



QUARTERLY STATEMENT

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

Family Heritage Life Insurance Company of  
America

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

NAIC Company Code..... 77968

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

Organized under the Laws of Ohio

State of Domicile or Port of Entry Ohio

Country of Domicile US

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

Commenced Business..... November 17, 1989

Statutory Home Office

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

Main Administrative Office

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

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

Mail Address

P. O. Box 470608..... Cleveland ..... OH ..... 44147-0608  
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records

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

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

Internet Web Site Address

www.FamilyHeritageLife.com

Statutory Statement Contact

John A. Wise  
(Name)

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

acctdept@familyheritagelife.com  
(E-Mail Address)

440-922-5120  
(Fax Number)

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

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

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

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

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

Subscribed and sworn to before me

a. Is this an original filing? Yes [ X ] No [ ]

This day of

b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Statement Date			4
	1	2	3	December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	457,377,787		457,377,787	417,703,247
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....(964,773)), cash equivalents (\$.....12,336,311) and short-term investments (\$.....37,438).....	11,408,976		11,408,976	7,132,463
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....	612,977		612,977	628,443
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	469,399,740	.0	469,399,740	425,464,153
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	1,332,880		1,332,880	1,118,060
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,607,396		1,607,396	1,618,154
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	176,990		176,990	142,735
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	302,098		302,098	292,098
18.2 Net deferred tax asset.....	17,920,561	14,445,561	3,475,000	3,175,000
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....	394,949	243,953	150,996	124,601
21. Furniture and equipment, including health care delivery assets (\$.....0).....	82,155	82,155	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	9,374,809	9,374,809	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	500,591,578	24,146,478	476,445,100	431,934,801
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	500,591,578	24,146,478	476,445,100	431,934,801

DETAILS OF WRITE-INS

1101. ....			.0	
1102. ....			.0	
1103. ....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Agent Balances.....	8,624,110	8,624,110	.0	
2502. Prepaid Expenses.....	710,202	710,202	.0	
2503. Other Assets Non-Admitted.....	40,497	40,497	.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	9,374,809	9,374,809	.0	.0

Family Heritage Life Insurance Company of America  
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....1,061,252 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	.....1,061,252	.....866,680
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	.....398,354,576	.....359,321,740
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve).....		
4. Contract claims:		
4.1 Life.....		
4.2 Accident and health.....	.....11,489,475	.....11,438,469
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid.....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums.....		
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including \$.....0 accident and health experience rating refunds.....		
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....14,781 ceded.....	.....14,781	.....11,156
9.4 Interest Maintenance Reserve.....	.....136,288	.....35,331
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	.....345,300	.....365,200
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued.....	.....4,518,369	.....4,174,318
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes.....	.....902,750	.....1,119,000
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....		
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	.....534,659	.....524,261
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve.....	.....316,000	.....320,000
24.02 Reinsurance in unauthorized companies.....		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....		
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....	.....5,156,001	.....5,000,000
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	.....509,775	.....427,511
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	.....423,339,226	.....383,603,666
27. From Separate Accounts statement.....		
28. Total liabilities (Lines 26 and 27).....	.....423,339,226	.....383,603,666
29. Common capital stock.....	.....2,556,950	.....2,556,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	.....0	.....0
32. Surplus notes.....		
33. Gross paid in and contributed surplus.....	.....32,646,050	.....3,647,000
34. Aggregate write-ins for special surplus funds.....	.....0	.....0
35. Unassigned funds (surplus).....	.....17,902,874	.....42,128,135
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	.....50,548,924	.....45,775,135
38. Totals of Lines 29, 30 and 37.....	.....53,105,874	.....48,331,135
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	.....476,445,100	.....431,934,801

DETAILS OF WRITE-INS		
2501. Unclaimed Property.....	.....509,775	.....427,511
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....509,775	.....427,511
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	.....0	.....0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	.....0	.....0
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.....0	.....0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.....0	.....0

