120,000	120,000
6.2 Not yet apportioned		
7. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ 0 discount; including \$ 0 accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Lines 4 and 14)	246	444
8. Contract liabilities not included elsewhere:		
8.1 Surrender values on canceled contracts		
8.2 Other amounts payable on reinsurance including \$ 0 assumed and \$ 0 ceded		
8.3 Interest maintenance reserve (IMR) (Page 32, Line 6)	1,475,476	1,239,119
9. Commissions to fieldworkers due or accrued - life and annuity contracts \$ 0 ; accident and health \$ 0 and deposit-type contracts funds \$ 0		5,571
10. Commissions and expense allowances payable on reinsurance assumed		
11. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	49,402	22,256
12. Transfers to Separate Accounts due or accrued (net) (Including \$ 0 accrued for expense allowances recognized in reserves)		
13. Taxes, licenses and fees due or accrued (Exhibit 3, Line 8, Col. 6)	3,902	8,685
14. Unearned investment income		
15. Amounts withheld or retained by Society as agent or trustee	188	255,243
16. Amounts held for fieldworkers' account, including \$ 0 fieldworkers' credit balances		
17. Remittances and items not allocated		
18. Net adjustment in assets and liabilities due to foreign exchange rates		
19. Liability for benefits for employees and fieldworkers if not included above		
20. Borrowed money \$ 0 and interest thereon \$ 0		
21. Miscellaneous liabilities:		
21.1 Asset valuation reserve (Page 33, Line 13, Col. 7)	13,987	139,663
21.2 Reinsurance in unauthorized companies		
21.3 Funds held under reinsurance treaties with unauthorized reinsurers		
21.4 Payable to subsidiaries and affiliates		
21.5 Drafts outstanding	988	1,081
21.6 Funds held under coinsurance		
21.7 Payable for securities		
22. Aggregate write-ins for liabilities	138,051	79,571
23. Total liabilities excluding Separate Accounts business (Lines 1 to 22)	18,108,621	16,751,430
24. From Separate Accounts statement		
25. Total liabilities (Lines 23 to 24)	18,108,621	16,751,430
26. Aggregate write-ins for other than liabilities and surplus funds		
27. Surplus notes		
28. Aggregate write-ins for surplus funds		
29. Unassigned funds	11,226,166	10,912,983
30. Total (Lines 26 through 29)(Page 4, Line 47)(Including \$ 0 in Separate Accounts statement)	11,226,166	10,912,983
31. TOTALS (Lines 25 + 30) (Page 2, Line 24, Col. 3)	29,334,787	27,664,413

<b>DETAILS OF WRITE-INS</b>		
2201. Accrued Interest Payable on Deposits 15623;Claim Paid 122248	138,051	15,571
2202. Reserve for Convention Expense		39,000
2203. Advance Deposit on a Sale of Real Estate		25,000
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)	138,051	79,571
2601.		
2602.		
2603.		
2698. Summary of remaining write-ins for Line 26 from overflow page		
2699. Totals (Lines 2601 through 2603 plus 2698) (Line 26 above)		
2801.		
2802.		
2803.		
2898. Summary of remaining write-ins for Line 28 from overflow page		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)		

<b>SUMMARY OF OPERATIONS (EXCLUDING UNREALIZED CAPITAL GAINS AND LOSSES)</b>	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health policies and contracts (Exhibit 1, Part 1, Line 20.4, Col. 1)	1,296,830	843,579
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	1,790,876	1,671,725
4. Amortization of Interest Maintenance Reserve (IMR) (Page 32, Line 5)	81,202	61,242
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)		
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		60
8.3 Aggregate write-ins for miscellaneous income	406	
9. Totals (Lines 1 to 8.3)	3,169,314	2,576,606
10. Death benefits	327,871	256,259
11. Matured endowments	22,655	29,734
12. Annuity and old age benefits	246,174	125,219
13. Disability, accident and health benefits, including premiums waived \$	0	34,390
14. Surrender benefits and withdrawals for life contracts	68,805	65,981
15. Interest and adjustments on contract or deposit-type contract funds	42,816	41,017
16. Payments on supplementary contracts with life contingencies		
17. Increase in aggregate reserve for life and accident and health contracts	1,148,191	590,000
18. Totals (Lines 10 to 17)	1,889,045	1,142,600
19. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1 less Column 5)	2,593	8,913
20. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2 Col. 1 less Col. 5)		
21. General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 5)	827,589	735,711
22. Insurance taxes, licenses and fees (Exhibit 3, Line 6, Cols. 1, 2, 3 and 5)	28,796	26,605
23. Increase in loading on deferred and uncollected premiums		
24. Net transfers to or (from) Separate Accounts		
25. Aggregate write-ins for deductions	53	13,227
26. Totals (Lines 18 to 25)	2,748,076	1,927,056
27. Net gain from operations before refunds to members (Line 9 minus Line 26)	421,238	649,550
28. Refunds to members (Exhibit 4, Line 17, Cols. 1 + 2)	117,088	126,444
29. Net gain from operations after refunds to members and before realized capital gains (losses)(Line 27 minus Line 28)	304,150	523,106
30. Net realized capital gains (losses)(excluding \$ 317,599 transferred to the IMR)	(105,871)	
31. Net income (Lines 29 + 30)	198,279	523,106
<b>SURPLUS ACCOUNT</b>		
32. Surplus December 31, prior year (Page 3, Line 30, Col. 2)	10,912,982	10,457,591
33. Net income from operations (Line 31)	198,279	523,106
34. Change in net unrealized capital gains (losses)		1,385
35. Change in net unrealized foreign exchange capital gain (loss)		
36. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Col. 3)	(10,288)	(28,579)
37. Change in liability for reinsurance in unauthorized companies		
38. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)		
39. Change in asset valuation reserve (Page 31, Lines 2 through 7, Line 11 plus Lines 14 & 15, Column 7)	125,676	(36,121)
40. Surplus (contributed to) withdrawn from Separate Accounts during period		
41. Other changes in surplus in Separate Accounts statement		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Change in surplus as a result of reinsurance		
45. Aggregate write-ins for gains and losses in surplus	(483)	(4,400)
46. Net change in surplus for the year (Lines 33 through 45)	313,184	455,391
47. Surplus December 31, current year (Lines 32 + 46)(Page 3, Line 30)	11,226,166	10,912,982
<b>DETAILS OF WRITE-INS</b>		
08.301. SUNDRY INCOME & FEES	406	
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	406	
2501. PROVISION FOR CONVENTION EXPENSE		13,000
2502. PROVISION FOR ACCRUED INTEREST EXPENSE	53	227
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	53	13,227
4501. SURPLUS COUPON DISTRIBUTION	(513)	(4,400)
4502. Rounding	30	
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page		
4599. Totals (Lines 4501 through 4503 plus 4598) (Line 45 above)	(483)	(4,400)

**CASH FLOW**

<b>Cash from Operations</b>	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health policies and contracts	1,296,769	843,384
2. Charges and fees for deposit-type contracts		60
3. Considerations for supplementary contracts with life contingencies		
4. Net investment income	1,773,640	1,656,420
5. Commissions and expense allowances on reinsurance ceded		
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts		
7. Aggregate write-ins for miscellaneous income	(7,386)	
8. TOTAL (Lines 1 to 7)	3,063,023	2,499,864
9. Death benefits	183,192	244,085
10. Matured endowments	22,655	29,734
11. Annuity and old age benefits	246,174	125,219
12. Disability, accident and health benefits	32,544	33,663
13. Surrender benefits and withdrawals for life contracts	68,805	65,981
14. Interest and adjustment on contract or deposit-type contract funds	42,816	41,017
15. Payments on supplementary contracts with life contingencies		
16. TOTAL (Lines 9 to 15)	596,186	539,699
17. Commissions on premiums, annuity considerations and deposit-type contract funds	8,164	4,881
18. Commissions and expense allowances on reinsurance assumed		
19. General insurance expenses and fraternal expenses	800,255	738,538
20. Insurance taxes, licenses and fees, excluding federal income taxes	33,580	26,256
21. Net transfers to or (from) Separate Accounts		
22. Aggregate write-ins for deductions	28,695	20,679
23. Refunds to members paid	117,088	116,445
24. TOTAL (Lines 16 to 23)	1,583,968	1,446,498
25. Net cash from operations (Line 8 minus Line 24)	1,479,055	1,053,366
<b>Cash from Investments</b>		
26. Proceeds from investments sold, matured or repaid:		
26.1 Bonds	25,588,076	15,150,469
26.2 Stocks		
26.3 Mortgage loans	45,120	78,092
26.4 Real estate	691,974	
26.5 Other invested assets		
26.6 Net gains or (losses) on cash and short-term investments		
26.7 Miscellaneous proceeds		
26.8 TOTAL (Lines 26.1 to 26.7)	26,325,170	15,228,561
27. Cost of investments acquired (long-term only):		
27.1 Bonds	26,938,952	16,198,620
27.2 Stocks		
27.3 Mortgage loans		
27.4 Real estate	8,380	15,286
27.5 Other invested assets		
27.6 Miscellaneous applications		
27.7 Total investments acquired (Lines 27.1 to 27.6)	26,947,332	16,213,906
28. Net increase (or decrease) in certificate loans and liens	(3,859)	(2,166)
29. Net cash from investments (Line 26.8 minus Line 27.7 minus Line 28)	(618,303)	(983,179)
<b>Cash from Financing and Miscellaneous Sources</b>		
30. Cash provided:		
30.1 Surplus notes, capital and surplus paid in		
30.2 Borrowed money \$ 0 less amounts repaid \$ 0		
30.3 Deposit on deposit-type contract funds and other liabilities without life or disability contingencies	96,210	63,129
30.4 Other cash provided	4,130	9,764
30.5 Total (Lines 30.1 to 30.4)	100,340	72,893
31. Cash applied:		
31.1 Interest on indebtedness		
31.2 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies	137,811	103,896
31.3 Other applications (net)		
31.4 Total (Lines 31.1 and 31.3)	137,811	103,896
32. Net cash from financing and miscellaneous sources (Line 30.5 minus Line 31.4)	(37,471)	(31,003)
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
33. Net change in cash and short-term investments (Line 25, plus Line 29, plus Line 32)	823,281	39,184
34. Cash and short-term investments:		
34.1 Beginning of year	627,410	588,226
34.2 End of year (Line 33 plus Line 34.1)	1,450,691	627,410

