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QUARTERLY STATEMENT

As of March 31, 2011

of the Condition and Affairs of the

Loyal American Life Insurance Company

NAIC Group Code.....0084, 0084 (Current Period) (Prior Period) NAIC Company Code..... 65722 Employer's ID Number..... 63-0343428

Organized under the Laws of Ohio State of Domicile or Port of Entry Ohio Country of Domicile US

Incorporated/Organized..... May 18, 1955 Commenced Business..... July 4, 1955

Statutory Home Office	301 East Fourth Street….. Cincinnati ..... OH ..... 45202 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	11200 Lakeline Blvd., Suite 100….. Austin ..... TX ..... 78717 *(Street and Number) (City or Town, State and Zip Code)*	(512)451-2224 *(Area Code) (Telephone Number)*
Mail Address	11200 Lakeline Blvd., Suite 100….. Austin ..... TX ..... 78717 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	11200 Lakeline Blvd., Suite 100….. Austin ..... TX ..... 78717 *(Street and Number) (City or Town, State and Zip Code)*	(512)451-2224 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.gafri.com	
Statutory Statement Contact	Andrew Joseph Muller *(Name)*	512-531-1435 *(Area Code) (Telephone Number) (Extension)*
	austinfinrpt@gafri.com *(E-Mail Address)*	(512) 467-1399 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Bradley Allen Wolfram #	President	2. Brenda Weigilia Hardison	Secretary
3. Byron Keith Buescher	Treasurer	4. James Monroe Garvin, III	Appointed Actuary

OTHER

John Paul Gruber	Vice President & Secretary	Mylott White Nyhart	Sr. Vice President
Christopher Patrick Miliano	Vice President	Thomas Edward Mischell	Assisstant Treasurer
Mark Francis Muething	Executive Vice President	David Dale Herr	Vice President
Paul Adolph Severt	Chief Financial Officer	Tracy Eugene Maples	Chief Actuary
David Lawrence Chambers #	Vice President - Sales & Marketing		

DIRECTORS OR TRUSTEES

Bradley Allen Wolfram #	Stephen Craig Lindner	Christopher Patrick Miliano	Mark Francis Muething
Paul Adolph Severt #			

State of........ Texas
County of..... Williamson

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

(Signature)	(Signature)	(Signature)
Bradley Allen Wolfram	Brenda Weigilia Hardison	Byron Keith Buescher
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This ____ day of May , 2011

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 Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	387,185,598		387,185,598	393,632,242
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	17,355,484		17,355,484	17,281,747
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....5,091,789), cash equivalents ($..........0) and short-term investments ($.....3,498,863)	8,590,652		8,590,652	5,619,136
6. Contract loans (including $..........0 premium notes)	18,552,111		18,552,111	18,674,443
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	431,683,845	0	431,683,845	435,207,568
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	4,423,633		4,423,633	4,450,100
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	(632,479)	118,450	(750,929)	(644,169)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	1,356,961		1,356,961	1,214,030
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
161. Amounts recoverable from reinsurers	1,780,200	115,171	1,665,029	1,428,316
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts	502,056		502,056	1,167,957
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	494,510		494,510	276,860
18.2 Net deferred tax asset	10,470,000	4,681,000	5,789,000	8,131,000
19. Guaranty funds receivable or on deposit	317,192		317,192	338,327
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	906,074		906,074	1,358,463
24. Health care ($..........0) and other amounts receivable	2,890,618	2,890,618	0	
25. Aggregate write-ins for other than invested assets	760,496	760,496	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	454,953,106	8,565,735	446,387,371	452,928,452
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	454,953,106	8,565,735	446,387,371	452,928,452

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Other Receivables and Prepaid Expenses	127,449	127,449	0	
2502. Disallowed IMR	489,087	489,087	0	
2503. Premium Tax Refunds Due	143,960	143,960	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	760,496	760,496	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts $.....234,928,268 less $..........0 included in Line 6.3 (including $..........0 Modco Reserve)	234,928,268	240,142,087
2. Aggregate reserve for accident and health contracts (including $.........0 Modco Reserve)	20,066,902	19,806,384
3. Liability for deposit-type contracts (including $..........0 Modco Reserve)	13,739,605	13,470,506
4. Contract claims:		
4.1 Life	3,693,213	3,633,852
4.2 Accident and health	9,299,318	7,458,288
5. Policyholders' dividends $..........0 and coupons $..........0 due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including $..........0 Modco)	40,000	40,000
6.2 Dividends not yet apportioned (including $..........0 Modco)		
6.3 Coupons and similar benefits (including $..........0 Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less $..........0 discount; including $.....840,016 accident and health premiums	902,289	1,156,572
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including $..........0 accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance, including $..........0 assumed and $.....276,462 ceded	276,462	452,876
9.4 Interest Maintenance Reserve		
10. Commissions to agents due or accrued - life and annuity contracts $..........0, accident and health $..........0 and deposit-type contract funds $..........0	1,130,606	1,025,241
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued	650,092	661,151
13. Transfers to Separate Accounts due or accrued (net) (including $..........0 accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	801,166	1,226,273
15.1 Current federal and foreign income taxes, including $..........0 on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income	537,802	538,844
17. Amounts withheld or retained by company as agent or trustee	56,024	59,578
18. Amounts held for agents' account, including $..........0 agents' credit balances		22,441
19. Remittances and items not allocated	756,415	810,678
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money $..........0 and interest thereon $..........0		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	1,409,290	1,270,361
24.02 Reinsurance in unauthorized companies		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers	122,175,496	122,009,920
24.04 Payable to parent, subsidiaries and affiliates	60,711	367,800
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities		
24.10 Payable for securities lending		
24.11 Capital notes $..........0 and interest thereon $..........0		
25. Aggregate write-ins for liabilities	961,005	891,654
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	411,484,664	415,044,506
27. From Separate Accounts statement		
28. Total liabilities (Lines 26 and 27)	411,484,664	415,044,506
29. Common capital stock	5,640,000	5,640,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes		
33. Gross paid in and contributed surplus	27,937,739	27,937,739
34. Aggregate write-ins for special surplus funds	1,552,265	2,456,616
35. Unassigned funds (surplus)	(227,297)	1,849,591
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 $..........0)		
36.2 .....0.000 shares preferred (value included in Line 30 $..........0)		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including $..........0 in Separate Accounts Statement)	29,262,707	32,243,946
38. Totals of Lines 29, 30 and 37	34,902,707	37,883,946
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	446,387,371	452,928,452