SUMMARY OF OPERATIONS

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts.....	119,484,577	108,032,207	145,867,627
2. Considerations for supplementary contracts with life contingencies.....			
3. Net investment income.....	17,764,480	15,646,477	20,833,507
4. Amortization of Interest Maintenance Reserve (IMR).....	10,088	2,340	3,124
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....			
6. Commissions and expense allowances on reinsurance ceded.....	342,590	274	13,479
7. Reserve adjustments on reinsurance ceded.....			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....			
8.2 Charges and fees for deposit-type contracts.....			
8.3 Aggregate write-ins for miscellaneous income.....	0	47,179	47,179
9. Totals (Lines 1 to 8.3).....	137,601,735	123,728,477	166,764,916
10. Death benefits.....	10,000	7,172	15,018
11. Matured endowments (excluding guaranteed annual pure endowments).....			
12. Annuity benefits.....			
13. Disability benefits and benefits under accident and health contracts.....	31,181,288	22,761,213	32,199,575
14. Coupons, guaranteed annual pure endowments and similar benefits.....			
15. Surrender benefits and withdrawals for life contracts.....	1,331	11,298	13,585
16. Group conversions.....			
17. Interest and adjustments on contract or deposit-type contract funds.....		21	21
18. Payments on supplementary contracts with life contingencies.....			
19. Increase in aggregate reserves for life and accident and health contracts.....	39,227,408	39,719,395	52,454,979
20. Totals (Lines 10 to 19).....	70,420,027	62,499,099	84,683,178
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	29,562,237	27,308,100	36,630,967
22. Commissions and expense allowances on reinsurance assumed.....			
23. General insurance expenses.....	15,731,211	14,409,287	18,204,631
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	2,876,179	2,693,992	3,654,119
25. Increase in loading on deferred and uncollected premiums.....	9,055	10,482	5,798
26. Net transfers to or (from) Separate Accounts net of reinsurance.....			
27. Aggregate write-ins for deductions.....	0	0	0
28. Totals (Lines 20 to 27).....	118,598,709	106,920,960	143,178,693
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	19,003,026	16,807,517	23,586,223
30. Dividends to policyholders.....			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	19,003,026	16,807,517	23,586,223
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	8,330,206	6,975,000	9,544,710
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	10,672,820	9,832,517	14,041,513
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.0 (excluding taxes of \$.59,794 transferred to the IMR).....			
35. Net income (Line 33 plus Line 34).....	10,672,820	9,832,517	14,041,513
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year.....	48,331,135	41,693,736	41,693,736
37. Net income (Line 35).....	10,672,820	9,832,517	14,041,513
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.0.....	(15,466)	46,052	83,052
39. Change in net unrealized foreign exchange capital gain (loss).....			
40. Change in net deferred income tax.....	300,000	13,519,730	14,895,561
41. Change in nonadmitted assets.....	(1,186,615)	(13,142,826)	(14,292,727)
42. Change in liability for reinsurance in unauthorized companies.....			
43. Change in reserve on account of change in valuation basis, (increase) or decrease.....			
44. Change in asset valuation reserve.....	4,000	(50,000)	(90,000)
45. Change in treasury stock.....			
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....			
47. Other changes in surplus in Separate Accounts Statement.....			
48. Change in surplus notes.....			
49. Cumulative effect of changes in accounting principles.....			
50. Capital changes:			
50.1 Paid in.....	950		
50.2 Transferred from surplus (Stock Dividend).....			
50.3 Transferred to surplus.....			
51. Surplus adjustment:			
51.1 Paid in.....	94,999,050		
51.2 Transferred to capital (Stock Dividend).....			
51.3 Transferred from capital.....			
51.4 Change in surplus as a result of reinsurance.....			
52. Dividends to stockholders.....	(100,000,000)	(8,000,000)	(8,000,000)
53. Aggregate write-ins for gains and losses in surplus.....	0	0	0
54. Net change in capital and surplus (Lines 37 through 53).....	4,774,739	2,205,473	6,637,399
55. Capital and surplus as of statement date (Lines 36 + 54).....	53,105,874	43,899,209	48,331,135
DETAILS OF WRITE-INS			
08.301. Interest from IRS Refund Payment.....		47,179	47,179
08.302. ....			
08.303. ....			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	0	47,179	47,179
2701. ....			
2702. ....			
2703. ....			
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0	0
5301. ....			
5302. ....			
5303. ....			
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	119,458,342	107,934,630	145,703,147
2. Net investment income.....	4,200,516	4,826,133	6,509,756
3. Miscellaneous income.....	342,590	47,453	60,659
4. Total (Lines 1 through 3).....	124,001,448	112,808,216	152,273,562
5. Benefit and loss related payments.....	31,137,987	21,182,377	30,116,054
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	49,191,192	43,739,885	57,916,374
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	8,400,000	7,520,816	10,220,816
10. Total (Lines 5 through 9).....	88,729,179	72,443,078	98,253,244
11. Net cash from operations (Line 4 minus Line 10).....	35,272,269	40,365,138	54,020,318
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	23,903,647	239,359,067	295,670,497
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....		50,000	75,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	23,903,647	239,409,067	295,745,497
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	50,055,404	259,423,148	351,433,683
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	(156,001)	(1,500,000)	(5,000,000)
13.7 Total investments acquired (Lines 13.1 to 13.6).....	49,899,403	257,923,148	346,433,683
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(25,995,756)	(18,514,081)	(50,688,186)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....	95,000,000		
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....	100,000,000	8,000,000	8,000,000
16.6 Other cash provided (applied).....			
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(5,000,000)	(8,000,000)	(8,000,000)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	4,276,513	13,851,057	(4,667,868)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	7,132,463	11,800,331	11,800,331
19.2 End of period (Line 18 plus Line 19.1).....	11,408,976	25,651,388	7,132,463

