



# QUARTERLY STATEMENT

As of September 30, 2011

of the Condition and Affairs of the

## U.S. FINANCIAL LIFE INSURANCE COMPANY

NAIC Group Code.....0968, 0968

(Current Period) (Prior Period)

NAIC Company Code..... 84530

Employer's ID Number..... 38-2046096

Organized under the Laws of Ohio

State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized..... September 30, 1974

Commenced Business..... September 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  
(Street and Number) (City or Town, State and Zip Code)

212-554-1234

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

212-554-1234

(Area Code) (Telephone Number)

Internet Web Site Address

www.usfli.com

201-743-5132

Statutory Statement Contact

Neil Guerrero  
(Name)  
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201-743-5006

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### OFFICERS

Name	Title	Name	Title
1. Richard Steven Dziadzio	Chairman of the Board	2. Charles Angelo Marino	President, Chief Executive Officer and Chief Financial Officer
3. William Casill	Senior Vice President and Actuary	4. Alvin Henry Fenichel	Senior Vice President and Chief Accounting Officer

### OTHER

### DIRECTORS OR TRUSTEES

Richard Steven Dziadzio

Nicholas Burritt Lane

Charles Angelo Marino

Andrew John McMahon

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

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)  
Richard Steven Dziadzio  
1. (Printed Name)  
Chairman of the Board  
(Title)

(Signature)  
Charles Angelo Marino  
2. (Printed Name)  
President, Chief Executive Officer and Chief Financial Officer  
(Title)

(Signature)  
William Casill  
3. (Printed Name)  
Senior Vice President and Actuary  
(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

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Statement as of September 30, 2011 of the **U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	508,213,379	0	508,213,379	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 \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$....(2,013,309)), cash equivalents (\$.....0) and short-term investments (\$....13,289,781).....	11,276,472	0	11,276,472	27,322,529
6. Contract loans (including \$.....0 premium notes).....	23,797,910	0	23,797,910	22,864,149
7. Derivatives.....	0	0	0	0
8. Other invested assets.....	0	0	0	0
9. Receivables for securities.....	.697	0	.697	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).....	547,279,088	0	547,279,088	539,879,739
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	6,714,341	0	6,714,341	6,634,222
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	171,718	0	171,718	213,631
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	1,524,993	0	1,524,993	1,581,244
15.3 Accrued retrospective premiums.....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	35,739,551	0	35,739,551	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.....	7,306,136	0	7,306,136	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	0	0
18.2 Net deferred tax asset.....	.65,818,616	41,982,707	.23,835,909	.26,273,799
19. Guaranty funds receivable or on deposit.....	1,568,980	0	1,568,980	1,324,316
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	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 (\$.....0) and other amounts receivable.....	.87,018	.87,018	0	0
25. Aggregate write-ins for other than invested assets.....	95,245	5,286	89,959	156,817
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	666,305,686	42,075,011	.624,230,675	.621,287,891
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27).....	666,305,686	42,075,011	.624,230,675	.621,287,891

**DETAILS OF WRITE-INS**

1101. ....	0	0	0	0
1102. ....	0	0	0	0
1103. ....	0	0	0	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. Miscellaneous receivable.....	89,959	0	89,959	156,817
2502. Other assets nonadmitted.....	5,286	5,286	0	0
2503. ....	0	0	0	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).....	95,245	5,286	89,959	156,817