<b>DETAILS OF WRITE-INS</b>		
0701. SUNDRY INCOME AND FEES	406	
0702. Change in Funds Held as Trustee	(7,792)	
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page		
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	(7,386)	
2201. SURPLUS COUPON DISTRIBUTION	513	
2202. Change in Prepaid Expenses 5320; Change in advance deposit 25000	30,520	21,702
2203. Change in Advances	(2,338)	(1,023)
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 thru 2203 plus 2298)(Line 22 above)	28,695	20,679

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS  
(GAIN AND LOSS EXHIBIT) (EXCLUDING CAPITAL GAINS AND LOSSES)**

	1 Total	Insurance						8 Fraternal	9 Expense
		2 Life Insurance	3 Individual Annuities	4 Supplementary Contracts	5 Accident and Health	6 Aggregate of All Other Lines of Business	7 Total (Columns 2 through 6)		
1. Premiums and annuity considerations for life and accident and health contracts	1,296,830	225,849	1,039,636		31,345		1,296,830		
2. Considerations for supplementary contracts with life contingencies									
3. Net investment income	1,790,876	1,467,876	323,000			1,790,876			
4. Amortization of Interest Maintenance Reserve (IMR)	81,202	81,202				81,202			
5. Separate Accounts net gain from operations excluding unrealized gains or losses									
6. Commissions and expense allowances on reinsurance ceded									
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	406	406				406			
9. Totals (Lines 1 to 8.3)	3,169,314	1,775,333	1,362,636		31,345	3,169,314			
10. Death benefits	327,871	327,871				327,871			
11. Matured endowments	22,655	22,655				22,655			
12. Annuity and old age benefits	246,174		246,174			246,174			
13. Disability, accident and health benefits, including premiums waived \$	0				32,533	32,533			
14. Surrender benefits and withdrawals for life contracts	68,805	68,805				68,805			
15. Interest and adjustments on contract or deposit-type contract funds	42,816	42,816				42,816			
16. Payments on supplementary contracts with life contingencies									
17. Increase in aggregate reserve for life and accident and health contracts	1,148,191	74,000	1,104,000		(29,809)	1,148,191			
18. Totals (Lines 10 to 17)	1,889,045	536,147	1,350,174		2,724	1,889,045			
19. Commissions on premiums and annuity considerations and deposit-type contract funds (direct business only)	2,593	2,447	146			2,593			
20. Commissions and expense allowances on reinsurance assumed									
21. General insurance expenses and fraternal expenses	827,589	571,680				571,680	255,909		
22. Insurance taxes, licenses and fees	28,796	24,636				24,636	4,160		
23. Increase in loading on deferred and uncollected premiums									
24. Net transfers to or (from) Separate Accounts									
25. Aggregate write-ins for deductions	53	53				53			
26. Totals (Lines 18 to 25)	2,748,076	1,134,963	1,350,320		2,724	2,488,007	260,069		
27. Net gain from operations before refunds to members (Line 9 minus Line 26)	421,238	640,370	12,316		28,621	681,307	(260,069)		
28. Refunds to members	117,088	117,088				117,088			
29. Net gain from operations after refunds to members and before realized capital gains or (losses) (Line 27 minus Line 28)	304,150	523,282	12,316		28,621	564,219	(260,069)		

DETAILS OF WRITE-INS									
08.301. SUNDRY FEES	406	406					406		
08.302.									
08.303.									
08.398. Summary of remaining write-ins for Line 8.3 from overflow page									
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	406	406					406		
2501. PROVISION FOR ACCRUED INTEREST	53	53					53		
2502.									
2503.									
2598. Summary of remaining write-ins for Line 25 from overflow page									
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	53	53					53		

**ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR**

	1	2	3	4
	Total	Life Insurance	Annuities	Supplementary Contracts
<b>Involving Life or Disability Contingencies (Reserves)</b> (Net of Reinsurance Ceded)				
1. Reserve December 31, prior year	13,986,000	9,706,000	4,280,000	
2. Tabular net premiums or considerations	1,256,340	216,702	1,039,638	
3. Present value of disability claims incurred				X X X
4. Tabular interest	627,274	321,396	305,878	
5. Tabular less actual reserve released	4,658		4,658	
6. Increase in reserve on account of change in valuation basis				
7. Other increases (net)				
8. Totals (Lines 1 to 7)	15,874,272	10,244,098	5,630,174	
9. Tabular cost	257,435	257,435		X X X
10. Reserves released by death	114,427	114,427	X X X	X X X
11. Reserves released by other terminations (net)	92,236	92,236		
12. Annuity, supplementary contract and disability payments involving life contingencies	246,174		246,174	
13. Net transfers to or (from) Separate Accounts				
14. Total deductions (Lines 9 to 13)	710,272	464,098	246,174	
15. Reserve December 31, current year	15,164,000	9,780,000	5,384,000	

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,087,021	1,119,443
1.1 Bonds exempt from U.S. tax	(a) 738,676	638,206
1.2 Other bonds (unaffiliated)	(a)	
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. Mortgage loans	(c) 9,292	9,274
4. Real estate	(d) 40,000	40,000
5. Contract loans	9,273	9,273
6. Cash/short-term investments	(e) 15,120	15,694
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	1,899,382	1,831,890
11. Investment expenses		(g) 23,968
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 12,482
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 4,564
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		41,014
17. Net investment income - (Line 10 minus Line 16)		1,790,876
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)		
1501.		
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 \$ 171,155 accrual of discount less \$ 81,863 amortization of premium and less \$ 244,935 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 \$ 0 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 \$ 0 interest on surplus notes and \$ 0 interest on capital notes.		
(i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.		

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4 Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	5 Total
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment		
1. U.S. Government bonds	478,839				478,839
1.1 Bonds exempt from U.S. tax	(161,280)	(611,049)			(772,329)
1.2 Other bonds (unaffiliated)					
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					
3. Mortgage loans					
4. Real estate	505,178				505,178
5. Contract loans					
6. Cash/short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	822,737	(611,049)			211,688
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)					

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

	1	2	3	4	5	6	7	8
	Total	Life Insurance	Individual Annuities	Insurance Accident and Health	Aggregate of All Other Lines of Business	Total (Columns 2 through 5)	Fraternal	Expense
<b>FIRST YEAR (other than single)</b>								
1. Uncollected								
2. Deferred and accrued								
3. Deferred, accrued and uncollected:								
3.1 Direct								
3.2 Reinsurance assumed								
3.3 Reinsurance ceded								
3.4 Net (Line 1 + Line 2)								
4. Advance								
5. Line 3.4 - Line 4								
6. Collected during year:								
6.1 Direct	8,588	8,588				8,588		
6.2 Reinsurance assumed								
6.3 Reinsurance ceded								
6.4 Net	8,588	8,588				8,588		
7. Line 5 + Line 6.4	8,588	8,588				8,588		
8. Prior year (uncollected + deferred and accrued - advance)								
9. First year premiums and considerations:								
9.1 Direct	8,588	8,588				8,588		
9.2 Reinsurance assumed								
9.3 Reinsurance ceded								
9.4 Net (Line 7 - Line 8)	8,588	8,588				8,588		
<b>SINGLE</b>								
10. Single premiums and considerations:								
10.1 Direct	1,135,528	101,075	1,034,453			1,135,528		
10.2 Reinsurance assumed								
10.3 Reinsurance ceded								
10.4 Net	1,135,528	101,075	1,034,453			1,135,528		
<b>RENEWAL</b>								
11. Uncollected	4,016	3,919		97		4,016		
12. Deferred and accrued								
13. Deferred, accrued and uncollected:								
13.1 Direct	4,016	3,919		97		4,016		
13.2 Reinsurance assumed								
13.3 Reinsurance ceded								
13.4 Net (Line 11 + Line 12)	4,016	3,919		97		4,016		
14. Advance	246	246				246		
15. Line 13.4 - Line 14	3,770	3,673		97		3,770		
16. Collected during year:								
16.1 Direct	156,018	119,076	5,527	31,415		156,018		
16.2 Reinsurance assumed								
16.3 Reinsurance ceded	3,365	3,365				3,365		
16.4 Net	152,653	115,711	5,527	31,415		152,653		
17. Line 15 + Line 16.4	156,423	119,384	5,527	31,512		156,423		
18. Prior year (uncollected + deferred and accrued - advance)	3,709	3,198	344	167		3,709		
19. Renewal premiums and considerations:								
19.1 Direct	156,079	119,551	5,183	31,345		156,079		
19.2 Reinsurance assumed								
19.3 Reinsurance ceded	3,365	3,365				3,365		
19.4 Net (Line 17 - Line 18)	152,714	116,186	5,183	31,345		152,714		
<b>TOTAL</b>								
20. Total premiums and annuity considerations:								
20.1 Direct	1,300,195	229,214	1,039,636	31,345		1,300,195		
20.2 Reinsurance assumed								
20.3 Reinsurance ceded	3,365	3,365				3,365		



