



QUARTERLY STATEMENT

As of June 30, 2011
of the Condition and Affairs of the

Family Heritage Life Insurance Company of America

NAIC Group Code.....0000, 0000
(Current Period) (Prior Period)

Organized under the Laws of Ohio

Incorporated/Organized..... August 22, 1989

Statutory Home Office

Main Administrative Office

Mail Address

Primary Location of Books and Records

Internet Web Site Address

Statutory Statement Contact

NAIC Company Code..... 77968

Employer's ID Number..... 34-1626521

State of Domicile or Port of Entry Ohio

Country of Domicile US

Commenced Business..... November 17, 1989

6001 East Royalton Road, Suite 200..... Cleveland OH 44147-3529
(Street and Number) (City or Town, State and Zip Code)

6001 East Royalton Road, Suite 200..... Cleveland OH 44147-3529
(Street and Number) (City or Town, State and Zip Code)

440-922-5200
(Area Code) (Telephone Number)

P. O. Box 470608..... Cleveland OH 44147-0608

(Street and Number or P. O. Box) (City or Town, State and Zip Code)

6001 East Royalton Road, Suite 200..... Cleveland OH 44147-3529

440-922-5200

(Street and Number) (City or Town, State and Zip Code)

(Area Code) (Telephone Number)

www.FamilyHeritageLife.com

440-922-5200

John A. Wise

(Area Code) (Telephone Number) (Extension)

(Name)

440-922-5120

acctdept@familyheritagelife.com

(E-Mail Address)

(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Howard L. Lewis	President/Chief Executive Officer	2. Ronald L. Sarosy	Treasurer/Chief Financial Officer
3. Edward J. Rocheck	Secretary/Chief Operations Officer	4. Jeffrey S. Morris	Actuary

OTHER

Jeffrey S. Morris	Senior Vice President	Edward J. Rocheck	Senior Vice President
Henry G. Grendell	Vice President	Douglas B. Kelly	Vice President
Ronald L. Sarosy	Vice President		

DIRECTORS OR TRUSTEES

Henry E. Bedford	Howard L. Lewis	Edward J. Rocheck	Cynthia D. Johnstone
Jeffrey S. Morris			

State of..... Ohio
County of..... Cuyahoga

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)
Howard L. Lewis	Ronald L. Sarosy	Edward J. Rocheck
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President/Chief Executive Officer	Treasurer/Chief Financial Officer	Secretary/Chief Operations Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This _____ day of July, 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			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	447,763,761		447,763,761	417,703,247
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
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 (\$....(1,740,477)), cash equivalents (\$....3,517,611) and short-term investments (\$....18,289).....	1,795,423		1,795,423	7,132,463
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	605,477		605,477	628,443
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).....	450,164,661	0	450,164,661	425,464,153
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,297,540		1,297,540	1,118,060
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,631,823		1,631,823	1,618,154
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	150,948		150,948	142,735
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	362,098		362,098	292,098
18.2 Net deferred tax asset.....	17,820,561	14,445,561	3,375,000	3,175,000
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	430,220	271,299	158,921	124,601
21. Furniture and equipment, including health care delivery assets (\$.....0).....	95,064	95,064	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	9,389,272	9,389,272	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	481,342,187	24,201,196	457,140,991	431,934,801
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	481,342,187	24,201,196	457,140,991	431,934,801

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. Agent Balances.....	8,415,138	8,415,138	0	
2502. Prepaid Expenses.....	933,637	933,637	0	
2503. Other Assets Non-Admitted.....	40,497	40,497	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).....	9,389,272	9,389,272	0	0