**U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....489,585,955 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	489,585,955	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).....	1,255,270	1,193,829
4. Contract claims:		
4.1 Life.....	5,072,906	4,112,539
4.2 Accident and health.....	0	0
5. Policyholders' dividends \$.....0 and coupons \$.....0 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.....	1,216,129	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 refunds.....	0	0
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$....33,979,113 ceded.....	33,979,113	37,530,006
9.4 Interest Maintenance Reserve.....	470,669	517,782
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	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 allowances recognized in reserves, net of reinsurance allowances).....	0	0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes.....	2,087,919	2,321,478
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....	6,990,844	4,790,844
15.2 Net deferred tax liability.....	0	0
16. Unearned investment income.....	683,461	709,392
17. Amounts withheld or retained by company as agent or trustee.....	0	849
18. Amounts held for agents' account, including \$....1,864,577 agents' credit balances.....	1,864,577	1,908,374
19. Remittances and items not allocated.....	58,907	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	0
23. Dividends to stockholders declared and unpaid.....	0	0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve.....	1,473,257	810,915
24.02 Reinsurance in unauthorized companies.....	0	0
24.03 Funds held under reinsurance treaties with unauthorized reinsurers.....	0	0
24.04 Payable to parent, subsidiaries and affiliates.....	829,108	1,727,748
24.05 Drafts outstanding.....	0	0
24.06 Liability for amounts held under uninsured plans.....	0	0
24.07 Funds held under coinsurance.....	0	0
24.08 Derivatives.....	0	0
24.09 Payable for securities.....	0	0
24.10 Payable for securities lending.....	0	0
24.11 Capital notes \$.....0 and interest thereon \$.....0.....	0	0
25. Aggregate write-ins for liabilities.....	1,558,317	288,197
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	547,126,432	550,305,284
27. From Separate Accounts statement.....	0	0
28. Total liabilities (Lines 26 and 27).....	547,126,432	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.....	13,837,293	16,341,799
35. Unassigned funds (surplus).....	(187,068,773)	(195,694,915)
36. Less treasury stock, at cost:		
36.1 ....0.000 shares common (value included in Line 29 \$.....0).....	0	0
36.2 ....0.000 shares preferred (value included in Line 30 \$.....0).....	0	0
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	73,054,243	66,932,607
38. Totals of Lines 29, 30 and 37.....	77,104,243	70,982,607
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	624,230,675	621,287,891

**DETAILS OF WRITE-INS**

2501. Funds escheatable.....	625,610	265,822
2502. Miscellaneous liabilities.....	932,707	22,375
2503. ....	0	0
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).....	1,558,317	288,197
3101. ....	0	0
3102. ....	0	0
3103. ....	0	0
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. Additional admitted deferred tax asset.....	13,837,293	16,341,799
3402. ....	0	0
3403. ....	0	0
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).....	13,837,293	16,341,799

## 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.....	38,294,073	40,314,887	53,183,445
2. Considerations for supplementary contracts with life contingencies.....	0	0	0
3. Net investment income.....	20,395,812	19,846,236	26,445,566
4. Amortization of Interest Maintenance Reserve (IMR).....	77,385	(35,325)	(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.....	24,571,099	26,871,380	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 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).....	83,338,369	86,997,178	115,061,195
10. Death benefits.....	48,718,160	38,406,751	55,016,606
11. Matured endowments (excluding guaranteed annual pure endowments).....	0	0	0
12. Annuity benefits.....	421,867	511,883	664,728
13. Disability benefits and benefits under accident and health contracts.....	31,595	26,493	26,493
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0	0	0
15. Surrender benefits and withdrawals for life contracts.....	10,543,143	8,256,284	11,043,303
16. Group conversions.....	0	0	0
17. Interest and adjustments on contract or deposit-type contract funds.....	542,017	271,417	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.....	(3,080,951)	3,754,742	9,490,085
20. Totals (Lines 10 to 19).....	57,175,831	51,227,570	76,736,314
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	5,041,556	5,474,506	7,253,602
22. Commissions and expense allowances on reinsurance assumed.....	0	0	0
23. General insurance expenses.....	3,411,513	3,686,127	5,226,007
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	3,486,535	3,769,914	5,113,320
25. Increase in loading on deferred and uncollected premiums.....	(63,600)	6,589	(76,648)
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0	0	0
27. Aggregate write-ins for deductions.....	1,093,146	(332,015)	2,310
28. Totals (Lines 20 to 27).....	70,144,981	63,832,691	94,254,905
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	13,193,388	23,164,487	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 Line 30).....	13,193,388	23,164,487	20,806,290
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	2,200,000	6,000,000	7,200,000
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).....	10,993,388	17,164,487	13,606,290
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$....(16,300) (excluding tax of \$....16,300 transferred to the IMR).....	16,322	70,389	330,627
35. Net income (Line 33 plus Line 34).....	11,009,710	17,234,876	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).....	11,009,710	17,234,876	13,936,917
38. Change in net unrealized capital gains (losses) less capital gains tax of \$....0	0	0	0
39. Change in net unrealized foreign exchange capital gain (loss).....	0	0	0
40. Change in net deferred income tax.....	(2,403,384)	(2,135,000)	5,922,000
41. Change in nonadmitted assets.....	2,627,608	2,218,549	(4,959,121)
42. Change in liability for reinsurance in unauthorized companies.....	0	(9,678,762)	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.....	(662,342)	(615,403)	(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.....	(1,945,450)	(2,326,350)	(2,988,050)
52. Dividends to stockholders.....	0	0	0
53. Aggregate write-ins for gains and losses in surplus.....	(2,504,506)	6,844,092	7,395,891
54. Net change in capital and surplus (Lines 37 through 53).....	6,121,636	11,542,002	421,949
55. Capital and surplus as of statement date (Lines 36 + 54).....	77,104,243	82,102,660	70,982,607