**EXHIBIT 1 - PART 2 - REFUNDS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)**

	1 Total	Insurance					7 Fraternal	8 Expense
		2 Life Insurance	3 Individual Annuities	4 Accident and Health	5 Aggregate of All Other Lines of Business	6 Total (Columns 2 through 5)		
<b>REFUNDS APPLIED (included in Part 1)</b>								
21. To pay renewal premiums (Exhibit 4, Line 1)	9,577	9,577				9,577		
22. All other (Exhibit 4, Lines 2, 3 & 4)	61,896	61,896				61,896		
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>								
23. First year (other than single):								
23.1 Reinsurance ceded								
23.2 Reinsurance assumed								
23.3 Net ceded less assumed								
24. Single:								
24.1 Reinsurance ceded								
24.2 Reinsurance assumed								
24.3 Net ceded less assumed								
25. Renewal:								
25.1 Reinsurance ceded								
25.2 Reinsurance assumed								
25.3 Net ceded less assumed								
26. Totals:								
26.1 Reinsurance ceded (Page 6, Line 6)								
26.2 Reinsurance assumed								
26.3 Net ceded less assumed								
<b>COMMISSIONS INCURRED (direct business only)</b>								
27. First year (other than single)	1,462	1,391	71			1,462		
28. Single	1,085	1,010	75			1,085		
29. Renewal	46	46				46		
30. Deposit-type contract funds								
31. Totals (to agree with Page 6, Line 19)	2,593	2,447	146			2,593		

**EXHIBIT 2 - GENERAL EXPENSES**

	Insurance			4 Investment	5 Fraternal	6 Total
	1 Life	2 Accident and Health	3 Aggregate of All Other Lines of Business			
1. Rent	61,767			8,236	12,353	82,356
2. Salaries and wages	280,970			8,526	51,187	340,683
3.11 Insured benefit plans for employees	69,462					69,462
3.12 Insured benefit plans for fieldworkers						
3.21 Uninsured benefit plans for employees						
3.22 Uninsured benefit plans for fieldworkers						
3.31 Other employee welfare	586					586
3.32 Other fieldworker welfare						
4.1 Legal fees and expenses	1,659					1,659
4.2 Medical examination fees						
4.3 Inspection report fees	3,520					3,520
4.4 Fees of public accountants and consulting actuaries	66,657					66,657
4.5 Expense of investigation and settlement of certificate claims						
5.1 Traveling expenses	162					162
5.2 Advertising	7,615					7,615
5.3 Postage express, telegraph and telephone	17,515					17,515
5.4 Printing and stationery	3,930					3,930
5.5 Cost or depreciation of furniture and equipment	3,155					3,155
5.6 Rental of equipment	3,003					3,003
5.7 Cost or depreciation of EDP equipment and software	8,432					8,432
5.8 Lodge supplies less \$ 0 from sales						
6.1 Books and periodicals	1,370					1,370
6.2 Bureau and association dues	4,635					4,635
6.3 Insurance, except on real estate	1,109					1,109
6.4 Miscellaneous losses						
6.5 Collection and bank service charges	2,763			4,165		6,928
6.6 Sundry general expenses	17,185					17,185
7.1 Field expense allowance	562					562
7.2 Fieldworkers' balances charged off (less \$ 0 recovered)						
7.3 Field conferences other than local meetings						
8.1 Official publication					35,756	35,756
8.2 Expense of supreme lodge meetings					14,487	14,487
9.1 Real estate expenses				2,998		2,998
9.2 Investment expenses not included elsewhere				40		40
9.3 Aggregate write-ins for expenses	15,624				142,126	157,750
10. General expenses incurred	571,681			23,965	(a) 255,909	(b) 851,555
11. General expenses unpaid December 31, prior year	8,818			189	13,249	22,256
12. General expenses unpaid December 31, current year	12,202				37,200	49,402
13. General expenses paid during year (Lines 10 + 11 - 12)	568,297			24,154	231,958	824,409

DETAILS OF WRITE-INS						
09.301 DONATIONS/SCHOLARSHIPS					96,134	96,134
09.302 DATA PROCESSING	15,624					15,624
09.303 LODGE STIPEND/FEEES					45,992	45,992
09.398 Summary of remaining write-ins for Line 9.3 from overflow page						
09.399 Totals(Lines 09.301 through 09.303 plus 09.398)(Line 9.3 above)	15,624				142,126	157,750

(a) Show the distribution of this amount in the following categories:

1. Charitable \$ 25,625 ; 2. Institutional \$ 715 ; 3. Recreational and Health \$ 17,594 ; 4. Educational \$ 40,952 ;  
 5. Religious \$ 2,685 ; 6. Membership \$ 168,338 ; 7. Other \$ 0 ; 8. Total \$ 255,909

(b) Includes management fees of \$ 0 to affiliates and \$ 0 to non-affiliates.

**EXHIBIT 3 - TAXES, LICENSES AND FEES**

	Insurance			4 Investment	5 Fraternal	6 Total
	1 Life	2 Accident and Health	3 Aggregate of All Other Lines of Business			
1. Real estate taxes				12,482		12,482
2. State insurance department licenses and fees	865					865
3. Other state taxes, incl. \$ 0 for employee benefits	787				104	891
4. U.S. Social Security taxes	22,153				3,909	26,062
5. All other taxes	832				147	979
6. Taxes, licenses and fees incurred	24,637			12,482	4,160	41,279
7. Taxes, licenses and fees unpaid December 31, prior year	3,786				4,899	8,685
8. Taxes, licenses and fees unpaid December 31, current year	3,902					3,902
9. Taxes, licenses and fees paid during year (Lines 6 + 7 - 8)	24,521			12,482	9,059	46,062

**EXHIBIT 4 - DIVIDENDS OR REFUNDS**

	1 Life	2 Accident and Health
1. Applied to pay renewal premiums	9,577	
2. Applied to shorten the endowment or premium-paying period	430	
3. Applied to provide paid-up additions	61,466	
4. Applied to provide paid-up annuities		
5. Total (Lines 1 to 4)	71,473	
6. Paid in cash	11,418	
7. Left on deposit	34,197	
8. Aggregate write-ins for dividend or refund		
9. Total (Lines 5 to 8)	117,088	
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year	120,000	
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total (Line 10 through Line 14)	120,000	
16. Total of prior line from prior year	120,000	
17. Total dividend or refunds (Lines 9 + 15 - 16)	117,088	

DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)		



### 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 PARTICIPATING
- 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 PARTICIPATING
- 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 N/A
  - 4.4 Basis of regular assessments NONE
  - 4.5 Basis of special assessments NONE
  - 4.6 Assessments collected during 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. INTEREST 5% OR GREATER
- 6. Does the reporting entity hold reserves for any annuity contracts which are less than the reserves that would be held on a standard basis? YES [ ] NO [X]
- 6.1 If so, state the amount or reserve on such contracts on the basis actually held: \$
- 6.2 Which 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. N/A
- 7.3 State the amount of reserves established for this business: \$
- 7.4 Identify where the reserves are reported in the blank N/A

### 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)	<b>NONE</b>		
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)			