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

20.0001			
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EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life.....			
2. Ordinary life insurance.....	451,978	433,637	570,695
3. Ordinary individual annuities.....			
4. Credit life (group and individual).....			
5. Group life insurance.....			
6. Group annuities.....			
7. A&H - group.....	1,005,485	38,531	189,527
8. A&H - credit (group and individual).....			
9. A&H - other.....	118,435,873	107,575,708	145,145,319
10. Aggregate of all other lines of business.....	0	0	0
11. Subtotal.....	119,893,336	108,047,876	145,905,541
12. Deposit-type contracts.....			
13. Total.....	119,893,336	108,047,876	145,905,541

DETAILS OF WRITE-INS

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The Company presents these financial statements on the basis of accounting principles prescribed or permitted by the Ohio Insurance Department. The National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio.

	<u>09-30-2011</u>	<u>12-31-2010</u>
<b>Net Income - Ohio Basis</b>	\$10,672,820	\$14,041,513
State Prescribe Practices - None	-0-	-0-
State Permitted Practices - None	<u>-0-</u>	<u>-0-</u>
<b>Net Income - NAIC SAP</b>	<b>\$10,672,820</b>	<b>\$14,041,513</b>
<b>Statutory Surplus - Ohio Basis</b>	\$53,105,874	\$48,331,135
State Prescribe Practices - None	-0-	-0-
State Permitted Practices - None	<u>-0-</u>	<u>-0-</u>
<b>Statutory Surplus - NAIC SAP</b>	<b>\$53,105,874</b>	<b>\$48,331,135</b>

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

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

C. Accounting Policy

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

In addition, the Company uses the following accounting policies:

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

Note 2 - Accounting Changes and Corrections of Errors

Not applicable.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

Not applicable.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

NOTES TO FINANCIAL STATEMENTS

**Note 7 - Investment Income**

No significant change.

**Note 8 - Derivative Instruments**

Not applicable.

**Note 9 - Income Taxes**

No significant change.

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

No significant change.

**Note 11 - Debt**

Not applicable.

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

No significant change.

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

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

**Note 14 - Contingencies**

No significant change.

**Note 15 - Leases**

No significant change.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

**Note 20 - Fair Value**

Not applicable



NOTES TO FINANCIAL STATEMENTS

**Note 21 - Other Items**

No significant change.

**Note 22 - Events Subsequent**

Not applicable.

**Note 23 - Reinsurance**

No significant change.

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

Not applicable.

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

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

**Note 26 - Intercompany Pooling Arrangements**

Not applicable.

**Note 27 - Structured Settlements**

Not applicable.

**Note 28 - Health Care Receivables**

Not applicable.

**Note 29 - Participating Policies**

Not applicable.

**Note 30 - Premium Deficiency Reserves**

No significant change.

**Note 31 - Reserves for Life Contracts and Annuity Contracts**

No significant change.

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

Not applicable.

**Note 33 - Premiums and Annuity Considerations Deferred and Uncollected**

No significant change.

**Note 34 - Separate Accounts**

Not applicable.

**Note 35 - Loss/Claim Adjustment Expenses**

No significant change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [ ☐ ]

No [ ☒ X ]

1.2

If yes, has the report been filed with the domiciliary state?

Yes [ ☐ ]

No [ ☐ ]

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [ ☒ X ]

No [ ☐ ]

2.2

If yes, date of change:

3/23/2011.....

3.