DETAILS OF WRITE-INS

2501. Escheat	749,755	696,654
2502. Deferred Lease Liability	211,250	195,000
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	961,005	891,654
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)	0	0
3401. SSAP 10R Additional Surplus	1,488,000	2,405,000
3402. Subsidiary SSAP 10R Additional Surplus	64,265	51,616
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	1,552,265	2,456,616

SUMMARY OF OPERATIONS

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	26,034,254	19,995,041	87,444,914
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	6,201,425	6,054,920	24,444,027
4. Amortization of Interest Maintenance Reserve (IMR)	56,515	85,937	350,437
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	2,052,112	3,009,260	12,702,021
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	100,933	127,306	508,359
9. Totals (Lines 1 to 8.3)	34,445,239	29,272,464	125,449,758
10. Death benefits	611,371	233,642	1,546,637
11. Matured endowments (excluding guaranteed annual pure endowments)	1,466	3,200	36,746
12. Annuity benefits	2,109,131	2,509,549	9,577,039
13. Disability benefits and benefits under accident and health contracts	20,156,887	13,949,412	57,412,219
14. Coupons, guaranteed annual pure endowments and similar benefits	208	(250)	739
15. Surrender benefits and withdrawals for life contracts	6,353,391	5,451,900	19,817,829
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	(7,384)	34,596	435,654
18. Payments on supplementary contracts with life contingencies	21,468	18,869	80,723
19. Increase in aggregate reserves for life and accident and health contracts	(4,953,300)	(4,827,906)	(17,196,423)
20. Totals (Lines 10 to 19)	24,293,238	17,373,012	71,711,163
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	5,541,835	5,062,894	20,950,124
22. Commissions and expense allowances on reinsurance assumed	16,068	981	3,423
23. General insurance expenses	3,143,047	3,825,729	14,810,460
24. Insurance taxes, licenses and fees, excluding federal income taxes	657,987	664,395	2,182,400
25. Increase in loading on deferred and uncollected premiums	(23,230)	(126,685)	(214,757)
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions	1,568,836	1,521,477	5,977,004
28. Totals (Lines 20 to 27)	35,197,781	28,321,803	115,419,817
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(752,542)	950,661	10,029,941
30. Dividends to policyholders	9,976	12,326	(12,192)
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(762,518)	938,335	10,042,133
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(136,150)	268,616	(642,861)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(626,368)	669,719	10,684,994
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $.....(5,329) (excluding taxes of $.....113,829 transferred to the IMR)	(138,621)	(216,479)	(62,935)
35. Net income (Line 33 plus Line 34)	(764,989)	453,240	10,622,059
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	37,883,946	33,330,107	33,330,107
37. Net income (Line 35)	(764,989)	453,240	10,622,059
38. Change in net unrealized capital gains (losses) less capital gains tax of $.....9,443	145,852	722,068	1,033,862
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	180,443	(377,969)	(268,758)
41. Change in nonadmitted assets	(792,054)	(230,681)	1,462,508
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			
44. Change in asset valuation reserve	(138,929)	(44,004)	(399,967)
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			(1,280,252)
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in			5,935,620
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance	(707,211)	(1,378,988)	(12,876,253)
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus	(904,351)	244,654	325,020
54. Net change in capital and surplus (Lines 37 through 53)	(2,981,239)	(611,680)	4,553,839
55. Capital and surplus as of statement date (Lines 36 + 54)	34,902,707	32,718,427	37,883,946

DETAILS OF WRITE-INS

08.301.	Interest on Agent Balances	93,105	127,306	482,907
08.302.	Express Script Rebates			25,302
08.303.	Other Miscellaneous Income	630		150
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	7,198	0	0
08.399.	Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	100,933	127,306	508,359
2701.	Interest on Debt	1,568,766	1,521,427	5,975,212
2702.	Penalties	70	50	1,792
2703.				
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	1,568,836	1,521,477	5,977,004
5301.	SSAP 10R Additional Surplus	(917,000)	245,000	321,000
5302.	Subsidiary SSAP 10R Additional Surplus	12,649	(346)	4,020
5303.				
5398.	Summary of remaining write-ins for Line 53 from overflow page	0	0	0
5399.	Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above)	(904,351)	244,654	325,020

CASH FLOW

		1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance	25,982,133	20,053,223	89,633,515
2.	Net investment income	5,866,060	5,426,468	22,784,890
3.	Miscellaneous income	1,445,834	1,757,576	6,578,706
4.	Total (Lines 1 through 3)	33,294,027	27,237,267	118,997,111
5.	Benefit and loss related payments	27,253,258	19,587,966	90,829,127
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	11,189,580	10,953,842	44,832,837
8.	Dividends paid to policyholders	9,976	12,326	37,871
9.	Federal and foreign income taxes paid (recovered) net of $..........0 tax on capital gains (losses)	190,000		(1,540,398)
10.	Total (Lines 5 through 9)	38,642,814	30,554,134	134,159,437
11.	Net cash from operations (Line 4 minus Line 10)	(5,348,787)	(3,316,867)	(15,162,326)
	CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	10,133,801	12,530,485	32,777,989
	12.2 Stocks			698,284
	12.3 Mortgage loans			
	12.4 Real estate			
	12.5 Other invested assets			
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
	12.7 Miscellaneous proceeds		24,294	24,294
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	10,133,801	12,554,779	33,500,567
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	3,050,884	17,626,826	49,100,823
	13.2 Stocks			
	13.3 Mortgage loans			
	13.4 Real estate			
	13.5 Other invested assets	0	0	
	13.6 Miscellaneous applications			
	13.7 Total investments acquired (Lines 13.1 to 13.6)	3,050,884	17,626,826	49,100,823
14.	Net increase (decrease) in contract loans and premium notes	(122,332)	(1,350,747)	(2,493,582)
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	7,205,249	(3,721,300)	(13,106,674)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes			
	16.2 Capital and paid in surplus, less treasury stock			4,602,972
	16.3 Borrowed funds			
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	276,483	(203,369)	(768,975)
	16.5 Dividends to stockholders			
	16.6 Other cash provided (applied)	838,571	(1,641,608)	1,034,433
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	1,115,054	(1,844,977)	4,868,430
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	2,971,516	(8,883,144)	(23,400,570)
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	5,619,136	29,019,706	29,019,706
	19.2 End of period (Line 18 plus Line 19.1)	8,590,652	20,136,562	5,619,136