**EXHIBIT 6 - AGGREGATE RESERVE FOR  
ACCIDENT AND HEALTH CONTRACTS**

	1 Total	2 Collectively Renewable	Other Individual Contracts			
			3 Non- Cancelable	4 Guaranteed Renewable	5 Non-Renewable for Stated Reasons Only	6 Other Accident Only
<b>ACTIVE LIFE RESERVE</b>						
1. Unearned premium reserves	3,191	<b>NONE</b>			3,191	
2. Additional contract reserves (a)	191,000				191,000	
3. Additional actuarial reserves - Asset/liability analysis						
4. Reserve for future contingent benefits						
5. Aggregate write-ins for reserves						
6. Totals (Gross)	194,191				194,191	
7. Reinsurance ceded						
8. Totals (Net)	194,191			194,191		
<b>CLAIM RESERVE</b>						
9. Present value of amounts not yet due on claims		<b>NONE</b>				
10. Additional actuarial reserves - Asset/liability analysis						
11. Reserve for future contingent benefits						
12. Aggregate write-ins for reserves						
13. Totals (Gross)						
14. Reinsurance ceded						
15. Totals (Net)						
16. TOTAL (Net)	194,191			194,191		
17. TABULAR FUND INTEREST						

DETAILS OF WRITE-INS						
0501.		<b>NONE</b>				
0502.						
0503.						
0598. Summary of remaining write-ins for Line 5 from overflow page						
0599. Totals (Lines 0501 through 0503 + 0598) (Line 5 above)						
1201.		<b>NONE</b>				
1202.						
1203.						
1298. Summary of remaining write-ins for Line 12 from overflow page						
1299. Totals (Lines 1201 through 1203 + 1298) (Line 12 above)						

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

**EXHIBIT 7 - DEPOSIT - TYPE CONTRACTS**

	1 Total	2 Guaranteed Interest Contracts	3 Supplemental Contracts and Annuities Certain	4 Dividend Accumulations or Refunds	5 Premium and Other Deposit Funds	6 Other
1. Balance at the beginning of the year before reinsurance	864,072			609,134	254,938	
2. Deposits received during the year	96,210			44,158	52,052	
3. Investment earnings credited to the account	42,816			26,965	15,851	
4. Other net change in reserves						
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	137,811			62,233	75,578	
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of the current year before reinsurance (Lines 1+2+3+4-5-6-7-8)	865,287			618,024	247,263	
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).	865,287			618,024	247,263	

**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 (Group and Individual)	Other
1. Due and Unpaid:											
1.1 Direct	52,916		52,916								
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net	52,916		52,916								
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											
2.22 Reinsurance assumed											
2.23 Reinsurance ceded											
2.24 Net			(b)	(b)		(b)	(b)		(b)	(b)	(b)
3. Incurred but unreported:											
3.1 Direct	29,987		26,906								3,081
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net	29,987		(b) 26,906	(b)		(b)	(b)		(b)	(b)	(b) 3,081
4. TOTALS											
4.1 Direct	82,903		79,822								3,081
4.2 Reinsurance assumed											
4.3 Reinsurance ceded											
4.4 Net	82,903	(a)	(a) 79,822				(a)				3,081

(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 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	606,993		328,275	246,174							32,544
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net	(d) 606,993		328,275	246,174							32,544
2. Liability December 31, current year from Part 1:											
2.1 Direct	82,903		79,822								3,081
2.2 Reinsurance assumed											
2.3 Reinsurance ceded											
2.4 Net	82,903		79,822								3,081
3. Amounts recoverable from reinsurers December 31, current year											
4. Liability December 31, prior year:											
4.1 Direct	60,663		57,571								3,092
4.2 Reinsurance assumed											
4.3 Reinsurance ceded											
4.4 Net	60,663		57,571								3,092
5. Amounts recoverable from reinsurers December 31, prior year											
6. Incurred benefits:											
6.1 Direct	629,233		350,526	246,174							32,533
6.2 Reinsurance assumed											
6.3 Reinsurance ceded											
6.4 Net	629,233		350,526	246,174							32,533

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ \_\_\_\_\_ in Line 1.1 \$ \_\_\_\_\_ in Line 1.4.  
 \$ \_\_\_\_\_ in Line 6.1 and \$ \_\_\_\_\_ in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ 22,655 in Line 1.1 \$ 22,655 in Line 1.4.  
 \$ 22,655 in Line 6.1 and \$ 22,655 in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ \_\_\_\_\_ in Line 1.1 \$ \_\_\_\_\_ in Line 1.4.  
 \$ \_\_\_\_\_ in Line 6.1 and \$ \_\_\_\_\_ in Line 6.4.

(d) Includes \$ 0 premiums waived under total and permanent disability benefits.

**EXHIBIT 9 - ANALYSIS OF NONADMITTED ASSETS  
AND RELATED ITEMS**

	1	2	3
	End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 11 to 15, 17 to 19, Column 2	29,931	19,063	(10,868)
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Furniture and equipment	12,331	16,092	3,761
2.3 Leasehold improvements			
2.4 Cash advanced to or in the hands of officers or agents			
2.5 Loans on personal security, endorsed or not			
2.6 Supplies, stationery, printed matter			
2.7 Commuted commissions			
3. Total (Lines 2.1 to 2.7)	12,331	16,092	3,761
4. Disallowed interest maintenance reserve			
5. Aggregate write-ins for other assets	36,125	32,943	(3,182)
6. Total (Line 1 plus Lines 3 to 5)	78,387	68,098	(10,289)

DETAILS OF WRITE-INS			
0501. Advances	1,415	3,753	2,338
0502. Prepaid Expenses	34,710	29,190	(5,520)
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 through 0503 + 0598) (Line 5 above)	36,125	32,943	(3,182)

## NOTES TO FINANCIAL STATEMENTS

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1. Significant Account Policies.

A. Accounting practices.

The financial statements of American Mutual Life Association are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of a Fraternal Benefit Society, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP), has been adopted as a component of prescribed or permitted practices by the state of Ohio. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, 1) goodwill arising from the purchase of a subsidiary, controlled or affiliated entity is written off directly to surplus in the year it originates by Ohio domiciled companies. In NAIC SAP, goodwill in amounts not to exceed 10% of an insurer's capital and surplus may be capitalized and all amounts of goodwill are amortized to unrealized gains and losses on investments over periods not to exceed 10 years, and, 2) 100% of all fixed assets are admitted by Ohio domiciled Fraternal Benefit Societies. In NAIC SAP, fixed assets are not admitted. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Society's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio results in no change.

B. Use of Estimates in the Preparation of the Financial Statements.

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

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## NOTES TO FINANCIAL STATEMENTS

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The amount of dividends to be paid to policyholders is determined annually by the Society's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Society.

In addition, the society uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds: Not backed by other loans at amortized cost using the interest method; loan-backed bonds and structured securities at amortized cost using the interest method including anticipated prepayments at the date of purchase; significant changes in estimated cash flows from the original purchase assumptions are accounted for using the composite method. Bonds rated NAIC Class 6 are valued at market.
- (3) Common Stock: At market value except that investments in stocks of unconsolidated subsidiaries and affiliates in which the Society has an interest of 20% or more are carried on the equity basis.
- (4) Preferred Stock: Cost or Association Value in accordance with NAIC procedure.
- (5) Mortgage Loan or Real Estate: Aggregate unpaid balance. Other Investments: Equity basis.
- (6) See #2.
- (7) The Society has no subsidiary company.
- (8) The Society has no ownership interests in joint ventures.
- (9) The Society has no derivatives.
- (10) The Society has no Individual and Group Accident and Health Contracts.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimated and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined. Because the Society is a life insurer, loss adjustment expenses are not a big factor nor large expense.

### 2. Accounting Changes and Correction of Errors

- A. During the current year's financial statement preparation, the Society made no adjustment for error in the prior year.
- B. The Society prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual - subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures* manual - 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 capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Society reported no changes.

### 3. Business Combination and Goodwill:

- A. N/A

**NOTES TO FINANCIAL STATEMENTS**

- B. The Society had no merger.
  - C. The Society had no assumption reinsurance.
  - D. The Society had no impairment loss.
4. Discontinued Operations: N/A
5. Investments.

A. Mortgage Loans, including Mezzanine Real Estate Loans.

- (1) The maximum and minimum lending rate for mortgage loans during 2001 were:  
  
Farm loans 10.5% and 9%, City loans 11.5% and 9.5%, Purchase money mortgages 10.5% and 9.5%.
- (2) During 2002, the society reduced interest rates of outstanding mortgage loans as follows: none.
- (3) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was: 75%.

	<u>Current Year</u>	<u>Prior Year</u>
(4) As of year end, the Society held Mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest	None	None
 Total interest due on mortgages With interest more than 180 days Past due.	 None	 None
(5) As of December 31, the amount which had been advanced but not repaid and not included in the mortgage loan total:	None	None
(6) Current year impaired loans with a related allowance for credit losses.	None	None
Related allowance for credit losses.	None	None
(7) Impaired mortgage loans without an allowance for credit losses.	None	None
(8) Average recorded investment in impaired loans.	None	None
(9) Interest income recognized during the period the loans were impaired.	None	None
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired.	None	None
(11) The Society recognizes interest income on its impaired loans upon receipt. At year-end, interest income on Impaired loans was	None	None

B. Debt Restructuring

- (1) The total recorded investment in restructured loans, as of year end. None None

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**NOTES TO FINANCIAL STATEMENTS**


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(2) The realized capital losses related to these loans. None                      None

(3) Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructuring. None                      None

(4) The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis.