Family Heritage Life Insurance Company of America

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....982,161 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	982,161	866,680
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	384,950,944	359,321,740
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve).....		
4. Contract claims:		
4.1 Life.....	11,282,925	11,438,469
4.2 Accident and health.....		
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).....		
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 \$.....0 accident and health premiums.....		
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.....	10,975	11,156
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$....10,975 ceded.....	139,650	35,331
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	355,400	365,200
11. Commissions and expense allowances payable on reinsurance assumed.....	5,069,030	4,174,318
12. General expenses due or accrued.....		
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsurance allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes.....	874,500	1,119,000
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.....		
17. Amounts withheld or retained by company as agent or trustee.....		
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....	535,637	524,261
19. Remittances and items not allocated.....		
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.....	311,000	320,000
24.02 Reinsurance in unauthorized companies.....		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....		
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....	3,000,986	5,000,000
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	463,486	427,511
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	407,976,694	383,603,666
27. From Separate Accounts statement.....		
28. Total liabilities (Lines 26 and 27).....	407,976,694	383,603,666
29. Common capital stock.....	2,556,950	2,556,000
30. Preferred capital stock.....	0	0
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus.....	32,646,050	3,647,000
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	13,961,297	42,128,135
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).....	46,607,347	45,775,135
38. Totals of Lines 29, 30 and 37.....	49,164,297	48,331,135
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	457,140,991	431,934,801

DETAILS OF WRITE-INS

2501. Unclaimed Property.....	463,486	427,511
2502.		
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).....	463,486	427,511
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.		
3402.		
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).....	0	0

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.....	78,701,349	71,175,981	145,867,627
2. Considerations for supplementary contracts with life contingencies.....			
3. Net investment income.....	11,688,081	11,159,726	20,833,507
4. Amortization of Interest Maintenance Reserve (IMR).....	6,726	1,560	3,124
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....			
6. Commissions and expense allowances on reinsurance ceded.....	168,624	164	13,479
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.....	0	47,179	47,179
9. Totals (Lines 1 to 8.3).....	90,564,780	82,384,610	166,764,916
10. Death benefits.....	10,000		15,018
11. Matured endowments (excluding guaranteed annual pure endowments).....			
12. Annuity benefits.....			
13. Disability benefits and benefits under accident and health contracts.....	20,501,076	15,115,777	32,199,575
14. Coupons, guaranteed annual pure endowments and similar benefits.....			
15. Surrender benefits and withdrawals for life contracts.....	889	5,914	13,585
16. Group conversions.....			
17. Interest and adjustments on contract or deposit-type contract funds.....		21	21
18. Payments on supplementary contracts with life contingencies.....			
19. Increase in aggregate reserves for life and accident and health contracts.....	25,744,685	25,761,800	52,454,979
20. Totals (Lines 10 to 19).....	46,256,650	40,883,512	84,683,178
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	19,492,473	18,117,416	36,630,967
22. Commissions and expense allowances on reinsurance assumed.....			
23. General insurance expenses.....	10,654,356	10,047,712	18,204,631
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	1,910,717	1,816,463	3,654,119
25. Increase in loading on deferred and uncollected premiums.....	(8,083)	(321)	5,798
26. Net transfers to or (from) Separate Accounts net of reinsurance.....			
27. Aggregate write-ins for deductions.....	0	0	0
28. Totals (Lines 20 to 27).....	78,306,113	70,864,782	143,178,693
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	12,258,667	11,519,828	23,586,223
30. Dividends to policyholders.....			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	12,258,667	11,519,828	23,586,223
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	5,370,206	4,835,816	9,544,710
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).....	6,888,461	6,684,012	14,041,513
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$.....59,794 transferred to the IMR).....			
35. Net income (Line 33 plus Line 34).....	6,888,461	6,684,012	14,041,513