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

20.0001			

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life			
2. Ordinary life insurance	2,116,483	2,325,917	7,965,913
3. Ordinary individual annuities	296,530	3,516,546	7,964,552
4. Credit life (group and individual)			
5. Group life insurance	31,013	34,566	121,536
6. Group annuities			
7. A&H - group	188,434	184,576	688,630
8. A&H - credit (group and individual)			
9. A&H - other	28,215,091	22,366,716	95,676,529
10. Aggregate of all other lines of business	0	0	0
11. Subtotal	30,847,551	28,428,321	112,417,160
12. Deposit-type contracts	103,872	94,297	83,625
13. Total	30,951,423	28,522,618	112,500,785

DETAILS OF WRITE-INS

1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0
1099. Total (Lines 1001 thru 1003 plus 1098) (Line 10 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

a. Accounting Practices and Procedures

The financial statements of Loyal American Life Insurance Company ("LALIC" or "the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance 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 an insurance company, 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.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

D. (1) The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from original purchase assumptions are accounted for on a prospective basis.

(2) The Company does not currently hold any securities with an other-than-temporary ("OTTI") impairment where there is an intent to sell or an inability or lack of intent to hold the securities for a sufficient period of time necessary to recover the amortized cost basis of the securities.

(3) The following table shows each security with a credit-related other-than-temporary ("OTTI") impairment charge recognized during the period:

CUSIP	Amortized Cost Before OTTI	Present Value of Projected Cash Flows	OTTI Charge Recognized in Income Statement	Amortized Cost After OTTI	Fair Value	Date Reported
05949CGW0	$ 969,010	$ 944,680	$ 24,330	$944,680	$ 925,000	3/31/11
12641PBB9	36,938	22,438	14,500	22,438	44,100	3/31/11
12641PBQ6	34,823	31,660	3,163	31,660	17,200	3/31/11
12641PBR4	11,918	5,000	6,918	5,000	19,500	3/31/11
47232DAL6	34,732	21,430	13,302	21,430	40,697	3/31/11
47232VCP5	70,542	57,630	12,912	57,630	58,284	3/31/11
47232VCT7	34,095	18,238	15,857	18,238	43,643	3/31/11
47232VDE9	95,235	85,580	9,655	85,580	50,093	3/31/11
47232VEV0	175,007	165,999	9,008	165,999	114,144	3/31/11
57643MLZ5	957,240	925,680	27,240	930,000	930,000	3/31/11
761118KH0	510,779	492,029	7,066	503,713	503,713	3/31/11

(4) The following table shows all loan-backed securities with an unrealized loss:

Less than 12 months		12 months or more	
Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
$ 7,687,137	$ (123,725)	$ 13,593,724	$ (1,925,949)

(5) Based on cash flow projections received from independent sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses at March 31, 2011. The Company has the intent to hold such securities until they recover in value or mature.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

Note 7 - Investment Income

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 8 - Derivative Instruments

Not applicable.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant change.

Note 11 - Debt

No significant change.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant change.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

C. The Company was not involved in any wash sale transactions in 2010.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 20 - Fair Value

1. Fair Value Measurements at Reporting Date

The Company has categorized its assets and liabilities measured at fair value into the three-level fair value hierarchy as reflected in the following table. See item 4 below for a discussion of each of these three levels.

Description	Level 1	Level 2	Level 3	Total
Assets:				
Bonds:				
U.S. Government and government agencies	$ -	$ -	$ -	$ -
States, municipalities and political subdivisions	-	-	-	-
Foreign government	-	-	-	-
Residential MBS	-	-	-	-
Commercial MBS	-	-	-	-
All other bonds	-	100	-	100
Total Bonds	-	100	-	100
Non affiliated common stock	3,876,705	-	-	3,876,705
Non affiliated preferred stock	-	-	-	-
Other investments	-	-	-	-
Variable annuity assets (separate accounts)	-	-	-	-
Total assets accounted for at fair value	$3,876,705	$ 100	$ -	$3,876,805

2. The Company does not have any Level 3 securities carried at fair value.

3. Fair Value Recognition of Transfers Between Levels

The Company recognizes and records the transfer of securities into and out of level 3 due to changes in availability of market observable inputs. All transfers are reflected in the table above at fair value as of the end of the reporting period.

4. Inputs and Techniques Used in Estimating Fair Value

5. No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

Management has evaluated the financial statements for subsequent events through May 13, 2011, the date financial statements were available to be issued.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2010 were $9,553,824. As of March 31, 2011, $5,609,675 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $2,874,628 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on medicare supplement and cancer expense lines of insurance. Therefore, there has been a $1,069,521 favorable prior year development since December 31, 2010 to March 31, 2011. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

Not applicable.

Note 27 - Structured Settlements

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

Not applicable.

Note 31 - Reserves for Life Contracts and Annuity Contracts

No significant change.

Note 32 - Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

No significant change.

Note 33 - Premiums and Annuity Considerations Deferred and Uncollected

No significant change.

Note 34 - Separate Accounts

Not applicable.

Note 35 - Loss/Claim Adjustment Expenses

No significant change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [X]

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 [X]

2.2 If yes, date of change: ....

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
If yes, complete the Schedule Y-Part 1 - Organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

4.2 If yes, provide name of 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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006......................

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006......................

6.3 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). 1/25/2008........................