(5) Allowance for credit losses:

a. Balance at beginning of period	None	
b. Additions charged to operations	None	None
c. Direct write-downs charged against the allowances	None	None
d. Recoveries of amounts previously charged off	None	None
e. Balance at end of period	None	None

C. Reverse Mortgages: None

D. Loan-Backed Securities:

(1) The Society has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.

(2) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

(3) The Society used XYZ Pricing Service in determining the market value of its loan-backed securities.

(4) In the current year, the Society changed no securities from the retrospective to prospective methodology.

E. Repurchase Agreements: N/A

6. Joint Ventures, Partnerships and Limited Liability Companies.

A. The Society has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Society did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

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

Mortgage loans: On loans in foreclosure or delinquent for more than 90 days.

Bonds: Where collection of interest is uncertain and/or the bond is in default.

Real Estate: Where rent is in arrears for more than three months.

**NOTES TO FINANCIAL STATEMENTS**

- 8. Derivative Instruments: The Society owned no derivative instruments at December 31, 2002.
- 9. Income Taxes: The Society, as a Fraternal Benefit Society, is not subject to income taxes.
- 10. Information Concerning Parent, Subsidiaries and Affiliates:
  - A. The Society is not directly or indirectly owned or controlled by any other company, corporation, group of companies, partnership or individual.
  - B. There were only normal transactions with affiliates or subsidiaries.
  - C. The Society does not hold any investments in its subsidiaries which are not included in Schedule D, Summary by Country.
  - B. The Society has not made any agreements for the benefit of its subsidiaries which result in a material contingent exposure of the Society's assets.
  - C. The Society has no management or cost-sharing arrangements, other than cost allocation arrangements based upon generally accepted accounting principles, involving the society or any affiliated insurer.
  - F " J. N/A

11. Debt: The Society has no debt or borrowed money as of December 31, 2002.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans.

A. Defined Benefit Plan

The society sponsors non-contributory defined benefit pension plans covering U.S. employees. As of December 31, 2002, the society accrued in accordance with actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization.

A summary of assets, obligations and assumptions of the Pension Plan are as follows at December 31, 2002:

PENSION	EMPLOYEES
<u>2002</u>	
(1) Change in benefit obligation	
a. Benefit obligation at beginning of year	237,302
b. Service cost	17,813
c. Interest cost	12,044
d. Contribution by plan participant	0
e. Actuarial (gain) loss	0
f. Foreign currency exchange rate changes	0
g. Benefits paid	(153,427)
h. Plan amendments	0
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	0
j. Benefit obligation at end of year	113,732
(2) Change in plan assets	
a. Fair value of plan assets at beginning of year	239,526
b. Actual return on plan assets	6,265
c. Foreign currency exchange rate changes	0
d. Employer contribution	28,171
e. Plan participants' contributions	0
f. Benefits paid	(153,427)
g. Business combinations, divestitures and settlements	0

**NOTES TO FINANCIAL STATEMENTS**

h. Fair value of plan assets at end of year	120,535
(3) Funded status	
a. Unamortized prior service cost	0
b. Unrecognized net gain or (loss)	(16,886)
c. Remaining net (obligation) or net asset at initial date of application	8,963
d. Prepaid assets or (accrued liabilities)	14,726
e. Intangible asset	0
f. Funded status	6,803
(4) Benefit obligation for non-vested employees	247
(5) Components of net periodic benefit cost	
a. Service cost	17,813
b. Interest cost	12,044
c. Expected return on plan assets	(13,267)
d. Amortization of unrecognized transition obligation or (transition asset)	(689)
e. Amount of unrecognized (gains) and losses	0
f. Amount of prior service cost recognized	0
g. Amount of gain or loss recognized due to a settlement or curtailment	0
g. total net periodic benefit cost	15,901

(6) A minimum pension liability adjustment is required when the actuarial present value of accumulated benefits exceeds plan assets and accrued pension liabilities. The minimum liability adjustment, less allowable intangible assets, net of tax benefit, is reported as income in the Income Statement. At December 31, 2002, the additional minimum liability was reduced to \$0 from \$0 at December 31, 2001.

(7) Weighted-average assumption as of December 31:

a. Discount rate	7.50%
b. Rate of compensation increase	4.00%
c. Expected long-term rate of return on plan assets	7.50%

(8) N/A

(9) N/A

B. Defined Contribution Plan:

The Society does not have a Defined Contribution Plan.

C. Multiemployer Plans: N/A

D. Consolidated/holding Company Plans: N/A

E. Post-employment Benefits and Compensated Absences: N/A

13. Capital and surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations.

The Society is a Fraternal Benefit Society and issues no stock.

The Society had no advances to surplus.

The Society has no special surplus funds.

The Society has no surplus notes.

14. Contingencies.

The Society had no contingencies.

15. Leases

The Society does not have any material lease obligations at this time.

## NOTES TO FINANCIAL STATEMENTS

16. Information about financial Instruments with Off-Balance Sheet Risk.

The Society has no financial instruments with off-balance sheet risk.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities: None.

18. Gain or Loss to the Reporting Entity from uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans: None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators:

The society has no direct premium written/produced by managing general agents/third party administrators.

20. Other Items:

The Society has no other items that require reporting.

21. Events Subsequent:

The society has nothing to report as Events Subsequent.

22. 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, with directly or indirectly, by the society or by any representative, officer, trustee, or director of the society? No.
2. Have any certificate issued by the society 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 by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? No.

### Section 2 - Ceded Reinsurance Report - Part A

1. Does the society 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? No.
  - a. N/A
  - b. N/A
2. Does the society 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 certificates? No.

### 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 society may consider the current or anticipated experience of the business reinsured in making this estimate. \$0.
2. Have any new agreements been executed or existing agreements amended,

## NOTES TO FINANCIAL STATEMENTS

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since January 1 of the year of this statement, to include certificates or contracts which were in force or which had existing reserves established by the company as of the effective date of the agreement?  
No.

3. Uncollectible Reinsurance

The Society has no uncollectible reinsurance.

4. Commutation of Ceded Reinsurance: None.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination:

The Society has no retrospectively rated contracts or contracts subject to redetermination.

24. Change in Incurred Losses and Loss Adjustment Expenses:

The Society has no change in incurred losses or loss adjustment expenses.

25. Intercompany Pooling Arrangements:

The Society has no intercompany pooling arrangements.

26. Reserves for Life Contracts and Deposit-type Contracts:

A. The society authorizes deductions of deferred fractional premium upon death of the insured and returns any portion of the fractional premium beyond the date of death. Surrender values are not promised in excess of regularly computed reserves.

B. Extra premiums are charged for substandard lives for certificates issued, plus the gross premium at a rated age.

Regular reserves are computed by the regular reserve for the plan at a rated age and holding in addition one-half of the extra premium charge for one year.

C. As of December 31, 2002, the Society had no insurance-in-force for which the gross premiums are less than the net premium according to the standard valuation set by the State of PA.

D. The Tabular Interest (Page 7, Part A, Line4) has been determined from basic policy data. The Tabular Less Actual Reserve Released (Page 7, Part A, Line5) has been determined by formula as described in the instructions for Page 7 by formula.

E. The Tabular Cost (Page 7, Part A, Line 9) has been determined by formula as described in the instructions for Page 7. For the determination of Tabular Interest on funds not involving life contingencies under Page 7, Part B, Line 3, for each valuation rate of interest, the Tabular Interest is calculated as one-hundredth of the product of such valuation rate of interest times the mean of the amount of funds subject to such valuation rate of interest held at the beginning and the end of the year of valuation. The total amount of all such products is entered under Page 7, Part B, Line 3.

F. The details for "Other Increases" (net) under Page 7, Part B, Line 5, are: None.

27. Variable Annuities with Guaranteed Living Benefits: N/A.

**NOTES TO FINANCIAL STATEMENTS**

28. withdrawal Characteristics of Annuity Actuarial Reserves and Deposit Type Contract funds and other liabilities without life or disability contingencies:

	<b>Amount</b>	<b>% of Total</b>
<b>A. Subject to discretionary withdrawal</b>		
(1) with fair value adjustment:		
(2) at book value less current surrender charges of 5% or more:		
(3) at fair value:		
(4) Total with adjustments or at fair value (Total 1 through 3):		
(5) At book value without adjustment:	5,383,496	100.0
 <b>B. Not subject to discretionary withdrawal provision:</b>		
 <b>C. Total Gross:</b>		
	5,383,496	100.0
 <b>D. Reinsurance ceded:</b>		
	-0-	
 <b>E. Total (Net) * (C) " (D)</b>		
	5,383,496	100.0
 * Reconciliation of Total Annuity Actuarial Reserves and Deposit Fund Liabilities.		
 <b>F. Annual Statement:</b>		
1. Exh. 5, Annuities, Totals (Net):	5,383,496	
2. Exh. 5, Suppl. Contracts w/ Life Contingencies, Total (Net):		-0-
3. Exh. 7, L15, Col. 1:		
4. Subtotal:	5,383,496	

29. Premium and Annuity Considerations Deferred and Uncollected:

The Society's uncollected premiums are shown on Page 2, Line 14, Column 2 and on Exhibit 1.

