



QUARTERLY STATEMENT

AS OF JUNE 30, 2011  
OF THE CONDITION AND AFFAIRS OF THE

U.S. FINANCIAL LIFE INSURANCE COMPANY

|                                       |                                 |                |                                    |  |                                |            |
|---------------------------------------|---------------------------------|----------------|------------------------------------|--|--------------------------------|------------|
| NAIC Group Code                       | 0968                            | 0968           | NAIC Company Code                  | 84530                                      | Employer's ID Number           | 38-2046096 |
|                                       | (Current Period)                | (Prior Period) |                                    |  |                                |            |
| Organized under the Laws of           | Ohio                            |                |                                    | State of Domicile or Port of Entry         | Ohio                           |            |
| Country of Domicile                   | United States                   |                |                                    |  |                                |            |
| Incorporated/Organized                | 09/30/1974                      |                |                                    | Commenced Business                         | 09/30/1974                     |            |
| Statutory Home Office                 | 4000 Smith Road, Suite 300      |                |                                    | Cincinnati, OH 45209                       |                                |            |
|                                       | (Street and Number)             |                |                                    | (City or Town, State and Zip Code)         |                                |            |
| Main Administrative Office            | 1290 Avenue of the Americas     |                | New York, NY 10104                 |  | 212-554-1234                   |            |
|                                       | (Street and Number)             |                | (City or Town, State and Zip Code) |  | (Area Code) (Telephone Number) |            |
| Mail Address                          | 1290 Avenue of the Americas     |                | New York, NY 10104                 |  |                                |            |
|                                       | (Street and Number or P.O. Box) |                | (City or Town, State and Zip Code) |  |                                |            |
| Primary Location of Books and Records | 1290 Avenue of the Americas     |                | New York, NY 10104                 |  | 212-554-1234                   |            |
|                                       | (Street and Number)             |                | (City or Town, State and Zip Code) |  | (Area Code) (Telephone Number) |            |
| Internet Web Site Address             | www.usfli.com                   |                |                                    |  |                                |            |
| Statutory Statement Contact           | Neil Guerriero                  |                |                                    | 201-743-5132                               |                                |            |
|                                       | (Name)                          |                |                                    | (Area Code) (Telephone Number) (Extension) |                                |            |
|                                       | controllers@axa-equitable.com   |                |                                    | 201-743-5006                               |                                |            |
|                                       | (E-mail Address)                |                |                                    | (FAX Number)                               |                                |            |

OFFICERS

| Name                    | Title   | Name                  | Title  |
|-------------------------|---|-----------------------|--|
| Richard Steven Dziadzio | Chairman of the Board                             | Charles Angelo Marino | President, Chief Executive Officer and Chief Financial Officer |
| Kevin Robert Byrne      | Executive VP,Chief Investment Officer & Treasurer | William Casill        | Senior Vice President and Actuary                              |

OTHER OFFICERS

|                           |  |                      |   |
|---------------------------|--|----------------------|---|
| Alvin Henry Fenichel      | Senior Vice President and Chief Accounting Officer | Keith Elliott Floman | Senior Vice President and Appointed Actuary |
| Ann Marie Katcher         | Senior Vice President and Actuary                  | Allen Joel Zabusky   | Senior Vice President and Controller        |
| Eugene Anthony Capobianco | Vice President                                     | Denise Tedeschi      | Assistant Vice President and Secretary      |

DIRECTORS OR TRUSTEES

|                     |                         |                       |                       |
|---------------------|-------------------------|-----------------------|-----------------------|
| Kevin Robert Byrne  | Richard Steven Dziadzio | Nicholas Burritt Lane | Charles Angelo Marino |
| Andrew John McMahon |                         |                       |                       |

State of .....New York.....  
County of .....New York.....  
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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.

|  |   |   |
|--|---|---|
| Allen Joel Zabusky<br>Senior Vice President and Controller | Keith Elliott Floman<br>Senior Vice President and Appointed Actuary | Denise Tedeschi<br>Assistant Vice President and Secretary |
| 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                                |   |   |

Subscribed and sworn to before me this  
10th day of August, 2011

Orchid Garbutt, Notary Public  
10/02/2014

STATEMENT AS OF JUNE 30, 2011 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

ASSETS

|   | Current Statement Date |                    |                                      | 4<br><br>December 31<br>Prior Year Net<br>Admitted Assets |
|---|------------------------|--------------------|--------------------------------------|---|
|   | 1                      | 2                  | 3                                    |   |
|   | Assets                 | Nonadmitted Assets | Net Admitted Assets<br>(Cols. 1 - 2) |   |
| 1. Bonds .....  | 510,659,591            | 0                  | 510,659,591                          | 485,699,428   |
| 2. Stocks:  |                        |                    |                                      |   |
| 2.1 Preferred stocks .....  | 3,990,630              | 0                  | 3,990,630                            | 3,990,630   |
| 2.2 Common stocks .....   | 0                      | 0                  | 0                                    | 0   |
| 3. Mortgage loans on real estate:   |                        |                    |                                      |   |
| 3.1 First liens .....   | 0                      | 0                  | 0                                    | 0   |
| 3.2 Other than first liens .....  | 0                      | 0                  | 0                                    | 0   |
| 4. Real estate:   |                        |                    |                                      |   |
| 4.1 Properties occupied by the company (less<br>\$ .....0 encumbrances) .....   | 0                      | 0                  | 0                                    | 0   |
| 4.2 Properties held for the production of income<br>(less \$ .....0 encumbrances) .....   | 0                      | 0                  | 0                                    | 0   |
| 4.3 Properties held for sale (less<br>\$ .....0 encumbrances) .....   | 0                      | 0                  | 0                                    | 0   |
| 5. Cash (\$ .....(12,558,626) ),<br>cash equivalents (\$ .....2,549,973 )<br>and short-term investments (\$ .....17,308,114 ) .....                         | 7,299,461              | 0                  | 7,299,461                            | 27,322,529  |
| 6. Contract loans (including \$ .....0 premium notes) .....   | 24,244,525             | 0                  | 24,244,525                           | 22,864,149  |
| 7. Derivatives .....  | 0                      | 0                  | 0                                    | 0   |
| 8. Other invested assets .....  | 0                      | 0                  | 0                                    | 0   |
| 9. Receivables for securities .....   | 1,358                  | 0                  | 1,358                                | 3,003   |
| 10. Securities lending reinvested collateral assets .....   | 0                      | 0                  | 0                                    | 0   |
| 11. Aggregate write-ins for invested assets .....   | 0                      | 0                  | 0                                    | 0   |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....   | 546,195,565            | 0                  | 546,195,565                          | 539,879,739   |
| 13. Title plants less \$ ..... charged off (for Title insurers<br>only) .....   |                        |                    | 0                                    | 0   |
| 14. Investment income due and accrued .....   | 6,938,053              |                    | 6,938,053                            | 6,634,222   |
| 15. Premiums and considerations:  |                        |                    |                                      |   |
| 15.1 Uncollected premiums and agents' balances in the course of<br>collection .....   | 230,643                |                    | 230,643                              | 213,631   |
| 15.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due (including \$ ..... earned<br>but unbilled premiums) ..... | 1,627,000              |                    | 1,627,000                            | 1,581,244   |
| 15.3 Accrued retrospective premiums .....   |                        |                    | 0                                    | 0   |
| 16. Reinsurance:  |                        |                    |                                      |   |
| 16.1 Amounts recoverable from reinsurers .....  | 38,248,457             | 0                  | 38,248,457                           | 37,724,691  |
| 16.2 Funds held by or deposited with reinsured companies .....  | 0                      | 0                  | 0                                    | 0   |
| 16.3 Other amounts receivable under reinsurance contracts .....   | 7,550,262              |                    | 7,550,262                            | 7,499,432   |
| 17. Amounts receivable relating to uninsured plans .....  | 0                      | 0                  | 0                                    | 0   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....  |                        |                    | 0                                    | 0   |
| 18.2 Net deferred tax asset .....   | 66,425,000             | 44,499,665         | 21,925,335                           | 26,273,799  |
| 19. Guaranty funds receivable or on deposit .....   | 1,532,930              | 0                  | 1,532,930                            | 1,324,316   |
| 20. Electronic data processing equipment and software .....   | 0                      | 0                  | 0                                    | 0   |
| 21. Furniture and equipment, including health care delivery assets<br>(\$ ..... ) .....   | 0                      | 0                  | 0                                    | 0   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....  | 0                      | 0                  | 0                                    | 0   |
| 23. Receivables from parent, subsidiaries and affiliates .....  | 0                      | 0                  | 0                                    | 0   |
| 24. Health care (\$ ..... ) and other amounts receivable .....  | 83,870                 | 83,870             | 0                                    | 0   |
| 25. Aggregate write-ins for other than invested assets .....  | 100,414                | 3,810              | 96,604                               | 156,817   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25) .....                                     | 668,932,194            | 44,587,345         | 624,344,849                          | 621,287,891   |
| 27. From Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts .....  |                        |                    | 0                                    | 0   |
| 28. Total (Lines 26 and 27)   | 668,932,194            | 44,587,345         | 624,344,849                          | 621,287,891   |
| <b>DETAILS OF WRITE-INS</b>   |                        |                    |                                      |   |
| 1101. ....  |                        |                    | 0                                    | 0   |
| 1102. ....  |                        |                    | 0                                    | 0   |
| 1103. ....  |                        |                    | 0                                    | 0   |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....   | 0                      | 0                  | 0                                    | 0   |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)  | 0                      | 0                  | 0                                    | 0   |
| 2501. Miscellaneous receivable .....  | 96,604                 |                    | 96,604                               | 156,817   |
| 2502. Other assets nonadmitted .....  | 3,810                  | 3,810              | 0                                    | 0   |
| 2503. ....  |                        |                    | 0                                    | 0   |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....   | 0                      | 0                  | 0                                    | 0   |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)  | 100,414                | 3,810              | 96,604                               | 156,817   |