6.4 By what department or departments?
Ohio Department of Insurance

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information:

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

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

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
Great American Advisors	Cincinnati, OH	NO	NO	NO	NO	YES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $....................................0

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $....................................0

13. Amount of real estate and mortgages held in short-term investments: $....................................0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No [ ]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 13,481,767	$ 13,478,779
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 13,481,767	$ 13,478,779
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

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

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

1 Name of Custodian(s)	2 Custodian Address
The Bank of New York Mellon	One Wall Street, New York, NY 10286

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
N/A	American Money Management Corporation	One East Fourth Street, Cincinnati, OH 45202

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - LIFE & HEALTH

			1
1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:		
1.1	Long-term mortgages in good standing		Amount
	1.11	Farm mortgages	$
	1.12	Residential mortgages	$
	1.13	Commercial mortgages	$
	1.14	Total mortgages in good standing	$ 0
1.2	Long-term mortgages in good standing with restructured terms		
	1.21	Total mortgages in good standing with restructured terms	$
1.3	Long-term mortgage loans upon which interest is overdue more than three months		
	1.31	Farm mortgages	$
	1.32	Residential mortgages	$
	1.33	Commercial mortgages	$
	1.34	Total mortgages with interest overdue more than three months	$ 0
1.4	Long-term mortgage loans in process of foreclosure		
	1.41	Farm mortgages	$
	1.42	Residential mortgages	$
	1.43	Commercial mortgages	$
	1.44	Total mortgages in process of foreclosure	$ 0
1.5	Total mortgage loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)		$ 0
1.6	Long-term mortgages foreclosed, properties transferred to real estate in current quarter		
	1.61	Farm mortgages	$
	1.62	Residential mortgages	$
	1.63	Commercial mortgages	$
	1.64	Total mortgages foreclosed and transferred to real estate	$ 0
2.	Operating Percentages:		
	2.1	A&H loss percent	81.8
	2.2	A&H cost containment percent	
	2.3	A&H expense percent excluding cost containment expenses	29.2
3.1	Do you act as a custodian for health savings accounts?		Yes [ ] No [X]
3.2	If yes, please provide the amount of custodial funds held as of the reporting date		$
3.3	Do you act as an administrator for health savings accounts?		Yes [ ] No [X]
3.4	If yes, please provide the balance of the funds administered as of the reporting date		$

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (YES or NO)

NONE

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only					
		Life Contracts		4	5	6	7
		2	3				
States, Etc.	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1. Alabama AL	L	194,501		925,016		1,119,518	
2. Alaska AK	L	476		1,892		2,369	
3. Arizona AZ	L	1,414		95,123		96,537	
4. Arkansas AR	L	61,927		194,321		256,248	
5. California CA	L	36,692	100,485	210,293		347,470	
6. Colorado CO	L	4,730		88,229		92,958	
7. Connecticut CT	L	1,216		34,025		35,241	
8. Delaware DE	L	1,334		2,270		3,604	
9. District of Columbia DC	L	2,394		2,592		4,986	
10. Florida FL	L	198,905	15,085	205,172		419,162	
11. Georgia GA	L	95,713	535	314,430		410,677	
12. Hawaii HI	L	5,459		28,277		33,736	
13. Idaho ID	L	670	5,000	255,422		261,093	
14. Illinois IL	L	41,674		1,902,538		1,944,212	
15. Indiana IN	L	81,471	15,134	1,218,335		1,314,939	
16. Iowa IA	L	4,681		1,183,311		1,187,991	
17. Kansas KS	L	17,085		1,104,416		1,121,501	
18. Kentucky KY	L	12,704		409,053		421,756	
19. Louisiana LA	L	89,248		459,040		548,289	
20. Maine ME	L	23,035		60,179		83,214	
21. Maryland MD	L	21,814		45,803		67,617	
22. Massachusetts MA	L	23,788		6,264		30,052	
23. Michigan MI	L	19,618		848,360		867,978	
24. Minnesota MN	L	8,727		46,493		55,220	51,936
25. Mississippi MS	L	94,453		1,102,703		1,197,156	
26. Missouri MO	L	38,209		783,090		821,299	
27. Montana MT	L	506		389,010		389,516	
28. Nebraska NE	L	11,065		671,359		682,423	
29. Nevada NV	L	4,897		14,670		19,567	
30. New Hampshire NH	L	4,692		3,041		7,733	
31. New Jersey NJ	L	33,875	19,825	2,158		55,858	
32. New Mexico NM	L	3,933		156,345		160,278	
33. New York NY	N	7,403		3,839		11,242	
34. North Carolina NC	L	190,167	420	1,959,271		2,149,858	
35. North Dakota ND	L	383		12,660		13,043	
36. Ohio OH	L	52,589		801,189		853,778	
37. Oklahoma OK	L	30,776		810,500		841,276	
38. Oregon OR	L	7,452	102,934	562,918		673,304	
39. Pennsylvania PA	L	21,241	16,827	219,600		257,669	
40. Rhode Island RI	L	9,260		9,667		18,927	
41. South Carolina SC	L	82,203		1,739,812		1,822,015	
42. South Dakota SD	L	6,030		447,381		453,411	
43. Tennessee TN	L	128,650	10	590,497		719,157	
44. Texas TX	L	113,666		7,432,589		7,546,255	
45. Utah UT	L	5,044		146,618		151,662	
46. Vermont VT	L	39,459		10,806		50,264	
47. Virginia VA	L	53,723	18,669	118,325		190,717	
48. Washington WA	L	3,136		7,795		10,931	
49. West Virginia WV	L	44,536		218,798		263,334	
50. Wisconsin WI	L	4,583		199,733		204,316	51,936
51. Wyoming WY	L	594		77,771		78,365	
52. American Samoa AS	N					0	
53. Guam GU	N					0	
54. Puerto Rico PR	N	3,423				3,423	
55. US Virgin Islands VI	L	5,011	1,606	156		6,773	
56. Northern Mariana Islands MP	N					0	
57. Canada CN	N	77				77	
58. Aggregate Other Alien OT	XXX	83,694	0	15,458	0	99,152	0
59. Subtotal	(a) 51	2,034,002	296,530	28,148,615	0	30,479,147	103,872
90. Reporting entity contributions for employee benefit plans	XXX					0	
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX					0	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX					0	
93. Premium or annuity considerations waived under disability or other contract provisions	XXX	23,127		8,451		31,578	
94. Aggregate other amounts not allocable by State	XXX	0	0	0	0	0	0
95. Totals (Direct Business)	XXX	2,057,129	296,530	28,157,066	0	30,510,725	103,872
96. Plus Reinsurance Assumed	XXX	32,994		3,032		36,026	
97. Totals (All Business)	XXX	2,090,123	296,530	28,160,098	0	30,546,751	103,872
98. Less Reinsurance Ceded	XXX	1,397,035	75,071	3,289,006		4,761,112	
99. Totals (All Business) less Reinsurance Ceded	XXX	693,088	221,459	24,871,092	0	25,785,639	103,872