30. Separate Accounts:

The Society does not have any separate accounts.

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	9,203,928	31.667	9,203,928	31.667
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign 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				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (including residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	13,191,346	45.387	13,191,346	45.387
1.512 Issued by FNMA and FHLMC	516,486	1.777	516,486	1.777
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	4,301,814	14.801	4,301,814	14.801
2.2 Unaffiliated foreign securities	34,000	0.117	34,000	0.117
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				
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	8,078	0.028	8,078	0.028
4.4 Multifamily residential properties				
4.5 Commercial loans	77,984	0.268	77,984	0.268
5. Real estate investments:				
5.1 Property occupied by company	107,927	0.371	107,927	0.371
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans	172,186	0.592	172,186	0.592
7. Receivables for securities				
8. Cash and short-term investments	1,450,691	4.991	1,450,691	4.991
9. Other invested assets				
10. Total invested assets	29,064,440	100.000	29,064,440	100.000

## 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? N/A
- 
- 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: 05/18/2002  
 If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2001
- 
- 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. 12/31/2001
- 
- 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). 03/22/2002
- 
- 3.4 By what department or departments? Ohio Insurance Department
- 
- 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
	00000	
	00000	
	00000	
	00000	
	00000	

- 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? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement) Yes [  ] No [  ]
- 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 [  ]
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0 %  
 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

## GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 Hudak & Vrana, CPAs  
 662 Hanna Bldg., 1422 Euclid Ave., Cleveland, OH 44156
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? WILLIAM D. BRUCE, F.C.A., M.A.A.A.  
 BRUCE AND BRUCE COMPANY, 916 SHERWOOD DRIVE, LAKE BLUFF, IL 60044  
 BRUCE AND BRUCE COMPANY, CONSULTING ACTUARIES
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 .....
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

### BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]
12. 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 [ ]
13. 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 which is in or is likely to conflict with the official duties of such person? Yes [X] No [ ]

### FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |    |   |
|---|----|---|
| 14.11 To directors or other officers              | \$ | 0 |
| 14.12 To stockholders not officers                | \$ | 0 |
| 14.13 Trustees, supreme or grand (Fraternal only) | \$ | 0 |
- 14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |    |   |
|---|----|---|
| 14.21 To directors or other officers              | \$ | 0 |
| 14.22 To stockholder not officers                 | \$ | 0 |
| 14.23 Trustees, supreme or grand (Fraternal only) | \$ | 0 |
- 15.1 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]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- |                            |    |   |
|----------------------------|----|---|
| 15.21 Rented from others   | \$ | 0 |
| 15.22 Borrowed from others | \$ | 0 |
| 15.23 Leased from others   | \$ | 0 |
| 15.24 Other                | \$ | 0 |
- Disclose in Notes to Financial the nature of each obligation.
- 16.1 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]
- 16.2 If answer is yes:
- |  |    |   |
|--|----|---|
| 16.21 Amount paid as losses or risk adjustment | \$ | 0 |
| 16.22 Amount paid as expenses                  | \$ | 0 |
| 16.23 Other amounts paid                       | \$ | 0 |

## GENERAL INTERROGATORIES

(continued)

### INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred	0	0	0	0	Yes [ ] No [X]	Yes [ ] No [X]
Common	0	0	0	X X X	X X X X X X	X X X X X X

18.1 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, except as shown by Schedule E - Part 2 - Special Deposits? Yes [X] No [ ]

18.2 If no, give full and complete information, relating thereto 0  
0  
0

19.1 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, except as shown on Schedule E - Part 2 - Special Deposits, 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 15.1). Yes [ ] No [X]

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

19.21 Loaned to others	\$	0
19.22 Subject to repurchase agreements	\$	0
19.23 Subject to reverse repurchase agreements	\$	0
19.24 Subject to dollar repurchase agreements	\$	0
19.25 Subject to reverse dollar repurchase agreements	\$	0
19.26 Pledged as collateral	\$	0
19.27 Placed under option agreements	\$	0
19.28 Letter stock or securities restricted as to sale	\$	0
19.29 Other	\$	0

19.3 For each category above, if any of these assets are held by other, identify by whom held:

19.31 .....

19.32 .....

19.33 .....

19.34 .....

19.35 .....

19.36 .....

19.37 .....

19.38 .....

19.39 .....

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0
		0
		0
		0
		0

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]  
If no, attach a description with this statement.

21.1 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 [X]

21.2 If yes, state the amount thereof at December 31 of the current year. \$ \_\_\_\_\_ 0

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ ] No [X]

22.01 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
National City Bank	155 E. Broad Street, 6th Floor
	Columbus, OH 43215

## GENERAL INTERROGATORIES

(continued)

### INVESTMENT

22.02 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)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes [  ] No [  ]

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

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

22.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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
	NONE	

### OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 3,870

23.2 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
National Fraternal Congress of America	\$ 3,870
	\$ 0
	\$ 0
	\$ 0

24.1 Amount of payments for legal expenses, if any? \$ 3,219

24.2 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
Albert R. Amigoni	\$ 3,219
	\$ 0
	\$ 0
	\$ 0

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0

25.2 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 department of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$ 0
	\$ 0
	\$ 0
	\$ 0

## GENERAL INTERROGATORIES (continued) PART 2 - FRATERNAL INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	YES [ ] NO [X]	
1.2	If yes, indicate premium earned on U.S. business only.		\$ 0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$ 0
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.		\$ 0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$ 0
1.6	Individual policies:		
	Most current three years:		
	1.61 Total Premium earned		\$ 0
	1.62 Total incurred claims		\$ 0
	1.63 Number of covered lives		\$ 0
	All years prior to most current three years:		
	1.64 Total Premium earned		\$ 0
	1.65 Total incurred claims		\$ 0
	1.66 Number of covered lives		\$ 0
1.7	Group policies:		
	Most current three years:		
	1.71 Total Premium earned		\$ 0
	1.72 Total incurred claims		\$ 0
	1.73 Number of covered lives		\$ 0
	All years prior to most current three years:		
	1.74 Total Premium earned		\$ 0
	1.75 Total incurred claims		\$ 0
	1.76 Number of covered lives		\$ 0
2.1	Does this reporting entity have Separate Accounts?	YES [ ] NO [X]	
2.2	If yes, has a Separate Accounts Statement been filed with this Department?	YES [ ] NO [ ] N/A [X]	
2.3	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?		\$ 0
2.4	State the authority under which Separate Accounts are maintained: N/A		
2.5	Was any of the reporting entity's Separate Accounts business reinsured as of December 31?	YES [ ] NO [X]	
2.6	Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?	YES [ ] NO [X]	
3.	Is the reporting entity organized and conducted on the lodge system, with ritualistic form of work and representative form of government?	YES [X] NO [ ]	
4.	How often are meetings of the subordinate branches required to be held? MONTHLY		
5.	How are the subordinate branches represented in the supreme or governing body? BY DELEGATES		
6.	What is the basis of representation in the governing body? UP TO 150 MEMBERS 2 DELEGATES AND ONE ADDITIONAL DELEGATE FOR EACH ADDITIONAL 150 MEMBERS		
7.1	How often are regular meetings of the governing body held? EVERY 4 YEARS		
7.2	When was the last regular meeting of the governing body held?		05/18/2002
7.3	When and where will the next regular or special meeting of the governing body be held? MAY 2006; CLEVELAND, OH		
7.4	How many members of the governing body attended the last regular meeting?		79
7.5	How many of same were delegates of the subordinate branches?		65
8.	How are the expenses of the governing body defrayed? GENERAL FUNDS		
9.	When and by whom are the officers and directors elected? BY DELEGATES AT CONVENTION		
10.	What are the qualifications for membership? GOOD MORAL CHARACTER AND HEALTH		
11.	What are the limiting ages for admission? 0 - 75		
12.	What is the minimum and maximum insurance that may be issued on any one life? MINIMUM = \$1,000; MAXIMUM = \$25,000; OVER \$25,000 REINSURED		
13.	Is a medical examination required before issuing a benefit certificate to applicants?	YES [X] NO [ ]	
14.	Are applicants admitted to membership without filing an application with and becoming a member of a local branch by ballot and initiation?	YES [ ] NO [X]	
15.1	Are notices of the payments required sent to the members?	YES [ ] NO [ ] N/A [X]	
15.2	If yes, do the notices state the purpose for which the money is to be used?	YES [ ] NO [X]	
16.	What proportion of first and subsequent years payments may be used for management expenses?		
	16.11 First year		\$ 100%
	16.12 Subsequent years		\$ 15%
17.1	Is any part of the mortuary, disability, emergency or reserve fund, or the accretions from or payments for the same, used for expenses?	YES [ ] NO [X]	
17.2	If so, what amount and for what purpose? \$ 0,		
18.1	Does the reporting entity pay an old age disability benefit?	YES [ ] NO [X]	
18.2	If yes, at what age does the benefit commence?		0
19.1	Has the constitution or have the laws of the reporting entity been amended during the year?	YES [X] NO [ ]	
19.2	If yes, when? MAY 2002		