Have there been any substantial changes in the organizational chart since the prior quarter end?  
If yes, complete the Schedule Y-Part 1 - Organizational chart.

Yes [ ☐ ]

No [ ☒ X ]

4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [ ☐ ]

No [ ☒ X ]

4.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	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?  
If yes, attach an explanation.

Yes [ ☐ ]

No [ ☒ X ]

N/A [ ☐ ]

6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2006.....

6.2

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

12/31/2006.....

6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

7/16/2008.....

6.4

By what department or departments?  
Ohio Department of Insurance

6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [ ☐ ]

No [ ☐ ]

N/A [ ☒ X ]

6.6

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

Yes [ ☐ ]

No [ ☐ ]

N/A [ ☒ X ]

7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [ ☐ ]

No [ ☒ X ]

7.2

If yes, give full information:

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ☐ ]

No [ ☒ X ]

8.2

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

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ☐ ]

No [ ☒ X ]

8.4

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

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9.1

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

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

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

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

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

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

1	2
Name of Custodian(s)	Custodian Address
PNC Institutional Investments	PO Box 5756, Cleveland OH 44101

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

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

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

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

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

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

1	2	3
Central Registration Depository	Name(s)	Address

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

17.2 If no, list exceptions:

Family Heritage Life Insurance Company of America  
GENERAL INTERROGATORIES (continued)  
PART 2 - LIFE & HEALTH

1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:	1
1.1	Long-term mortgages in good standing	Amount
1.11	Farm mortgages.....	\$.....
1.12	Residential mortgages.....	\$.....
1.13	Commercial mortgages.....	\$.....
1.14	Total mortgages in good standing.....	\$.....0
1.2	Long-term mortgages in good standing with restructured terms	
1.21	Total mortgages in good standing with restructured terms.....	\$.....
1.3	Long-term mortgage loans upon which interest is overdue more than three months	
1.31	Farm mortgages.....	\$.....
1.32	Residential mortgages.....	\$.....
1.33	Commercial mortgages.....	\$.....
1.34	Total mortgages with interest overdue more than three months.....	\$.....0
1.4	Long-term mortgage loans in process of foreclosure	
1.41	Farm mortgages.....	\$.....
1.42	Residential mortgages.....	\$.....
1.43	Commercial mortgages.....	\$.....
1.44	Total mortgages in process of foreclosure.....	\$.....0
1.5	Total mortgage loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2) .....	\$.....0
1.6	Long-term mortgages foreclosed, properties transferred to real estate in current quarter	
1.61	Farm mortgages.....	\$.....
1.62	Residential mortgages.....	\$.....
1.63	Commercial mortgages.....	\$.....
1.64	Total mortgages foreclosed and transferred to real estate.....	\$.....0
2.	Operating Percentages:	
2.1	A&H loss percent.....	.....58.7
2.2	A&H cost containment percent.....	.....
2.3	A&H expense percent excluding cost containment expenses.....	.....40.2
3.1	Do you act as a custodian for health savings accounts?.....	Yes [ ] No [ X ]
3.2	If yes, please provide the amount of custodial funds held as of the reporting date.....	\$.....
3.3	Do you act as an administrator for health savings accounts?.....	Yes [ ] No [ X ]
3.4	If yes, please provide the balance of the funds administered as of the reporting date.....	\$.....