## DETAILS OF WRITE-INS

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 thru 08.303 plus 08.398) (Line 8.3 above).....	0	0	322,906
2701. Sundry disbursements and adjustments.....	1,092,675	(333,325)	0
2702. Fines and penalties of regulatory authorities.....	471	1,310	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 thru 2703 plus 2798) (Line 27 above).....	1,093,146	(332,015)	2,310
5301. Additional admitted deferred tax asset.....	(2,504,506)	6,844,092	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 thru 5303 plus 5398) (Line 53 above).....	(2,504,506)	6,844,092	7,395,891

Statement as of September 30, 2011 of the **U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**CASH FLOW**

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	35,071,503	37,474,423	50,180,831
2. Net investment income.....	20,769,539	20,518,661	27,264,701
3. Miscellaneous income.....	22,892,023	24,563,836	32,445,622
4. Total (Lines 1 through 3).....	78,733,065	82,556,920	109,891,154
5. Benefit and loss related payments.....	57,242,609	63,328,973	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.....	12,369,530	13,139,493	17,789,943
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	0	0	6,994,526
10. Total (Lines 5 through 9).....	69,612,139	76,468,466	95,980,407
11. Net cash from operations (Line 4 minus Line 10).....	9,120,926	6,088,454	13,910,747
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	16,221,756	16,218,197	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.....	22	15	15
12.7 Miscellaneous proceeds.....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	16,221,778	16,218,212	20,220,341
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	39,184,216	22,470,320	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).....	39,184,216	22,470,320	27,448,792
14. Net increase (decrease) in contract loans and premium notes.....	933,761	2,398,624	3,529,407
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(23,896,199)	(8,650,732)	(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.....	(105,000)	(117,022)	(147,022)
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	(1,165,784)	(13,485,593)	(630,594)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(1,270,784)	(13,602,615)	(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 Line 15 plus Line 17).....	(16,046,057)	(16,164,893)	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).....	11,276,472	8,782,363	27,322,529

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

20.0001 .....	0	0	0
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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.....	0	0	0
2. Ordinary life insurance.....	152,689,425	162,561,442	221,204,298
3. Ordinary individual annuities.....	17,871	16,255	20,785
4. Credit life (group and individual).....	0	0	0
5. Group life insurance.....	0	0	0
6. Group annuities.....	0	0	0
7. A&H - group.....	0	0	0
8. A&H - credit (group and individual).....	0	0	0
9. A&H - other.....	0	0	0
10. Aggregate of all other lines of business.....	0	0	0
11. Subtotal.....	152,707,296	162,577,697	221,225,083
12. Deposit-type contracts.....	0	0	0
13. Total.....	152,707,296	162,577,697	221,225,083

**DETAILS OF WRITE-INS**

1001. ....	0	0	0
1002. ....	0	0	0
1003. ....	0	0	0
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**

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 as of Sept 30, 2011</u>	<u>Fair Value as of Sept 30, 2011</u>
Loan-backed securities	4,534,463	4,875,505

(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 September 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 September 30, 2011 are as follows:

1 Unrealized Losses	2 Fair Value
Securities in continuous unrealized loss position < 12 months	-
Securities in continuous unrealized loss position ≥ 12 months	-

(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.

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

No significant change.

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**NOTES TO FINANCIAL STATEMENTS**

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**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 acting on behalf of a number of U.S. state jurisdictions reviewing 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 September 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.**

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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	0	0	0
Hybrid Securities	0	0	0	0
Parent, Subsidiaries and Affiliates	0	0	0	0
Total Bonds	0	0	0	0
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	0	0	0
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 of 01/01/2011	Transfers in Level 3	Transfers out Level 3	Total Gain/Loss included in Net Income	Total Gain/Loss included in Surplus	Purchases/Sales issuances & settlements	Balance as of 09/30/2011
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 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 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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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.

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## **NOTES TO FINANCIAL STATEMENTS**

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### **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.

Statement as of September 30, 2011 of the **U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**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 [ ] No [ X ]

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

3. Have there been any substantial changes in the organizational chart since the prior quarter end? 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 Name of Entity	2 NAIC Company Code	3 State of Domicile

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

.....