CAPITAL AND SURPLUS ACCOUNT

36. Capital and surplus, December 31, prior year.....	48,331,135	41,693,736	41,693,736
37. Net income (Line 35).....	6,888,461	6,684,012	14,041,513
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(22,966)	40,052	83,052
39. Change in net unrealized foreign exchange capital gain (loss).....			
40. Change in net deferred income tax.....	200,000	16,144,730	14,895,561
41. Change in nonadmitted assets.....	(1,241,333)	(16,335,907)	(14,292,727)
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.....	9,000	(40,000)	(90,000)
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.....			
50. Capital changes:			
50.1 Paid in.....	950		
50.2 Transferred from surplus (Stock Dividend).....			
50.3 Transferred to surplus.....			
51. Surplus adjustment:			
51.1 Paid in.....	94,999,050		
51.2 Transferred to capital (Stock Dividend).....			
51.3 Transferred from capital.....			
51.4 Change in surplus as a result of reinsurance.....			
52. Dividends to stockholders.....	(100,000,000)	(5,000,000)	(8,000,000)
53. Aggregate write-ins for gains and losses in surplus.....	0	0	0
54. Net change in capital and surplus (Lines 37 through 53).....	833,162	1,492,887	6,637,399
55. Capital and surplus as of statement date (Lines 36 + 54).....	49,164,297	43,186,623	48,331,135

DETAILS OF WRITE-INS

08.301. Interest from IRS Refund Payment.....		47,179	47,179
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	0	47,179	47,179
2701. Interest Expense from IRS Amended Return.....			
2702.			
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).....	0	0	0
5301. Prior Year Tax Adjustments.....			
5302.			
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).....	0	0	0

Statement as of June 30, 2011 of the **Family Heritage Life Insurance Company of America**
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.....	78,691,565	71,109,102	145,703,147
2. Net investment income.....	2,820,415	3,688,266	6,509,756
3. Miscellaneous income.....	168,624	47,343	60,659
4. Total (Lines 1 through 3).....	81,680,604	74,844,711	152,273,562
5. Benefit and loss related payments.....	20,667,689	13,508,586	30,116,054
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	32,651,552	29,461,619	57,916,374
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	5,500,000	5,220,816	10,220,816
10. Total (Lines 5 through 9).....	58,819,241	48,191,021	98,253,244
11. Net cash from operations (Line 4 minus Line 10).....	22,861,363	26,653,690	54,020,318
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	19,478,249	112,231,549	295,670,497
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....		25,000	75,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....		(500,000)	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	19,478,249	111,756,549	295,745,497
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	40,677,638	85,076,568	351,433,683
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	1,999,014	(10,897,303)	(5,000,000)
13.7 Total investments acquired (Lines 13.1 to 13.6).....	42,676,652	74,179,265	346,433,683
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(23,198,403)	37,577,284	(50,688,186)
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.....	95,000,000		
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....	100,000,000		8,000,000
16.6 Other cash provided (applied).....			
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(5,000,000)	0	(8,000,000)
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).....	(5,337,040)	64,230,974	(4,667,868)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	7,132,463	11,800,331	11,800,331
19.2 End of period (Line 18 plus Line 19.1).....	1,795,423	76,031,305	7,132,463

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

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Statement as of June 30, 2011 of the **Family Heritage Life Insurance Company of America**
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.....	266,367	277,304	570,695
3. Ordinary individual annuities.....			
4. Credit life (group and individual).....			
5. Group life insurance.....			
6. Group annuities.....			
7. A&H - group.....	551,587		189,527
8. A&H - credit (group and individual).....			
9. A&H - other.....	78,088,703	70,907,827	145,145,319
10. Aggregate of all other lines of business.....	0	0	0
11. Subtotal.....	78,906,657	71,185,131	145,905,541
12. Deposit-type contracts.....			
13. Total.....	78,906,657	71,185,131	145,905,541

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**

The Company presents these financial statements on the basis of accounting principles prescribed or permitted by the Ohio Insurance Department. 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.