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

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

NONE

Family Heritage Life Insurance Company of America  
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.....	7,934		2,008,949		2,016,883	
2.	Alaska.....	AK.....	L.....			29,624		29,624	
3.	Arizona.....	AZ.....	L.....	5,998		2,810,506		2,816,504	
4.	Arkansas.....	AR.....	L.....	31,889		4,455,671		4,487,560	
5.	California.....	CA.....	L.....	16,829		1,986,372		2,003,201	
6.	Colorado.....	CO.....	L.....	6,068		3,223,206		3,229,274	
7.	Connecticut.....	CT.....	L.....			6,964		6,964	
8.	Delaware.....	DE.....	L.....	398		146,517		146,915	
9.	District of Columbia.....	DC.....	L.....			12,150		12,150	
10.	Florida.....	FL.....	L.....	7,055		1,480,138		1,487,193	
11.	Georgia.....	GA.....	L.....	13,723		4,928,058		4,941,781	
12.	Hawaii.....	HI.....	L.....			6,785		6,785	
13.	Idaho.....	ID.....	L.....	440		420,937		421,377	
14.	Illinois.....	IL.....	L.....	12,308		7,510,936		7,523,244	
15.	Indiana.....	IN.....	L.....	1,728		6,234,090		6,235,818	
16.	Iowa.....	IA.....	L.....	161		704,736		704,897	
17.	Kansas.....	KS.....	L.....	3,031		3,137,771		3,140,802	
18.	Kentucky.....	KY.....	L.....	21,056		3,629,786		3,650,842	
19.	Louisiana.....	LA.....	L.....	2,091		2,727,139		2,729,230	
20.	Maine.....	ME.....	L.....			167,913		167,913	
21.	Maryland.....	MD.....	L.....	1,606		893,573		895,179	
22.	Massachusetts.....	MA.....	L.....	910		16,398		17,308	
23.	Michigan.....	MI.....	L.....	1,202		699,155		700,357	
24.	Minnesota.....	MN.....	L.....	235		2,098,384		2,098,619	
25.	Mississippi.....	MS.....	L.....	535		579,965		580,500	
26.	Missouri.....	MO.....	L.....	9,871		1,992,348		2,002,219	
27.	Montana.....	MT.....	L.....	1,915		1,299,344		1,301,259	
28.	Nebraska.....	NE.....	L.....	7,301		4,267,454		4,274,755	
29.	Nevada.....	NV.....	L.....	394		471,831		472,225	
30.	New Hampshire.....	NH.....	L.....	2,671		117,324		119,995	
31.	New Jersey.....	NJ.....	L.....			13,767		13,767	
32.	New Mexico.....	NM.....	L.....	4,549		1,101,257		1,105,806	
33.	New York.....	NY.....	N.....					0	
34.	North Carolina.....	NC.....	L.....	31,000		4,521,572		4,552,572	
35.	North Dakota.....	ND.....	L.....	1,559		760,687		762,246	
36.	Ohio.....	OH.....	L.....	21,676		11,689,857		11,711,533	
37.	Oklahoma.....	OK.....	L.....	848		1,775,945		1,776,793	
38.	Oregon.....	OR.....	L.....	1,772		300,030		301,802	
39.	Pennsylvania.....	PA.....	L.....	3,614		1,252,521		1,256,135	
40.	Rhode Island.....	RI.....	L.....			6,453		6,453	
41.	South Carolina.....	SC.....	L.....	5,526		773,670		779,196	
42.	South Dakota.....	SD.....	L.....	7,672		2,333,450		2,341,122	
43.	Tennessee.....	TN.....	L.....	11,089		2,894,906		2,905,995	
44.	Texas.....	TX.....	L.....	115,741		24,677,489		24,793,230	
45.	Utah.....	UT.....	L.....			2,191,352		2,191,352	
46.	Vermont.....	VT.....	L.....	6,770		43,846		50,616	
47.	Virginia.....	VA.....	L.....	9,522		2,607,430		2,616,952	
48.	Washington.....	WA.....	L.....	21,425		1,449,261		1,470,686	
49.	West Virginia.....	WV.....	L.....	8,010		969,186		977,196	
50.	Wisconsin.....	WI.....	L.....	2,353		778,609		780,962	
51.	Wyoming.....	WY.....	L.....			1,230,808		1,230,808	
52.	American Samoa.....	AS.....	N.....					0	
53.	Guam.....	GU.....	N.....					0	
54.	Puerto Rico.....	PR.....	L.....			9,555		9,555	
55.	US Virgin Islands.....	VI.....	N.....					0	
56.	Northern Mariana Islands.....	MP.....	N.....					0	
57.	Canada.....	CN.....	N.....					0	
58.	Aggregate Other Alien.....	OT.....	XXX.....	0	0	0	0	0	0
59.	Subtotal.....	(a).....51.....		410,475	0	119,445,675	0	119,856,150	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.....		410,475	0	119,445,675	0	119,856,150	0
96.	Plus Reinsurance Assumed.....	XXX.....						0	
97.	Totals (All Business).....	XXX.....		410,475	0	119,445,675	0	119,856,150	0
98.	Less Reinsurance Ceded.....	XXX.....		15,145		382,664		397,809	
99.	Totals (All Business) less Reinsurance Ceded.....	XXX.....		395,330	0	119,063,011	0	119,458,341	0
DETAILS OF WRITE-INS									
5801.	.....	XXX.....						0	
5802.	.....	XXX.....						0	
5803.	.....	XXX.....						0	
5898.	Summary of remaining write-ins for line 58 from overflow page.....	XXX.....		0	0	0	0	0	0
5899.	Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....	XXX.....		0	0	0	0	0	0
9401.	.....	XXX.....						0	
9402.	.....	XXX.....						0	
9403.	.....	XXX.....						0	
9498.	Summary of remaining write-ins for line 94 from overflow page.....	XXX.....		0	0	0	0	0	0
9499.	Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX.....		0	0	0	0	0	0