LIABILITIES, SURPLUS AND OTHER FUNDS

|   | 1<br>Current<br>Statement Date | 2<br>December 31<br>Prior Year |
|---|--------------------------------|--------------------------------|
| 1. Aggregate reserve for life contracts \$ .....491,572,636 less \$ ..... included in Line 6.3<br>(including \$ ..... Modco Reserve) .....  | 491,572,636                    | 492,666,906                    |
| 2. Aggregate reserve for accident and health contracts (including \$ .....0 Modco Reserve) .....  | 0                              | 0                              |
| 3. Liability for deposit-type contracts (including \$ .....0 Modco Reserve) .....   | 1,157,124                      | 1,193,829                      |
| 4. Contract claims:   |                                |                                |
| 4.1 Life .....  | 8,794,316                      | 4,112,539                      |
| 4.2 Accident and health .....   | 0                              | 0                              |
| 5. Policyholders' dividends \$ .....0 and coupons \$ ..... due and unpaid .....   | 0                              | 0                              |
| 6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:   |                                |                                |
| 6.1 Dividends apportioned for payment (including \$ .....0 Modco) .....   | 0                              | 0                              |
| 6.2 Dividends not yet apportioned (including \$ .....0 Modco) .....   | 0                              | 0                              |
| 6.3 Coupons and similar benefits (including \$ .....0 Modco) .....  | 0                              | 0                              |
| 7. Amount provisionally held for deferred dividend policies not included in Line 6 .....  | 0                              | 0                              |
| 8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ .....0 discount; including \$ .....0 accident and health premiums ..... | 1,205,284                      | 1,049,569                      |
| 9. Contract liabilities not included elsewhere:   |                                |                                |
| 9.1 Surrender values on canceled contracts .....  | 0                              | 0                              |
| 9.2 Provision for experience rating refunds, including \$ .....0 accident and health experience rating<br>refunds .....   | 0                              | 0                              |
| 9.3 Other amounts payable on reinsurance, including \$ .....0 assumed and \$ .....35,303,536 ceded .....  | 35,303,536                     | 37,530,006                     |
| 9.4 Interest Maintenance Reserve .....  | 496,479                        | 517,782                        |
| 10. Commissions to agents due or accrued-life and annuity contracts \$ .....0 ,<br>accident and health \$ ..... and deposit-type contract funds \$ ..... .....                        | 0                              | 0                              |
| 11. Commissions and expense allowances payable on reinsurance assumed .....   | 0                              | 0                              |
| 12. General expenses due or accrued .....   | 0                              | 0                              |
| 13. Transfers to Separate Accounts due or accrued (net) (including \$ .....0 accrued for expense<br>allowances recognized in reserves, net of reinsured allowances) .....             | 0                              | 0                              |
| 14. Taxes, licenses and fees due or accrued, excluding federal income taxes .....   | 1,893,878                      | 2,321,478                      |
| 15.1 Current federal and foreign income taxes, including \$ .....0 on realized capital gains (losses) .....   | 5,390,844                      | 4,790,844                      |
| 15.2 Net deferred tax liability .....   | 0                              | 0                              |
| 16. Unearned investment income .....  | 713,316                        | 709,392                        |
| 17. Amounts withheld or retained by company as agent or trustee .....   | 658                            | 849                            |
| 18. Amounts held for agents' account, including \$ .....1,502,695 agents' credit balances .....   | 1,502,695                      | 1,908,374                      |
| 19. Remittances and items not allocated .....   | 173,576                        | 676,856                        |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates .....  | 0                              | 0                              |
| 21. Liability for benefits for employees and agents if not included above .....   | 0                              | 0                              |
| 22. Borrowed money \$ .....0 and interest thereon \$ ..... .....  | 0                              | 0                              |
| 23. Dividends to stockholders declared and unpaid .....   | 0                              | 0                              |
| 24. Miscellaneous liabilities:  |                                |                                |
| 24.01 Asset valuation reserve .....   | 1,205,773                      | 810,915                        |
| 24.02 Reinsurance in unauthorized companies .....   |                                | 0                              |
| 24.03 Funds held under reinsurance treaties with unauthorized reinsurers .....  |                                | 0                              |
| 24.04 Payable to parent, subsidiaries and affiliates .....  | 3,020,070                      | 1,727,748                      |
| 24.05 Drafts outstanding .....  |                                | 0                              |
| 24.06 Liability for amounts held under uninsured plans .....  |                                | 0                              |
| 24.07 Funds held under coinsurance .....  |                                | 0                              |
| 24.08 Derivatives .....   |                                | 0                              |
| 24.09 Payable for securities .....  |                                | 0                              |
| 24.10 Payable for securities lending .....  |                                | 0                              |
| 24.11 Capital notes \$ ..... and interest thereon \$ ..... .....  |                                | 0                              |
| 25. Aggregate write-ins for liabilities .....   | 449,933                        | 288,197                        |
| 26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....  | 552,880,118                    | 550,305,284                    |
| 27. From Separate Accounts statement .....  | 0                              | 0                              |
| 28. Total liabilities (Lines 26 and 27) .....   | 552,880,118                    | 550,305,284                    |
| 29. Common capital stock .....  | 4,050,000                      | 4,050,000                      |
| 30. Preferred capital stock .....   | 0                              | 0                              |
| 31. Aggregate write-ins for other than special surplus funds .....  | 0                              | 0                              |
| 32. Surplus notes .....   | 0                              | 0                              |
| 33. Gross paid in and contributed surplus .....   | 246,285,723                    | 246,285,723                    |
| 34. Aggregate write-ins for special surplus funds .....   | 12,301,335                     | 16,341,799                     |
| 35. Unassigned funds (surplus) .....  | (191,172,327)                  | (195,694,915)                  |
| 36. Less treasury stock, at cost:   |                                |                                |
| 36.1 .....0 shares common (value included in Line 29 \$ ..... ) .....   | 0                              | 0                              |
| 36.2 ..... shares preferred (value included in Line 30 \$ ..... ) .....   | 0                              | 0                              |
| 37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ .....0 in Separate Accounts Statement) .....  | 67,414,731                     | 66,932,607                     |
| 38. Totals of Lines 29, 30 and 37 .....   | 71,464,731                     | 70,982,607                     |
| 39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....   | 624,344,849                    | 621,287,891                    |
| <b>DETAILS OF WRITE-INS</b>   |                                |                                |
| 2501. Funds escheatable .....   | 327,559                        | 265,822                        |
| 2502. Miscellaneous liabilities .....   | 122,374                        | 22,375                         |
| 2503. ....  | 0                              | 0                              |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....   | 0                              | 0                              |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....  | 449,933                        | 288,197                        |
| 3101. ....  |                                | 0                              |
| 3102. ....  |                                | 0                              |
| 3103. ....  |                                | 0                              |
| 3198. Summary of remaining write-ins for Line 31 from overflow page .....   | 0                              | 0                              |
| 3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above) .....  | 0                              | 0                              |
| 3401. Additional admitted deferred tax asset .....  | 12,301,335                     | 16,341,799                     |
| 3402. ....  |                                | 0                              |
| 3403. ....  | 0                              | 0                              |
| 3498. Summary of remaining write-ins for Line 34 from overflow page .....   | 0                              | 0                              |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above) .....  | 12,301,335                     | 16,341,799                     |