	<u>06-30-2011</u>	<u>12-31-2010</u>
Net Income - Ohio Basis	\$6,888,461	\$14,041,513
State Prescribe Practices - None	-0-	-0-
State Permitted Practices - None	-0-	-0-
Net Income - NAIC SAP	<u>\$6,888,461</u>	<u>\$14,041,513</u>
 Statutory Surplus - Ohio Basis	 \$49,164,297	 \$48,331,135
State Prescribe Practices - None	-0-	-0-
State Permitted Practices - None	-0-	-0-
Statutory Surplus - NAIC SAP	<u>\$49,164,297</u>	<u>\$48,331,135</u>

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. Health premiums are earned ratably over the terms of the related insurance policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the constant yield method.
3. Liabilities for losses and loss/claim adjustment expenses for accident and health contracts are estimated by the Company's valuation actuary using statistical claim development models and tabular reserves employing mortality/morbidity tables.
4. The Company has a 50% ownership interest in the joint venture which owns the company's home office site.
This investment is carried at equity at June 30, 2011.

Note 2 - Accounting Changes and Corrections of Errors

Not applicable.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

Not applicable.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 7 - Investment Income

No significant change.

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

Not applicable.

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

On February 28, 2011, the Board of Directors of FHL authorized the issuance of 950 shares of a new class (B) of nonvoting common stock to an unconsolidated affiliate that is a wholly owned consolidated subsidiary of Southwestern/Great American Inc., for \$95 million in order to recapitalize FHL. Upon the approval of the Ohio Department of Insurance, the sale of such nonvoting common stock was executed on May 3, 2011 and the proceeds were used to fund a \$100 million dividend declared by FHL of which \$95 million was paid to SAFC on May 3, 2011 and the remainder, \$5 million, was paid on May 4, 2011.

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

Not applicable.

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.

Note 20 - Fair Value

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

Not applicable.

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 on accident and health contracts for incurred losses and loss adjustment expenses attributable to insured events or prior years developed as anticipated during 2010. See Schedule H - Part 3 and the Five Year Historical Data. Original estimates are increased or decreased as additional information becomes known regarding individual claims. However, no significant trends or unanticipated events were noted in 2010. None of the Company's accident and health contracts are subject to retrospective rating or experience refunds.

Note 26 - Intercompany Pooling Arrangements

Not applicable.

Note 27 - Structured Settlements

Not applicable.

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

No significant change.

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

Not applicable.

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.

NOTES TO FINANCIAL STATEMENTS

Statement as of June 30, 2011 of the **Family Heritage Life Insurance Company of America**
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 []

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 [X] No []

2.2 If yes, date of change: 3/23/2011.....

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

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? If yes, attach an explanation. Yes [] No [X] N/A []

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). 7/16/2008.....

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 [] No [X]

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

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]

Statement as of June 30, 2011 of the **Family Heritage Life Insurance Company of America**
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 [] No [X]

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

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 [] No [X]

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.....	\$ 0	\$ 0
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).....	\$ 0	\$ 0
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 []
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
PNC Institutional Investments	PO Box 5756, Cleveland OH 44101

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

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:

Family Heritage Life Insurance Company of America

GENERAL INTERROGATORIES (continued)

PART 2 - LIFE & HEALTH

1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:	1
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.....	58.5
2.2	A&H cost containment percent.....	
2.3	A&H expense percent excluding cost containment expenses.....	40.7
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.....	\$.....

Statement as of June 30, 2011 of the **Family Heritage Life Insurance Company of America**
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