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

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

PART 1 – ORGANIZATIONAL CHART



NONE

Family Heritage Life Insurance Company of America

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanations:

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

Bar Code:





**Family Heritage Life Insurance Company of America**  
**Overflow Page for Write-Ins**

**NONE**

Family Heritage Life Insurance Company of America  
SCHEDULE A - VERIFICATION

Real Estate

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

SCHEDULE B - VERIFICATION

Mortgage Loans

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	628,443	620,391
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	34,534	83,052
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....	50,000	75,000
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	612,977	628,443
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	612,977	628,443

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	417,703,247	347,554,315
2. Cost of bonds and stocks acquired.....	50,055,404	351,433,683
3. Accrual of discount.....	13,502,238	14,566,725
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	170,839	
6. Deduct consideration for bonds and stocks disposed of.....	23,903,647	295,670,497
7. Deduct amortization of premium.....	150,294	180,979
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	457,377,787	417,703,247
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	457,377,787	417,703,247

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	444,947,568	9,396,915	4,425,397	5,024,605	428,128,569	444,947,568	454,943,691	414,960,180
2. Class 2 (a).....	2,834,482			(362,948)	2,809,076	2,834,482	2,471,534	2,783,981
3. Class 3 (a).....								
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	447,782,050	9,396,915	4,425,397	4,661,657	430,937,645	447,782,050	457,415,225	417,744,161
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	447,782,050	9,396,915	4,425,397	4,661,657	430,937,645	447,782,050	457,415,225	417,744,161

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals.....	.....37,438	.....XXX.....	.....37,438	.....335	.....

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....40,914	.....4,612,013
2. Cost of short-term investments acquired.....	.....	.....
3. Accrual of discount.....	.....	.....
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....	.....
6. Deduct consideration received on disposals.....	.....3,476	.....4,571,099
7. Deduct amortization of premium.....	.....	.....
8. Total foreign exchange change in book/adjusted carrying value.....	.....	.....
9. Deduct current year's other than temporary impairment recognized.....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.....37,438	.....40,914
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	.....37,438	.....40,914

Sch. DB-Pt A-Verification  
NONE

Sch. DB-Pt B-Verification  
NONE

Sch. DB-Pt C-Sn 1  
NONE

Sch. DB-Pt C-Sn 2  
NONE

Sch. DB-Verification  
NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	8,162,803	7,056,873
2. Cost of cash equivalents acquired.....	4,173,508	1,105,930
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....		
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	12,336,311	8,162,803
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	12,336,311	8,162,803

Sch. A-Pt 2  
NONE

Sch. A-Pt 3  
NONE

Sch. B-Pt 2  
NONE

Sch. B-Pt 3  
NONE

Sch. BA-Pt 2  
NONE

Sch. BA-Pt 3  
NONE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
3134A4 NV 2	FEDERAL HOME LOAN MTG CORP - STRIPPED.....		...07/21/2011	FTN FINANCIAL.....		.....2,806,615	.....8,030,000		1FE.....
3134G2 X8 0	FEDERAL HOME LOAN MTG CORP - STRIPPED.....		...09/29/2011	FTN FINANCIAL.....		.....5,156,001	.....20,000,000		1FE.....
0599999.	Total - Bonds - U.S. Government.....					.....7,962,616	.....28,030,000	.....0	.....XXX.....
Bonds - U.S. States, Territories and Possessions									
882722 K6 7	TEXAS PUBLIC FINANCE AUTHORITY (TAXABLE).....		...08/02/2011	ANCORA ADVISORS LLC.....		.....400,400	.....400,000		1FE.....
1799999.	Total - Bonds - U.S. States, Territories & Possessions.....					.....400,400	.....400,000	.....0	.....XXX.....
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
567288 RZ 0	MARICOPA COUNTY USD ARIZONA (TAXABLE).....		...09/27/2011	ANCORA ADVISORS LLC.....		.....1,014,750	.....825,000	.....13,072	1FE.....
2499999.	Total - Bonds - U.S. Political Subdivision of States, Territories & Possessions.....					.....1,014,750	.....825,000	.....13,072	.....XXX.....
8399997.	Total - Bonds - Part 3.....					.....9,377,766	.....29,255,000	.....13,072	.....XXX.....
8399999.	Total - Bonds.....					.....9,377,766	.....29,255,000	.....13,072	.....XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....					.....9,377,766	.....XXX.....	.....13,072	.....XXX.....