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010.....

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 [ ] N/A [ X ]

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

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

7.2 If yes, give full information:  
.....

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

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

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

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

Statement as of September 30, 2011 of the **U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
**GENERAL**

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

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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).

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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).

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## 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:

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

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

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

14.2 If yes, please complete the following:

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

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

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

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16. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III. Conducting Examinations, F-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ X ] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
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.

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

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

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

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

**U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
**GENERAL**

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
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

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [  ]      No [  ]

17.2 If no, list exceptions:

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**U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**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

	Amount
1.1 Long-term mortgages in good standing	
1.11 Farm mortgages.....	\$.....0
1.12 Residential mortgages.....	\$.....0
1.13 Commercial mortgages.....	\$.....0
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.....	\$.....0
1.3 Long-term mortgage loans upon which interest is overdue more than three months	
1.31 Farm mortgages.....	\$.....0
1.32 Residential mortgages.....	\$.....0
1.33 Commercial mortgages.....	\$.....0
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.....	\$.....0
1.42 Residential mortgages.....	\$.....0
1.43 Commercial mortgages.....	\$.....0
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.....	\$.....0
1.62 Residential mortgages.....	\$.....0
1.63 Commercial mortgages.....	\$.....0
1.64 Total mortgages foreclosed and transferred to real estate.....	\$.....0
2. Operating Percentages:	
2.1 A&H loss percent.....	.....0.0
2.2 A&H cost containment percent.....	.....0.0
2.3 A&H expense percent excluding cost containment expenses.....	.....0.0
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.....	\$.....0
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.....	\$.....0

**U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

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

**NONE**

Statement as of September 30, 2011 of the **U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