DETAILS OF WRITE-INS

5801. Honduras	XXX	23,134				23,134	
5802. Chile	XXX	13,057				13,057	
5803. Azerbaijan	XXX	9,940		15,341		25,281	
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	37,562	0	117	0	37,679	0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above)	XXX	83,694	0	15,458	0	99,152	0
9401.	XXX					0	
9402.	XXX					0	
9403.	XXX					0	
9498. Summary of remaining write-ins for line 94 from overflow page	XXX	0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above)	XXX	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and Other Alien.

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

PART 1 – ORGANIZATIONAL CHART

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

		Response
1.	Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
3.	Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
4.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	YES
5.	Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	NO
6.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	NO
7.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?	NO

Explanations:

1.
2.
3.
4.
5.
6.
7.

Bar Code:

65722201149000001

65722201144700001

65722201136500001

65722201144800001

65722201144500001

65722201144900001

Overflow Page for Write-Ins

Additional Write-ins for Summary of Operations:

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
08.304. Other Income-Medicare Part D	7,198		
08.397. Summary of remaining write-ins for Line 8.3	7,198	0	0

Additional Write-Ins for Schedule T:

	1	Direct Business Only					
		Life Contracts		4	5	6	7
States, Etc.	Active Status	2 Life Insurance Premiums	3 Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
5804. Guatemala	XXX	9,300				9,300	
5805. Ecuador	XXX	9,001				9,001	
5806. Niue	XXX	5,950				5,950	
5807. Costa Rica	XXX	3,447				3,447	
5808. Bahamas	XXX	1,628		15		1,643	
5809. Venezuela	XXX	1,590				1,590	
5810. Greece	XXX	1,587				1,587	
5811. Bolivia	XXX	1,469				1,469	
5812. Austria	XXX	1,000				1,000	
5813. Mexico	XXX	813				813	
5814. Eritrea	XXX	608				608	
5815. Guam	XXX	518				518	
5816. Switzerland	XXX	500				500	
5817. Timor-Leste	XXX	151				151	
5818. Poland	XXX			72		72	
5819. Japan	XXX			15		15	
5820. Belize	XXX			15		15	
5897. Summary of remaining write-ins for line 58	XXX	37,562	0	117	0	37,679	0

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	410,913,989	398,014,529
2. Cost of bonds and stocks acquired	3,050,884	43,902,758
3. Accrual of discount	470,757	1,559,405
4. Unrealized valuation increase (decrease)	167,944	1,315,124
5. Total gain (loss) on disposals	325,227	712,908
6. Deduct consideration for bonds and stocks disposed of	10,133,801	33,476,273
7. Deduct amortization of premium	109,967	380,163
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	143,951	734,297
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	404,541,082	410,913,989
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	404,541,082	410,913,989

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	304,396,204	33,477,091	42,626,679	1,482,325	296,728,941			304,396,204
2. Class 2 (a)	84,303,005		3,794,119	(2,953,093)	77,555,793			84,303,005
3. Class 3 (a)	12,836,509	990,000	987,231	1,820,233	14,659,511			12,836,509
4. Class 4 (a)	1,438,382			(2,122)	1,436,260			1,438,382
5. Class 5 (a)	140,321			(654)	139,667			140,321
6. Class 6 (a)	199,932			(35,643)	164,289			199,932
7. Total Bonds	403,314,353	34,467,091	47,408,029	311,046	390,684,461	0	0	403,314,353
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	403,314,353	34,467,091	47,408,029	311,046	390,684,461	0	0	403,314,353

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 $.....3,498,863; NAIC 2 $..........0; NAIC 3 $..........0; NAIC 4 $..........0; NAIC 5 $..........0; NAIC 6 $..........0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	3,498,863	XXX	3,498,863	704	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	9,682,111	32,056,987
2. Cost of short-term investments acquired	31,416,207	135,688,081
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	37,599,455	158,062,956
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	3,498,863	9,682,111
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	3,498,863	9,682,111

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

Sch. E-Verification
NONE

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous									
21685W BT 3	RABOBANK UTRECHT 4.50 01-11-21 NC	R	01/04/2011	BARCLAYS AMERICA		997,290	1,000,000		1FE
465210 ZZ 8	ISTAR FINANCIAL A-1 L+375 06-28-13		03/11/2011	J. P. MORGAN SECURITIES		990,000	1,000,000		3FE
74930A BE 6	RBSCF 2010-RR4 CSCA SEQ SSNR 5.695RE		01/20/2011	RBS SECURITIES/GREENWICH		1,063,594	1,000,000	3,797	1Z*
3899999.	Total - Bonds - Industrial & Miscellaneous					3,050,884	3,000,000	3,797	XXX
8399997.	Total - Bonds - Part 3					3,050,884	3,000,000	3,797	XXX
8399999.	Total - Bonds					3,050,884	3,000,000	3,797	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					3,050,884	XXX	3,797	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