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



**SCHEDULE D - PART 4**

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

1	2	3 F o r e i g n	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description		Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)

**Bonds - U.S. Government**

313370 MK 1	FEDERAL HOME LOAN BANK.....	.....	08/26/2011	CALLED BY ISSUER at 100.000	.....	.....825,397	.....825,397	.....825,397	.....825,397	.....	.....	.....	.....0	.....	.....825,397	.....	.....	.....0	.....35,079	02/26/2029	1FE.....
912833 DA 5	US TREASURY STRIPS.....	.....	08/15/2011	MATURITY.....	.....	.....3,600,000	.....3,600,000	.....597,782	.....3,417,854	.....	.....182,146	.....	.....182,146	.....	.....3,600,000	.....	.....	.....0	.....	08/15/2011	1.....
0599999.	Total - Bonds - U.S. Government.....					.....4,425,397	.....4,425,397	.....1,423,179	.....4,243,251	.....0	.....182,146	.....0	.....182,146	.....0	.....4,425,397	.....0	.....0	.....0	.....35,079	....XXX...	..XXX...
8399997.	Total - Bonds - Part 4.....					.....4,425,397	.....4,425,397	.....1,423,179	.....4,243,251	.....0	.....182,146	.....0	.....182,146	.....0	.....4,425,397	.....0	.....0	.....0	.....35,079	....XXX...	..XXX...
8399999.	Total - Bonds.....					.....4,425,397	.....4,425,397	.....1,423,179	.....4,243,251	.....0	.....182,146	.....0	.....182,146	.....0	.....4,425,397	.....0	.....0	.....0	.....35,079	....XXX...	..XXX...
9999999.	Total - Bonds, Preferred and Common Stocks.....					.....4,425,397	.....XXX.....	.....1,423,179	.....4,243,251	.....0	.....182,146	.....0	.....182,146	.....0	.....4,425,397	.....0	.....0	.....0	.....35,079	....XXX...	..XXX...

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

Sch. DB-Pt A-Sn 1  
NONE

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

Sch. DB-Pt B-Sn 1  
NONE

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

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

Sch. DB-Pt D  
NONE

Sch. DL-Pt. 1  
NONE

Sch. DL-Pt. 2  
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

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

Open Depositories

PNC - Checking.....	Cleveland, OH.....	.....	.....0.300	.....389	.....51	.....281,021	.....472,871	.....796,301	XXX..
SunTrust - Checking.....	Nashville, TN.....	.....	.....0.200	.....	.....2	.....1,986	.....1,986	.....1,986	XXX..
American Founders Bank - Checking.....	Frankfort, KY.....	.....	.....	.....	.....	.....54,642	.....54,620	.....56,138	XXX..
Wells Fargo Bank, N.A. - DDA & Cont. Disb.....	Cleveland, OH.....	.....	.....	.....	.....	.....(2,008,707)	.....(1,957,426)	.....(1,822,598)	XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	.....389	.....53	.....(1,671,058)	.....(1,427,949)	.....(968,173)	XXX..	
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	.....389	.....53	.....(1,671,058)	.....(1,427,949)	.....(968,173)	XXX..	
0499999. Cash in Company's Office.....	...XXX.....	...XXX.....	...XXX.....	.....XXX.....	.....3,400	.....3,400	.....3,400	XXX..	
0599999. Total Cash.....	...XXX.....	...XXX.....	.....389	.....53	.....(1,667,658)	.....(1,424,549)	.....(964,773)	XXX..	

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<b>Sweep Accounts</b>							
Wells Fargo - Stagecoach Sweep Preferred.....	.....	.....09/30/2011	.....0.100	.....10/03/2011	.....12,336,311	.....101	.....4,060
8499999. Total - Sweep Accounts.....	.....	.....	.....	.....	.....12,336,311	.....101	.....4,060
8699999. Total - Cash Equivalents.....	.....	.....	.....	.....	.....12,336,311	.....101	.....4,060