SUMMARY OF OPERATIONS

|   | 1                       | 2                          | 3                               |
|---|-------------------------|----------------------------|---------------------------------|
|   | Current Year<br>To Date | Prior Year<br>Year to Date | Prior Year Ended<br>December 31 |
| 1. Premiums and annuity considerations for life and accident and health contracts .....   | 26,231,020              | 26,881,717                 | 53,183,445                      |
| 2. Considerations for supplementary contracts with life contingencies .....   | 0                       | 0                          | 0                               |
| 3. Net investment income .....  | 13,546,314              | 13,234,499                 | 26,445,566                      |
| 4. Amortization of Interest Maintenance Reserve (IMR) .....   | 51,575                  | (32,022)                   | (8,881)                         |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses .....  | 0                       | 0                          | 0                               |
| 6. Commissions and expense allowances on reinsurance ceded .....  | 16,665,395              | 18,262,462                 | 35,118,159                      |
| 7. Reserve adjustments on reinsurance ceded .....   | 0                       | 0                          | 0                               |
| 8. Miscellaneous Income:  |                         |                            |                                 |
| 8.1 Income from fees associated with investment management, administration and contract guarantees<br>from Separate Accounts .....  | 0                       | 0                          | 0                               |
| 8.2 Charges and fees for deposit-type contracts .....   | 0                       | 0                          | 0                               |
| 8.3 Aggregate write-ins for miscellaneous income .....  | 0                       | 0                          | 322,906                         |
| 9. Totals (Lines 1 to 8.3) .....  | 56,494,304              | 58,346,656                 | 115,061,195                     |
| 10. Death benefits .....  | 35,358,350              | 26,195,531                 | 55,016,606                      |
| 11. Matured endowments (excluding guaranteed annual pure endowments) .....  | 0                       | 0                          | 0                               |
| 12. Annuity benefits .....  | 266,566                 | 334,386                    | 664,728                         |
| 13. Disability benefits and benefits under accident and health contracts .....  | 28,932                  | 15,617                     | 26,493                          |
| 14. Coupons, guaranteed annual pure endowments and similar benefits .....   | 0                       | 0                          | 0                               |
| 15. Surrender benefits and withdrawals for life contracts .....   | 6,520,706               | 5,953,679                  | 11,043,303                      |
| 16. Group conversions .....   | 0                       | 0                          | 0                               |
| 17. Interest and adjustments on contract or deposit-type contract funds .....   | 269,210                 | 198,709                    | 495,099                         |
| 18. Payments on supplementary contracts with life contingencies .....   | 0                       | 0                          | 0                               |
| 19. Increase in aggregate reserves for life and accident and health contracts .....   | (1,094,270)             | 1,159,637                  | 9,490,085                       |
| 20. Totals (Lines 10 to 19) .....   | 41,349,494              | 33,857,559                 | 76,736,314                      |
| 21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) .....   | 3,407,147               | 3,678,422                  | 7,253,602                       |
| 22. Commissions and expense allowances on reinsurance assumed .....   | 0                       | 0                          | 0                               |
| 23. General insurance expenses .....  | 2,269,707               | 2,534,191                  | 5,226,007                       |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes .....  | 2,356,975               | 2,510,156                  | 5,113,320                       |
| 25. Increase in loading on deferred and uncollected premiums .....  | (49,951)                | 22,456                     | (76,648)                        |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance .....   | 0                       | 0                          | 0                               |
| 27. Aggregate write-ins for deductions .....  | 144,326                 | (227,493)                  | 2,310                           |
| 28. Totals (Lines 20 to 27) .....   | 49,477,698              | 42,375,291                 | 94,254,905                      |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus<br>Line 28) .....   | 7,016,606               | 15,971,365                 | 20,806,290                      |
| 30. Dividends to policyholders .....  | 0                       | 0                          | 0                               |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus<br>Line 30) .....  | 7,016,606               | 15,971,365                 | 20,806,290                      |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....  | 600,000                 | 3,900,000                  | 7,200,000                       |
| 33. Net gain from operations after dividends to policyholders and federal income taxes and before realized<br>capital gains or (losses) (Line 31 minus Line 32) .....                                       | 6,416,606               | 12,071,365                 | 13,606,290                      |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR)<br>less capital gains tax of \$ .....(16,300) (excluding taxes of \$ .....16,300<br>transferred to the IMR) ..... | 16,318                  | 207,788                    | 330,627                         |
| 35. Net income (Line 33 plus Line 34) .....   | 6,432,924               | 12,279,153                 | 13,936,917                      |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>  |                         |                            |                                 |
| 36. Capital and surplus, December 31, prior year .....  | 70,982,607              | 70,560,658                 | 70,560,658                      |
| 37. Net income (Line 35) .....  | 6,432,924               | 12,279,153                 | 13,936,917                      |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....(22,806) .....  | (42,354)                | 0                          | 0                               |
| 39. Change in net unrealized foreign exchange capital gain (loss) .....   | 0                       | 0                          | 0                               |
| 40. Change in net deferred income tax .....   | (1,819,806)             | (1,890,000)                | 5,922,000                       |
| 41. Change in nonadmitted assets .....  | 1,651,232               | 1,736,594                  | (4,959,121)                     |
| 42. Change in liability for reinsurance in unauthorized companies .....   | 0                       | 0                          | 0                               |
| 43. Change in reserve on account of change in valuation basis, (increase) or decrease .....   | 0                       | 0                          | (18,074,773)                    |
| 44. Change in asset valuation reserve .....   | (394,858)               | (421,373)                  | (810,915)                       |
| 45. Change in treasury stock .....  | 0                       | 0                          | 0                               |
| 46. Surplus (contributed to) withdrawn from Separate Accounts during period .....   | 0                       | 0                          | 0                               |
| 47. Other changes in surplus in Separate Accounts Statement .....   | 0                       | 0                          | 0                               |
| 48. Change in surplus notes .....   | 0                       | 0                          | 0                               |
| 49. Cumulative effect of changes in accounting principles .....   | 0                       | 0                          | 0                               |
| 50. Capital changes:  |                         |                            |                                 |
| 50.1 Paid in .....  | 0                       | 0                          | 0                               |
| 50.2 Transferred from surplus (Stock Dividend) .....  | 0                       | 0                          | 0                               |
| 50.3 Transferred to surplus .....   | 0                       | 0                          | 0                               |
| 51. Surplus adjustment:   |                         |                            |                                 |
| 51.1 Paid in .....  | 0                       | 0                          | 0                               |
| 51.2 Transferred to capital (Stock Dividend) .....  | 0                       | 0                          | 0                               |
| 51.3 Transferred from capital .....   | 0                       | 0                          | 0                               |
| 51.4 Change in surplus as a result of reinsurance .....   | (1,304,550)             | (1,623,050)                | (2,988,050)                     |
| 52. Dividends to stockholders .....   | 0                       | 0                          | 0                               |
| 53. Aggregate write-ins for gains and losses in surplus .....   | (4,040,464)             | 4,663,659                  | 7,395,891                       |
| 54. Net change in capital and surplus (Lines 37 through 53) .....   | 482,124                 | 14,744,983                 | 421,949                         |
| 55. Capital and surplus, as of statement date (Lines 36 + 54) .....   | 71,464,731              | 85,305,641                 | 70,982,607                      |
| <b>DETAILS OF WRITE-INS</b>   |                         |                            |                                 |
| 08.301. Sundry receipts and adjustments .....   | 0                       | 0                          | 322,906                         |
| 08.302. ....  | 0                       | 0                          | 0                               |
| 08.303. ....  | 0                       | 0                          | 0                               |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....  | 0                       | 0                          | 0                               |
| 08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above) .....   | 0                       | 0                          | 322,906                         |
| 2701. Sundry disbursements and adjustments .....  | 143,797                 | (228,087)                  | 0                               |
| 2702. Fines and penalties of regulatory authorities .....   | 529                     | 594                        | 2,310                           |
| 2703. ....  | 0                       | 0                          | 0                               |
| 2798. Summary of remaining write-ins for Line 27 from overflow page .....   | 0                       | 0                          | 0                               |
| 2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above) .....  | 144,326                 | (227,493)                  | 2,310                           |
| 5301. Additional admitted deferred tax asset .....  | (4,040,464)             | 4,663,659                  | 7,395,891                       |
| 5302. ....  | 0                       | 0                          | 0                               |
| 5303. ....  | 0                       | 0                          | 0                               |
| 5398. Summary of remaining write-ins for Line 53 from overflow page .....   | 0                       | 0                          | 0                               |
| 5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above) .....  | (4,040,464)             | 4,663,659                  | 7,395,891                       |