Statement as of June 30, 2011 of the **Family Heritage Life Insurance Company of America**
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	Active Status	1	Direct Business Only				
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Mem- bership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
		2	3 Life Insurance Premiums				
1. Alabama.....	AL.....	L.....	5,438	.....	1,333,835	.....	1,339,273
2. Alaska.....	AK.....	L.....	.....	19,593	.....	19,593	.....
3. Arizona.....	AZ.....	L.....	3,901	.....	1,879,409	.....	1,883,310
4. Arkansas.....	AR.....	L.....	20,446	.....	2,958,950	.....	2,979,396
5. California.....	CA.....	L.....	10,431	.....	1,289,169	.....	1,299,600
6. Colorado.....	CO.....	L.....	2,846	.....	2,150,247	.....	2,153,093
7. Connecticut.....	CT.....	L.....	.....	4,109	.....	4,109	.....
8. Delaware.....	DE.....	L.....	267	.....	94,017	.....	94,284
9. District of Columbia.....	DC.....	L.....	.....	.....	7,601	.....	7,601
10. Florida.....	FL.....	L.....	4,459	.....	940,338	.....	944,797
11. Georgia.....	GA.....	L.....	9,213	.....	3,242,492	.....	3,251,705
12. Hawaii.....	HI.....	L.....	.....	.....	4,317	.....	4,317
13. Idaho.....	ID.....	L.....	110	.....	266,139	.....	266,249
14. Illinois.....	IL.....	L.....	7,925	.....	4,986,677	.....	4,994,602
15. Indiana.....	IN.....	L.....	1,152	.....	4,166,783	.....	4,167,935
16. Iowa.....	IA.....	L.....	.....	.....	416,308	.....	416,308
17. Kansas.....	KS.....	L.....	1,818	.....	2,031,626	.....	2,033,444
18. Kentucky.....	KY.....	L.....	14,154	.....	2,413,259	.....	2,427,413
19. Louisiana.....	LA.....	L.....	1,386	.....	1,778,048	.....	1,779,434
20. Maine.....	ME.....	L.....	.....	.....	100,775	.....	100,775
21. Maryland.....	MD.....	L.....	1,315	.....	586,997	.....	588,312
22. Massachusetts.....	MA.....	L.....	613	.....	11,984	.....	12,597
23. Michigan.....	MI.....	L.....	717	.....	463,606	.....	464,323
24. Minnesota.....	MN.....	L.....	157	.....	1,343,128	.....	1,343,285
25. Mississippi.....	MS.....	L.....	252	.....	384,469	.....	384,721
26. Missouri.....	MO.....	L.....	6,472	.....	1,260,058	.....	1,266,530
27. Montana.....	MT.....	L.....	1,197	.....	857,584	.....	858,781
28. Nebraska.....	NE.....	L.....	4,322	.....	2,800,903	.....	2,805,225
29. Nevada.....	NV.....	L.....	263	.....	300,463	.....	300,726
30. New Hampshire.....	NH.....	L.....	1,732	.....	67,109	.....	68,841
31. New Jersey.....	NJ.....	L.....	.....	.....	9,562	.....	9,562
32. New Mexico.....	NM.....	L.....	2,880	.....	694,763	.....	697,643
33. New York.....	NY.....	N.....	.....	.....	.....	.....	0
34. North Carolina.....	NC.....	L.....	20,443	.....	3,029,235	.....	3,049,678
35. North Dakota.....	ND.....	L.....	1,018	.....	503,481	.....	504,499
36. Ohio.....	OH.....	L.....	15,901	.....	7,744,187	.....	7,760,088
37. Oklahoma.....	OK.....	L.....	566	.....	1,163,199	.....	1,163,765
38. Oregon.....	OR.....	L.....	1,181	.....	192,318	.....	193,499
39. Pennsylvania.....	PA.....	L.....	2,132	.....	809,270	.....	811,402
40. Rhode Island.....	RI.....	L.....	.....	.....	4,482	.....	4,482
41. South Carolina.....	SC.....	L.....	3,522	.....	492,637	.....	496,159
42. South Dakota.....	SD.....	L.....	5,243	.....	1,569,624	.....	1,574,867
43. Tennessee.....	TN.....	L.....	7,743	.....	1,924,592	.....	1,932,335
44. Texas.....	TX.....	L.....	75,412	.....	16,290,306	.....	16,365,718
45. Utah.....	UT.....	L.....	127	.....	1,458,186	.....	1,458,313
46. Vermont.....	VT.....	L.....	4,550	.....	29,409	.....	33,959
47. Virginia.....	VA.....	L.....	6,255	.....	1,728,161	.....	1,734,416
48. Washington.....	WA.....	L.....	13,421	.....	947,084	.....	960,505
49. West Virginia.....	WV.....	L.....	5,283	.....	621,188	.....	626,471
50. Wisconsin.....	WI.....	L.....	1,569	.....	503,918	.....	505,487
51. Wyoming.....	WY.....	L.....	.....	.....	739,683	.....	739,683
52. American Samoa.....	AS.....	N.....	.....	.....	.....	.....	0
53. Guam.....	GU.....	N.....	.....	.....	.....	.....	0
54. Puerto Rico.....	PR.....	L.....	.....	.....	6,428	.....	6,428
55. US Virgin Islands.....	VI.....	N.....	.....	.....	.....	.....	0
56. Northern Mariana Islands.....	MP.....	N.....	.....	.....	.....	.....	0
57. Canada.....	CN.....	N.....	.....	.....	.....	.....	0
58. Aggregate Other Alien.....	OT.....	XXX.....	0	0	0	0	0
59. Subtotal.....		(a).....51	267,832	0	78,621,706	0	78,889,538
60. Reporting entity contributions for employee benefit plans.....		XXX.....	.....	.....	.....	0	.....
61. Dividends or refunds applied to purchase paid-up additions and annuities.....		XXX.....	.....	.....	.....	0	.....
62. Dividends or refunds applied to shorten endowment or premium paying period.....		XXX.....	.....	.....	.....	0	.....
63. Premium or annuity considerations waived under disability or other contract provisions.....		XXX.....	.....	.....	.....	0	.....
64. Aggregate other amounts not allocable by State.....		XXX.....	0	0	0	0	0
65. Totals (Direct Business).....		XXX.....	267,832	0	78,621,706	0	78,889,538
66. Plus Reinsurance Assumed.....		XXX.....	.....	.....	.....	0	.....
67. Totals (All Business).....		XXX.....	267,832	0	78,621,706	0	78,889,538
68. Less Reinsurance Ceded.....		XXX.....	9,709	.....	188,265	.....	197,974
69. Totals (All Business) less Reinsurance Ceded.....		XXX.....	258,123	0	78,433,441	0	78,691,564