**GENERAL INTERROGATORIES**  
**(continued)**  
**PART 2 - FRATERNAL INTERROGATORIES**

20. Have you filed with this Department all forms of benefit certificates issued, a copy of the constitution and of all the laws, rules and regulations in force at the present time?  
If not, please do so. YES [ X ] NO [ ]
- 21.1 State whether all or a portion of the regular insurance contributions were waived during the current year under premium-paying certificates on account of meeting attained age or membership requirements. YES [ X ] NO [ ]
- 21.2 If so, was an additional reserve included in Exhibit 8? YES [ ] NO [ X ] N/A [ ]
- 21.3 If yes, explain .....
- 22.1 Has the reporting entity reinsured, amalgamated with, or absorbed any company, order, society, or association during the year? YES [ ] NO [ X ]
- 22.2 If yes, was there any contract agreement, or understanding, written or oral, expressed or implied, by means of which any officer, director, trustee, or any other person, or firm, corporation, society or association, received or is to receive any fee, commission, emolument, or compensation of any nature whatsoever in connection with, or on account of such reinsurance, amalgamation, absorption, or transfer of membership or funds? YES [ ] NO [ ] N/A [ X ]
23. Has any present or former officer, director, trustee, incorporator, or any other person, or any firm, corporation, society or association, any claim of any nature whatsoever against this reporting entity, which is not included in the liabilities on Page 3 of this statement? YES [ ] NO [ X ]

**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6. Amounts of life insurance in this exhibit should be shown in thousands (omit 000).

	1 2002	2 2001	3 2000	4 1999	5 1998
<u>Life Insurance in Force</u> (Exhibit of Life Insurance)					
1. Total (Line 20, Column 2)	27,991	28,076	27,600	27,316	25,909
<u>New Business Issued</u> (Exhibit of Life Insurance)					
2. Total (Line 2, Column 2)	595	1,120	842	2,213	859
<u>Premium Income</u> (Exhibit 1, Part 1)					
3. Life insurance - first year (Line 9.4, Column 2)	8,588	10,595	6,187	19,657	4,985
4. Life insurance - single and renewal (Lines 10.4 and 19.4, Column 2)	217,261	314,841	268,629	680,611	291,884
5. Annuity (Line 20.4, Column 3)	1,039,636	484,152	119,026	309,532	314,571
6. Accident and health (Line 20.4, Column 4)	31,345	33,991	36,408	40,247	42,795
7. Aggregate of all other lines of business (Line 20.4, Column 5)					
8. Total (Line 20.4, Column 1)	1,296,830	843,579	430,250	105,047	654,235
<u>Balance Sheet Items</u> (Pages 2 and 3)					
9. Total admitted assets excluding Separate Accounts business (Page 2, Line 22, Col. 4)	29,334,787	27,664,416	26,654,349	26,098,791	25,284,545
10. Total Liabilities excluding Separate Accounts business (Page 3, Line 23)	18,108,621	16,751,433	16,196,758	15,815,639	15,173,181
11. Aggregate reserve for life certificates and contracts (Page 3, Line 1)	15,164,000	13,986,000	13,396,000	12,934,000	12,253,000
12. Aggregate reserve for accident and health certificates (Page 3, Line 2)	194,191	224,000	224,000	242,000	260,000
13. Deposit-type contract funds (Page 3, Line 3)	865,287	864,072			
14. Asset Valuation Reserve (Page 3, Line 21.1)	13,987	139,663	103,542	92,620	73,245
15. Surplus (Page 3, Line 30)	11,226,166	10,912,983	10,457,591	10,283,152	10,111,366
<u>Risk-Based Capital Analysis</u>					
16. Total adjusted capital	11,300,153	11,112,646	10,616,133	10,428,272	10,247,111
17. 50% of the calculated RBC amount	206,810	212,213	144,865	181,429	157,461
<u>Percentage Distribution of Assets</u> (Page 2, Col. 3) (Item No. ÷ Page 2, Line 10, Col. 3) x 100.0					
18. Bonds (Line 1)	93.7	95.5	95.2	94.9	96.4
19. Stocks (Lines 2.1 and 2.2)					
20. Mortgage loans on real estate (Line 3.1 and 3.2)	0.3	0.5	0.8	1.0	0.7
21. Real estate (Lines 4.1, 4.2 and 4.3)	0.4	1.1	1.1	1.0	1.1
22. Certificate loans (Line 5)	0.6	0.6	0.7	0.7	0.6
23. Cash and short-term investments (Line 6)	5.0	2.3	2.2	2.4	1.3
24. Other invested assets (Line 7)					
25. Receivable for securities (Line 8)					
26. Aggregate write-ins for invested assets (Line 9)					
27. Cash and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
<u>Investments in Subsidiaries and Affiliates</u>					
28. Affiliated bonds (Schedule D Summary, Line 25, Col. 1)					
29. Affiliated preferred stock (Schedule D Summary, Line 39, Col. 1)					
30. Affiliated common stock (Schedule D Summary, Line 53, Col. 2)					
31. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5, Line 11)					
32. Affiliated mortgage loans on real estate					
33. All other affiliated					
34. Total of above Lines 28 to 33					
<u>Total Nonadmitted Assets and Admitted Assets</u>					
35. Total nonadmitted assets (Page 2, Line 24, Col. 2)	78,387	68,124	40,930	45,914	49,419
36. Total admitted assets (Page 2, Line 24, Col. 3)	29,334,787	27,664,416	26,654,349	26,098,791	25,284,545
<u>Investment Data</u>					
37. Net investment income (Exhibit of Net Investment Income, Line 17)	1,790,876	1,671,725	1,599,227	1,547,827	1,576,952
38. Realized capital gains (losses), net of tax and before IMR transfer	(105,871)		36	(209)	554,133
39. Unrealized capital gains (losses)		1,385	(1,411)	475	3,511
40. Total of above Lines 37, 38 and 39	1,685,005	1,673,110	1,597,852	1,548,093	2,134,596

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2002	2001	2000	1999	1998
<u>Benefits and Reserve Increases</u> (Page 6)					
41. Total certificate benefits - life (Lines 9, 10, 11, 12 and 13, Column 1 less Line 13, Column 5)	665,505	477,193	449,307	655,024	426,220
42. Total certificate benefits - accident and health (Line 13, Column 5)	32,533	34,390	34,632	43,186	42,819
43. Increase in life reserves (Line 17, Column 2)	74,000	8,000	270,000	437,000	144,000
44. Increase in accident and health reserves (Line 17, Column 5)	(29,809)		(18,000)	(18,000)	(19,000)
45. Refunds to members (Line 28, Column 1)	117,088	126,445	113,154	123,054	122,665
<u>Operating Percentages</u>					
46. Insurance expense percent (Page 6, Column 1, Lines 19, 20 and 21 less Line 6, Column 1 less Exhibit 2, Column 4, Line 10) ÷ (Page 6, Column 1, Line 1) X 100.0	62.2	84.8	175.8	74.3	113.1
47. Lapse percent (Exhibit of Life Insurance, Column 2, Lines 13 and 14) x 100.0 ÷ 1/2 (Lines 1 and 19, Column 2)	0.9	0.7	0.2	0.8	2.3
48. Accident and health loss percent (Schedule H, Line 3, Column 1, % Shown)		101.3	95.1	107.3	105.0
49. Accident and health expense percent (Schedule H, Line 8, Column 1, % Shown)					
<u>Accident and Health Reserve Adequacy</u>					
50. Incurred losses on prior years' claims (Schedule H, Part 3, Line 3.1, Column 1)	5,358	5,457	36,950	38,023	34,616
51. Prior years' liability and reserve (Schedule H, Part 3, Line 3.2, Column 1)	3,092	2,364	35,407	33,616	40,717
<u>Net Gains from Operations After Refunds to Members by Lines of Business</u> (Page 6, Line 29)					
52. Life insurance (Column 2)	523,282	774,566	417,467	565,129	553,301
53. Annuity (Column 3)	12,316	16,066	12,979	13,995	10,847
54. Supplementary contracts (Column 4)					
55. Accident and health (Column 5)	28,621	(399)	19,776	15,061	47,701
56. Aggregate of all other lines of business (Column 6)					
57. Fraternal (Column 8)	(260,069)	(267,134)	(266,605)	(296,935)	(243,733)
58. Expense (Column 9)					
59. Total (Column 1)	304,150	523,099	183,617	297,250	368,116