CASH FLOW

|  | 1<br>Current Year<br>To Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year Ended<br>December 31 |
|--|------------------------------|----------------------------|--------------------------------------|
| <b>Cash from Operations</b>  |                              |                            |                                      |
| 1. Premiums collected net of reinsurance.....  | 24,147,448                   | 24,125,505                 | 50,180,831                           |
| 2. Net investment income .....   | 13,550,380                   | 13,533,735                 | 27,264,701                           |
| 3. Miscellaneous income .....  | 15,244,781                   | 16,453,498                 | 32,445,622                           |
| 4. Total (Lines 1 to 3) .....  | 52,942,609                   | 54,112,738                 | 109,891,154                          |
| 5. Benefit and loss related payments .....   | 38,200,907                   | 48,825,038                 | 71,195,938                           |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                               | 0                            | 0                          | 0                                    |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....   | 8,512,548                    | 8,500,545                  | 17,789,943                           |
| 8. Dividends paid to policyholders .....   | 0                            | 0                          | 0                                    |
| 9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital<br>gains (losses).....                 | 0                            | 0                          | 6,994,526                            |
| 10. Total (Lines 5 through 9) .....  | 46,713,455                   | 57,325,583                 | 95,980,407                           |
| 11. Net cash from operations (Line 4 minus Line 10) .....  | 6,229,154                    | (3,212,845)                | 13,910,747                           |
| <b>Cash from Investments</b>   |                              |                            |                                      |
| 12. Proceeds from investments sold, matured or repaid:   |                              |                            |                                      |
| 12.1 Bonds .....   | 7,809,892                    | 12,476,516                 | 20,220,326                           |
| 12.2 Stocks .....  | 0                            | 0                          | 0                                    |
| 12.3 Mortgage loans .....  | 0                            | 0                          | 0                                    |
| 12.4 Real estate .....   | 0                            | 0                          | 0                                    |
| 12.5 Other invested assets .....   | 0                            | 0                          | 0                                    |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                                      | 18                           | 15                         | 15                                   |
| 12.7 Miscellaneous proceeds .....  | 0                            | 0                          | 0                                    |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....  | 7,809,910                    | 12,476,531                 | 20,220,341                           |
| 13. Cost of investments acquired (long-term only):   |                              |                            |                                      |
| 13.1 Bonds .....   | 33,120,672                   | 14,568,003                 | 27,448,792                           |
| 13.2 Stocks .....  | 0                            | 0                          | 0                                    |
| 13.3 Mortgage loans .....  | 0                            | 0                          | 0                                    |
| 13.4 Real estate .....   | 0                            | 0                          | 0                                    |
| 13.5 Other invested assets .....   | 0                            | 0                          | 0                                    |
| 13.6 Miscellaneous applications .....  | 0                            | 0                          | 0                                    |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....   | 33,120,672                   | 14,568,003                 | 27,448,792                           |
| 14. Net increase (or decrease) in contract loans and premium notes .....   | 1,380,376                    | 1,737,657                  | 3,529,407                            |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....  | (26,691,138)                 | (3,829,129)                | (10,757,858)                         |
| <b>Cash from Financing and Miscellaneous Sources</b>   |                              |                            |                                      |
| 16. Cash provided (applied):   |                              |                            |                                      |
| 16.1 Surplus notes, capital notes .....  | 0                            | 0                          | 0                                    |
| 16.2 Capital and paid in surplus, less treasury stock.....   | 0                            | 0                          | 0                                    |
| 16.3 Borrowed funds .....  | 0                            | 0                          | 0                                    |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....  | (75,000)                     | (101,022)                  | (147,022)                            |
| 16.5 Dividends to stockholders .....   | 0                            | 0                          | 0                                    |
| 16.6 Other cash provided (applied).....  | 513,916                      | (7,051,485)                | (630,594)                            |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5<br>plus Line 16.6)..... | 438,916                      | (7,152,507)                | (777,616)                            |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>   |                              |                            |                                      |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....                  | (20,023,068)                 | (14,194,481)               | 2,375,273                            |
| 19. Cash, cash equivalents and short-term investments:   |                              |                            |                                      |
| 19.1 Beginning of year.....  | 27,322,529                   | 24,947,256                 | 24,947,256                           |
| 19.2 End of period (Line 18 plus Line 19.1) .....  | 7,299,461                    | 10,752,775                 | 27,322,529                           |

EXHIBIT 1

| DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS                                |                              |                            |                                      |
|---|------------------------------|----------------------------|--------------------------------------|
|   | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year Ended<br>December 31 |
| 1. Industrial life .....  |                              | 0                          | 0                                    |
| 2. Ordinary life insurance .....  | 101,719,015                  | 107,683,637                | 221,204,298                          |
| 3. Ordinary individual annuities .....                                    | 15,000                       | 13,880                     | 20,785                               |
| 4. Credit life (group and individual) .....                               |                              | 0                          | 0                                    |
| 5. Group life insurance .....   |                              | 0                          | 0                                    |
| 6. Group annuities .....  |                              | 0                          | 0                                    |
| 7. A & H - group .....  |                              | 0                          | 0                                    |
| 8. A & H - credit (group and individual) .....                            |                              | 0                          | 0                                    |
| 9. A & H - other .....  |                              | 0                          | 0                                    |
| 10. Aggregate of all other lines of business .....                        | 0                            | 0                          | 0                                    |
| 11. Subtotal .....  | 101,734,015                  | 107,697,517                | 221,225,083                          |
| 12. Deposit-type contracts .....  |                              | 0                          | 0                                    |
| 13. Total   | 101,734,015                  | 107,697,517                | 221,225,083                          |
| DETAILS OF WRITE-INS  |                              |                            |                                      |
| 1001. ....  |                              | 0                          |                                      |
| 1002. ....  |                              | 0                          |                                      |
| 1003. ....  |                              | 0                          |                                      |
| 1098. Summary of remaining write-ins for Line 10 from overflow page ..... | 0                            | 0                          | 0                                    |
| 1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above)          | 0                            | 0                          | 0                                    |

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

There have been no significant changes since the annual statement filing.

- A. Accounting Practices  
The accompanying financial statements of U.S. Financial Life Insurance Company ("the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department ("SAP").

The Ohio Insurance Department recognizes only SAP for determining and reporting the financial condition and results of operation of an insurance company, in order to determine its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners ("NAIC SAP") *Accounting and Procedures* manual has been adopted as a component of prescribed or permitted practices by the State of Ohio. There are no material differences between accounting practices prescribed or permitted by NAIC SAP and by the State of Ohio.

- B. and C. No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

- A. - C. and E. - G. No significant change.

- D. Loan-backed Securities

The table below summarizes the amount of the Company's investment in loan-backed securities:

| <u>Assets</u>          | <u>Admitted Value</u><br><u>as of June 30, 2011</u> | <u>Fair Value</u><br><u>as of June 30, 2011</u> |
|------------------------|---|---|
| Loan-backed securities | 4,508,688   | 4,552,415                                       |

- (1) Prepayment assumptions for loan-backed bonds and structured securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is predominately used to value securities; the prospective adjustment method was used to value issues in default and issues that have a variable interest rate.

- (2) and (3) There are no loan-backed securities with a recognized other than temporary impairment as of June 30, 2011.

- (4) Impaired (fair value is less than amortized cost) loan-backed securities for which an other than temporary impairment has not been recognized as a realized loss as of June 30, 2011 are as follows:

|   | 1<br>Unrealized<br>Losses | 2<br>Fair Value |
|---|---------------------------|-----------------|
| Securities in continuous unrealized loss position < 12 months | -                         | -               |
| Securities in continuous unrealized loss position ≥ 12 months | 65,160                    | 3,487,206       |

The \$65,160 of unrealized losses includes \$65,160 of valuation allowances already recognized through surplus.

- (5) The Company's management, with the assistance of its investment advisors, monitors the investment performance of its portfolio. This review process culminates with a quarterly review of certain assets by the Company's Investments Under Surveillance Committee that evaluates whether any investments are other than temporarily impaired. The review considers an analysis of individual credit metrics of each insurer as well as industry fundamentals and the outlook for the future. Based on the analysis, a determination is made as to the ability of the issuer to service its debt obligation on an ongoing basis. If this ability is deemed to be impaired, then the appropriate provisions are taken.

NOTES TO FINANCIAL STATEMENTS

**Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

No significant change.

**Note 7 - Investment Income**

No significant change.

**Note 8 - Derivative Instruments**

No significant change.

**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**

A. - D. No significant change.

E. Other contingencies

Litigation

There have been no new material legal proceedings and no material developments in specific litigations previously reported in U. S. Financial Life Insurance Company's Notes to Financial Statements for the year ended December 31, 2010, except as set forth below:

Insurance Regulatory Matters

U. S. Financial Life Insurance Company, along with other life insurance industry companies, has been the subject of various examinations regarding its unclaimed property and escheatment procedures. For example, U. S. Financial Life Insurance Company has been contacted by a third party auditor on behalf of a number of U.S. state jurisdictions for compliance with unclaimed property laws of those jurisdictions. U. S. Financial Life Insurance Company is cooperating with these examinations.

**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**

No significant change.



NOTES TO FINANCIAL STATEMENTS

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

- A. and B. No significant change.
- C. Wash Sales

The Company did not sell any securities during the quarter ended June 30, 2011, which were reacquired within 30 days of the sale date.