Statement as of March 31, 2011 of the **Loyal American Life Insurance Company**

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
36214A RS 4	GNSF 100497 PT 11.00 7-15-13		03/15/2011	PAYDOWNS		18	18	18	18				0		18			0		07/15/2013	1
36218V G4 9	GNSF 233419 PT 9.50 09-15-17		03/15/2011	PAYDOWNS		24	24	24	24				0		24			0		09/15/2017	1
690353 RX 7	OVERSEAS PRIV INV 4.44 02-27-27 AL20		02/27/2011	SINKING FUND PAYMENT		29,465	29,465	29,465	29,465				0		29,465			0		02/27/2027	1
0599999.	Total - Bonds - U.S. Government					29,507	29,507	29,507	29,507	0	0	0	0	0	29,507	0	0	0	0	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
31340Y DB 2	FHR 88-12 A PAC 9.25 11-15-19		03/15/2011	PAYDOWNS		59	59	59	59				0		59			0	1	11/15/2019	1
31358E D8 2	FNR 90-93G PAC 5.50 8-25-20		03/25/2011	PAYDOWNS		1,433	1,433	1,245	1,364		69		69		1,433			0	13	08/25/2020	1
31358E 3Z 3	FNR 90-111 XSEQ 8.75 9-25-20		03/25/2011	PAYDOWNS		199	199	203	199				0		199			0	2	09/25/2020	1
31358G 5J 2	FNR 91-65Z ZX 6.50 6-25-21		03/25/2011	PAYDOWNS		4,931	4,931	4,584	4,829		102		102		4,931			0	54	06/25/2021	1
31358H HV 0	FNR 91-85 ZX 8.00 6-25-21		03/25/2011	PAYDOWNS		3,782	3,782	3,526	3,732		50		50		3,782			0	48	06/25/2021	1
31358H JM 8	FNR 91-76 ZX 9.00 7-25-21		03/25/2011	PAYDOWNS		728	728	730	728				0		728			0	11	07/25/2021	1
31358K DY 1	FNR 1991-G36 ZBX 7.00 11-25-21		03/25/2011	PAYDOWNS		1,777	1,777	1,740	1,763		14		14		1,777			0	23	11/25/2021	1
31358N ZD 7	FNR 1992-79 ZX 9.00 6-25-22		03/25/2011	PAYDOWNS		2,952	2,952	2,966	2,952				0		2,952			0	44	06/25/2022	1
313602 AZ 7	FNR 1988-2 Z XSEQ 10.10 2-25-18		03/25/2011	PAYDOWNS		744	744	730	741		3		3		744			0	12	02/25/2018	1
31392F BQ 9	FNR 2002-70 QG PAC 5.50 6-25-31		03/25/2011	PAYDOWNS		132,679	132,679	134,233	133,018		(339)		(339)		132,679			0	1,094	06/25/2031	1
31392J 5B 1	FNR 2003-23 PG PAC 5.50 1-25-32		03/25/2011	PAYDOWNS		428,126	428,126	436,555	431,835		(3,709)		(3,709)		428,126			0	3,594	01/25/2032	1
31395A ET 8	FHR 2808 BD PAC 5.50 3-15-33		03/15/2011	PAYDOWNS		188,019	188,019	193,306	191,166		(3,147)		(3,147)		188,019			0	2,337	03/15/2033	1
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					765,429	765,429	779,877	772,386	0	(6,957)	0	(6,957)	0	765,429	0	0	0	7,233	XXX	XXX
Bonds - Industrial and Miscellaneous																					
006346 AK 6	ADMSO 2010-1 A ABS 5.438 12-20-40		03/21/2011	PAYDOWNS		5,910	5,910	5,910	5,910				0		5,910			0	54	12/20/2040	1Z*
05532E AG 0	BCAP 2009-RR10 4A1 SEQ SSNR 6.0 37RE		03/28/2011	PAYDOWNS		242,605	242,605	235,933	236,430		6,175		6,175		242,605			0	2,275	06/27/2037	1Z*
09774X AU 6	BCM 1999-A A3 SEQ 5.98 1-15-18		03/15/2011	PAYDOWNS		8,936	8,936	8,248	3,659		5,277		5,277		8,936			0	90	01/15/2018	1Z*
125509 BF 5	CIGNA CORP 7.00 01-15-11 NC		01/15/2011	REDEEMED		1,000,000	1,000,000	1,023,310	1,000,142		(142)		(142)		1,000,000			0	35,000	01/15/2011	2FE
12641Q BC 5	CSMC 2009-7R 7A1 SEQ EXCH FLT 36RE		03/28/2011	PAYDOWNS		148,959	148,959	147,381	147,028		1,931		1,931		148,959			0	1,584	12/26/2036	1Z*
12641Q DV 1	CSMC 2009-7R 16A1 SEQ EXCH 5.75 36RE		03/28/2011	PAYDOWNS		159,738	159,738	159,771	159,758		(20)		(20)		159,738			0	1,392	02/26/2036	1Z*
126650 AF 7	CVS CORP 7.77 1-10-12 AL 12-17-11 NC		01/10/2011	SINKING FUND PAYMENT		8,285	8,285	8,285	8,285				0		8,285			0	54	01/10/2012	2FE
126650 AF 7	CVS CORP 7.77 1-10-12 AL 12-17-11 NC		02/10/2011	SINKING FUND PAYMENT		8,339	8,339	8,339	8,339				0		8,339			0	108	01/10/2012	2FE
126650 AF 7	CVS CORP 7.77 1-10-12 AL 12-17-11 NC		03/10/2011	SINKING FUND PAYMENT		8,393	8,393	8,393	8,393				0		8,393			0	163	01/10/2012	2FE
12669D US 5	CWHL 2002-39 A18 PAC 5.75 2-25-33		03/25/2011	PAYDOWNS		116,340	116,340	115,304	115,572		768		768		116,340			0	1,125	02/25/2033	1Z*
14574K AE 2	CAUTO 2010-1A A ABS 5.73 12-38		03/15/2011	PAYDOWNS		3,298	3,298	3,298	3,298				0		3,298			0	32	12/15/2038	1Z*
16162X AD 9	CHASE 2006-S3 1A4 SEQ SSNR FLT 1136		03/25/2011	PAYDOWNS		68,726	68,726	59,963	59,626		9,100		9,100		68,726			0	681	11/25/2036	1Z*
172921 AA 6	CMSI 1987-1 A1 SEQ 9.00 4-25-17		03/25/2011	PAYDOWNS		211	211	209	202		9		9		211			0	4	04/25/2017	1Z*
17315X AD 3	CMLTI 2009-9 2A1 RR SEQ SSNR CSTR RE		03/25/2011	PAYDOWNS		192,401	192,401	184,705	185,443		6,958		6,958		192,401			0	1,731	11/25/2035	1Z*
186108 BU 9	CLEVE ELEC ILLUM 7.88 11-01-17 NC		03/25/2011	WELLS FARGO BROKERAGE		1,798,335	1,500,000	1,709,280	1,619,397		(3,277)		(3,277)		1,616,120		182,216	182,216	48,922	11/01/2017	2FE
22237L PA 4	COUNTRYWIDE HOME 4.00 03-22-11 MTN		03/22/2011	REDEEMED		1,000,000	1,000,000	922,090	996,993		3,007		3,007		1,000,000			0	20,000	03/22/2011	1FE