States, Etc.	Active Status	1	Direct Business Only					Deposit-Type Contracts	
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Mem- bership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7		
		2 Life Insurance Premiums	3 Annuity Considerations						
1. Alabama.....	AL.....	3,346,160	0	0	0	3,346,160	0	0	
2. Alaska.....	AK.....	171,145	0	0	0	171,145	0	0	
3. Arizona.....	AZ.....	2,003,587	0	0	0	2,003,587	0	0	
4. Arkansas.....	AR.....	1,402,352	0	0	0	1,402,352	0	0	
5. California.....	CA.....	12,560,907	0	0	0	12,560,907	0	0	
6. Colorado.....	CO.....	2,840,231	0	0	0	2,840,231	0	0	
7. Connecticut.....	CT.....	2,856,477	0	0	0	2,856,477	0	0	
8. Delaware.....	DE.....	769,658	0	0	0	769,658	0	0	
9. District of Columbia.....	DC.....	115,413	0	0	0	115,413	0	0	
10. Florida.....	FL.....	10,186,524	0	0	0	10,186,524	0	0	
11. Georgia.....	GA.....	5,121,082	0	0	0	5,121,082	0	0	
12. Hawaii.....	HI.....	392,912	0	0	0	392,912	0	0	
13. Idaho.....	ID.....	477,402	0	0	0	477,402	0	0	
14. Illinois.....	IL.....	6,855,783	0	0	0	6,855,783	0	0	
15. Indiana.....	IN.....	3,077,554	2,125	0	0	3,079,679	0	0	
16. Iowa.....	IA.....	1,706,588	0	0	0	1,706,588	0	0	
17. Kansas.....	KS.....	1,962,650	0	0	0	1,962,650	0	0	
18. Kentucky.....	KY.....	2,666,525	7,000	0	0	2,673,525	0	0	
19. Louisiana.....	LA.....	1,771,447	0	0	0	1,771,447	0	0	
20. Maine.....	ME.....	668,987	0	0	0	668,987	0	0	
21. Maryland.....	MD.....	3,084,844	0	0	0	3,084,844	0	0	
22. Massachusetts.....	MA.....	4,261,725	0	0	0	4,261,725	0	0	
23. Michigan.....	MI.....	7,708,713	3,446	0	0	7,712,159	0	0	
24. Minnesota.....	MN.....	3,610,333	0	0	0	3,610,333	0	0	
25. Mississippi.....	MS.....	2,460,699	0	0	0	2,460,699	0	0	
26. Missouri.....	MO.....	3,638,475	4,500	0	0	3,642,975	0	0	
27. Montana.....	MT.....	485,933	0	0	0	485,933	0	0	
28. Nebraska.....	NE.....	1,165,958	0	0	0	1,165,958	0	0	
29. Nevada.....	NV.....	583,528	0	0	0	583,528	0	0	
30. New Hampshire.....	NH.....	690,672	0	0	0	690,672	0	0	
31. New Jersey.....	NJ.....	4,605,108	0	0	0	4,605,108	0	0	
32. New Mexico.....	NM.....	597,082	0	0	0	597,082	0	0	
33. New York.....	NY.....	N 1,298,161	0	0	0	1,298,161	0	0	
34. North Carolina.....	NC.....	6,721,667	0	0	0	6,721,667	0	0	
35. North Dakota.....	ND.....	838,426	0	0	0	838,426	0	0	
36. Ohio.....	OH.....	9,495,854	0	0	0	9,495,854	0	0	
37. Oklahoma.....	OK.....	1,691,054	0	0	0	1,691,054	0	0	
38. Oregon.....	OR.....	1,456,692	0	0	0	1,456,692	0	0	
39. Pennsylvania.....	PA.....	8,008,109	0	0	0	8,008,109	0	0	
40. Rhode Island.....	RI.....	740,974	0	0	0	740,974	0	0	
41. South Carolina.....	SC.....	3,151,414	0	0	0	3,151,414	0	0	
42. South Dakota.....	SD.....	1,021,046	0	0	0	1,021,046	0	0	
43. Tennessee.....	TN.....	5,933,061	0	0	0	5,933,061	0	0	
44. Texas.....	TX.....	13,979,912	800	0	0	13,980,712	0	0	
45. Utah.....	UT.....	1,769,994	0	0	0	1,769,994	0	0	
46. Vermont.....	VT.....	370,861	0	0	0	370,861	0	0	
47. Virginia.....	VA.....	2,459,171	0	0	0	2,459,171	0	0	
48. Washington.....	WA.....	2,699,125	0	0	0	2,699,125	0	0	
49. West Virginia.....	WV.....	476,180	0	0	0	476,180	0	0	
50. Wisconsin.....	WI.....	3,080,547	0	0	0	3,080,547	0	0	
51. Wyoming.....	WY.....	359,638	0	0	0	359,638	0	0	
52. American Samoa.....	AS.....	N 0	0	0	0	0	0	0	
53. Guam.....	GU.....	N 1,796	0	0	0	1,796	0	0	
54. Puerto Rico.....	PR.....	N 3,823	0	0	0	3,823	0	0	
55. US Virgin Islands.....	VI.....	N 5,604	0	0	0	5,604	0	0	
56. Northern Mariana Islands.....	MP.....	N 0	0	0	0	0	0	0	
57. Canada.....	CN.....	N 114,233	0	0	0	114,233	0	0	
58. Aggregate Other Alien.....	OT.....	XXX 54,729	0	0	0	54,729	0	0	
59. Subtotal.....	(a) 50	159,578,525	17,871	0	0	159,596,396	0	0	
90. Reporting entity contributions for employee benefit plans.....	XXX	0	0	0	0	0	0	0	
91. Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX	0	0	0	0	0	0	0	
92. Dividends or refunds applied to shorten endowment or premium paying period.....	XXX	0	0	0	0	0	0	0	
93. Premium or annuity considerations waived under disability or other contract provisions.....	XXX	0	0	0	0	0	0	0	
94. Aggregate other amounts not allocable by State.....	XXX	0	0	0	0	0	0	0	
95. Totals (Direct Business).....	XXX	159,578,525	17,871	0	0	159,596,396	0	0	
96. Plus Reinsurance Assumed.....	XXX	0	0	0	0	0	0	0	
97. Totals (All Business).....	XXX	159,578,525	17,871	0	0	159,596,396	0	0	
98. Less Reinsurance Ceded.....	XXX	124,524,893	0	0	0	124,524,893	0	0	
99. Totals (All Business) less Reinsurance Ceded.....	XXX	35,053,632	17,871	0	0	35,071,503	0	0	

DETAILS OF WRITE-INS

5801. Other Alien.....	XXX	54,729	0	0	0	54,729	0	0
5802. ....	XXX	0	0	0	0	0	0	0
5803. ....	XXX	0	0	0	0	0	0	0
5898. Summary of remaining write-ins for line 58 from overflow page.....	XXX	0	0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....	XXX	54,729	0	0	0	54,729	0	0
9401. ....	XXX	0	0	0	0	0	0	0
9402. ....	XXX	0	0	0	0	0	0	0
9403. ....	XXX	0	0	0	0	0	0	0
9498. Summary of remaining write-ins for line 94 from overflow page.....	XXX	0	0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX	0	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