**EXHIBIT OF LIFE INSURANCE**

	1 Number of Certificates	2 Amount of Insurance (a)
1. In force end of prior year	20,697	28,076
2. Issued during year	135	595
3. Reinsurance assumed		
4. Revived during year		
5. Increased during year (net)		
6. Subtotals, Lines 2 to 5	135	595
7. Additions by refunds during year	X X X	
8. Aggregate write-ins for increases		
9. Totals (Line 1 plus Line 6 to Line 8)	20,832	28,671
Deductions during year:		
10. Death	503	315
11. Maturity	16	23
12. Disability		
13. Expiry	20	64
14. Surrender	139	195
15. Lapse	26	79
16. Decreased (net)		4
17. Reinsurance		
18. Aggregate write-ins for decreases		
19. Totals (Lines 10 to 18)	704	680
20. In force end of year (b) (Line 9 minus 19)	20,128	27,991
21. Reinsurance ceded end of year	X X X	5,665
22. Line 20 minus Line 21	X X X	22,326
<b>DETAILS OF WRITE-INS</b>		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)		
1801.		
1802.		
1803.		
1898. Summary of remaining write-ins for Line 18 from overflow page		
1899. Totals (Lines 1801 through 1803 plus 1898) (Line 18 above)		

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).  
 (b) Paid-up insurance included in the final totals of Line 20 (including additions to certificates), number of certificates 17,292 , Amount, \$ 20,305,836 .  
 Additional accidental death benefits included in life certificates were in amount, \$ 5,551,054 Does the society collect any contributions from members for general expenses of the society under fully paid-up certificates? YES [ ] NO [ X ] If not, how are such expenses met?

**EXHIBIT OF NUMBERS OF CERTIFICATES FOR SUPPLEMENTARY CONTRACTS, ANNUITIES AND ACCIDENT & HEALTH INSURANCE**

	1 Supplementary Contracts (Involving Life Contingencies)	2 Supplementary Contracts (Not Involving Life Contingencies)	3 Individual Annuities	4 Accident & Health Insurance
1. In force end of prior year		352	230	
2. Issued during year		45	31	
3. Reinsurance assumed				
4. Increased during year (net)				
5. TOTALS (Lines 1 to 4)		397	261	
Deductions during year:				
6. Decreased during year (net)		47	16	
7. Reinsurance				
8. TOTALS (Lines 6 and 7)		47	16	
9. In force end of year (Line 5 minus Line 8)		350	245	
10. Amount on deposit				X X X
Income now payable:				
11. Amount of income payable				X X X
Deferred: fully paid:				
12. Deferred: fully paid - account balance	X X X	X X X		X X X
Deferred: not fully paid:				
13. Deferred: not fully paid - account balance	X X X	X X X		X X X

**SCHEDULE D - SUMMARY BY COUNTRY**

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

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value (a)	Actual Cost	Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	22,911,760	23,349,848	22,690,305	21,579,226
	2. Canada .....				
	3. Other Countries .....				
	4. Totals	22,911,760	23,349,848	22,690,305	21,579,226
States, Territories and Possessions (Direct and guaranteed)	5. United States .....				
	6. Canada .....				
	7. Other Countries .....				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....				
	10. Canada .....				
	11. Other Countries .....				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....				
	14. Canada .....				
	15. Other Countries .....				
	16. Totals				
Public Utilities (unaffiliated)	17. United States .....	200,634	212,212	205,750	200,000
	18. Canada .....				
	19. Other Countries .....				
	20. Totals	200,634	212,212	205,750	200,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....	4,135,189	4,163,885	4,749,748	4,750,000
	22. Canada .....				
	23. Other Countries .....				
	24. Totals	4,135,189	4,163,885	4,749,748	4,750,000
Parent, Subsidiaries and Affiliates	25. Totals				
	<b>26. Total Bonds</b>	<b>27,247,583</b>	<b>27,725,945</b>	<b>27,645,803</b>	<b>26,529,226</b>
<b>PREFERRED STOCKS</b>					
Public Utilities (unaffiliated)	27. United States .....				
	28. Canada .....				
	29. Other Countries .....				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....				
	32. Canada .....				
	33. Other Countries .....				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States .....				
	36. Canada .....				
	37. Other Countries .....				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	<b>40. Total Preferred Stocks</b>				
<b>COMMON STOCKS</b>					
Public Utilities (unaffiliated)	41. United States .....				
	42. Canada .....				
	43. Other Countries .....				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....				
	46. Canada .....				
	47. Other Countries .....				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States .....				
	50. Canada .....				
	51. Other Countries .....				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	<b>54. Total Common Stocks</b>				
	<b>55. Total Stocks</b>				
	<b>56. Total Bonds and Stocks</b>	<b>27,247,583</b>	<b>27,725,945</b>	<b>27,645,803</b>	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 0.

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year .....	26,100,901	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3 .....	26,938,952	6.1 Column 17, Part 1 .....	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1 .....	
3.1 Column 16, Part 1 .....	(581,612)	6.3 Column 11, Part 2, Section 2 .....	
3.2 Column 12, Part 2, Section 1 .....		6.4 Column 11, Part 4 .....	
3.3 Column 10, Part 2, Section 2 .....		7. Book/adjusted carrying value at end of current period .....	27,247,577
3.4 Column 10, Part 4 .....	59,854	8. Total valuation allowance .....	
4. Total gain (loss), Column 14, Part 4 .....	317,558	9. Subtotal (Lines 7 plus 8) .....	27,247,577
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 .....	25,588,076	10. Total nonadmitted amounts .....	
		11. Statement value of bonds and stocks, current period .....	27,247,577

**SCHEDULE T - DISTRIBUTION OF BUSINESS BY STATES AND TERRITORIES  
(Adult and Juvenile Combined)**

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Life Contracts			5 Deposit-Type Contract Funds	6 Other Considerations
		2 Life Insurance Premiums	3 Annuity Considerations	4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees		
1. Alabama	AL	NO				
2. Alaska	AK	NO				
3. Arizona	AZ	NO				
4. Arkansas	AR	NO				
5. California	CA	NO				
6. Colorado	CO	NO				
7. Connecticut	CT	NO				
8. Delaware	DE	NO				
9. District of Columbia	DC	NO				
10. Florida	FL	NO				
11. Georgia	GA	NO				
12. Hawaii	HI	NO				
13. Idaho	ID	NO				
14. Illinois	IL	NO				
15. Indiana	IN	NO				
16. Iowa	IA	NO				
17. Kansas	KS	NO				
18. Kentucky	KY	NO				
19. Louisiana	LA	NO				
20. Maine	ME	NO				
21. Maryland	MD	NO				
22. Massachusetts	MA	NO				
23. Michigan	MI	NO				
24. Minnesota	MN	NO				
25. Mississippi	MS	NO				
26. Missouri	MO	NO				
27. Montana	MT	NO				
28. Nebraska	NE	NO				
29. Nevada	NV	NO				
30. New Hampshire	NH	NO				
31. New Jersey	NJ	NO				
32. New Mexico	NM	NO				
33. New York	NY	NO				
34. North Carolina	NC	NO				
35. North Dakota	ND	NO				
36. Ohio	OH	YES	157,198	1,039,980	31,415	96,210
37. Oklahoma	OK	NO				
38. Oregon	OR	NO				
39. Pennsylvania	PA	NO				
40. Rhode Island	RI	NO				
41. South Carolina	SC	NO				
42. South Dakota	SD	NO				
43. Tennessee	TN	NO				
44. Texas	TX	NO				
45. Utah	UT	NO				
46. Vermont	VT	NO				
47. Virginia	VA	NO				
48. Washington	WA	NO				
49. West Virginia	WV	NO				
50. Wisconsin	WI	NO				
51. Wyoming	WY	NO				
52. American Samoa	AS	NO				
53. Guam	GU	NO				
54. Puerto Rico	PR	NO				
55. U.S. Virgin Islands	VI	NO				
56. Canada	CN	NO				
57. Aggregate Other Alien	OT	X X X				
58. Subtotal	(a) 1	X X X	157,198	1,039,980	31,415	96,210
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		61,466			
92. Dividends or refunds applied to shorten endowment or premium paying period	X X X		10,007			
93. Premium or annuity considerations waived under disability or other contract provisions	X X X		68			
94. Aggregate other amounts not allocable by State	X X X					
95. Totals (Direct Business)	X X X		228,739	1,039,980	31,415	96,210
96. Plus Reinsurance Assumed	X X X					
97. Totals (All Business)	X X X		228,739	1,039,980	31,415	96,210
98. Less Reinsurance Ceded	X X X		3,365			
99. Totals (All Business) less Reinsurance Ceded	X X X		225,374	1,039,980	(b) 31,415	96,210
<b>DETAILS OF WRITE-INS</b>						
5701.	X X X					
5702.	X X X					
5703.	X X X					
5798. Summary of remaining write-ins for Line 57 from overflow page	X X X					
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above)	X X X					
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 thru 9403 plus 9498) (Line 94 above)	X X X					

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

(a) Insert the number of yes 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;

**NONE**      **Schedule Y - Part 1**

**NONE**      **Schedule Y - Part 2**

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**OVERFLOW PAGE FOR WRITE-INS**

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