DETAILS OF WRITE-INS

5801.....	XXX.....	.....	.....	.....	.....	0	.....
5802.....	XXX.....	.....	.....	.....	.....	0	.....
5803.....	XXX.....	.....	.....	.....	.....	0	.....
5898. Summary of remaining write-ins for line 58 from overflow page.....	XXX.....	0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....	XXX.....	0	0	0	0	0	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 Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

(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

Family Heritage Life Insurance Company of America

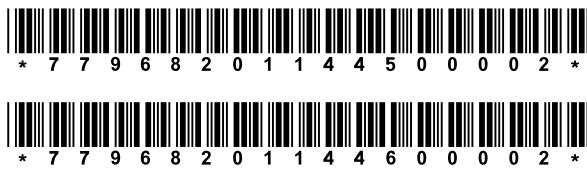
SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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?	NO
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:

NONE

Statement as of June 30, 2011 of the **Family Heritage Life Insurance Company of America**
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

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.....	628,443	620,391
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).....	27,034	83,052
6. Total gain (loss) on disposals.....	50,000	75,000
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).....	605,477	628,443
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	605,477	628,443

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.....	417,703,247	347,554,315
2. Cost of bonds and stocks acquired.....	40,677,638	351,433,683
3. Accrual of discount.....	8,790,667	14,566,725
4. Unrealized valuation increase (decrease).....	170,839	
5. Total gain (loss) on disposals.....	19,478,249	295,670,497
6. Deduct consideration for bonds and stocks disposed of.....	100,381	180,979
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).....	447,763,761	417,703,247
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	447,763,761	417,703,247

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).....	428,128,569	19,450,901	7,022,978	4,391,076	428,128,569	444,947,568		414,960,180
2. Class 2 (a).....	2,809,076			25,406	2,809,076	2,834,482		2,783,981
3. Class 3 (a).....								
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	430,937,645	19,450,901	7,022,978	4,416,482	430,937,645	447,782,050	0	417,744,161
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.....	430,937,645	19,450,901	7,022,978	4,416,482	430,937,645	447,782,050	0	417,744,161