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**NONE**

# U.S. FINANCIAL LIFE INSURANCE COMPANY

## 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:**

**U.S. FINANCIAL LIFE INSURANCE COMPANY  
Overflow Page for Write-Ins**

**NONE**

Statement as of September 30, 2011 of the **U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**SCHEDULE A - VERIFICATION**

Real Estate

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

**NONE**

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....	0	0
2.2 Additional investment made after acquisition.....	0	0
3. Capitalized deferred interest and other.....	0	0
4. Accrual of discount.....	0	0
5. Unrealized valuation increase (decrease).....	0	0
6. Total gain (loss) on disposals.....	0	0
7. Deduct amounts received on disposals.....	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees.....	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....	0	0
10. Deduct current year's other than temporary impairment recognized.....	0	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	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 Year to Date	2 Prior Year Ended 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	0
2.2 Additional investment made after acquisition.....	0	0
3. Capitalized deferred interest and other.....	0	0
4. Accrual of discount.....	0	0
5. Unrealized valuation increase (decrease).....	0	0
6. Total gain (loss) on disposals.....	0	0
7. Deduct amounts received on disposals.....	0	0
8. Deduct amortization of premium and depreciation.....	0	0
9. Total foreign exchange change in book/adjusted carrying value.....	0	0
10. Deduct current year's other than temporary impairment recognized.....	0	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 Year to Date	2 Prior Year Ended 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.....	39,184,216	27,448,792
3. Accrual of discount.....	329,434	416,529
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	46,571	.944,605
6. Deduct consideration for bonds and stocks disposed of.....	16,221,756	.20,220,326
7. Deduct amortization of premium.....	.824,514	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).....	512,204,008	489,690,057
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	512,204,008	489,690,057

**SCHEDULE D - PART 1B**

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	377,682,032	20,397,298	31,084,024	1,413,269	368,829,048	377,682,032	368,408,575	363,650,319
2. Class 2 (a).....	134,602,053	4,847,913	3,077,837	399,185	137,297,890	134,602,053	136,771,314	136,715,833
3. Class 3 (a).....	13,383,886	0	0	(1,956,260)	12,381,596	13,383,886	11,427,626	12,380,252
4. Class 4 (a).....	982,300	0	0	0	982,300	982,300	982,300	982,300
5. Class 5 (a).....	0	0	0	3,533,144	3,589,224	0	3,533,144	0
6. Class 6 (a).....	3,867,406	0	0	(3,487,206)	380,200	3,867,406	380,200	380,200
7. Total Bonds.....	530,517,677	25,245,211	34,161,861	(97,868)	523,460,258	530,517,677	521,503,159	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	3,990,630	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	3,990,630	3,990,630
15. Total Bonds and Preferred Stock.....	534,508,307	25,245,211	34,161,861	(97,868)	527,450,888	534,508,307	525,493,789	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.

Statement as of September 30, 2011 of the **U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**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.....	13,289,781	XXX	13,289,781	.560	0

**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.....	18,209,631	6,545,166
2. Cost of short-term investments acquired.....	42,802,120	106,031,465
3. Accrual of discount.....	30	0
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	47,722,000	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).....	13,289,781	18,209,631
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	13,289,781	18,209,631

**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**

**U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**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.....	10,199,843	0
2. Cost of cash equivalents acquired.....	40,548,380	105,294,237
3. Accrual of discount.....	1,560	5,531
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	22	15
6. Deduct consideration received on disposals.....	50,749,805	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).....	0	10,199,843
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	0	10,199,843

**Sch. A-Pt 2**  
**NONE**

**Sch. A-Pt 3**  
**NONE**

**Sch. B-Pt 2**  
**NONE**

**Sch. B-Pt 3**  
**NONE**

**Sch. BA-Pt 2**  
**NONE**

**Sch. BA-Pt 3**  
**NONE**

**SCHEDULE D - PART 3**

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - Industrial and Miscellaneous</b>									
25179M AK 9	DEVON ENERGY CORP.....		...07/05/2011	MORGAN STANLEY.....		1,852,076	1,865,000	.....0	2FE.....
491674 BE 6	KENTUCKY UTILITIES CO.....		...07/07/2011	DIRECT.....		1,215,631	1,220,000	.....7,269	1FE.....
63946B AD 2	NBC UNIVERSAL INC.....		...08/25/2011	DIRECT.....		2,995,837	3,000,000	49,354	2FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					6,063,544	6,085,000	56,623	XXX.....
8399997.	Total - Bonds - Part 3.....					6,063,544	6,085,000	56,623	XXX.....
8399999.	Total - Bonds.....					6,063,544	6,085,000	56,623	XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....					6,063,544	XXX	56,623	XXX.....