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

No significant change.

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

No significant change.

Note 20 - Fair Value

(1) Fair Value Measurement at Reporting Date.

| Description                         | Level 1 | Level 2   | Level 3 | Total     |
|-------------------------------------|---------|-----------|---------|-----------|
| a. Assets at fair value :           |         |           |         |           |
| Preferred stock                     |         |           |         |           |
| Industrial and Misc                 | 0       | 0         | 0       | 0         |
| Parent, Subsidiaries and Affiliates | 0       | 0         | 0       | 0         |
| Total Preferred stock               | 0       | 0         | 0       | 0         |
| Bonds                               |         |           |         |           |
| Governments/Agencies                | 0       | 0         | 0       | 0         |
| Special Revenue/Special Assessment  | 0       | 0         | 0       | 0         |
| Mortgage Pass Throughs              | 0       | 0         | 0       | 0         |
| Collateral Mortgage Obligations     | 0       | 0         | 0       | 0         |
| Industrial and Misc                 | 0       | 3,487,206 | 0       | 3,487,206 |
| Hybrid Securities                   | 0       | 0         | 0       | 0         |
| Parent, Subsidiaries and Affiliates | 0       | 0         | 0       | 0         |
| Total Bonds                         | 0       | 3,487,206 | 0       | 3,487,206 |
| Common Stock                        |         |           |         |           |
| Industrial and Misc                 | 0       | 0         | 0       | 0         |
| Parent, Subsidiaries and Affiliates | 0       | 0         | 0       | 0         |
| Total Common Stock                  | 0       | 0         | 0       | 0         |
| Derivative assets                   |         |           |         |           |
| Swaps                               | 0       | 0         | 0       | 0         |
| Futures                             | 0       | 0         | 0       | 0         |
| Options                             | 0       | 0         | 0       | 0         |
| Floors                              | 0       | 0         | 0       | 0         |
| Swaptions                           | 0       | 0         | 0       | 0         |
| Total Derivatives                   | 0       | 0         | 0       | 0         |
| Separate account assets             | 0       | 0         | 0       | 0         |
| Total assets at fair value          | 0       | 3,487,206 | 0       | 3,487,206 |
| b. Liabilities at fair value:       |         |           |         |           |
| Derivative liabilities              | 0       | 0         | 0       | 0         |
| Total Liabilities at fair value     | 0       | 0         | 0       | 0         |

NOTES TO FINANCIAL STATEMENTS

(2) Fair value Measurements in Level 3 of the Fair value Hierarchy

|   | Balance as<br>of<br>01/01/2011 | Transfers<br>in Level 3 | Transfers<br>out Level 3 | Total<br>Gain/Loss<br>included in<br>Net Income | Total<br>Gain/Loss<br>included in<br>Surplus | Purchases/Sales<br>issuances &<br>settlements | Balance as of<br>06/30/2011 |
|---|--------------------------------|-------------------------|--------------------------|---|--|---|-----------------------------|
| CMBS/RMBS                                     | 0                              | 0                       | 0                        | 0   | 0  | 0   | 0                           |
| Preferred stock                               | 0                              | 0                       | 0                        | 0   | 0  | 0   | 0                           |
| Bonds   | 0                              | 0                       | 0                        | 0   | 0  | 0   | 0                           |
| Bonds-Parent, Subsidiaries and<br>Affiliates  | 0                              | 0                       | 0                        | 0   | 0  | 0   | 0                           |
| Hybrids                                       | 0                              | 0                       | 0                        | 0   | 0  | 0   | 0                           |
| Stocks  | 0                              | 0                       | 0                        | 0   | 0  | 0   | 0                           |
| Stocks-Parent, Subsidiaries and<br>Affiliates | 0                              | 0                       | 0                        | 0   | 0  | 0   | 0                           |
| Separate Account assets                       | 0                              | 0                       | 0                        | 0   | 0  | 0   | 0                           |
| Derivative assets                             | 0                              | 0                       | 0                        | 0   | 0  | 0   | 0                           |
| Total   | 0                              | 0                       | 0                        | 0   | 0  | 0   | 0                           |

**Note 21 - Other Items**

No significant change.

**Note 22 - Events Subsequent**

No significant change.

**Note 23 - Reinsurance**

No significant change.

**Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination**

No significant change.

**Note 25 - Change in Incurred Losses and Loss Adjustment Expenses**

There are no material changes in the provision for incurred loss and loss adjustment expenses attributable to insured events of prior years.

**Note 26 - Intercompany Pooling Arrangements**

No significant change.

**Note 27 - Structured Settlements**

No significant change.

**Note 28 - Health Care Receivables**

No significant change.

**Note 29 - Participating Policies**

No significant change.

**Note 30 - Premium Deficiency Reserves**

No significant change.

NOTES TO FINANCIAL STATEMENTS

**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**

No significant change.

**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 ☒
- 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 ☐ No ☒
- 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 ☒
- 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 ☒
- 4.2

If yes, provide the 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              | 2                 | 3                 |
|----------------|-------------------|-------------------|
| Name of Entity | NAIC Company Code | 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 ☒ NA ☐
- 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.

12/31/2010
- 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.

12/31/2005
- 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).

10/31/2006
- 6.4

By what department or departments?

State of 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 ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 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 ☒
- 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 ☒
- 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 ☐
- 8.4

If 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  | 2                         | 3   | 4   | 5   | 6    | 7   |
|--|---------------------------|-----|-----|-----|------|-----|
| Affiliate Name                                   | Location<br>(City, State) | FRB | OCC | OTS | FDIC | SEC |
| AllianceBernstein Investments, Inc.              | New York, NY              |     |     |     |      | YES |
| Alliance Corporate Finance Group, Inc.           | New York, NY              |     |     |     |      | YES |
| AllianceBernstein Corporation                    | New York, NY              |     |     |     |      | YES |
| AllianceBernstein Global Derivatives Corporation | New York, NY              |     |     |     |      | YES |
| AllianceBernstein Holding LP                     | New York, NY              |     |     |     |      | YES |
| AllianceBernstein LP                             | New York, NY              |     |     |     |      | YES |
| Sanford C. Bernstein \$ Co. LLC                  | New York, NY              |     |     |     |      | YES |
| AXA Advisors LLC                                 | New York, NY              |     |     |     |      | YES |
| AXA Distributors LLC                             | New York, NY              |     |     |     |      | YES |
| AXA Equitable Life Insurance Company             | New York, NY              |     |     |     |      | YES |
| AXA Investment Managers, Inc.                    | Greenwich, CT             |     |     |     |      | YES |
| AXA Private Equity (US) LLC                      | New York, NY              |     |     |     |      | YES |
| AXA Rosenberg Investment Management LLC          | Orinda, CA                |     |     |     |      | YES |

GENERAL INTERROGATORIES

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

Yes [X] No [ ]
- 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]
- 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 [ ] No [X]
- 14.2

If yes, please complete the following:

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

- 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.

GENERAL INTERROGATORIES

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:

| <sup>1</sup><br>Name of Custodian(s) | <sup>2</sup><br>Custodian Address        |
|--------------------------------------|--|
| JP Morgan Chase.....                 | 270 Park Avenue, New York, NY 10017..... |

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:

| <sup>1</sup><br>Name(s) | <sup>2</sup><br>Location(s) | <sup>3</sup><br>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:

| <sup>1</sup><br>Old Custodian | <sup>2</sup><br>New Custodian | <sup>3</sup><br>Date of Change | <sup>4</sup><br>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:

| <sup>1</sup><br>Central Registration Depository | <sup>2</sup><br>Name(s)                       | <sup>3</sup><br>Address   |
|---|---|---|
| 902.....  | Adelante Capital Management.....              | 555 12th Street, Suite 2100, Oakland, CA 94607.....                         |
| 902.....  | Albion Investors LLC.....                     | 1345 Avenue of the Americas, New York, NY 10105.....                        |
| 902.....  | AllianceBernstein LP.....                     | 1345 Avenue of the Americas, New York, NY 10105.....                        |
| 902.....  | Hyperion Brookfield Asset Management Inc..... | 3 WFC, 200 Vesey Street, 10th Floor, NYC, NY 10281-1010.....                |
| 902.....  | Morgan Stanley.....                           | 3424 Peachtree Road N. E., Suite 800, Atlanta, GA 30326.....                |
| 902.....  | Quadrant Real Estate Advisors.....            | 200 Deerfield Point, 12735 Morris Rd., Suite 100, Alpharetta, GA 30004..... |
| 902.....  | Rabo Agrifinance.....                         | One CitiPlace Drive, Suite 200, St. Louis, MO 63141.....                    |