(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 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

Statement as of June 30, 2011 of the **Family Heritage Life Insurance Company of America**
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.....	18,289	XXX.....	18,289	.255	

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.....	40,914	4,612,013
2. Cost of short-term investments acquired.....		
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	22,625	4,571,099
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).....	18,289	40,914
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	18,289	40,914

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

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	8,162,803	7,056,873
2. Cost of cash equivalents acquired.....		1,105,930
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	4,645,192	
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).....	3,517,611	8,162,803
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	3,517,611	8,162,803

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Design- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									

NONE**SCHEDULE BA - PART 3**

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

QE03

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12	13	14 Total Change in B/A.C.V (9+10-11+12)						

Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated

Royalton 6001 LTD.....	Broadview Heights.....	OH...	Cash Distribution.....	04/14/2003	05/25/2011	628,443	5,000					5,000				50,000			0	50,000
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated.....						628,443	5,000		0	0	0	5,000		0	0	50,000	0	0	0	50,000
3999999. Subtotal - Unaffiliated.....						628,443	5,000		0	0	0	5,000		0	0	50,000	0	0	0	50,000
4199999. Totals.....						628,443	5,000		0	0	0	5,000		0	0	50,000	0	0	0	50,000

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)
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Bonds - U.S. Government

312902 LX 5	FEDERAL HOME LOAN MTG CORP - STRIPPED.....		04/27/2011	ANCORA ADVISORS LLC.....		1,752,000	4,500,000		1FE.....
3134A4 KY 9	FEDERAL HOME LOAN MTG CORP - STRIPPED.....		06/30/2011	CREDIT SUISSE.....		2,079,660	6,000,000		1FE.....
3134A4 NP 5	FEDERAL HOME LOAN MTG CORP - STRIPPED.....		04/04/2011	ANCORA ADVISORS LLC.....		1,192,800	3,000,000		1FE.....
3134A4 NU 4	FEDERAL HOME LOAN MTG CORP - STRIPPED.....		06/29/2011	FTN FINANCIAL.....		1,066,200	3,000,000		1FE.....
31359Y QK 6	FEDERAL NATIONAL MTG ASSOC - STRIPPED.....		06/29/2011	ANCORA ADVISORS LLC.....		921,326	2,650,000		1FE.....
31359Y QL 4	FEDERAL NATIONAL MTG ASSOC - STRIPPED.....		06/14/2011	ANCORA ADVISORS LLC.....		1,549,755	4,500,000		1FE.....
31359Y QN 0	FEDERAL NATIONAL MTG ASSOC - STRIPPED.....		06/14/2011	FTN FINANCIAL.....		1,480,736	4,500,000		1FE.....
31359Y QP 5	FEDERAL NATIONAL MTG ASSOC - STRIPPED.....		06/15/2011	ANCORA ADVISORS LLC.....		883,537	2,790,000		1FE.....
31359Y QQ 3	FEDERAL NATIONAL MTG ASSOC - STRIPPED.....		06/14/2011	FTN FINANCIAL.....		1,180,017	3,790,000		1FE.....
3136F1 EQ 9	FEDERAL NATIONAL MTG ASSOC - STRIPPED.....		06/28/2011	FTN FINANCIAL.....		6,411,860	17,000,000		1FE.....
0599999.	Total - Bonds - U.S. Government.....					18,517,891	.51,730,000	.0	XXX.....

Bonds - U.S. Special Revenue and Special Assessment

560459 5F 2	MAINE MUNICIPAL BOND BANK (TAXABLE).....		05/16/2011	ANCORA ADVISORS LLC.....		533,010	500,000	1,417	1FE.....
96005P AE 7	WESTERVILLE OHIO (TAXABLE).....		05/12/2011	PNC CAPITAL MARKETS.....		400,000	400,000		1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments.....					933,010	.900,000	1,417	XXX.....
8399997.	Total - Bonds - Part 3.....					19,450,901	.52,630,000	1,417	XXX.....
8399999.	Total - Bonds.....					19,450,901	.52,630,000	1,417	XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....					19,450,901	XXX.....	1,417	XXX.....