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

QE04

**SCHEDULE D - PART 4**

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

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value (Increase/ (Decrease)	10 Unrealized Valuation (Amortization)	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)		
										11 Current Year's Temporary Impairment	12 Other Than Temporary Impairment	13 Current Year's Temporary Impairment	14 Total Change in B./A.C.V. (11+12-13)	15 Foreign Exchange Change in B./A.C.V. (11+12-13)									
<b>Bonds - U.S. Government</b>																							
36201N K9 0	GOVERNMENT NATL MTG ASSN.....	09/01/2011	MBS PAYDOWN.....			5,054	5,054	5,232	5,065	0	(11)	0	(11)	0	5,054	0	0	0	0	0	218	11/01/2031	1.....
36210T Q2 5	GOVERNMENT NATL MTG ASSN.....	09/01/2011	MBS PAYDOWN.....			35,055	35,055	36,457	35,349	0	(295)	0	(295)	0	35,055	0	0	0	0	0	1,401	11/01/2027	1.....
36210X T7 2	GOVERNMENT NATL MTG ASSN.....	09/01/2011	MBS PAYDOWN.....			830	830	863	831	0	(1)	0	(1)	0	830	0	0	0	0	0	33	04/01/2025	1.....
36213E PQ 3	GOVERNMENT NATL MTG ASSN.....	09/01/2011	MBS PAYDOWN.....			18,991	18,991	18,930	18,987	0	4	0	4	0	18,991	0	0	0	0	0	761	05/01/2030	1.....
0599999.	Total - Bonds - U.S. Government.....					59,930	59,930	61,482	60,232	0	(303)	0	(303)	0	59,930	0	0	0	0	0	2,413	....XXX...	....XXX...
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																							
312903 KT 3	FED HOME LOAN MTG CORP	09/15/2011	MBS PAYDOWN.....			1,172	1,172	1,200	1,173	0	(1)	0	(1)	0	1,172	0	0	0	0	0	83	06/15/2017	1.....
312905 WS 7	FED HOME LOAN MTG CORP	09/01/2011	MBS PAYDOWN.....			712	712	728	712	0	(1)	0	(1)	0	712	0	0	0	0	0	40	03/01/2019	1.....
312909 A4 6	FED HOME LOAN MTG CORP	09/01/2011	MBS PAYDOWN.....			2,850	2,850	2,992	2,857	0	(7)	0	(7)	0	2,850	0	0	0	0	0	157	12/01/2012	1.....
3133T6 M8 1	FED HOME LOAN MTG CORP	09/01/2011	MBS PAYDOWN.....			6,110	6,110	5,728	6,075	0	35	0	35	0	6,110	0	0	0	0	0	238	05/01/2025	1.....
31340Y FN 4	FED HOME LOAN MTG CORP	09/15/2011	MBS PAYDOWN.....			2,155	2,155	2,228	2,158	0	(1)	0	(1)	0	2,155	0	0	0	0	0	160	01/15/2019	1.....
31358E JG 8	FED NATIONAL MTG ASSN.....	09/01/2011	MBS PAYDOWN.....			764	764	663	759	0	5	0	5	0	764	0	0	0	0	0	36	04/01/2020	1.....
31358E QE 5	FED NATIONAL MTG ASSN.....	09/01/2011	MBS PAYDOWN.....			3,686	3,686	3,794	3,690	0	(4)	0	(4)	0	3,686	0	0	0	0	0	242	05/01/2020	1.....
31358J SN 2	FED NATIONAL MTG ASSN.....	09/01/2011	MBS PAYDOWN.....			2,219	2,219	2,266	2,220	0	(1)	0	(1)	0	2,219	0	0	0	0	0	129	06/01/2021	1.....
31358L JB 3	FED NATIONAL MTG ASSN.....	09/01/2011	MBS PAYDOWN.....			1,206	1,206	1,228	1,206	0	(1)	0	(1)	0	1,206	0	0	0	0	0	.67	08/01/2021	1.....
31359D 6L 2	FED NATIONAL MTG ASSN.....	09/01/2011	MBS PAYDOWN.....			11,137	11,137	10,647	11,107	0	31	0	31	0	11,137	0	0	0	0	0	485	05/01/2022	1.....
3837H0 QK 2	GOVERNMENT NATL MTG ASSN.....	09/01/2011	MBS PAYDOWN.....			6,290	6,290	6,066	6,282	0	9	0	9	0	6,290	0	0	0	0	0	301	03/01/2025	1.....
3199999.	Total - Bonds - U.S. Special Revenue & Assessment.....					38,301	38,301	37,540	38,239	0	64	0	64	0	38,301	0	0	0	0	0	1,938	....XXX...	....XXX...