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  
PART 2 - LIFE & HEALTH

|   |                        |
|---|------------------------|
| 1. Report the statement value of mortgage loans at the end of this reporting period for the following categories: | <sup>1</sup><br>Amount |
| 1.1 Long-Term Mortgages In Good Standing  |                        |
| 1.11 Farm Mortgages .....   | \$ .....               |
| 1.12 Residential Mortgages .....  | \$ .....               |
| 1.13 Commercial Mortgages .....   | \$ .....               |
| 1.14 Total Mortgages in Good Standing .....   | \$ <u>0</u>            |
| 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 Mortgages 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.....  | \$ <u>0</u>            |
| 1.4 Long-Term Mortgages 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.....   | \$ <u>0</u>            |
| 1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2).....               | \$ <u>0</u>            |
| 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 .....  | \$ <u>0</u>            |
| 2. Operating Percentages:   |                        |
| 2.1 A&H loss percent.....   | .....%                 |
| 2.2 A&H cost containment percent .....  | .....%                 |
| 2.3 A&H expense percent excluding cost containment expenses.....  | .....%                 |
| 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.....                       | \$ <u>0</u>            |
| 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.....                    | \$ <u>0</u>            |

**STATEMENT AS OF JUNE 30, 2011 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

## SCHEDULE S - CEDED REINSURANCE

### Showing All New Reinsurance Treaties

| 1                    | 2                    | 3                 | 4                 | 5                           | 6                            | 7  |
|----------------------|----------------------|-------------------|-------------------|-----------------------------|------------------------------|--|
| NAIC<br>Company Code | Federal<br>ID Number | Effective<br>Date | Name of Reinsurer | Domiciliary<br>Jurisdiction | Type of<br>Reinsurance Ceded | Is Insurer<br>Authorized?<br>(Yes or No) |
|                      |                      |                   | NONE              |                             |                              |  |



SCHEDULE T – PREMIUMS AND ANNUITY CONSIDERATIONS

| Current Year To Date - Allocated by States and Territories                                 |               |                         |                        |   |                      |                           |                          |
|--|---------------|-------------------------|------------------------|---|----------------------|---------------------------|--------------------------|
| States, Etc.   | 1             | Direct Business Only    |                        |   |                      |                           |                          |
|  |               | Life Contracts          |                        | 4   | 5                    | 6                         | 7                        |
|  |               | 2                       | 3                      |   |                      |                           |                          |
|  | 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          | 2,251,424               | 0                      |   |                      | 2,251,424                 |                          |
| 2. Alaska  | AK L          | 119,064                 | 0                      |   |                      | 119,064                   |                          |
| 3. Arizona   | AZ L          | 1,388,722               | 0                      |   |                      | 1,388,722                 |                          |
| 4. Arkansas  | AR L          | 943,563                 | 0                      |   |                      | 943,563                   |                          |
| 5. California  | CA L          | 8,550,614               | 0                      |   |                      | 8,550,614                 |                          |
| 6. Colorado  | CO L          | 1,887,104               | 0                      |   |                      | 1,887,104                 |                          |
| 7. Connecticut   | CT L          | 1,932,180               | 0                      |   |                      | 1,932,180                 |                          |
| 8. Delaware  | DE L          | 561,616                 | 0                      |   |                      | 561,616                   |                          |
| 9. District of Columbia  | DC L          | 89,526                  | 0                      |   |                      | 89,526                    |                          |
| 10. Florida  | FL L          | 6,720,421               | 0                      |   |                      | 6,720,421                 |                          |
| 11. Georgia  | GA L          | 3,393,547               | 0                      |   |                      | 3,393,547                 |                          |
| 12. Hawaii   | HI L          | 264,970                 | 0                      |   |                      | 264,970                   |                          |
| 13. Idaho  | ID L          | 323,833                 | 0                      |   |                      | 323,833                   |                          |
| 14. Illinois   | IL L          | 4,623,320               | 0                      |   |                      | 4,623,320                 |                          |
| 15. Indiana  | IN L          | 2,159,591               | 2,075                  |   |                      | 2,161,666                 |                          |
| 16. Iowa   | IA L          | 1,085,770               | 0                      |   |                      | 1,085,770                 |                          |
| 17. Kansas   | KS L          | 1,313,518               | 0                      |   |                      | 1,313,518                 |                          |
| 18. Kentucky   | KY L          | 1,780,461               | 7,000                  |   |                      | 1,787,461                 |                          |
| 19. Louisiana  | LA L          | 1,155,370               | 0                      |   |                      | 1,155,370                 |                          |
| 20. Maine  | ME L          | 456,814                 | 0                      |   |                      | 456,814                   |                          |
| 21. Maryland   | MD L          | 2,077,501               | 0                      |   |                      | 2,077,501                 |                          |
| 22. Massachusetts  | MA L          | 2,805,934               | 0                      |   |                      | 2,805,934                 |                          |
| 23. Michigan   | MI L          | 5,280,445               | 2,425                  |   |                      | 5,282,870                 |                          |
| 24. Minnesota  | MN L          | 2,259,962               | 0                      |   |                      | 2,259,962                 |                          |
| 25. Mississippi  | MS L          | 1,793,013               | 0                      |   |                      | 1,793,013                 |                          |
| 26. Missouri   | MO L          | 2,483,738               | 3,000                  |   |                      | 2,486,738                 |                          |
| 27. Montana  | MT L          | 317,367                 | 0                      |   |                      | 317,367                   |                          |
| 28. Nebraska   | NE L          | 793,445                 | 0                      |   |                      | 793,445                   |                          |
| 29. Nevada   | NV L          | 395,245                 | 0                      |   |                      | 395,245                   |                          |
| 30. New Hampshire  | NH L          | 459,133                 | 0                      |   |                      | 459,133                   |                          |
| 31. New Jersey   | NJ L          | 3,044,275               | 0                      |   |                      | 3,044,275                 |                          |
| 32. New Mexico   | NM L          | 397,891                 | 0                      |   |                      | 397,891                   |                          |
| 33. New York   | NY N          | 915,182                 | 0                      |   |                      | 915,182                   |                          |
| 34. North Carolina   | NC L          | 4,458,463               | 0                      |   |                      | 4,458,463                 |                          |
| 35. North Dakota   | ND L          | 570,700                 | 0                      |   |                      | 570,700                   |                          |
| 36. Ohio   | OH L          | 6,177,851               | 0                      |   |                      | 6,177,851                 |                          |
| 37. Oklahoma   | OK L          | 1,118,623               | 0                      |   |                      | 1,118,623                 |                          |
| 38. Oregon   | OR L          | 924,210                 | 0                      |   |                      | 924,210                   |                          |
| 39. Pennsylvania   | PA L          | 5,314,343               | 0                      |   |                      | 5,314,343                 |                          |
| 40. Rhode Island   | RI L          | 487,315                 | 0                      |   |                      | 487,315                   |                          |
| 41. South Carolina   | SC L          | 2,072,545               | 0                      |   |                      | 2,072,545                 |                          |
| 42. South Dakota   | SD L          | 696,960                 | 0                      |   |                      | 696,960                   |                          |
| 43. Tennessee  | TN L          | 4,058,551               | 0                      |   |                      | 4,058,551                 |                          |
| 44. Texas  | TX L          | 9,552,841               | 500                    |   |                      | 9,553,341                 |                          |
| 45. Utah   | UT L          | 1,283,004               | 0                      |   |                      | 1,283,004                 |                          |
| 46. Vermont  | VT L          | 303,825                 | 0                      |   |                      | 303,825                   |                          |
| 47. Virginia   | VA L          | 1,649,960               | 0                      |   |                      | 1,649,960                 |                          |
| 48. Washington   | WA L          | 1,791,128               | 0                      |   |                      | 1,791,128                 |                          |
| 49. West Virginia  | WV L          | 325,409                 | 0                      |   |                      | 325,409                   |                          |
| 50. Wisconsin  | WI L          | 2,084,471               | 0                      |   |                      | 2,084,471                 |                          |
| 51. Wyoming  | WY L          | 256,630                 | 0                      |   |                      | 256,630                   |                          |
| 52. American Samoa   | AS N          |                         |                        |   |                      | 0                         |                          |
| 53. Guam   | GU N          | 1,433                   |                        |   |                      | 1,433                     |                          |
| 54. Puerto Rico  | PR N          | 1,802                   |                        |   |                      | 1,802                     |                          |
| 55. US Virgin Islands  | VI N          | 4,278                   | 9                      |   |                      | 4,287                     |                          |
| 56. Northern Mariana Islands   | MP N          |                         |                        |   |                      | 0                         |                          |
| 57. Canada   | CN N          | 74,683                  |                        |   |                      | 74,683                    |                          |
| 58. Aggregate Other Alien  | OT XXX        | 34,721                  | 0                      | 0   | 0                    | 34,721                    | 0                        |
| 59. Subtotal   | (a) 50        | 107,268,305             | 15,009                 | 0   | 0                    | 107,283,314               | 0                        |
| 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           |                         |                        |   |                      | 0                         |                          |
| 94. Aggregate other amounts not allocable by State   | XXX           | 0                       | 0                      | 0   | 0                    | 0                         | 0                        |
| 95. Totals (Direct Business)   | XXX           | 107,268,305             | 15,009                 | 0   | 0                    | 107,283,314               | 0                        |
| 96. Plus Reinsurance Assumed   | XXX           |                         |                        |   |                      | 0                         |                          |
| 97. Totals (All Business)  | XXX           | 107,268,305             | 15,009                 | 0   | 0                    | 107,283,314               | 0                        |
| 98. Less Reinsurance Ceded   | XXX           | 83,135,866              |                        |   |                      | 83,135,866                |                          |
| 99. Totals (All Business) less Reinsurance Ceded   | XXX           | 24,132,439              | 15,009                 | 0   | 0                    | 24,147,448                | 0                        |
| DETAILS OF WRITE-INS   |               |                         |                        |   |                      |                           |                          |
| 5801. Other Alien  | XXX           | 34,721                  | 0                      |   |                      | 34,721                    |                          |
| 5802.  | XXX           |                         |                        |   |                      |                           |                          |
| 5803.  | XXX           |                         |                        |   |                      |                           |                          |
| 5898. Summary of remaining write-ins for Line 58 from overflow page                        | XXX           | 0                       | 0                      | 0   | 0                    | 0                         | 0                        |
| 5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)                              | XXX           | 34,721                  | 0                      | 0   | 0                    | 34,721                    | 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. Totals (Lines 9401 through 9403 + 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**