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)	
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Temporary Impairment	14 Total Change in B./A.C.V. (11+12-13)	15 Change in B./A.C.V. Recognized								

Bonds - U.S. Government

31331J SR 5	FEDERAL FARM CREDIT BANK.....	06/22/2011	CALLED BY ISSUER at 100.000	.....	3,000,000	.....3,000,000	.....3,000,000	.....3,000,000	.....	.....	.....	.....0	.....	.....3,000,000	.....	.....	.....0	.....	78,000	06/22/2037	1FE....
3136FM YJ 7	FEDERAL NATIONAL MTG ASSOC.....	06/24/2011	CALLED BY ISSUER at 100.000	.....	4,000,000	.....4,000,000	.....4,000,000	.....4,000,000	.....	.....	.....	.....0	.....	.....4,000,000	.....	.....	.....0	.....	100,000	06/24/2030	1FE....
0599999.	Total - Bonds - U.S. Government.....			.....	7,000,000	.....7,000,000	.....7,000,000	.....7,000,000	.....0	.....0	.....0	.....0	.....0	.....7,000,000	.....0	.....0	.....0	.....0	178,000	.....XXX...	.....XXX...
8399997.	Total - Bonds - Part 4.....			.....	7,000,000	.....7,000,000	.....7,000,000	.....7,000,000	.....0	.....0	.....0	.....0	.....0	.....7,000,000	.....0	.....0	.....0	.....0	178,000	.....XXX...	.....XXX...
8399999.	Total - Bonds.....			.....	7,000,000	.....7,000,000	.....7,000,000	.....7,000,000	.....0	.....0	.....0	.....0	.....0	.....7,000,000	.....0	.....0	.....0	.....0	178,000	.....XXX...	.....XXX...
9999999.	Total - Bonds, Preferred and Common Stocks.....			.....	7,000,000	.....XXX.....	.....7,000,000	.....7,000,000	.....0	.....0	.....0	.....0	.....0	.....7,000,000	.....0	.....0	.....0	.....0	178,000	.....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

Statement as of June 30, 2011 of the **Family Heritage Life Insurance Company of America**
SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	

Open Depositories

PNC - Checking.....		.....0.300	.....510	.....188	.....827,115	.....1,051,833	.....61,868	XXX..
SunTrust - Checking.....		.....0.200		.....2	.....1,986	.....1,986	.....1,986	XXX..
American Founders Bank - Checking.....					.....52,862	.....42,185	.....52,562	XXX..
Wells Fargo Bank, N.A. - DDA & Cont. Disb.....					.....(1,619,242)	.....(2,318,174)	.....(1,860,293)	XXX..
0199999. Total Open Depositories.....	....XXX.....	....XXX.....	.....510	.....190	.....(737,279)	.....(1,222,170)	.....(1,743,877)	XXX..
0399999. Total Cash on Deposit.....	....XXX.....	....XXX.....	.....510	.....190	.....(737,279)	.....(1,222,170)	.....(1,743,877)	XXX..
0499999. Cash in Company's Office.....	....XXX.....	....XXX.....	.....XXX	....XXX	.....3,400	.....3,400	.....3,400	XXX..
0599999. Total Cash.....	....XXX.....	....XXX.....	.....510	.....190	.....(733,879)	.....(1,218,770)	.....(1,740,477)	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
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Sweep Accounts

Wells Fargo - Stagecoach Sweep Preferred.....		06/30/2011	0.100	07/01/2011	3,517,611	10	2,173
8499999. Total - Sweep Accounts.....					3,517,611	10	2,173
8699999. Total - Cash Equivalents.....					3,517,611	10	2,173