<b>Bonds - Industrial and Miscellaneous</b>																							
205887 BA 9	CONAGRA FOODS INC.....	09/15/2011	MATURITY.....			.82,000	.82,000	.86,434	.82,637	0	(637)	0	(637)	0	.82,000	0	0	0	0	0	.535	09/15/2011	2FE.....
491674 BD 8	KENTUCKY UTILITIES.....	07/07/2011	DIRECT.....			1,215,631	1,220,000	1,215,388	1,215,435	0	197	0	197	0	1,215,631	0	0	0	0	0	25,442	11/01/2020	1FE.....
62875U AA 3	NBC UNIVERSAL.....	08/25/2011	DIRECT.....			2,995,837	3,000,000	2,995,350	2,995,593	0	244	0	244	0	2,995,837	0	0	0	0	0	126,604	04/30/2020	2FE.....
665859 AG 9	NORTHERN TRUST CORP.....	09/20/2011	VARIOUS.....			2,000,000	2,000,000	1,998,604	1,999,798	0	202	0	202	0	2,000,000	0	0	0	0	0	106,294	08/29/2011	1FE.....
90333W AA 6	US BANK NA.....	08/01/2011	MATURITY.....			2,000,000	2,000,000	2,126,900	2,010,823	0	(10,823)	0	(10,823)	0	2,000,000	0	0	0	0	0	127,500	08/01/2011	1FE.....
921796 LE 6	VANDERBILT MTGE FINANCE.....	09/01/2011	MBS PAYDOWN.....			20,166	20,166	20,164	20,165	0	0	0	0	0	20,166	0	0	0	0	0	883	01/01/2014	1FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					8,313,634	8,322,166	8,442,840	8,324,451	0	(10,817)	0	(10,817)	0	8,313,634	0	0	0	0	0	392,258	....XXX...	....XXX...
8399997.	Total - Bonds - Part 4.....					8,411,865	8,420,397	8,541,862	8,422,922	0	(11,056)	0	(11,056)	0	8,411,865	0	0	0	0	0	396,609	....XXX...	....XXX...
8399999.	Total - Bonds.....					8,411,865	8,420,397	8,541,862	8,422,922	0	(11,056)	0	(11,056)	0	8,411,865	0	0	0	0	0	396,609	....XXX...	....XXX...
9999999.	Total - Bonds, Preferred and Common Stocks.....					8,411,865	....XXX...	8,541,862	8,422,922	0	(11,056)	0	(11,056)	0	8,411,865	0	0	0	0	0	396,609	....XXX...	....XXX...

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

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

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

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

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

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

**Sch. DB-Pt D**  
**NONE**

**Sch. DL-Pt. 1**  
**NONE**

**Sch. DL-Pt. 2**  
**NONE**

**U.S. FINANCIAL LIFE INSURANCE COMPANY**  
**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**

Fifth Third.....	Cincinnati, OH.....	.....	.....0.000	.....0	.....0	.....(12,891,966)	.....(8,833,154)	.....(3,564,009)	XXX..
JP Morgan Chase.....	New York, NY.....	.....	.....0.000	.....0	.....0	.....3,574,449	.....1,692,066	.....1,550,700	XXX..
0199999. Total Open Depositories.....	.....XXX.....	.....XXX.....	.....0	.....0	.....0	.....(9,317,517)	.....(7,141,088)	.....(2,013,309)	XXX..
0399999. Total Cash on Deposit.....	.....XXX.....	.....XXX.....	.....0	.....0	.....0	.....(9,317,517)	.....(7,141,088)	.....(2,013,309)	XXX..
0599999. Total Cash.....	.....XXX.....	.....XXX.....	.....0	.....0	.....0	.....(9,317,517)	.....(7,141,088)	.....(2,013,309)	XXX..

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

Show Investments Owned End of Current Quarter

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

**NONE**