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..... |

Explanation:

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

Bar Code:

1.

84530201149000002

2.

84530201136500002

3.

84530201144500002

4.

84530201144600002

5.

84530201144700002

6.

84530201144800002

7.



OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

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

SCHEDULE B – VERIFICATION

Mortgage Loans

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

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D – VERIFICATION

Bonds and Stocks

|   | 1            | 2                               |
|---|--------------|---------------------------------|
|   | Year To Date | Prior Year Ended<br>December 31 |
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....      | 489,690,057  | 482,214,122                     |
| 2. Cost of bonds and stocks acquired .....  | 33,120,672   | 27,448,792                      |
| 3. Accrual of discount .....  | 217,409      | 416,529                         |
| 4. Unrealized valuation increase (decrease) .....   | (65,160)     | 0                               |
| 5. Total gain (loss) on disposals .....   | 46,571       | 944,605                         |
| 6. Deduct consideration for bonds and stocks disposed of .....                            | 7,809,892    | 20,220,326                      |
| 7. Deduct amortization of premium .....   | 549,436      | 1,113,665                       |
| 8. Total foreign exchange change in book/adjusted carrying value .....                    | 0            | 0                               |
| 9. Deduct current year's other than temporary impairment recognized .....                 | 0            | 0                               |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) ..... | 514,650,221  | 489,690,057                     |
| 11. Deduct total nonadmitted amounts .....  | 0            | 0                               |
| 12. Statement value at end of current period (Line 10 minus Line 11) .....                | 514,650,221  | 489,690,057                     |

STATEMENT AS OF JUNE 30, 2011 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

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<br>Book/Adjusted<br>Carrying Value<br>Beginning of<br>Current Quarter | 2<br>Acquisitions<br>During<br>Current Quarter | 3<br>Dispositions<br>During<br>Current Quarter | 4<br>Non-Trading<br>Activity<br>During<br>Current Quarter | 5<br>Book/Adjusted<br>Carrying Value<br>End of<br>First Quarter | 6<br>Book/Adjusted<br>Carrying Value<br>End of<br>Second Quarter | 7<br>Book/Adjusted<br>Carrying Value<br>End of<br>Third Quarter | 8<br>Book/Adjusted<br>Carrying Value<br>December 31<br>Prior Year |
|-----------------------------------|---|--|--|---|---|--|---|---|
| <b>BONDS</b>                      |   |  |  |   |   |  |   |   |
| 1. Class 1 (a).....               | 368,829,048   | 21,417,873                                     | 15,459,097                                     | 2,894,208   | 368,829,048   | 377,682,032  | 0   | 363,650,319   |
| 2. Class 2 (a).....               | 137,297,890   | 1,346,299                                      | 0  | (4,042,136)   | 137,297,890   | 134,602,053  | 0   | 136,715,833   |
| 3. Class 3 (a).....               | 12,381,596  | 0  | 0  | 1,002,290   | 12,381,596  | 13,383,886   | 0   | 12,380,252  |
| 4. Class 4 (a).....               | 982,300   | 0  | 0  | 0   | 982,300   | 982,300  | 0   | 982,300   |
| 5. Class 5 (a).....               | 3,589,224   | 0  | 0  | (3,589,224)   | 3,589,224   | 0  | 0   | 0   |
| 6. Class 6 (a).....               | 380,200   | 0  | 14,888   | 3,502,094   | 380,200   | 3,867,406  | 0   | 380,200   |
| 7. Total Bonds                    | 523,460,258   | 22,764,172                                     | 15,473,985                                     | (232,768)   | 523,460,258   | 530,517,677  | 0   | 514,108,904   |
| <b>PREFERRED STOCK</b>            |   |  |  |   |   |  |   |   |
| 8. Class 1 .....                  | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 9. Class 2 .....                  | 3,990,630   | 0  | 0  | 0   | 3,990,630   | 3,990,630  | 0   | 3,990,630   |
| 10. Class 3 .....                 | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 11. Class 4 .....                 | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 12. Class 5 .....                 | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 13. Class 6 .....                 | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 14. Total Preferred Stock.....    | 3,990,630   | 0  | 0  | 0   | 3,990,630   | 3,990,630  | 0   | 3,990,630   |
| 15. Total Bonds & Preferred Stock | 527,450,888   | 22,764,172                                     | 15,473,985                                     | (232,768)   | 527,450,888   | 534,508,307  | 0   | 518,099,534   |

(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

SCHEDULE DA - PART 1  
Short-Term Investments

|         | 1                               | 2         | 3           | 4                                  | 5  |
|---------|---------------------------------|-----------|-------------|------------------------------------|--|
|         | Book/Adjusted<br>Carrying Value | Par Value | Actual Cost | Interest Collected<br>Year To Date | Paid for Accrued<br>Interest<br>Year To Date |
| 9199999 | 17,308,114                      | XXX       | 17,308,114  | 4,908                              | 0  |

SCHEDULE DA - VERIFICATION  
Short-Term Investments

|  | 1            | 2                               |
|--|--------------|---------------------------------|
|  | Year To Date | Prior Year<br>Ended December 31 |
| 1. Book/adjusted carrying value, December 31 of prior year.....                          | 18,209,631   | 6,545,166                       |
| 2. Cost of short-term investments acquired .....   | 22,470,483   | 106,031,465                     |
| 3. Accrual of discount .....   | 0            | 0                               |
| 4. Unrealized valuation increase (decrease).....   | 0            | 0                               |
| 5. Total gain (loss) on disposals .....  | 0            | 0                               |
| 6. Deduct consideration received on disposals .....                                      | 23,372,000   | 94,367,000                      |
| 7. Deduct amortization of premium.....   | 0            | 0                               |
| 8. Total foreign exchange change in book/adjusted carrying value.....                    | 0            | 0                               |
| 9. Deduct current year's other than temporary impairment recognized.....                 | 0            | 0                               |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 17,308,114   | 18,209,631                      |
| 11. Deduct total nonadmitted amounts.....  | 0            | 0                               |
| 12. Statement value at end of current period (Line 10 minus Line 11)                     | 17,308,114   | 18,209,631                      |



Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E - VERIFICATION  
(Cash Equivalents)

|   | 1<br>Year To<br>Date | 2<br>Prior Year<br>Ended December 31 |
|---|----------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year.....                           | 10,199,843           | 0                                    |
| 2. Cost of cash equivalents acquired .....  | 37,198,443           | 105,294,237                          |
| 3. Accrual of discount .....  | 1,473                | 5,531                                |
| 4. Unrealized valuation increase (decrease) .....   | 0                    | 0                                    |
| 5. Total gain (loss) on disposals.....  | 18                   | 15                                   |
| 6. Deduct consideration received on disposals .....                                       | 44,849,804           | 95,099,940                           |
| 7. Deduct amortization of premium .....   | 0                    | 0                                    |
| 8. Total foreign exchange change in book/adjusted carrying value .....                    | 0                    | 0                                    |
| 9. Deduct current year's other than temporary impairment recognized .....                 | 0                    | 0                                    |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) ..... | 2,549,973            | 10,199,843                           |
| 11. Deduct total nonadmitted amounts .....  | 0                    | 0                                    |
| 12. Statement value at end of current period (Line 10 minus Line 11)                      | 2,549,973            | 10,199,843                           |