Statement as of March 31, 2011 of the **Loyal American Life Insurance Company**

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
22541Q FV 9	CSFB 2003-17 1A4 NAS 5.50 6-25-33		03/25/2011	PAYDOWNS		57,866	57,866	58,253	58,177		(311)		(311)		57,866			0	502	06/25/2033	1Z*
22541S AC 2	CSFB 2004-C1 A3 SEQ 4.321 1-15-37		03/17/2011	PAYDOWNS		210,939	210,939	210,279	210,841		98		98		210,939			0	991	01/15/2037	1Z*
251563 EM 0	DMSI 2004-4 1A4 SEQ 5.83 04-25-34		03/25/2011	PAYDOWNS		23,348	23,348	23,338	23,348				0		23,348			0	195	04/25/2034	1Z*
30257G AA 9	FPL ENERGY NATL 5.608 31024 A1116 !		03/10/2011	SINKING FUND PAYMENT		39,950	39,950	39,686	39,739		2		2		39,741		209	209	1,120	03/10/2024	2FE
31331F AY 7	FEDERAL EXP 6.845 1-15-19 AL 0616		01/15/2011	SINKING FUND PAYMENT		65,933	65,933	67,428	66,777		(4)		(4)		66,773		(840)	(840)	2,257	01/15/2019	2FE
36190G AA 6	GSMSC 2009-4R 1A1 SEQ SSNR CSTR 37RE		03/28/2011	PAYDOWNS		10,941	10,941	10,613	10,643		298		298		10,941			0	109	01/26/2037	1Z*
36828Q HH 2	GECMC 2004-C2 A3 SEQ 4.641 3-10-40		03/10/2011	PAYDOWNS		134,789	134,789	131,588	133,785		1,004		1,004		134,789			0	1,084	03/10/2040	1Z*
39538W DC 9	GPMF 2005-HE4 1A1 SEQ FLT 7-30		03/25/2011	PAYDOWNS		44,735	44,735	38,919	39,143		5,592		5,592		44,735			0	36	07/25/2030	1Z*
41161P TN 3	HVMLT 2005-10 2A1A SEQ SSNR FLT 1135		03/21/2011	PAYDOWNS		17,076	17,076	11,996	12,222		4,854		4,854		17,076			0	15	11/19/2035	1Z*
41161P UK 7	HVMLT 2005-11 2A1A SEQ SSNR FLT 0845		03/21/2011	PAYDOWNS		8,212	8,212	5,770	5,867		2,345		2,345		8,212			0	8	08/19/2045	1Z*
45254N MZ 7	IMM 2005-2 1A2 SEQ SSUP FLT 0435		03/25/2011	PAYDOWNS		22,830	22,830	19,178	19,419		3,411		3,411		22,830			0	31	04/25/2035	1Z*
45254T PK 4	IMSA 2004-2 A4 SEQ STP 08-25-34		03/25/2011	PAYDOWNS		19,520	19,520	19,520	19,520				0		19,520			0	178	08/25/2034	1Z*
46628L AB 4	JPMMT 2006-A4 1A2 SEQ SSNR CSTR 6-36		03/25/2011	PAYDOWNS		185,355	185,355	148,285	116,610		68,745		68,745		185,355			0	1,324	06/25/2036	1Z*
46632T AA 3	JPMMT 2008-R2 1A1 SEQ SSNR CSTR 37RE		03/29/2011	PAYDOWNS		77,433	77,433	57,687	58,216		19,217		19,217		77,433			0	737	07/27/2037	1Z*
46633K AY 9	JPMRR 2009-5 3A1 SEQ SSNR CSTR 37 RE		03/29/2011	PAYDOWNS		55,516	55,516	52,601	52,989		2,527		2,527		55,516			0	539	05/26/2037	1Z*
47232D AF 9	JMAC 2009-R5 2A1 SEQ SSNR CSTR 36RE		03/30/2011	PAYDOWNS		10,857	10,857	10,857	10,857				0		10,857			0	103	09/26/2036	1Z*
47232D AT 9	JMAC 2009-R5 4A1 SEQ SSNR CSTR 36RE		03/30/2011	PAYDOWNS		14,211	14,211	14,211	14,211				0		14,211			0	148	09/26/2036	1Z*
47232D BV 3	JMAC 2009-R5 9A1 SEQ SSNR CSTR 37RE		03/29/2011	PAYDOWNS		75,568	75,568	74,771	69,096		6,472		6,472		75,568			0	691	06/26/2037	1Z*
47232D DG 4	JMAC 2009-R5 16A1 SEQ SSNR CSTR 37RE		03/29/2011	PAYDOWNS		142,926	142,926	142,926	142,926				0		142,926			0	1,633	08/26/2037	1Z*
47232D DT 6	JMAC 2009-R5 18A1 SEQ SSNR CSTR 37RE		03/30/2011	PAYDOWNS		72,328	72,328	72,328	72,328				0		72,328			0	578	04/26/2037	1Z*
47232D EU 2	JMAC 2009-R5 22A1 SEQ SSNR CSTR RE		03/29/2011	PAYDOWNS		180,661	180,661	180,661	167,187		13,474		13,474		180,661			0	1,782	08/26/2037	1Z*
47232V AF 9	JMAC 2009-R4 2A1 SEQ SSNR 5.75 37RE		03/30/2011	PAYDOWNS		25,995	25,995	25,995	25,995				0		25,995			0	232	02/26/2037	1Z*
47232V CQ 3	JMAC 2009-R4 13A1 SEQ SSNR 5.85 36RE		03/29/2011	PAYDOWNS		160,226	160,226	160,226	160,226				0		160,226			0	1,559	05/26/2036	1Z*
47232V DF 6	JMAC 2009-R4 16A1 SEQ SSNR 6.0 36RE		03/29/2011	PAYDOWNS		178,103	178,103	173,439	173,981		4,122		4,122		178,103			0	1,615	04/26/2036	1Z*
47232V DW 9	JMAC 2009-R4 19A1 SEQ SSNR 6.0 36RE		03/29/2011	PAYDOWNS		11,252	11,252	11,252	11,252				0		11,252			0	107	07/26/2036	1Z*
47232V EQ 1	JMAC 2009-R4 23A1 SEQ SSNR 5.75 36RE		03/29/2011	PAYDOWNS		26,474	26,474	26,474	26,474				0		26,474			0	246	01/26/2036	1Z*
47232V EV 0	JMAC 2009-R4 23A6 SUB SSUP 5.75 36RE		03/26/2011	PAYDOWNS			9,791	6,264	5,075		(5,075)		(5,075)					0	83	01/26/2036	3Z*
47232V FK 3	JMAC 2009-R4 27A1 SEQ SSNR CSTR RE		03/29/2011	PAYDOWNS		76,961	76,961	76,961	76,961				0		76,961			0	654	06/26/2036	1Z*
47232V GH 9	JMAC 2009-R4 32A1 SEQ SSNR 6.5 36RE		03/29/2011	PAYDOWNS		34,300	34,300	34,300	34,300				0		34,300			0	237	03/26/2036	1Z*
472321 AJ 7	JMAC 2008-R2 3A1 SEQ CSTR 1-25-39RE		03/28/2011	PAYDOWNS		42,384	42,384	37,756	38,488		3,896		3,896		42,384			0	353	01/25/2039	1Z*
525221 EM 5	LXS 2005-7N 1A1A SEQ SSNR FLT 122535		03/25/2011	PAYDOWNS		26,693	26,693	19,552	19,539		7,154		7,154		26,693			0	25	12/25/2035	1Z*
52525F AA 1	LMT 2008-6 1A1 SEQ SSNR CSTR 07-47		03/25/2011	PAYDOWNS		137,265	137,265	116,675	119,287		17,978		17,978		137,265			0	1,147	07/25/2047	1Z*
65334H AD 4	NEXEN INC 5.20 03-10-15 NC		02/01/2011	KNIGHT LIBERTAS LLC		1,061,740	1,000,000	970,510	985,612		254		254		985,866		75,874	75,874	20,800	03/10/2015	2FE
65548Q AA 2	NORBORD DELAWARE V/R 02-15-17 NC !		02/10/2011	RBC CAPITAL		1,055,000	1,000,000	981,370	987,046		185		185		987,231		67,769	67,769	33,500	02/15/2017	3FE
76111J U5 1	RFMSI 2003-S4 A4 NAS 5.75 3-25-33		03/25/2011	PAYDOWNS		79,771	79,771	81,615	81,180		(1,409)		(1,409)		79,771			0	702	03/25/2033	1Z*
761118 KH 0	RALI 2005-QS15 2A SEQ 6.0 10-25-35		03/25/2011	PAYDOWNS		28,332	28,332	26,029	21,930		6,402		6,402		28,332			0	374	10/25/2035	1Z*