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

**STATEMENT AS OF JUNE 30, 2011 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

## SCHEDULE D - PART 3

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

[illegible]

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

E04

## E05

| CUSIP Identification   | Description              | 3<br><br>F<br>o<br>r<br>e<br>i<br>g<br>n | 4<br><br>Disposal Date | 5<br><br>Name of Purchaser | 6<br><br>Number of Shares of Stock | 7<br><br>Consideration | 8<br><br>Par Value | 9<br><br>Actual Cost | 10<br><br>Prior Year Book/Adjusted Carrying Value | Change in Book/Adjusted Carrying Value              |  |   |  |  | 16<br><br>Book/ Adjusted Carrying Value at Disposal Date | 17<br><br>Foreign Exchange Gain (Loss) on Disposal | 18<br><br>Realized Gain (Loss) on Disposal | 19<br><br>Total Gain (Loss) on Disposal | 20<br><br>Bond Interest/Stock Dividends Received During Year | 21<br><br>Maturity Date | 22<br><br>NAIC Designation or Market Indicator (a) |
|--|--------------------------|--|------------------------|----------------------------|------------------------------------|------------------------|--------------------|----------------------|---|---|--|---|--|--|--|--|--|---|--|-------------------------|--|
|  |                          |  |                        |                            |                                    |                        |                    |                      |   | 11<br><br>Unrealized Valuation Increase/ (Decrease) | 12<br><br>Current Year's (Amortization)/ Accretion | 13<br><br>Current Year's Other Than Temporary Impairment Recognized | 14<br><br>Total Change in B./A.C.V. (11+12-13) | 15<br><br>Total Foreign Exchange Change in B./A.C.V. |  |  |  |   |  |                         |  |
| Bonds - U.S. Governments   |                          |  |                        |                            |                                    |                        |                    |                      |   |   |  |   |  |  |  |  |  |   |  |                         |  |
| 36201N-K9-0...   | GOVERNMENT NATL MTG ASSN |  | 06/01/2011             | MBS PAYDOWN                |                                    | 2,263                  | 2,263              | 2,343                | 2,268   | 0   | (4)  | 0   | (4)  | 0  | 2,263  | 0  | 0  | 0                                       | 57   | 09/01/2031              | 1  |
| 36210T-02-5...   | GOVERNMENT NATL MTG ASSN |  | 06/01/2011             | MBS PAYDOWN                |                                    | 47,401                 | 47,401             | 49,297               | 47,625  | 0   | (225)  | 0   | (225)  | 0  | 47,401   | 0  | 0  | 0                                       | 1,262  | 11/01/2027              | 1  |
| 36210X-T7-2...   | GOVERNMENT NATL MTG ASSN |  | 06/01/2011             | MBS PAYDOWN                |                                    | 811                    | 811                | 843                  | 811   | 0   | (1)  | 0   | (1)  | 0  | 811  | 0  | 0  | 0                                       | 20   | 04/01/2025              | 1  |
| 36213E-P0-3...   | GOVERNMENT NATL MTG ASSN |  | 06/01/2011             | MBS PAYDOWN                |                                    | 18,376                 | 18,376             | 18,317               | 18,374  | 0   | 2  | 0   | 2  | 0  | 18,376   | 0  | 0  | 0                                       | 527  | 06/01/2030              | 1  |
| 0599999 - Bonds - U.S. Governments   |                          |  |                        |                            |                                    | 68,851                 | 68,851             | 70,900               | 69,078  | 0   | (228)  | 0   | (228)  | 0  | 68,851   | 0  | 0  | 0                                       | 1,866  | XXX                     | XXX  |
| Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions           |                          |  |                        |                            |                                    |                        |                    |                      |   |   |  |   |  |  |  |  |  |   |  |                         |  |
| 312903-KT-3...   | FED HOME LOAN MTG CORP   |  | 06/15/2011             | MBS PAYDOWN                |                                    | 1,125                  | 1,125              | 1,152                | 1,126   | 0   | (1)  | 0   | (1)  | 0  | 1,125  | 0  | 0  | 0                                       | 40   | 06/15/2017              | 1  |
| 312905-WS-7...   | FED HOME LOAN MTG CORP   |  | 06/01/2011             | MBS PAYDOWN                |                                    | 1,016                  | 1,016              | 1,040                | 1,016   | 0   | 0  | 0   | 0  | 0  | 1,016  | 0  | 0  | 0                                       | 33   | 02/01/2019              | 1  |
| 312909-A4-6...   | FED HOME LOAN MTG CORP   |  | 06/01/2011             | MBS PAYDOWN                |                                    | 4,289                  | 4,289              | 4,504                | 4,296   | 0   | (6)  | 0   | (6)  | 0  | 4,289  | 0  | 0  | 0                                       | 145  | 11/01/2012              | 1  |
| 3133T6-M8-1...   | FED HOME LOAN MTG CORP   |  | 06/01/2011             | MBS PAYDOWN                |                                    | 6,489                  | 6,489              | 6,083                | 6,473   | 0   | 16   | 0   | 16   | 0  | 6,489  | 0  | 0  | 0                                       | 153  | 05/01/2025              | 1  |
| 31340Y-FN-4...   | FED HOME LOAN MTG CORP   |  | 06/15/2011             | MBS PAYDOWN                |                                    | 1,514                  | 1,514              | 1,566                | 1,516   | 0   | (1)  | 0   | (1)  | 0  | 1,514  | 0  | 0  | 0                                       | 60   | 01/15/2019              | 1  |
| 31358E-JG-8...   | FED NATIONAL MTG ASSN    |  | 06/01/2011             | MBS PAYDOWN                |                                    | 480                    | 480                | 416                  | 478   | 0   | 2  | 0   | 2  | 0  | 480  | 0  | 0  | 0                                       | 14   | 04/01/2020              | 1  |
| 31358E-0E-5...   | FED NATIONAL MTG ASSN    |  | 06/01/2011             | MBS PAYDOWN                |                                    | 2,286                  | 2,286              | 2,353                | 2,287   | 0   | (1)  | 0   | (1)  | 0  | 2,286  | 0  | 0  | 0                                       | 86   | 05/01/2020              | 1  |
| 31358J-SN-2...   | FED NATIONAL MTG ASSN    |  | 06/01/2011             | MBS PAYDOWN                |                                    | 612                    | 612                | 625                  | 612   | 0   | 0  | 0   | 0  | 0  | 612  | 0  | 0  | 0                                       | 21   | 06/01/2021              | 1  |
| 31358L-JB-3...   | FED NATIONAL MTG ASSN    |  | 06/01/2011             | MBS PAYDOWN                |                                    | 795                    | 795                | 810                  | 795   | 0   | 0  | 0   | 0  | 0  | 795  | 0  | 0  | 0                                       | 28   | 08/01/2021              | 1  |
| 31359D-6L-2...   | FED NATIONAL MTG ASSN    |  | 06/01/2011             | MBS PAYDOWN                |                                    | 14,932                 | 14,932             | 14,274               | 14,912  | 0   | 21   | 0   | 21   | 0  | 14,932   | 0  | 0  | 0                                       | 403  | 04/01/2022              | 1  |
| 3837HO-OK-2...   | GOVERNMENT NATL MTG ASSN |  | 06/01/2011             | MBS PAYDOWN                |                                    | 8,181                  | 8,181              | 7,889                | 8,174   | 0   | 7  | 0   | 7  | 0  | 8,181  | 0  | 0  | 0                                       | 240  | 03/01/2025              | 1  |
| 3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions |                          |  |                        |                            |                                    | 41,719                 | 41,719             | 40,712               | 41,685  | 0   | 37   | 0   | 37   | 0  | 41,719   | 0  | 0  | 0                                       | 1,223  | XXX                     | XXX  |
| Bonds - Industrial and Miscellaneous (Unaffiliated)  |                          |  |                        |                            |                                    |                        |                    |                      |   |   |  |   |  |  |  |  |  |   |  |                         |  |
| 74955E-AA-7...   | RGS (1&M) FUNDING CORP   |  | 06/07/2011             | SINKING FUND REDEMPTION    |                                    | 14,888                 | 14,888             | 20,036               | 15,045  | 0   | (157)  | 0   | (157)  | 0  | 14,888   | 0  | 0  | 0                                       | 730  | 12/07/2022              | 6FE  |
| 921796-LE-6...   | VANDERBILT MTGE FINANCE  |  | 06/01/2011             | MBS PAYDOWN                |                                    | 18,416                 | 18,416             | 18,414               | 18,416  | 0   | 0  | 0   | 0  | 0  | 18,416   | 0  | 0  | 0                                       | 503  | 12/01                   |  |

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

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE



## SCHEDULE E - PART 2 - CASH EQUIVALENTS

[illegible]