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
80851Q DA 9	CHARLES SCHWAB 6.375 09-01-17 MTN NC		01/05/2011	CONSENT FEE		5,000		5,000	5,000				0		5,000			0		09/01/2017	1FE
811410 AM 1	SEA LAND SER C 6.60 1-02-11 AL11		01/02/2011	REDEEMED		60,602	60,602	60,602	60,602				0		60,602			0	2,000	01/02/2011	2FE
81375F CM 3	SASI 1993-7 TA6 PAC 6.25 12-25-23		03/25/2011	PAYDOWNS		1,474	1,474	1,419	1,474				0		1,474			0	22	12/25/2023	1Z*
89655Y AA 4	TRL 2009-1A A ABS 6.657 11-16-39		03/16/2011	PAYDOWNS		24,944	24,944	24,944	24,944				0		24,944			0	278	11/16/2039	1Z*
89656C AA 1	TRL 2010-1A A ABS 5.194 10-16-40		03/16/2011	PAYDOWNS		8,621	8,621	8,621	8,621				0		8,621			0	74	10/16/2040	1Z*
94984C AD 8	WFMBS 2006-AR11 A4 SEQ SSNR CSTR 836		03/25/2011	PAYDOWNS		52,258	52,258	49,711	51,459		799		799		52,258			0	364	08/25/2036	1Z*
3899999.	Total - Bonds - Industrial & Miscellaneous					9,338,865	8,928,581	8,890,029	8,821,822	0	191,816	0	191,816	0	9,013,638	0	325,228	325,228	191,648	XXX	XXX
8399997.	Total - Bonds - Part 4					10,133,801	9,723,517	9,699,413	9,623,715	0	184,859	0	184,859	0	9,808,574	0	325,228	325,228	198,881	XXX	XXX
8399999.	Total - Bonds					10,133,801	9,723,517	9,699,413	9,623,715	0	184,859	0	184,859	0	9,808,574	0	325,228	325,228	198,881	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					10,133,801	XXX	9,699,413	9,623,715	0	184,859	0	184,859	0	9,808,574	0	325,228	325,228	198,881	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:...............0.

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt A-Sn 1-Footnote
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1-Footnote
NONE

Sch. DB-Pt B-Sn 1B-Broker List
NONE

Sch. DB-Pt D
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
			Rate	Amount of Interest	Amount of Interest Accrued	6	7	8	
Depository		Code	of Interest	Received During Current Quarter	at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
JP Morgan Chase	Austin, TX					(3,985,539)	(3,749,498)	(3,540,496)	XXX
Mission Community Bank	San Luis Obispo, CA		1.000	247		100,000	100,000	100,000	XXX
PNC Bank	Cincinnati, OH					(946,856)	(490,514)	(526,716)	XXX
The Bank of New York Mellon	New York, NY		0.010	1		1,005	196,317	9,001,001	XXX
0199998. Deposits in.....4 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories		XXX	XXX			49,448	52,525	58,000	XXX
0199999. Total Open Depositories		XXX	XXX	248	0	(4,781,942)	(3,891,170)	5,091,789	XXX
0399999. Total Cash on Deposit		XXX	XXX	248	0	(4,781,942)	(3,891,170)	5,091,789	XXX
0599999. Total Cash		XXX	XXX	248	0	(4,781,942)	(3,891,170)	5,091,789	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE