



ANNUAL STATEMENT

For the Year Ended December 31, 2011  
of the Condition and Affairs of the

CENTRAL RESERVE LIFE INSURANCE COMPANY

NAIC Group Code.....0084, 0084  
(Current Period) (Prior Period)

NAIC Company Code..... 61727

Employer's ID Number..... 34-0970995

Organized under the Laws of Ohio

State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized..... July 2, 1963

Commenced Business..... May 12, 1965

Statutory Home Office

301 East Fourth Street..... Cincinnati ..... OH ..... 45202  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office

11200 Lakeline Blvd Ste 100..... Austin ..... TX ..... 78717  
(Street and Number) (City or Town, State and Zip Code)

512-451-2224  
(Area Code) (Telephone Number)

Mail Address

11200 Lakeline Blvd Ste 100..... Austin ..... TX ..... 78717  
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records

11200 Lakeline Blvd Ste 100..... Austin ..... TX ..... 78717  
(Street and Number) (City or Town, State and Zip Code)

512-451-2224  
(Area Code) (Telephone Number)

Internet Web Site Address

www.centralreserve.com

Statutory Statement Contact

Jesse Navarrete  
(Name)

512-807-4801  
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512-467-1399  
(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Bradley Allen Wolfram #	President	2. Byron Keith Buescher	Treasurer
3. Brenda Weigilia Hardison	Secretary	4. Mark Edward Alberts #	Appointed Actuary
OTHER			
Tracy Eugene Maples	Chief Actuary	Thomas Edward Mischell	Assistant Treasurer
Paul Adolph Severt	Chief Financial Officer	Mark Francis Muething	Assistant Secretary
Christopher Patrick Miliano	Assistant Treasurer	James Monroe Garvin, III #	Vice President

DIRECTORS OR TRUSTEES

Bradley Allen Wolfram #	Christopher Patrick Miliano	Mark Francis Muething	Michael James Prager
Paul Adolph Severt #			

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

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

(Signature)  
Bradley Allen Wolfram

1. (Printed Name)  
President

(Title)

(Signature)  
Byron Keith Buescher

2. (Printed Name)  
Treasurer

(Title)

(Signature)  
Brenda Weigilia Hardison

3. (Printed Name)  
Secretary

(Title)

Subscribed and sworn to before me

This \_\_\_\_\_ day of February 2012

a. Is this an original filing?

Yes [ X ] No [ ]

b. If no

1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	9,223,075		9,223,075	9,853,280
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	15,637,506		15,637,506	12,751,051
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
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 (\$....90,290, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$....2,299,300, Sch. DA).....	2,389,590		2,389,590	2,953,480
6. Contract loans (including \$.....0 premium notes).....	41,319		41,319	52,954
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	41,936
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	27,291,490	.0	27,291,490	25,652,701
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	86,463		86,463	67,050
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	(1,029,743)	3,342	(1,033,085)	(1,293,910)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	181,474		181,474	207,457
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	617,240		617,240	935,897
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....	227,891		227,891	436,779
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	19,626
18.2 Net deferred tax asset.....	2,886,000	1,411,000	1,475,000	1,349,000
19. Guaranty funds receivable or on deposit.....	934,938		934,938	306,333
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	25,052		25,052	4,896
24. Health care (\$.....0) and other amounts receivable.....	6,515	6,515	.0	
25. Aggregate write-ins for other than invested assets.....	247,728	247,728	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	31,475,048	1,668,585	29,806,463	27,685,829
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	31,475,048	1,668,585	29,806,463	27,685,829

DETAILS OF WRITE-INS

1101. ....			.0	
1102. ....			.0	
1103. ....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Other Receivables.....	232,712	232,712	.0	
2502. Prepaid Expenses.....	7,950	7,950	.0	
2503. Suspenses.....	7,066	7,066	.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).....	247,728	247,728	.0	.0

CENTRAL RESERVE LIFE INSURANCE COMPANY  
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....5,582,513 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	5,582,513	5,489,977
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$.....0 Modco Reserve).....	1,250,535	1,029,963
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	21,155	55,201
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	81,500	89,322
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	622,873	759,271
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
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 \$.....83,878 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	84,590	93,760
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....		
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded.....		
9.4 Interest Maintenance Reserve (IMR, Line 6).....	233,741	335,934
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	66,158	59,311
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	39,667	41,883
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 (Exhibit 3, Line 9, Col. 5).....	966,820	497,389
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....	77,127	
15.2 Net deferred tax liability.....		
16. Unearned investment income.....	291	450
17. Amounts withheld or retained by company as agent or trustee.....		482
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	48,766	27,454
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 (AVR Line 16, Col. 7).....	7,630	10,814
24.02 Reinsurance in unauthorized companies.....		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....	1,011	18,615
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....		
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	99,821	106,532
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	9,184,198	8,616,358
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	9,184,198	8,616,358
29. Common capital stock.....	2,500,000	2,500,000
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 (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	49,862,110	52,362,110
34. Aggregate write-ins for special surplus funds.....	1,929,000	1,735,000
35. Unassigned funds (surplus).....	(33,668,845)	(37,527,639)
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).....	18,122,265	16,569,471
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	20,622,265	19,069,471
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	29,806,463	27,685,829

DETAILS OF WRITE-INS

2501. Escheat Liability.....	99,083	93,724
2502. Other Liabilities.....	738	12,808
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).....	99,821	106,532
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401. SSAP 10 R Additional Surplus.....	879,000	823,000
3402. Subsidiary SSAP 10 R Additional Surplus.....	1,050,000	912,000
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	1,929,000	1,735,000

CENTRAL RESERVE LIFE INSURANCE COMPANY  
SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11).....	9,632,973	12,464,577
2. Considerations for supplementary contracts with life contingencies.....		
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	301,830	1,307,964
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	102,193	125,286
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1).....	1,033,596	3,654,405
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.....	1,614	226,487
9. Totals (Lines 1 to 8.3).....	11,072,206	17,778,719
10. Death benefits.....	244,551	299,537
11. Matured endowments (excluding guaranteed annual pure endowments).....		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....	52,075	49,852
13. Disability benefits and benefits under accident and health contracts.....	6,356,187	7,987,842
14. Coupons, guaranteed annual pure endowments and similar benefits.....		
15. Surrender benefits and withdrawals for life contracts.....	247,426	355,858
16. Group conversions.....		
17. Interest and adjustments on contract or deposit-type contract funds.....	(1,193)	2,029
18. Payments on supplementary contracts with life contingencies.....	24,910	25,266
19. Increase in aggregate reserves for life and accident and health contracts.....	313,108	(189,587)
20. Totals (Lines 10 to 19).....	7,237,064	8,530,797
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	1,434,221	4,188,629
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4).....	698,028	1,116,231
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	222,184	557,159
25. Increase in loading on deferred and uncollected premiums.....	(5,693)	(36,425)
26. Net transfers to or (from) Separate Accounts net of reinsurance.....		
27. Aggregate write-ins for deductions.....	281	8,641
28. Totals (Lines 20 to 27).....	9,586,085	14,365,032
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	1,486,121	3,413,687
30. Dividends to policyholders.....	1,340	1,539
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	1,484,781	3,412,148
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	271,753	724,086
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).....	1,213,028	2,688,062
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$.....0 transferred to the IMR).....		
35. Net income (Line 33 plus Line 34).....	1,213,028	2,688,062
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	19,069,471	16,715,781
37. Net income (Line 35).....	1,213,028	2,688,062
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....202.....	2,748,829	412,661
39. Change in net unrealized foreign exchange capital gain (loss).....		
40. Change in net deferred income tax.....	(151,798)	241,891
41. Change in nonadmitted assets.....	259,043	(389,004)
42. Change in liability for reinsurance in unauthorized companies.....		
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4).....		
44. Change in asset valuation reserve.....	3,184	(127)
45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1).....		
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....		
47. Other changes in surplus in Separate Accounts Statement.....		
48. Change in surplus notes.....		
49. Cumulative effect of changes in accounting principles.....		1,871,215
50. Capital changes:		
50.1 Paid in.....		
50.2 Transferred from surplus (Stock Dividend).....		
50.3 Transferred to surplus.....		
51. Surplus adjustment:		
51.1 Paid in.....	(2,500,000)	(2,000,000)
51.2 Transferred to capital (Stock Dividend).....		
51.3 Transferred from capital.....		
51.4 Change in surplus as a result of reinsurance.....	(213,492)	(708,008)
52. Dividends to stockholders.....		
53. Aggregate write-ins for gains and losses in surplus.....	194,000	237,000
54. Net change in capital and surplus for the year (Lines 37 through 53).....	1,552,794	2,353,690
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	20,622,265	19,069,471
DETAILS OF WRITE-INS		
08.301. Miscellaneous Income.....	1,466	223,753
08.302. Interest on Agent Balances.....	148	2,734
08.303. ....		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	1,614	226,487
2701. Penalties.....	281	8,641
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	281	8,641
5301. SSAP 10 R Additional Surplus.....	56,000	65,000
5302. Subsidiary SSAP 10 R Additional Surplus.....	138,000	172,000
5303. ....		
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	194,000	237,000

CENTRAL RESERVE LIFE INSURANCE COMPANY  
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	9,395,595	12,150,338
2. Net investment income.....	303,451	1,357,398
3. Miscellaneous income.....	821,718	3,172,884
4. Total (Lines 1 through 3).....	10,520,764	16,680,620
5. Benefit and loss related payments.....	6,541,824	9,036,399
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,515,968	5,825,013
8. Dividends paid to policyholders.....	1,130	1,468
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	175,000	1,131,744
10. Total (Lines 5 through 9).....	9,233,922	15,994,624
11. Net cash from operations (Line 4 minus Line 10).....	1,286,842	685,996
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	609,587	580,734
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....	41,936	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	651,523	580,734
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		41,936
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	41,936
14. Net increase (decrease) in contract loans and premium notes.....	(11,635)	(2,680)
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	663,158	541,478
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.....	(2,500,000)	(2,000,000)
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(33,064)	(10,083)
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	19,174	2,683,174
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(2,513,890)	673,091
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).....	(563,890)	1,900,565
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	2,953,480	1,052,915
19.2 End of year (Line 18 plus Line 19.1).....	2,389,590	2,953,480

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

20.0001		
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**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	Ordinary			6	Group		Accident and Health			12
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts.....	9,632,973		545,523	75,123					83,867		8,928,460	
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	301,830		50,716	139,222	5,955				1,749		104,188	
4. Amortization of Interest Maintenance Reserve (IMR).....	102,193		17,171	47,138	2,016				592		35,276	
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	1,033,596		55,684	17,005			8		19,016		941,883	
7. Reserve adjustments on reinsurance ceded.....	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	0											
8.2 Charges and fees for deposit-type contracts.....	0											
8.3 Aggregate write-ins for miscellaneous income.....	1,614	0	25	68	3	0	0	0	1	0	1,517	0
9. Totals (Lines 1 to 8.3).....	11,072,206	0	669,119	278,556	7,974	0	8	0	105,225	0	10,011,324	0
10. Death benefits.....	244,551		244,551									
11. Matured endowments (excluding guaranteed annual pure endowments).....	0											
12. Annuity benefits.....	52,075			52,075								
13. Disability benefits and benefits under accident and health contracts.....	6,356,187		4,987						52,887		6,298,313	
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	247,426		18,207	229,219								
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	(1,193)		263		(1,456)							
18. Payments on supplementary contracts with life contingencies.....	24,910				24,910							
19. Increase in aggregate reserves for life and accident and health contracts.....	313,108		119,573	(20,583)	(6,454)				364,856		(144,284)	
20. Totals (Lines 10 to 19).....	7,237,064	0	387,581	260,711	17,000	0	0	0	417,743	0	6,154,029	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	1,434,221		61,093	6,808			8		18,159		1,348,153	
22. Commissions and expense allowances on reinsurance assumed.....	0											
23. General insurance expenses.....	698,028		130,280	26,384	1,407				8,105		531,852	
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	222,184		17,963	864	46				2,352		200,959	
25. Increase in loading on deferred and uncollected premiums.....	(5,693)		(2,972)								(2,721)	
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0											
27. Aggregate write-ins for deductions.....	281	0	52	11	1	0	0	0	3	0	214	0
28. Totals (Lines 20 to 27).....	9,586,085	0	593,997	294,778	18,454	0	8	0	446,362	0	8,232,486	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	1,486,121	0	75,122	(16,222)	(10,480)	0	0	0	(341,137)	0	1,778,838	0
30. Dividends to policyholders.....	1,340		1,340									
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	1,484,781	0	73,782	(16,222)	(10,480)	0	0	0	(341,137)	0	1,778,838	0
32. Federal income taxes incurred (excluding tax on capital gains).....	271,753		13,504	(2,969)	(1,918)				(62,437)		325,573	
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).....	1,213,028	0	60,278	(13,253)	(8,562)	0	0	0	(278,700)	0	1,453,265	0

**DETAILS OF WRITE-INS**

08.301. Miscellaneous Income.....	1,466										1,466	
08.302. Interest on Agent Balances.....	148		25	68	3				1		51	
08.303. ....	0											
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	1,614	0	25	68	3	0	0	0	1	0	1,517	0
2701. Penalties.....	281		52	11	1				3		214	
2702. ....	0											
2703. ....	0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	281	0	52	11	1	0	0	0	3	0	214	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1.....0 Line 10.....0 Line 16.....0 Line 23.....0 Line 24.....0.

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1  Total	2  Industrial Life	Ordinary			6  Credit Life (Group and Individual)	Group	
			3  Life Insurance	4  Individual Annuities	5  Supplementary Contracts		7  Life Insurance	8  Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year.....	5,489,978		1,341,843	3,996,855	151,280			
2. Tabular net premiums or considerations.....	632,514		557,391	75,123				
3. Present value of disability claims incurred.....	15,168		15,168		XXX			
4. Tabular interest.....	258,624		63,265	185,688	9,671			
5. Tabular less actual reserve released.....	10,623		1,838		8,785			
6. Increase in reserve on account of change in valuation basis.....	0							
7. Other increases (net).....	2,494		2,494					
8. Totals (Lines 1 to 7).....	6,409,401	0	1,981,999	4,257,666	169,736	0	0	0
9. Tabular cost.....	375,219		375,219		XXX			
10. Reserves released by death.....	72,655		72,655	XXX	XXX			XXX
11. Reserves released by other terminations (net).....	119,798		67,723	52,075				
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	259,216		4,987	229,319	24,910			
13. Net transfers to or (from) Separate Accounts.....	0							
14. Total deductions (Lines 9 to 13).....	826,888	0	520,584	281,394	24,910	0	0	0
15. Reserve December 31, current year.....	5,582,513	0	1,461,415	3,976,272	144,826	0	0	0

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....137,957	.....158,575
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....152,841	.....151,898
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....2,771	.....2,729
6. Cash, cash equivalents and short-term investments.....	(e).....788	.....888
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....294,357	.....314,090
11. Investment expenses.....	.....	(g).....12,260
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....12,260
17. Net investment income (Line 10 minus Line 16).....	.....	.....301,830

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0
(a) Includes \$....6,102 accrual of discount less \$....27,295 amortization of premium and less \$.....0 paid for accrued interest on purchases.	.....	.....
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.	.....	.....
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.	.....	.....
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.	.....	.....
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.	.....	.....
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.	.....	.....
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.	.....	.....
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.	.....	.....
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.	.....	.....

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....	.....	.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....	.....	.....0	.....576	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....2,886,455	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....0	.....0	.....0	.....2,887,031	.....0

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0



**EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

	1	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	Credit Life (Group and Individual)	6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	Aggregate of All Other Lines of Business
<b>FIRST YEAR (other than single)</b>											
1. Uncollected.....	.0										
2. Deferred and accrued.....	.0										
3. Deferred, accrued and uncollected:											
3.1 Direct.....	.0										
3.2 Reinsurance assumed.....	.0										
3.3 Reinsurance ceded.....	.0										
3.4 Net (Line 1 + Line 2).....	.0	.0	0	0	.0	.0	0	.0	.0	.0	.0
4. Advance.....	.0										
5. Line 3.4 - Line 4.....	.0	.0	0	0	.0	.0	0	.0	.0	.0	.0
6. Collected during year:											
6.1 Direct.....	5,890							5,890			
6.2 Reinsurance assumed.....	.0										
6.3 Reinsurance ceded.....	.0										
6.4 Net.....	5,890	.0	0	0	.0	.0	0	5,890	.0	.0	.0
7. Line 5 + Line 6.4.....	5,890	.0	0	0	.0	.0	0	5,890	.0	.0	.0
8. Prior year (uncollected + deferred and accrued - advance)....	.0										
9. First year premiums and considerations:											
9.1 Direct.....	5,890							5,890			
9.2 Reinsurance assumed.....	.0										
9.3 Reinsurance ceded.....	.0										
9.4 Net (Line 7 - Line 8).....	5,890	.0	0	0	.0	.0	0	5,890	.0	.0	.0
<b>SINGLE</b>											
10. Single premiums and considerations:											
10.1 Direct.....	.0										
10.2 Reinsurance assumed.....	.0										
10.3 Reinsurance ceded.....	.0										
10.4 Net.....	.0	.0	0	0	.0	.0	0	.0	.0	.0	.0
<b>RENEWAL</b>											
11. Uncollected.....	(1,020,644)		(30,142)	(7,510)				(14,537)		(968,455)	
12. Deferred and accrued.....	228,491		228,491								
13. Deferred, accrued and uncollected:											
13.1 Direct.....	355,184		311,657					1,488		42,039	
13.2 Reinsurance assumed.....	.0										
13.3 Reinsurance ceded.....	1,147,337		113,308	7,510				16,025		1,010,494	
13.4 Net (Line 11 + Line 12).....	(792,153)	.0	198,349	(7,510)	.0	.0	0	(14,537)	.0	(968,455)	.0
14. Advance.....	84,590		712					320		83,558	
15. Line 13.4 - Line 14.....	(876,743)	.0	197,637	(7,510)	.0	.0	0	(14,857)	.0	(1,052,013)	.0
16. Collected during year:											
16.1 Direct.....	14,448,056		809,590	150,495		250		147,230		13,340,491	
16.2 Reinsurance assumed.....	.0										
16.3 Reinsurance ceded.....	5,054,708		244,364	91,628		250		71,010		4,647,456	
16.4 Net.....	9,393,348	.0	565,226	58,867	.0	.0	0	76,220	.0	8,693,035	.0
17. Line 15 + Line 16.4.....	8,516,605	.0	762,863	51,357	.0	.0	0	61,363	.0	7,641,022	.0
18. Prior year (uncollected + deferred and accrued - advance)....	(1,110,478)		217,340	(23,766)				(16,614)		(1,287,438)	
19. Renewal premiums and considerations:											
19.1 Direct.....	14,379,028		770,924	150,495		250		146,592		13,310,767	
19.2 Reinsurance assumed.....	.0										
19.3 Reinsurance ceded.....	4,751,945		225,401	75,372		250		68,615		4,382,307	
19.4 Net (Line 17 - Line 18).....	9,627,083	.0	545,523	75,123	.0	.0	0	77,977	.0	8,928,460	.0
<b>TOTAL</b>											
20. Total premiums and annuity considerations:											
20.1 Direct.....	14,384,918	.0	770,924	150,495	.0	250	0	152,482	.0	13,310,767	.0
20.2 Reinsurance assumed.....	.0	.0	0	0	.0	.0	0	.0	.0	.0	.0
20.3 Reinsurance ceded.....	4,751,945		225,401	75,372	.0	250	0	68,615	.0	4,382,307	.0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	9,632,973	.0	545,523	75,123	.0	.0	0	83,867	.0	8,928,460	.0

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND  
EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)

	1	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	Credit Life (Group and Individual)	6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	Aggregate of All Other Lines of Business
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21. To pay renewal premiums.....	0										
22. All other.....	49		49								
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded.....	(1,098)									(1,098)	
23.2 Reinsurance assumed.....	0										
23.3 Net ceded less assumed.....	(1,098)	0	0	0	0	0	0	0	0	(1,098)	0
24. Single:											
24.1 Reinsurance ceded.....	0										
24.2 Reinsurance assumed.....	0										
24.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded.....	1,034,694		55,684	17,005		8		19,016		942,981	
25.2 Reinsurance assumed.....	0										
25.3 Net ceded less assumed.....	1,034,694	0	55,684	17,005	0	8	0	19,016	0	942,981	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	1,033,596	0	55,684	17,005	0	8	0	19,016	0	941,883	0
26.2 Reinsurance assumed (Page 6, Line 22).....	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed.....	1,033,596	0	55,684	17,005	0	8	0	19,016	0	941,883	0
<b>COMMISSIONS INCURRED (direct business only)</b>											
27. First year (other than single).....	0										
28. Single.....	0										
29. Renewal.....	1,434,221		61,093	6,808		8		18,159		1,348,153	
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	1,434,221	0	61,093	6,808	0	8	0	18,159	0	1,348,153	0

CENTRAL RESERVE LIFE INSURANCE COMPANY  
EXHIBIT 2 - GENERAL EXPENSES

		Insurance				5	6
		1	Accident and Health		4		
			2	3			
		Life	Cost Containment	All Other	All Other Lines of Business	Investment	Total
1.	Rent.....	5,114		15,570			20,684
2.	Salaries and wages.....	68,749		210,381			279,130
3.11	Contributions for benefit plans for employees.....	10,162		32,757			42,919
3.12	Contributions for benefit plans for agents.....						0
3.21	Payments to employees under non-funded benefit plans.....						0
3.22	Payments to agents under non-funded benefit plans.....						0
3.31	Other employee welfare.....	1,253		3,516			4,769
3.32	Other agent welfare.....						0
4.1	Legal fees and expenses.....			3,075			3,075
4.2	Medical examination fees.....						0
4.3	Inspection report fees.....						0
4.4	Fees of public accountants and consulting actuaries.....	9,163		17,237			26,400
4.5	Expense of investigation and settlement of policy claims.....	3,300		64,418			67,718
5.1	Traveling expenses.....	554		1,141			1,695
5.2	Advertising.....						0
5.3	Postage, express, telegraph and telephone.....	4,305		71,768			76,073
5.4	Printing and stationery.....	1,565		3,329			4,894
5.5	Cost or depreciation of furniture and equipment.....	13		24			37
5.6	Rental of equipment.....	4,489		8,797			13,286
5.7	Cost or depreciation of EDP equipment and software.....	1,567		2,950			4,517
6.1	Books and periodicals.....	353		871			1,224
6.2	Bureau and association fees.....	2,715		5,107			7,822
6.3	Insurance, except on real estate.....	1,510		2,866			4,376
6.4	Miscellaneous losses.....						0
6.5	Collection and bank service charges.....	15,994		32,069			48,063
6.6	Sundry general expenses.....	4,086		2,611			6,697
6.7	Group service and administration fees.....						0
6.8	Reimbursements by uninsured plans.....						0
7.1	Agency expense allowance.....						0
7.2	Agents' balances charged off (less \$.....0 recovered).....	(2,758)		(5,915)			(8,673)
7.3	Agency conferences other than local meetings.....						0
9.1	Real estate expenses.....						0
9.2	Investment expenses not included elsewhere.....					12,260	12,260
9.3	Aggregate write-ins for expenses.....	25,937	0	67,385	0	0	93,322
10.	General expenses Incurred.....	158,071	0	539,957	0	12,260	(a).....710,288
11.	General expenses unpaid December 31, prior year.....	7,880		34,003			41,883
12.	General expenses unpaid December 31, current year.....	8,983		30,684			39,667
13.	Amounts receivable relating to uninsured plans, prior year.....						0
14.	Amounts receivable relating to uninsured plans, current year.....						0
15.	General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14).....	156,968	0	543,276	0	12,260	712,504
DETAILS OF WRITE-INS							
09.301.	EDP Expenses.....	25,937		53,548			79,485
09.302.	TPA Service Fees.....			13,837			13,837
09.303.							0
09.398.	Summary of remaining write-ins for Line 9.3 from overflow page.....	0	0	0	0	0	0
09.399.	Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	25,937	0	67,385	0	0	93,322

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

		Insurance			4	5
		1	2	3	Investment	Total
		Life	Accident and Health	All Other Lines of Business		
1.	Real estate taxes.....					0
2.	State insurance department licenses and fees.....	1,305	63,809			65,114
3.	State taxes on premiums.....	12,177	104,634			116,811
4.	Other state taxes, including \$.....0 for employee benefits.....	(512)	8,119			7,607
5.	U.S. Social Security taxes.....	4,774	14,479			19,253
6.	All other taxes.....	1,129	12,270			13,399
7.	Taxes, licenses and fees incurred.....	18,873	203,311	0	0	222,184
8.	Taxes, licenses and fees unpaid December 31, prior year.....	23,996	473,393			497,389
9.	Taxes, licenses and fees unpaid December 31, current year.....	82,125	884,695			966,820
10.	Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	(39,256)	(207,991)	0	0	(247,247)

EXHIBIT 4 - DIVIDENDS OR REFUNDS

		1	2
		Life	Accident and Health
1.	Applied to pay renewal premiums.....		
2.	Applied to shorten the endowment or premium-paying period.....		
3.	Applied to provide paid-up additions.....	49	
4.	Applied to provide paid-up annuities.....		
5.	Total Lines 1 through 4.....	49	0
6.	Paid-in cash.....	1,081	
7.	Left on deposit.....	210	
8.	Aggregate write-ins for dividend or refund options.....	0	0
9.	Total Lines 5 through 8.....	1,340	0
10.	Amount due and unpaid.....		
11.	Provision for dividends or refunds payable in the following calendar year.....		
12.	Terminal dividends.....		
13.	Provision for deferred dividend contracts.....		
14.	Amount provisionally held for deferred dividend contracts not included in Line 13.....		
15.	Total Lines 10 through 14.....	0	0
16.	Total from prior year.....		
17.	Total dividends or refunds (Lines 9 + 15 - 16).....	1,340	0
DETAILS OF WRITE-INS			
0801.	.....		
0802.	.....		
0803.	.....		
0898.	Summary of remaining write-ins for Line 8 from overflow page.....	0	0
0899.	Totals (Line 0801 thru 0803 plus 0898) (Line 8 above).....	0	0

CENTRAL RESERVE LIFE INSURANCE COMPANY  
EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
Life Insurance:					
0100001. 58 CET 3.0% ALB NLP. ....	42,311		42,311		
0100002. 58 CSO 2.5% ANB CRVM. ....	81,274		81,274		
0100003. 58 CSO 3.0% ALB NLP CNF. ....	11,796		11,796		
0100004. 58 CSO 3.0% ANB CRVM. ....	143,554		143,554		
0100005. 58 CSO 3.0% ANB NLP. ....	61,831		61,831		
0100006. 58 CSO 3.25% ANB CRVM. ....	573		573		
0100007. 58 CSO 3.5% ANB CRVM. ....	8,210		8,210		
0100008. 58 CSO 3.5% ANB NLP. ....	7,525		7,525		
0100009. 58 CSO 3.5%/20/ 3% CRVM NLP. ....	366,145		366,145		
0100010. 58 CSO 4.5% ANB CRVM. ....	10,929		10,929		
0100011. 58 CSO 4.5% ANB NLP. ....	135		135		
0100012. 80 CET 4.5% ANB NLP. ....	14,708		14,708		
0100013. 80 CSO 4.5% ANB CRVM. ....	791,952		791,952		
0100014. 2001 CSO 4.0% ANB CRVM. ....	815,875		815,875		
0100015. 2001 CSO 4.0% ANB NLP. ....	6,215		6,215		
0100016. 2001 CSO 4.5% ANB CRVM. ....	91,044		91,044		
0100017. 2001 CSO 4.5% ANB NLP. ....	3,340		3,340		
0199997. Totals (Gross).....	2,457,417	0	2,457,417	0	0
0199998. Reinsurance ceded.....	1,066,104		1,066,104		
0199999. Totals (Net).....	1,391,313	0	1,391,313	0	0
Annuities (excluding supplementary contracts with life contingencies):					
0200001. Deferred @ 3 1/2%.....	2,474,839	XXX	2,474,839	XXX	
0200002. Deferred @ 4 1/2%.....	99,355	XXX	99,355	XXX	
0200003. Deferred @ 5 1/2%.....	6,146,026	XXX	6,146,026	XXX	
0299997. Totals (Gross).....	8,720,220	XXX	8,720,220	XXX	0
0299998. Reinsurance ceded.....	4,743,948	XXX	4,743,948	XXX	
0299999. Totals (Net).....	3,976,272	XXX	3,976,272	XXX	0
Supplementary Contracts with Life Contingencies:					
0300001. 1983A 4.63%.....	11,514		11,514		
0300002. 1983A 5.50%.....	73,474		73,474		
0300003. 1983A 5.75%.....	90,146		90,146		
0300004. 1983A 6.00%.....	19,645		19,645		
0300005. 1983A 6.25%.....	8,197		8,197		
0300006. 1983A 6.50%.....	19,575		19,575		
0300007. 1983A 6.75%.....	45,992		45,992		
0300008. 1983A 7.50%.....	4,830		4,830		
0300009. 1983A 8.50%.....	32,192		32,192		
0399997. Totals (Gross).....	305,565	0	305,565	0	0
0399998. Reinsurance ceded.....	160,739		160,739		
0399999. Totals (Net).....	144,826	0	144,826	0	0
Accidental Death Benefits:					
0400001. 1959 ADB 1958 CSO 3%.....	667		667		
0499997. Totals (Gross).....	667	0	667	0	0
0499998. Reinsurance ceded.....	334		334		
0499999. Totals (Net).....	333	0	333	0	0
Disability - Active Lives:					
0500001. 1952 DIS - 1958 CSO 3%.....	2,810		2,810		
0599997. Totals (Gross).....	2,810	0	2,810	0	0
0599998. Reinsurance ceded.....	1,402		1,402		
0599999. Totals (Net).....	1,408	0	1,408	0	0
Disability - Disabled Lives:					
0600001. 1964 CDT 3% .....	37,900		37,900		
0699997. Totals (Gross).....	37,900	0	37,900	0	0
0699998. Reinsurance ceded.....	18,950		18,950		
0699999. Totals (Net).....	18,950	0	18,950	0	0
Miscellaneous Reserves:					
0700001. Deficiency Reserve.....	36,150		36,150		
0700002. Non-deduction of fractional premiums.....	12,993		12,993		
0700003. Group Conversions.....	114		114		
0700004. Immediate Payment of Death Claims.....	32,324		32,324		
0799997. Totals (Gross).....	81,581	0	81,581	0	0
0799998. Reinsurance ceded.....	32,170		32,170		
0799999. Totals (Net).....	49,411	0	49,411	0	0
9999999. Totals (Net) - Page 3, Line 1.....	5,582,513	0	5,582,513	0	0

**CENTRAL RESERVE LIFE INSURANCE COMPANY**  
**EXHIBIT 5 - INTERROGATORIES**

- |  |           |          |
|--|-----------|----------|
| 1.1 Has the reporting entity ever issued both participating and non-participating contracts?   | Yes [ X ] | No [   ] |
| 1.2 If not, state which kind is issued.....  |           |          |
| 2.1 Does the reporting entity at present issue both participating and non-participating contracts?   | Yes [   ] | No [ X ] |
| 2.2 If not, state which kind is issued..... Non-Participating  |           |          |
| 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?   | Yes [ X ] | No [   ] |
| If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.  |           |          |
|  |           |          |
| 4. Has the reporting entity any assessment or stipulated premium contracts in force? If so, state:   | Yes [   ] | No [ X ] |
| 4.1 Amount of insurance:   | \$.....   |          |
| 4.2 Amount of reserve:   | \$.....   |          |
| 4.3 Basis of reserve:  |           |          |
| 4.4 Basis of regular assessments:  |           |          |
| 4.5 Basis of special assessments:  |           |          |
| 4.6 Assessments collected during year:   | \$.....   |          |
| 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.  |           |          |
|  |           |          |
| 6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis?   | Yes [   ] | No [ X ] |
| 6.1 If so, state the amount of reserve on such contracts on the basis actually held:   | \$.....   |          |
| 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: | \$.....   |          |
| Attach statement of methods employed in their valuation.   |           |          |
|  |           |          |
| 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?   | Yes [   ] | No [ X ] |
| 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements:  | \$.....   |          |
| 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:   |           |          |
|  |           |          |
| 7.3 State the amount of reserves established for this business:  | \$.....   |          |
| 7.4 Identify where the reserves are reported in the blank.   |           |          |

## EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due To Change
	2 Changed From	3 Changed To	

**NONE**

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non- Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	1,005,793	1,364		8,002		992,726	3,701		
2. Additional contract reserves (a).....	1,082,304	743,850				338,454			
3. Additional actuarial reserves - Asset/Liability analysis.....	.0								
4. Reserve for future contingent benefits.....	.0								
5. Reserve for rate credits.....	.0								
6. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Totals (Gross).....	2,088,097	745,214	.0	8,002	.0	1,331,180	3,701	.0	.0
8. Reinsurance ceded.....	847,040	375,996		4,001		463,342	3,701		
9. Totals (Net).....	1,241,057	369,218	.0	4,001	.0	867,838	.0	.0	.0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	156,760	156,760							
11. Additional actuarial reserves - Asset/Liability analysis.....	.0								
12. Reserve for future contingent benefits.....	.0								
13. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Totals (Gross).....	156,760	156,760	.0	.0	.0	.0	.0	.0	.0
15. Reinsurance ceded.....	147,282	147,282							
16. Totals (Net).....	9,478	9,478	.0	.0	.0	.0	.0	.0	.0
17. TOTALS (Net).....	1,250,535	378,696	.0	4,001	.0	867,838	.0	.0	.0
18. TABULAR FUND INTEREST.....	16,640	12,094				4,546			

DETAILS OF WRITE-INS

0601. ....									
0602. ....									
0603. ....									
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1301. ....									
1302. ....									
1303. ....									
1398. Summary of remaining write-ins for Line 13 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1399. Totals (Lines 1301 thru 1303 + 1398) (Line 13 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

**EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS**

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	105,884			101,365	2,929	1,590
2. Deposits received during the year.....	210				210	
3. Investment earnings credited to the account.....	2,200			1,937	263	
4. Other net change in reserves.....	(4,849)			(4,849)		
5. Fees and other charges assessed.....	0					
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	66,128			66,128		
8. Other net transfers to or (from) Separate Accounts.....	0					
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8).....	37,317	0	0	32,325	3,402	1,590
10. Reinsurance balance at the beginning of the year.....	(50,682)			(50,682)		
11. Net change in reinsurance assumed.....	0					
12. Net change in reinsurance ceded.....	(34,520)			(34,520)		
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	(16,162)	0	0	(16,162)	0	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	21,155	0	0	16,163	3,402	1,590

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

**PART 1 - Liability End of Current Year**

16

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct.....	0										
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	0										
2.12 Reinsurance assumed.....	0										
2.13 Reinsurance ceded.....	0										
2.14 Net.....	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
2.2 Other:											
2.21 Direct.....	261,110		55,000				60,092		8,155		137,863
2.22 Reinsurance assumed.....	0										
2.23 Reinsurance ceded.....	117,678		5,000				60,092		7,279		45,307
2.24 Net.....	143,432	0	(b) 50,000	(b) 0	0	(b) 0	(b) 0	0	(b) 876	(b) 0	(b) 92,556
3. Incurred but unreported:											
3.1 Direct.....	859,752		59,000						19,529		781,223
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	298,811		27,500						14,569		256,742
3.4 Net.....	560,941	0	(b) 31,500	(b) 0	0	(b) 0	(b) 0	0	(b) 4,960	(b) 0	(b) 524,481
4. Totals:											
4.1 Direct.....	1,120,862	0	114,000	0	0	0	60,092	0	27,684	0	919,086
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	416,489	0	32,500	0	0	0	60,092	0	21,848	0	302,049
4.4 Net.....	704,373	(a) 0	(a) 81,500	0	0	0	(a) 0	0	5,836	0	617,037

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$.....0 in Column 2, \$.....0 in Column 3 and \$.....0 in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....0, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).



**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

**PART 2 - Incurred During the Year**

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1. Settlements during the year:											
1.1 Direct.....	10,148,306		497,168	104,150	49,820		17,038		117,628		9,362,502
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	3,641,957		321,028	41,306	23,579		17,038		65,369		3,173,637
1.4 Net..... (d)	6,506,349	0	176,140	62,844	26,241	0	0	0	52,259	0	6,188,865
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	1,120,862		114,000				60,092		27,684		919,086
2.2 Reinsurance assumed.....	0										
2.3 Reinsurance ceded.....	416,489		32,500				60,092		21,848		302,049
2.4 Net.....	704,373	0	81,500	0	0	0	0	0	5,836	0	617,037
3. Amounts recoverable from reinsurers December 31, current year.....	615,237		(50,075)	10,769	6,185				12,223		636,135
4. Liability December 31, prior year:											
4.1 Direct.....	1,510,384		139,644				130,598		91,336		1,148,806
4.2 Reinsurance assumed.....	0										
4.3 Reinsurance ceded.....	661,791		50,322				130,598		86,336		394,535
4.4 Net.....	848,593	0	89,322	0	0	0	0	0	5,000	0	754,271
5. Amounts recoverable from reinsurers December 31, prior year.....	930,831		31,145		4,854				12,015		882,817
6. Incurred benefits:											
6.1 Direct.....	9,758,784	0	471,524	104,150	49,820	0	(53,468)	0	53,976	0	9,132,782
6.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded.....	3,081,061	0	221,986	52,075	24,910	0	(53,468)	0	1,089	0	2,834,469
6.4 Net.....	6,677,723	0	249,538	52,075	24,910	0	0	0	52,887	0	6,298,313

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.000000 in Line 1.1, \$.000000 in Line 1.4, \$.000000 in Line 6.1 and \$.000000 in line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.000000 in Line 1.1, \$.000000 in Line 1.4, \$.000000 in Line 6.1 and \$.000000 in line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.000000 in Line 1.1, \$.000000 in Line 1.4, \$.000000 in Line 6.1 and \$.000000 in line 6.4.

(d) Includes \$.000000 premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.....0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.....0
2.2 Common stocks.....			.....0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.....0
3.2 Other than first liens.....			.....0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.....0
4.2 Properties held for the production of income.....			.....0
4.3 Properties held for sale.....			.....0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.....0
6. Contract loans.....			.....0
7. Derivatives (Schedule DB).....			.....0
8. Other invested assets (Schedule BA).....			.....0
9. Receivables for securities.....			.....0
10. Securities lending reinvested collateral assets (Schedule DL).....			.....0
11. Aggregate write-ins for invested assets.....	.....0	.....0	.....0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.....0	.....0	.....0
13. Title plants (for Title insurers only).....			.....0
14. Investment income due and accrued.....			.....0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	.....3,342	.....4,283	.....941
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.....0
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.....			.....0
18.2 Net deferred tax asset.....	.....1,411,000	.....1,689,000	.....278,000
19. Guaranty funds receivable or on deposit.....			.....0
20. Electronic data processing equipment and software.....			.....0
21. Furniture and equipment, including health care delivery assets.....			.....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 and other amounts receivable.....	.....6,515	.....1,860	.....(4,655)
25. Aggregate write-ins for other than invested assets.....	.....247,728	.....288,484	.....40,756
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....1,668,585	.....1,983,627	.....315,042
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0
28. TOTALS (Lines 26 and 27).....	.....1,668,585	.....1,983,627	.....315,042

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
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.....0	.....0	.....0
2501. Other Receivables.....	.....232,712	.....281,715	.....49,003
2502. Prepaid Expenses.....	.....7,950	.....6,600	.....(1,350)
2503. Suspenses.....	.....7,066	.....169	.....(6,897)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....247,728	.....288,484	.....40,756

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### a. Accounting Practices and Procedures

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

The Ohio Department of Insurance recognizes only Statutory Accounting Principles prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Ohio.

#### 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. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. The Company pays dividends to participating policyholders.

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 with a NAIC rating 1 through 5 are stated at amortized cost using the interest method; all others are stated at the lower of amortized cost or market.

Certain residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS) and loan-backed and structured securities (LBASS) are subject to the two-step process based on the price point determined by a third party financial model to properly reflect the expected loss from the securities which in turn determines the Book Adjusted Carrying Value method and a final NAIC designation.

Those RMBS, CMBS, and LBASS securities that are not modeled but receive a current year Acceptable Rating Organizations (ARO) rating are subject to the two-step Modified FE process based on the price point determined by the NAIC which in turn determines the Book Adjusted Carrying Value method and a final NAIC designation.

- (3) Common stocks are stated at market, except investments in stocks of wholly owned subsidiaries, controlled and affiliated companies, which are valued using the equity method in accordance with SSAP No.97.
- (4) Preferred stocks -- Not applicable.
- (5) Mortgage loans -- Not applicable.
- (6) Loan-backed securities with an NAIC rating 1 through 5 are stated at amortized cost using the interest method; securities rated 6 are stated at the lower of amortized cost or market; for loan-backed bonds and structured securities, dealer modified anticipated prepayment assumptions are used at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
- (7) Investments in subsidiaries, controlled and affiliated companies are valued using the equity method in accordance with SSAP No. 97.
- (8) Investments in joint ventures, partnerships and limited liability companies -- Not applicable
- (9) Derivatives -- Not applicable
- (10) The Company utilizes anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- (12) The company has not modified its capitalization policy from the prior period.
- (13) The Company has no pharmaceutical rebate receivables.

### 2. Accounting Changes and Corrections of Errors

- a. The Company had no material changes in accounting principles and/or correction of errors.

### 3. Business Combinations and Goodwill – Not applicable.

### 4. Discontinued Operations -- The Company has no reportable discontinued operations.

NOTES TO FINANCIAL STATEMENTS

5. Investments

- a. Mortgage Loans, including Mezzanine Real Estate Loans -- Not applicable.
- b. Debt Restructuring -- Not applicable.
- c. Reverse Mortgage -- Not applicable.
- d. Loan-Backed Securities

- (1) The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
- (2) The Company does not currently hold any securities with a recognized other-than-temporary impairment where there is an intent to sell or an inability or lack of intent to hold the securities for a period of time necessary to recover the amortized cost basis of the securities.
- (3) The Company has no security with a credit-related other-than-temporary impairment charge during the period.
- (4) The following table shows all loan-backed securities with an unrealized loss:

Less than 12 months		12 months or more	
Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
\$0	\$1	\$2	\$579

- (5) Based on cash flow projections received from independent sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses at December 31, 2011. The Company has the intent to hold such securities until they recover in value or mature.
- e. Repurchase Agreements and/or Securities Lending Transactions -- Not applicable.
- f. Real Estate -- Not applicable.
- g. The Company does not have any investments in low-income housing tax credits.

6. Joint Ventures, Partnerships and Limited Liability Companies -- Not applicable.

7. Investment Income -- There was no due and accrued investment income excluded from capital and surplus at December 31, 2011.

8. Derivative Instruments -- Not applicable

9 Income Taxes

a. Deferred Tax Assets and Deferred Tax Liabilities

- (1) The components of the net deferred tax asset/(liability) at December 31, were as follows:

	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$2,895,000	\$7,000	\$2,902,000	\$3,050,000	\$7,000	\$3,057,000
Gross deferred tax liabilities	16,000	-	16,000	19,000	-	19,000
Net deferred tax assets			2,886,000			3,038,000
Deferred tax assets non-admitted			(1,411,000)			(1,689,000)
Net admitted deferred tax assets			\$1,475,000			\$1,349,000
Increase (decrease) in net deferred tax assets			\$(152,000)			\$241,891
Tax effects of unrealized gains (losses)			202			-
Reported increase (decrease) in net deferred tax assets			\$(151,798)			\$241,891
Increase (decrease) in non-admitted deferred tax assets			\$(278,000)			\$73,000

- (2) The Company has elected to admit DTAs pursuant to SSAP 10R – Paragraph 10.e. The Company utilized this election in 2010.

NOTES TO FINANCIAL STATEMENTS

(3) As a result of this election, the Company has recognized additional deferred tax assets, as follows:

	2011	2010
Additional admitted deferred tax assets - SSAP 10R - Paragraph 10.e	\$ 879,000	\$ 823,000
Additional admitted deferred tax assets - Subsidiaries	1,050,000	712,000
	<u>\$ 1,929,000</u>	<u>\$1,535,000</u>
Increase (decrease) for the year	\$ 194,000	\$ 237,000

(4) The result of the admissibility calculations pursuant to paragraph 10.a. – 10.c. are as follows:

	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Recoverable through loss carrybacks	\$ 589,000	\$7,000	\$ 596,000	\$ 519,000	\$7,000	\$ 526,000
Lesser of:						
Reversal of deferred tax assets in the following year	-	-	-	-	-	-
10% of adjusted capital and surplus			<u>1,734,000</u>			<u>1,852,000</u>
			-			-
Adjusted gross deferred tax assets offset						
against deferred tax liabilities	16,000	-	<u>16,000</u>	19,000	-	<u>19,000</u>
Admitted deferred tax assets			<u><u>\$612,000</u></u>			<u><u>\$545,000</u></u>

The result of the admissibility calculations pursuant to paragraph 10.e. are as follows:

	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Recoverable through loss carrybacks	\$1,468,000	\$7,000	\$ 1,475,000	\$ 1,342,000	\$7,000	\$1,349,000
Reversal of deferred tax assets in the following year	-	-	-	-	-	-
15% of adjusted capital and surplus			<u>2,600,000</u>			<u>2,777,000</u>
			-			-
Adjusted gross deferred tax assets offset						
against deferred tax liabilities	16,000	-	<u>16,000</u>	19,000	-	<u>19,000</u>
Admitted deferred tax assets			<u><u>\$1,491,000</u></u>			<u><u>\$1,368,000</u></u>

For purpose of SSAP No 10R, Paragraph 10.d the following amounts was used:

	2011	2010	Change
Total Adjusted Capital	\$18,746,034	\$18,273,076	\$ 472,958
Authorized Control Level	\$ 1,108,749	\$ 1,456,527	\$(347,778)

(5) There were no tax planning strategies utilized in the DTA admissibility calculation for 2011. The impact of the Company’s tax planning strategies on the adjusted gross DTA and net admitted DTA by tax character for December 31, 2010 were as follows:

	12/31/2010		
	Ordinary	Capital	Total
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
(a) Adjusted gross DTAs (% of total adjusted gross DTAs)	0%	0%	0%
(b) Net admitted adjusted DTAs (% of total net admitted DTAs) (% of total net admitted DTAs)	0%	1%	1%

NOTES TO FINANCIAL STATEMENTS

(6) The Impact to the Company’s financial statements as a result of the election of SSAP 10R Paragraph 10.e are as follows:

December 31, 2011	Prior to Election	After Election	Change
Admitted deferred tax assets	\$ 612,000	\$ 1,491,000	\$ 879,000
Admitted assets	28,927,463	29,806,463	879,000
Adjusted statutory capital and surplus*	17,335,526	xxx	xxx
Total adjusted capital for RBC	18,746,034	xxx	xxx
Statutory surplus	\$ 17,243,265	\$ 18,122,265	\$ 879,000

December 31, 2010	Prior to Election	After Election	Change
Admitted deferred tax assets	\$ 545,000	\$ 1,368,000	\$ 823,000
Admitted assets	26,862,829	27,685,829	823,000
Adjusted statutory capital and surplus*	18,516,352	xxx	xxx
Total adjusted capital for RBC	18,273,076	xxx	xxx
Statutory surplus	\$ 15,746,471	\$ 16,569,471	\$ 823,000

\* As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No. 10R, Paragraph 10bii

- b. The Company has recognized all its deferred tax liabilities.
- c. The provisions for incurred taxes on earnings for the years ended December 31 are as follows:

	2011	2010	Change
Federal income taxes (benefits) on current operations	\$ 332,419	\$ 716,462	\$ (384,043)
Prior year adjustment	(60,666)	1,015,202	(1,075,868)
	271,753	1,731,664	(1,459,911)
Federal income taxes on capital gains (losses)	-	(2,113)	2,113
Federal income taxes incurred	\$ 271,753	\$ 1,729,551	\$ (1,457,798)

Deferred tax assets resulting from book/tax differences in:

Ordinary:

Reserves	\$ 57,000	\$ 54,000	\$ 3,000
Tax deferred acquisition costs	2,713,000	2,773,000	(60,000)
Other	125,000	223,000	(98,000)
Total ordinary deferred tax assets	2,895,000	3,050,000	(155,000)
Deferred tax assets non-admitted	(1,411,000)	(1,689,000)	278,000
Admitted ordinary deferred tax assets	1,484,000	1,361,000	123,000

Capital:

Investments	7,000	7,000	-
Admitted capital deferred tax assets	7,000	7,000	-

Admitted deferred tax assets	1,491,000	1,368,000	123,000
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Deferred tax liabilities resulting from book/tax differences in:

Ordinary:

Investments	3,000	1,000	2,000
Other	13,000	18,000	(5,000)
Total ordinary deferred tax liabilities	16,000	19,000	(3,000)
Net admitted deferred tax assets	\$ 1,475,000	\$ 1,349,000	\$ 126,000

NOTES TO FINANCIAL STATEMENTS

d. The Company's income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory rate of 35% to net income after dividends to policyholders are as follows:

	2011	2010
Expected income tax at 35%	\$ 519,673	\$1,192,139
Prior year tax adjustment	(60,666)	1,015,202
Ceding commission	(74,722)	(247,803)
Amortization of IMR	(35,768)	(45,223)
Intercompany dividend	-	(350,000)
Non-admitted assets	12,964	(87,878)
Accruals not currently deductible	61,210	-
Other	860	11,223
Total statutory federal income taxes	\$ 423,551	\$1,487,660
Federal income taxes incurred	271,753	1,729,551
Change in net deferred income taxes	151,798	(241,891)
Total statutory federal income taxes	\$ 423,551	\$ 1,487,660

e. As of December 31, 2011, the Company does not have any operating loss carryforwards or capital loss carryforwards available to offset future net income subject to federal income taxes.

The amount of federal income taxes paid and available for recoupment in the event of future net losses is as follows:

Tax Year	Ordinary	Capital	Total
2011	\$332,419	-	\$332,419
2010	655,796	-	655,796
2009	557,596	102,725	660,321

f. The Company's federal income tax return is filled on a stand-alone basis.

10. Information Concerning Parent, Subsidiaries and Affiliates and Other Related Parties

a., b. & c. Related party transactions for 2011, and 2010 include:

On September 30, 2011, the Company made a \$2,500,000 return of capital payment to Ceres Group, Inc.

On December 30, 2010, the Company made a \$2,000,000 return of capital payment to Ceres Group, Inc.

On August 2, 2010, Central Reserve Life Insurance Company received a \$1,000,000 dividend from Provident American Life and Health Insurance Company, a wholly owned subsidiary.

d. At December 31, 2011, the Company reported \$25,052 as amounts due from affiliated companies and \$1,011 due to affiliated companies. The terms of the agreements require that these amounts be settled within 90 days.

e. During 2011 there were no material guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that resulted in a material contingent exposure of the Company's or any related party's assets or liabilities.

f. Management or service contracts and all cost sharing arrangements involving the Company:

- (1) The Company has an agreement with GAFRI, subject to the direction of the finance committee of the Company, whereby GAFRI, along with the services provided by American Money Management, provides for money management and accounting services related to the investment portfolio.
- (2) Certain administrative, management, underwriting, claims, accounting, data processing, collection and investment services are provided under agreements between the Company and affiliates at charges not unfavorable to the Company or the affiliate.

g. The Company is an indirect subsidiary of Great American Financial Resources, Inc. ("GAFRI"), which is a subsidiary of American Financial Group, Inc.; 100% of the Company's outstanding common stock is directly owned by Ceres Group, Inc. See schedule Y, Part 1, Organizational Chart.

h. The Company does not own shares of any upstream immediate entity or ultimate parent.

i. The Company has no investments in SCA entities.

j. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated companies during the statement period.

k. The Company has no investment in a foreign insurance subsidiary.

l. The Company has no investment in a downstream non-insurance holding company.

11. Debt

a. The Company has no outstanding debt instruments.

b. The Company has no Federal Home Loan Bank agreements.



## NOTES TO FINANCIAL STATEMENTS

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans
- The Company does not participate in a defined benefit plan.
  - Defined Compensation Plan -- See item d below.
  - The Company does not participate in multi-employer plans.
  - Consolidated/Holding Company Plans:
    - Employees' Retirement Plan:
      - All employees meeting minimum requirements are eligible to participate in an Employee Stock Ownership Retirement Plan ("Plan") established by GAFRI for employees of GAFRI and its participating subsidiaries. The Plan is a defined contribution plan in which participating employees are entitled to share in contributions made by GAFRI on their behalf. The benefits are based on an employee's years of service and eligible compensation for each year of participation. Funding is determined annually. Each participating employer contributes an amount based upon the relationship of its total eligible compensation to total eligible compensation under the Plan. The Company's contribution for the plan was \$4,430 in 2011 and \$10,015 in 2010.
      - Plan costs are funded as they accrue and vested benefits are fully funded. Contributions to the Plan are subject to the discretion of the Board of Directors of the Company, and the Company has no liability for future contributions under the Plan.
      - The Company's parent, GAFRI, sponsors a 401(k) retirement plan for all eligible employees of GAFRI and its participating subsidiaries. Effective January 1, 2001, GAFRI and participating subsidiaries began making matching contributions to the 401(k) plan. Company contributions are based on the amount of the participating employees' contributions. The Company recognized expenses of \$8,234 for its contribution to the plan in 2011 and \$10,830 in 2010.
    - Deferred Compensation Plans:
      - The Company offers to its officers and selected employees the opportunity to defer receipt of a specific percentage of income. Amounts deferred are credited with interest at either a rate set by the Board of Directors or based on the performance of the common stock of American Financial Group, as chosen by individual participants.
    - Post Retirement Benefits:
 

GAFRI provides postretirement health care and life insurance benefits to employees meeting age and service requirements through plans sponsored by American Financial Group, Inc. The retiree medical care plan is a contributory plan covering all eligible employees hired prior to 1993; employees hired after 1992 pay the full cost of retiree medical coverage. GAFRI has established a cap on the total amount of health care costs that are subsidized for the majority of current retirees and all eligible future retirees. GAFRI currently pays the full cost of life insurance coverage for past retirees, but no coverage is provided for new retirees after 2005. The medical plan is funded by monthly payments to a trust. Life insurance benefits are provided by insurance contracts. American Financial Group, Inc. has the right to modify or terminate either of these plans in the future. The Company has the right to terminate its participation at any time in the future.

GAFRI accrues its postretirement benefits over the period the employees qualify for such benefits. At December 31, 2011, GAFRI's accumulated postretirement benefit obligation was \$727,798 using a discount rate of 3.75% of which all is currently accrued. Net postretirement benefits costs for the year ended December 31, 2011, was a credit of \$11,094, which includes service cost, interest cost, and amortization of the transition obligation.

The weighted average annual assumed rate of increase in the health care cost trend rate is 8% for 2012 and is assumed to decrease gradually to 5% over 7 years and to remain at that level thereafter. The effect of a 1% increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation at December 31, 2011 by \$869.
- Post-Employment Benefits and Compensated Absences:
 

The Company accrues obligations for post employment benefits and compensated absences in accordance with SSAP No. 11.
  - The Medicare Modernization Act
    - In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("the Act") became law. Under the Act, starting in 2006, retirees will have the ability to obtain prescription drug benefits through a new Medicare Part D program and companies that continue to provide postretirement prescription drug benefits to their retirees may be eligible to receive a new federal subsidy.
    - The Medicare Modernization Act had no impact on the Company's postretirement benefits.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
- The Company has 3,000,000 shares authorized. 1,250,000 shares issued and outstanding. All shares are class A shares, par value \$2.00 per share
  - The Company has no preferred stock outstanding.
  - The maximum amount of dividends which can be paid to stockholders by life insurance companies domiciled in the State of Ohio without prior approval of the Insurance Commissioner is the greater of 10% of surplus as regards to policyholders or net income as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of dividends payable in 2012 without prior approval is \$0, as the Company has no earned surplus.
  - On September 30, 2011, the Company made a \$2,500,000 return of capital payment to Ceres Group, Inc.



NOTES TO FINANCIAL STATEMENTS

- e. Within the limitations of (c) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- f. There are no restrictions on the Company's surplus.
- g. The total amount of advances to surplus not repaid is \$0.
- h. The amounts of stock held by the Company, including stock of affiliated companies, for special purposes is:
  - (1) Conversion of preferred stock: 0 shares
  - (2) Employee stock options: 0 shares
  - (3) Stock purchase warrants: 0 shares
- i. The special surplus funds in the balance sheet of \$1,929,000 is due to SSAP 10R.
- j. The portion of unassigned funds (surplus) represented or (reduced) by each of the following items:
  - (1) Unrealized gains and losses: (18,257,779)
  - (2) Non-admitted asset values: (1,668,585)
  - (3) Separate account business: 0
  - (4) Asset valuation reserves: (7,630)
  - (5) Reinsurance in unauthorized companies 0
- k. Surplus Notes -- Not applicable
- l. The impact of any restatement due to prior quasi-reorganizations is as follows: Not applicable
- m. The effective date of all quasi-reorganization in the prior 10 years is/are: Not applicable

14. Contingencies

- a. Contingent Commitments -- No reportable material commitments or contingent commitments.
- b. Assessments

From time to time, insurance companies may be assessed by various state insurance guaranty funds to help pay for the cost of other insurance companies insolvency's. These assessments are generally recoverable in most states over a 3 to 10 year period through reduction in future premium tax liabilities. The Company periodically adjusts its accrual for future assessments utilizing information provided by the National Organization of Life and Health Insurance Guaranty Associations. At December 31, 2011, the Company held a liability for future assessments of \$895,000. The Company also holds an asset for premium tax offsets related to guaranty fund assessments paid or accrued.

Assets recognized from paid and accrued tax offsets for the year ended December 31, 2011, are as follows:

Balance beginning of year	\$ 306,333
Premium tax offsets accrued	681,943
Premium tax offsets applied	<u>(53,338)</u>
Balance, December 31, 2011	<u>\$ 934,938</u>

- c. Gain Contingencies -- No reportable material gain contingencies.
- d. Claims related extra contractual obligations and bad faith losses stemming from lawsuits – No reportable material losses
- e. All Other Contingencies -- No reportable material other contingencies.

15. Leases – Not applicable

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk -- Not applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – The Company has no reportable transactions.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans -- Not applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators --Not applicable

20. Fair Value Measurements – The Company does not have any assets or liabilities carried at fair value.

21. Other Items

- a. Extraordinary Items -- No reportable material extraordinary items.
- b. Troubled debt restructuring: Debtors -- Not applicable

NOTES TO FINANCIAL STATEMENTS

c. Other disclosures

Assets in the amount of \$4,593,119 and \$8,538,394 at December 31, 2011 and 2010, respectively, were on deposit with government authorities or trustees as required by law or in accordance with the terms of various reinsurance agreements.

d. Uncollectible assets

The Company routinely assesses the collectibility of assets covered by SSAP No. 6. Based upon Company experience, amounts that may become uncollectible and the potential loss thereof is not material to the Company's financial condition. The accompanying financial statements do no include any assets covered by SSAP No. 47 or SSAP No. 66.

e. Business interruption insurance recoveries -- There were no business interruption claims made or recovered.

f. State Transferable Tax Credits – Not applicable.

g. Subprime Mortgage Related Risk Exposure.

(1) Included in determining the company's exposure to sub-prime mortgage loans are the debt and equity securities of companies whose principal business includes the origination, securitization, providing of mortgage insurance on, investment in or management of sub-prime mortgage loans. Also included in such determination are those residential mortgage backed securities and collateral debt obligations in which the ultimate collateral supporting anticipated cash flows are sub-prime mortgage loans. In general, we limit the company's purchases of sub-prime residential mortgage backed securities to those securities with AAA ratings and whose underlying collateral is fixed-rate (as opposed to adjustable rate).

(2) The Company does not have any investments with direct exposure in subprime mortgage loans.

(3) Indirect exposure to subprime mortgage risk through investments in the following securities:

	# of Securities	Actual Cost	Book adjusted carrying value	Fair Value	Any other than temporary impairment recognized to date	% AAA	% Fixed Rate
Residential mortgage backed securities	2	\$21,812	\$582	\$2	\$21,441	100%	100%
Totals		\$21,812	\$582	\$2	\$21,441		

(4) The Company has no net underwriting exposure to subprime mortgage risk through Mortgage Guaranty coverage or Financial Guaranty coverage.

h. Retained Assets – Not applicable.

22. Events Subsequent – Management has evaluated the financial statements for subsequent events through February 21, 2011, the date financial statements were available to be issued.

23. Reinsurance

a. Ceded Reinsurance Report

(1) Section 1 - General Interrogatories

(a) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?  
Yes ( ) No ( X )

If yes, give full details.

(b) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?  
Yes ( ) No ( X )

If yes, give full details.

(2) Section 2 - Ceded Reinsurance Report - Part A

(a) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?  
Yes ( ) No ( X )

(i) If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$\_\_\_\_\_

(ii) What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$\_\_\_\_\_

**NOTES TO FINANCIAL STATEMENTS**

- (b) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
Yes (    )                      No ( ☒ )

If yes, give full details.

(3) Section 3 - Ceded Reinsurance Report - Part B

- (a) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$\_\_\_\_\_
- (b) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?  
Yes (    ) No ( ☒ )

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$\_\_\_\_\_

- b. Uncollectible Reinsurance – No reinsurance recoverables were written off.
- c. Commutation of Ceded Reinsurance Reflected in Income and Expenses – There was no commutation of ceded reinsurance at December 31, 2011.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination -- Not applicable

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2010 were \$769,944. As of December 31, 2011, \$639,036 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$10,321 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicare Supplement lines of insurance. Therefore, there has been a \$120,587 favorable prior year development since December 31, 2010 to December 31, 2011. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements -- Not applicable

27. Structured Settlements -- Not applicable

28. Health Care Receivables -- Not applicable

29. Participating Policies

- a. Participating policies represent less than 1% of the total life insurance in force at December 31, 2011.
- b. Policyholder dividends are recognized on the policy's anniversary.
- c. Dividends to policyholders in 2011 were \$1,340
- d. There is no additional income allocated to participating policyholders at December 31, 2011.

30. Premium Deficiency Reserves -- Not applicable

31. Reserves for Life Contracts and Annuity Contracts

- a. The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- b. Extra premiums are charged for substandard lives. Reserves are based on a combination of mean reserves for substandard lives and the gross premiums charged for such.
- c. As of December 31, 2011, the Company has \$1,554,500 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio. Reserves to cover the above insurance totaled \$36,150 at year-end and are reported in Exhibit 5, Section G.
- d. For life insurance, the Tabular Interest has been determined from the basic data for the calculation of policy reserves. For annuities, the Tabular Interest has been determined by formula as described by the instructions. The Tabular less Actual Reserve released has been determined by formula as described. The Tabular Cost has been determined by formula as described by instructions. The total of all such products in determining Tabular Interest of funds is entered under Page 7, Part A, Line 9.
- e. As of December 31, 2011, for the determination of tabular interest on funds falling under the category of not involving life contingencies, for each valuation rate of interest, the tabular interest equals the actual interest credited on each contract during the year. The total amount of such interest is entered under Exhibit 7, line 3.

NOTES TO FINANCIAL STATEMENTS

f. The nature of other reserve changes of \$2,493 are related to data inconsistencies on the Analysis of Increase in Reserves,

32. Analysis of Annuity Actuarial Reserves and Deposit Type Liabilities by Withdrawal Characteristics

Withdrawal Characteristics of Annuity Actuarial Reserves and Deposit-Type Contract Funds and other Liabilities Without Life or Disability Contingencies.

	Amount	% of Total
Subject to discretionary withdrawal:		
At book value without adjustment	\$ 8,725,213	96.3%
Not subject to discretionary withdrawal	337,890	3.7%
Total (gross)	9,063,103	100%
Reinsurance Ceded	4,920,850	
Total (net)	\$ 4,142,253	

\*Reconciliation of total annuity actuarial reserves and deposit fund liabilities:

	Amount
Life & Accident & Health Annual Statement:	
Exhibit 5, Section B, Total (net)	\$ 3,976,272
Exhibit 5, Section C, Total (net)	144,826
Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	21,155
Total	\$ 4,142,253

33. Premium and Annuity Considerations Deferred and Uncollected

Type	Gross	Loading	Net of Loading
(1) Industrial	0	0	0
(2) Ordinary new business	0	0	0
(3) Ordinary renewal	\$ 188,726	49,785	138,941
(4) Credit Life	0	0	0
(5) Group Life	0	0	0
(6) Group Annuity	0	0	0
(7) Totals	\$ 188,726	\$ 49,785	\$ 138,941

34. Separate Accounts -- Not applicable

35. Loss/Claim Adjustment Expenses

Reserves for LAE expense is contained within the claim liability reserve for incurred but not reported claims. For December 2011 and 2010, LAE reserves were \$15,713 and \$19,269, respectively.

CENTRAL RESERVE LIFE INSURANCE COMPANY  
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [ X ]

No [ ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [ X ]

No [ ]

N/A [ ]

1.3

State regulating?

Ohio

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:

12/31/2011

3.1

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

12/31/2011

3.2

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

3.3

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).

01/25/2008

3.4

By what department or departments?

Ohio Department of Insurance

3.5

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 ]

3.6

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

Yes [ ]

No [ ]

N/A [ X ]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

Yes [ ]

No [ X ]

4.11

sales of new business?

Yes [ ]

No [ X ]

4.12

renewals?

Yes [ ]

No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

Yes [ ]

No [ X ]

4.21

sales of new business?

Yes [ ]

No [ X ]

4.22

renewals?

Yes [ ]

No [ X ]

5.1

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

Yes [ ]

No [ X ]

5.2

If yes, provide the name of the 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 Co. Code	State of Domicile

6.1

Has the 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 ]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [ ]

No [ X ]

7.2

If yes,

7.21

State the percentage of foreign control

.....%

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

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 response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ersnt & Young LLP, 1900 Scripps Center, 312 Walnut Street, Cincinnati, OH 45202

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [ ]

No [ X ]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ]

No [ X ]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [ ]

No [ X ]

10.6

If the answer to 10.5 is no or n/a, please explain.

The Audit Committee of American Financial Group, Inc., the Company's SOX compliant ultimate parent, will be deemed to serve as the Company's Audit Committee for the purposes of compliance with Ohio insurance law.

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Mark E. Alberts, FSA, MAAA; 22 East 55th Street, Indianapolis, IN 46220 Consulting Actuary

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ]

No [ X ]

12.11

Name of real estate holding company

12.12

Number of parcels involved

.....

12.13

Total book/adjusted carrying value

.....

12.2

If yes, provide explanation.

CENTRAL RESERVE LIFE INSURANCE COMPANY  
GENERAL INTERROGATORIES

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?	Yes [ ]	No [ ]
13.3	Have there been any changes made to any of the trust indentures during the year?	Yes [ ]	No [ ]
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?	Yes [ ]	No [ ] N/A [ X ]
14.1	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.		
14.11	If the response to 14.1 is no, please explain:		

14.2	Has the code of ethics for senior managers been amended?	Yes [ ]	No [ X ]
14.21	If the response to 14.2 is yes, provide information related to amendment(s).		

14.3	Have any provisions of the code of ethics been waived for any of the specified officers?	Yes [ ]	No [ X ]
14.31	If the response to 14.3 is yes, provide the nature of any waiver(s).		

15.1	Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?	Yes [ ]	No [ X ]
15.2	If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.		

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?	Yes [ X ]	No [ ]
17.	Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?	Yes [ X ]	No [ ]
18.	Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?	Yes [ X ]	No [ ]

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?	Yes [ ]	No [ X ]
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):		
20.11	To directors or other officers	\$.....	0
20.12	To stockholders not officers	\$.....	0
20.13	Trustees, supreme or grand (Fraternal only)	\$.....	0
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):		
20.21	To directors or other officers	\$.....	0
20.22	To stockholders not officers	\$.....	0
20.23	Trustees, supreme or grand (Fraternal only)	\$.....	0
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?	Yes [ ]	No [ X ]
21.2	If yes, state the amount thereof at December 31 of the current year:		
21.21	Rented from others	.....	
21.22	Borrowed from others	.....	
21.23	Leased from others	.....	
21.24	Other	.....	
22.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?	Yes [ X ]	No [ ]
22.2	If answer is yes:		
22.21	Amount paid as losses or risk adjustment	\$.....	0
22.22	Amount paid as expenses	\$.....	0
22.23	Other amounts paid	\$.....	49,276
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [ X ]	No [ ]
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount.	\$.....	0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.3)?	Yes [ X ]	No [ ]
24.2	If no, give full and complete information relating thereto.		
24.3	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided). The Company does not engage in securities lending		
24.4	Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes [ ]	No [ ] N/A [ X ]
24.5	If answer to 24.4 is yes, report amount of collateral for conforming programs.	.....	
24.6	If answer to 24.4 is no, report amount of collateral for other programs.	.....	
24.7	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes [ ]	No [ ] N/A [ X ]
24.8	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes [ ]	No [ ] N/A [ X ]

CENTRAL RESERVE LIFE INSURANCE COMPANY

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.9

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [ ]

No [ ]

N/A [ X ]

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3)

Yes [ X ]

No [ ]

25.2

If yes, state the amount thereof at December 31 of the current year:

25.21

Subject to repurchase agreements

\$.....0

25.22

Subject to reverse repurchase agreements

\$.....0

25.23

Subject to dollar repurchase agreements

\$.....0

25.24

Subject to reverse dollar repurchase agreements

\$.....0

25.25

Pledged as collateral

\$.....0

25.26

Placed under option agreements

\$.....0

25.27

Letter stock or securities restricted as to sale

\$.....0

25.28

On deposit with state or other regulatory body

\$.....4,593,119

25.29

Other

\$.....0

25.3

For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [ ]

No [ X ]

26.2

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

Yes [ ]

No [ ]

N/A [ X ]

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [ ]

No [ X ]

27.2

If yes, state the amount thereof at December 31 of the current year:

.....

28.

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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ X ]

No [ ]

28.01

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

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

28.02

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)

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [ ]

No [ X ]

28.04

If yes, give full and complete information relating thereto:

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

28.05

Identify all investment advisors, brokers/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 Number(s)	Name	Address
N/A	American Money Management Corporation	301 East Fourth Street, Cincinnati, OH 45202

29.1

Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [ ]

No [ X ]

29.2

If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adj.Carrying Value
29.2999. TOTAL		0

29.3

For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation

30.

Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	.....11,522,375	.....11,927,075	.....404,700
30.2 Preferred stocks.....			.....0
30.3 Totals.....	.....11,522,375	.....11,927,075	.....404,700

30.4

Describe the sources or methods utilized in determining the fair values:

Fair values for Bonds and Preferred stocks are determined by internal investment professionals at American Money Management Corporation (the manager of the Company's investment portfolio) using data from nationally recognized pricing services, broker quotes and available trade information. When data from these sources is not available (typically less than 1% of the portfolio), prices are developed internally by the investment professionals using widely published indices (as benchmarks), interest rates, issuer spreads, credit quality of the specific issuer and general economic conditions.

31.1

Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [ X ]

No [ ]

31.2

If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [ ]

No [ X ]

31.3

If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D. For the securities that were priced using broker prices, the Company obtains data from brokers that are familiar with the securities being priced and the markets in which they trade.

32.1

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

Yes [ X ]

No [ ]

32.2

If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....13,550

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
A.M.Best Rating Agency	13,550

34.1 Amount of payments for legal expenses, if any? \$.....3,075

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Bonnie Sue Borlace	3,075

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid



GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

- 1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ X ] No [ ]
- 1.2

If yes, indicate premium earned on U.S. business only

\$.....13,198,311
- 1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$.....0
- 1.31

Reason for excluding

- 1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$.....0
- 1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$.....8,993,639
- 1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$.....330,581

1.62

Total incurred claims

\$.....307,599

1.63

Number of covered lives

.....123

All years prior to most current three years:

1.64

Total premium earned

\$.....12,867,730

1.65

Total incurred claims

\$.....8,686,040

1.66

Number of covered lives

.....3,641
- 1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$.....0

1.72

Total incurred claims

\$.....0

1.73

Number of covered lives

.....0

All years prior to most current three years:

1.74

Total premium earned

\$.....0

1.75

Total incurred claims

\$.....0

1.76

Number of covered lives

.....0

2.

Health test:

	1	2
	Current Year	Prior Year
2.1	Premium Numerator.....	.....9,098,247.....11,908,162
2.2	Premium Denominator.....	.....9,632,973.....12,464,577
2.3	Premium Ratio (2.1/2.2).....	.....94.4.....95.5
2.4	Reserve Numerator.....	.....1,628,666.....1,992,451
2.5	Reserve Denominator.....	.....7,488,010.....7,316,520
2.6	Reserve Ratio (2.4/2.5).....	.....21.8.....27.2

- 3.1

Does this reporting entity have Separate Accounts?

Yes [ ] No [ X ]
- 3.2

If yes, has a Separate Accounts statement been filed with this Department?

Yes [ ] No [ ] N/A [ X ]
- 3.3

What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?

.....
- 3.4

State the authority under which Separate Accounts are maintained:

- 3.5

Was any of the reporting entity's Separate Accounts business reinsured as of December 31?

Yes [ ] No [ ]
- 3.6

Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?

Yes [ ] No [ ]
- 3.7

If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?"

.....

- 4.1

Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)?

Yes [ X ] No [ ]
- 4.2

Net reimbursement of such expenses between reporting entities:

4.21

Paid

\$.....632,165

4.22

Received

\$.....0
- 5.1

Does the reporting entity write any guaranteed interest contracts?

Yes [ ] No [ X ]
- 5.2

If yes, what amount pertaining to these items is included in:

5.21

Page 3, Line 1

.....

5.22

Page 4, Line 1

.....

6.

For stock reporting entities only:

6.1

Total amount paid in by stockholders as surplus funds since organization of the reporting entity:

\$.....49,862,110
7.

Total dividends paid stockholders since organization of the reporting entity:

7.11

Cash

\$.....27,613,250

7.12

Stock

\$.....12,000,000

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as:  
Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical,  
wage loss and death benefits of the occupational illness and accident exposures, but not the employers  
liability exposures, of business originally written as workers' compensation insurance.

Yes [ ] No [X]

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement?

Yes [ ] No [ ]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

1	2	3
Reinsurance Assumed	Reinsurance Ceded	Net Retained
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

8.31 Earned premium.....

8.32 Paid claims.....

8.33 Claim liability and reserve (beginning of year).....

8.34 Claim liability and reserve (end of year).....

8.35 Incurred claims.....

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Col. (1) are:

Attachment Point

8.41 < \$25,000.....

8.42 \$25,000 -- 99,999.....

8.43 \$100,000 -- 249,999.....

8.44 \$250,000 -- 999,999.....

8.45 \$1,000,000 or more.....

1	2
Earned Premium	Claim Liability and Reserve
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....

8.5 What portion of earned premium reported in 8.31, Col. 1 was assumed from pools?

.....

9.1 Does the company have variable annuities with guaranteed benefits?

Yes [ ] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1	2	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
Guaranteed Death Benefit	Guaranteed Living Benefit							

10. For reporting entities having sold annuities to another insurer when the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year?

\$.....0

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1	2
P&C Insurance Company and Location	Statement Value on Purchase Date of Annuities (i.e., Present Value)
	\$

11.1 Do you act as a custodian for health savings account?

Yes [ ] No [X]

11.2 If yes, please provide the amount of custodial funds held as of the reporting date.

.....

11.3 Do you act as an administrator for health savings accounts?

Yes [ ] No [X]

11.4 If yes, please provide the balance of the funds administered as of the reporting date.

.....

CENTRAL RESERVE LIFE INSURANCE COMPANY  
FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Life Insurance in Force (Exhibit of Life Insurance)</b>					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....	11,574	12,361	13,927	14,911	15,159
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	41,882	44,581	46,603	50,145	56,136
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....					168,636
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	53,456	56,942	60,530	65,056	239,931
<b>New Business Issued (Exhibit of Life Insurance)</b>					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....			1,403	2,831	5,590
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					440
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....					
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	0	0	1,403	2,831	6,030
<b>Premium Income - Lines of Business (Exhibit 1-Part 1)</b>					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	545,523	615,933	652,679	894,301	570,354
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....	75,123	92,330	95,423	44,555	67,752
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....					4,584
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....	83,867	86,085	104,037	261,344	173,549
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....	8,928,460	11,670,229	14,642,065	19,026,129	18,865,950
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	9,632,973	12,464,577	15,494,204	20,226,329	19,682,188
<b>Balance Sheet (Pages 2 and 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	29,806,463	27,685,829	26,121,474	25,029,383	31,942,095
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	9,184,198	8,616,358	9,405,693	10,406,933	14,553,421
23. Aggregate life reserves (Page 3, Line 1).....	5,582,513	5,489,977	5,492,646	5,357,245	5,299,885
24. Aggregate A&H reserves (Page 3, Line 2).....	1,250,535	1,029,963	1,216,881	1,551,073	1,723,510
25. Deposit-type contract funds (Page 3, Line 3).....	21,155	55,201	63,184	70,553	61,506
26. Asset valuation reserve (Page 3, Line 24.01).....	7,630	10,814	10,687	11,565	33,603
27. Capital (Page 3, Lines 29 & 30).....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
28. Surplus (Page 3, Line 37).....	18,122,265	16,569,471	14,215,781	12,122,450	14,888,674
<b>Cash Flow (Page 5)</b>					
29. Net Cash from operations (Line 11).....	1,286,842	685,996	(2,818,609)	1,231,107	(1,214,799)
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital.....	20,675,034	19,096,076	16,739,418	14,645,580	17,430,767
31. Authorized control level risk-based capital.....	1,157,119	1,477,164	1,986,854	2,331,295	2,998,561
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0</b>					
32. Bonds (Line 1).....	33.8	38.4	44.1	42.8	58.8
33. Stocks (Lines 2.1 and 2.2).....	57.3	49.7	51.3	44.2	25.8
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....					
35. Real estate (Line 4.1, 4.2 and 4.3).....					
36. Cash, cash equivalents and short-term investments (Line 5).....	8.8	11.5	4.4	12.8	15.2
37. Contract loans (Line 6).....	0.2	0.2	0.2	0.2	0.2
38. Derivatives (Line 7).....			XXX	XXX	XXX
39. Other invested assets (Line 8).....					
40. Receivables for securities (Line 9).....		0.2			(0.0)
41. Securities lending reinvested collateral assets (Line 10).....			XXX	XXX	XXX
42. Aggregate write-ins for invested assets (Line 11).....					
43. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0

CENTRAL RESERVE LIFE INSURANCE COMPANY  
FIVE-YEAR HISTORICAL DATA

(continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Sch. D Summary, Line 12 Col. 1).....					
45. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1).....					
46. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1).....	15,637,506	12,751,051	12,166,390	10,424,776	6,209,110
47. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....					
48. Affiliated mortgage loans on real estate .....					
49. All other affiliated.....					
50. Total of above Lines 44 to 49.....	15,637,506	12,751,051	12,166,390	10,424,776	6,209,110
<b>Total Nonadmitted and Admitted Assets</b>					
51. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	1,668,585	1,983,627	1,659,625	2,467,066	2,532,930
52. Total admitted assets (Page 2, Line 28, Col. 3).....	29,806,463	27,685,829	26,121,474	25,029,383	31,942,095
<b>Investment Data</b>					
53. Net investment income (Exhibit of Net Investment Income).....	301,830	1,307,964	326,272	477,999	921,184
54. Realized capital gains (losses) (Page 4, Line 34, Column 1).....				(3,739)	(19,982)
55. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	2,748,829	412,661	(798,386)	(1,783,402)	(4,662,871)
56. Total of above Lines 53, 54 and 55.....	3,050,659	1,720,625	(472,114)	(1,309,143)	(3,761,669)
<b>Benefits and Reserve Increase (Page 6)</b>					
57. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....	549,039	709,886	674,973	621,906	687,848
58. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	6,351,200	7,983,203	10,349,322	13,680,698	13,979,723
59. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	119,573	127,746	79,413	208,404	3,645
60. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	220,572	(186,917)	(334,192)	(172,438)	389,030
61. Dividends to policyholders (Line 30, Col 1).....	1,340	1,539	2,570	2,979	4,926
<b>Operating Percentages</b>					
62. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	11.4	13.2	36.2	17.4	22.6
63. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	5.0	5.5	9.8	12.8	16.6
64. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	73.3	66.9	68.2	70.3	74.9
65. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....					
66. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	12.5	16.3	35.9	19.8	27.3
<b>A&amp;H Claim Reserve Adequacy</b>					
67. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	21,007	6,072	21,257	12,519	44,419
68. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	15,673	9,705	9,000	43,955	88,679
69. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	628,350	879,073	1,606,845	1,924,519	1,457,764
70. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	754,271	1,122,745	1,928,691	2,025,669	1,589,386
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
71. Industrial life (Col. 2).....					
72. Ordinary - life (Col. 3).....	60,278	107,750	(215,593)	8,940	13,758
73. Ordinary - individual annuities (Col. 4).....	(13,253)	313,799	(50,387)	(1,571)	247,336
74. Ordinary - supplementary contracts (Col. 5).....	(8,562)	21,090	(6,591)	8,046	(28,388)
75. Credit life (Col. 6).....					
76. Group life (Col. 7).....					(36,352)
77. Group annuities (Col. 8).....					
78. A&H - group (Col. 9).....	(278,700)	182,449	(32,867)	405,986	(116,260)
79. A&H - credit (Col. 10).....					(497,548)
80. A&H - other (Col. 11).....	1,453,265	2,062,974	(226,387)	374,957	529,402
81. Aggregate of all other lines of business (Col. 12).....					
82. Total (Col. 1).....	1,213,028	2,688,062	(531,825)	796,358	111,948

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [    ]    No [    ]

If no, please explain:

**EXHIBIT OF LIFE INSURANCE**

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year.....			.....1,997	.....56,942						.....56,942
2. Issued during year.....										.....0
3. Reinsurance assumed.....										.....0
4. Revived during year.....			.....1	.....5						.....5
5. Increased during year (net).....				.....60						.....60
6. Subtotals, Lines 2 to 5.....	.....0	.....0	.....1	.....65	.....0	.....0	.....0	.....0	.....0	.....65
7. Additions by dividends during year.....	XXX.....		XXX.....		XXX.....		XXX.....	XXX.....		.....0
8. Aggregate write-ins for increases.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9. Totals (Lines 1 and 6 to 8).....	.....0	.....0	.....1,998	.....57,007	.....0	.....0	.....0	.....0	.....0	.....57,007
Deductions during year:										
10. Death.....			.....48	.....498			XXX.....			.....498
11. Maturity.....							XXX.....			.....0
12. Disability.....							XXX.....			.....0
13. Expiry.....			.....23	.....295						.....295
14. Surrender.....			.....39	.....349						.....349
15. Lapse.....			.....43	.....2,409						.....2,409
16. Conversion.....							XXX.....	XXX.....	XXX.....	.....0
17. Decreased (net).....										.....0
18. Reinsurance.....										.....0
19. Aggregate write-ins for decreases.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
20. Totals (Lines 10 to 19).....	.....0	.....0	.....153	.....3,551	.....0	.....0	.....0	.....0	.....0	.....3,551
21. In force end of year (Line 9 minus Line 20).....	.....0	.....0	.....1,845	.....53,456	.....0	.....0	.....0	.....0	.....0	.....53,456
22. Reinsurance ceded end of year.....	XXX.....		XXX.....	.....32,555	XXX.....		XXX.....	XXX.....		.....32,555
23. Line 21 minus Line 22.....	XXX.....	.....0	XXX.....	.....20,901	XXX.....	(b).....0	XXX.....	XXX.....	.....0	.....20,901

**DETAILS OF WRITE-INS**

0801. ....										.....0
0802. ....										.....0
0803. ....										.....0
0898. Summary of remaining write-ins for Line 8 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1901. ....										.....0
1902. ....										.....0
1903. ....										.....0
1998. Summary of remaining write-ins for Line 19 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1999. Totals (Lines 1901 thru 1903 plus 1998) (Line 19 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) Group \$.....0; Individual \$.....0.

CENTRAL RESERVE LIFE INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE (continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends.....	XXX		XXX	185
25. Other paid-up insurance.....			36	96
26. Debit ordinary insurance.....	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing.....			102	269
28. Term policies-other.....			637	41,152
29. Other term insurance-decreasing.....	XXX		XXX	
30. Other term insurance.....	XXX		XXX	
31. Totals (Lines 27 to 30).....	0	0	739	41,421
Reconciliation to Lines 2 and 21:				
32. Term additions.....	XXX		XXX	
33. Totals, extended term insurance.....	XXX	XXX	67	461
34. Totals, whole life and endowment.....			1,039	11,574
35. Totals (Lines 31 to 34).....	0	0	1,845	53,456

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial.....				
37. Ordinary.....			53,130	326
38. Credit Life (Group and Individual).....				
39. Group.....				
40. Totals (Lines 36 to 39).....	0	0	53,130	326

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies.....	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis.....		XXX		XXX
43. Federal Employees' Group Life Insurance included in Line 21.....				
44. Servicemen's Group Life Insurance included in Line 21.....				
45. Group Permanent Insurance included in Line 21.....				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a).....	978
--	-----

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.
47.1 Actual Amount
47.2 Actual Amount

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium.....			274	20,319				
49. Disability Income.....								
50. Extended Benefits.....			XXX	XXX				
51. Other.....								
52. Total.....	0	(b) 0	274	(b) 20,319	0	(b) 0	0	(b) 0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the Annual Statement Instructions.

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE  
AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS,  
ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year.....	23	3		
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	23	3	0	0
Deductions during year:				
6. Decreased (net).....		1		
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	0	1	0	0
9. In force end of year.....	23	2	0	0
10. Amount on deposit.....	305,565	(a) 32,325		(a)
11. Income now payable.....	23	2		
12. Amount of income payable.....	(a) 49,671	(a) 8,445	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....		431		
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	0	431	0	0
Deductions during year:				
6. Decreased (net).....		21		
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	0	21	0	0
9. In force end of year.....	0	410	0	0
Income now payable:				
10. Amount of income payable.....	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance.....	XXX	(a) 2,555,151	XXX	(a)
Deferred not fully paid:				
12. Account balance.....	XXX	(a) 6,165,070	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in force	3 Policies	4 Premiums in force	5 Policies	6 Premiums in force
1. In force end of prior year.....	202	162,158			5,901	15,555,667
2. Issued during year.....	15	6,599				
3. Reinsurance assumed.....						
4. Increased during year (net).....	146	XXX		XXX		XXX
5. Total (Lines 1 to 4).....	363	XXX	0	XXX	5,901	XXX
Deductions during year:						
6. Conversions.....		XXX	XXX	XXX	XXX	XXX
7. Decreased (net).....	46	XXX		XXX	1,520	XXX
8. Reinsurance ceded.....		XXX		XXX		XXX
9. Totals (Lines 6 to 8).....	46	XXX	0	XXX	1,520	XXX
10. In force end of year.....	317	(a) 146,708	0	(a)	4,381	(a) 12,189,746

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds Contracts	2 Dividend Accumulations Contracts
1. In force end of prior year.....	1	2
2. Issued during year.....		
3. Reinsurance assumed.....		
4. Increased during year (net).....		
5. Total (Lines 1 to 4).....	1	2
Deductions during year:		
6. Decreased (net).....		
7. Reinsurance ceded.....		
8. Totals (Lines 6 and 7).....	0	0
9. In force end of year.....	1	2
10. Amount of account balance.....	(a) 1,590	(a) 3,402

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the Annual Statement Instructions.

CENTRAL RESERVE LIFE INSURANCE COMPANY  
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.			1	Direct Business Only					
				Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Mem- bership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
				2 Life Insurance Premiums	3 Annuity Considerations				
1.	Alabama.....	AL	L	12,275	2,400	85,634		100,309	
2.	Alaska.....	AK	N	738	-	687		1,425	
3.	Arizona.....	AZ	L	12,588	-	30,937		43,525	
4.	Arkansas.....	AR	L	11,657	-	95,045		106,702	
5.	California.....	CA	N	1,048	-	14,521		15,569	
6.	Colorado.....	CO	L	3,779	-	35,975		39,754	
7.	Connecticut.....	CT	N	-	-	3,568		3,568	
8.	Delaware.....	DE	L	-	-	313		313	
9.	District of Columbia.....	DC	N	-	-	-		0	
10.	Florida.....	FL	N	4,219	-	34,489		38,708	
11.	Georgia.....	GA	L	3,031	-	126,343		129,374	
12.	Hawaii.....	HI	N	-	-	-		0	
13.	Idaho.....	ID	N	153	-	-		153	
14.	Illinois.....	IL	L	39,672	-	1,304,478		1,344,150	
15.	Indiana.....	IN	L	52,945	7,975	604,123		665,043	
16.	Iowa.....	IA	L	5,329	-	298,691		304,020	
17.	Kansas.....	KS	L	59,389	1,200	721,021		781,610	
18.	Kentucky.....	KY	L	4,265	-	172,354		176,619	
19.	Louisiana.....	LA	L	1,000	-	38,299		39,299	
20.	Maine.....	ME	N	-	-	-		0	
21.	Maryland.....	MD	N	826	-	15,609		16,435	
22.	Massachusetts.....	MA	L	-	-	-		0	
23.	Michigan.....	MI	N	10,754	250	13,453		24,457	
24.	Minnesota.....	MN	N	359	-	1,386		1,745	
25.	Mississippi.....	MS	L	2,447	-	29,813		32,260	
26.	Missouri.....	MO	L	50,478	250	230,463		281,191	
27.	Montana.....	MT	L	1,091	-	374,023		375,114	
28.	Nebraska.....	NE	L	1,883	-	1,112,126		1,114,009	
29.	Nevada.....	NV	L	900	-	13,056		13,956	
30.	New Hampshire.....	NH	N	-	-	-		0	
31.	New Jersey.....	NJ	N	100	-	6,228		6,328	
32.	New Mexico.....	NM	L	-	-	2,236		2,236	
33.	New York.....	NY	N	58	-	-		58	
34.	North Carolina.....	NC	L	147,367	-	1,890,235		2,037,602	
35.	North Dakota.....	ND	L	5,427	-	109,815		115,242	
36.	Ohio.....	OH	L	107,430	81,538	479,475		668,443	
37.	Oklahoma.....	OK	L	7,934	-	96,111		104,045	
38.	Oregon.....	OR	L	1,455	-	49,741		51,196	
39.	Pennsylvania.....	PA	L	6,952	13,282	640,147		660,381	
40.	Rhode Island.....	RI	N	-	-	-		0	
41.	South Carolina.....	SC	L	23,995	8,000	465,773		497,768	
42.	South Dakota.....	SD	L	946	-	41,950		42,896	
43.	Tennessee.....	TN	L	24,423	-	256,567		280,990	
44.	Texas.....	TX	L	50,753	-	1,441,184		1,491,937	
45.	Utah.....	UT	L	1,984	-	2,321		4,305	
46.	Vermont.....	VT	N	-	-	-		0	
47.	Virginia.....	VA	L	127,607	35,000	2,476,051		2,638,658	
48.	Washington.....	WA	N	-	-	7,490		7,490	
49.	West Virginia.....	WV	L	14,126	600	39,678		54,404	
50.	Wisconsin.....	WI	L	3,099	-	21,286		24,385	
51.	Wyoming.....	WY	L	372	-	110,465		110,837	
52.	American Samoa.....	AS	N	-	-	-		0	
53.	Guam.....	GU	N	-	-	-		0	
54.	Puerto Rico.....	PR	N	-	-	-		0	
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)	34	804,854	150,495	13,493,161	0	14,448,510	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		4,987		450		5,437	
94.	Aggregate other amounts not allocable by State.....	XXX		0	0	0	0	0	0
95.	Totals (Direct Business).....	XXX		809,841	150,495	13,493,611	0	14,453,947	0
96.	Plus reinsurance assumed.....	XXX						0	
97.	Totals (All Business).....	XXX		809,841	150,495	13,493,611	0	14,453,947	0
98.	Less reinsurance ceded.....	XXX		244,615	91,628	4,718,465		5,054,708	
99.	Totals (All Business) less reinsurance ceded.....	XXX		565,226	58,867	(b).....8,775,146	0	9,399,239	0

DETAILS OF WRITE-INS								
5801.	.....	XXX					0	
5802.	.....	XXX					0	
5803.	.....	XXX					0	
5898.	Summ. of remaining write-ins for line 58 from overflow page.....	XXX		0	0	0	0	0
5899.	Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....	XXX		0	0	0	0	0
9401.	.....	XXX					0	
9402.	.....	XXX					0	
9403.	.....	XXX					0	
9498.	Summ. of remaining write-ins for line 94 from overflow page.....	XXX		0	0	0	0	0
9499.	Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX		0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilled 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.

Explanation of basis of allocation by states, etc., of premiums and annuity considerations.

Premiums are allocated to the state in which the related policy or certificate holder currently resides.

- (a) Insert the number of "L" responses except for Canada and Other Alien.  
(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9, and 10, or with Schedule H, Part 1, Column 1, Line 1. Indicate which:  
Exhibit 1, Line 6.4, 10.4 and 16.4, Cols. 8, 9 and 10



Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group  
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
American Financial Capital Trust II	DE	31-6549738	
American Financial Capital Trust III	DE	16-6543606	
American Financial Capital Trust IV	DE	16-6543609	
American Financial Enterprises, Inc.	CT	31-0996797	
American Money Management Corporation	OH	31-0828578	
American Real Estate Capital Company, LLC (80%)	OH	27-1577326	
MidMarket Capital Partners, LLC (51%)	DE	27-2829629	
APU Holding Company	OH	41-2112001	
American Premier Underwriters, Inc.	PA	23-6000765	
The Associates of the Jersey Company	NJ	23-6297584	
Cal Coal, Inc.	IL	37-1094159	
Great Southwest Corporation	DE	95-2802826	
The Indianapolis Union Railway Company	IN	35-6001691	
Lehigh Valley Railroad Company	PA	13-6400464	
Magnolia Alabama Holdings, Inc.	DE	20-1548213	
Magnolia Alabama Holdings LLC	AL	20-1574094	
The Owasco River Railway, Inc.	NY	13-6021353	
PCC Real Estate, Inc.	NY	31-1236926	
PCC Technical Industries, Inc.	DE	76-0080537	
PCC Maryland Realty Corp.	MD	31-1388401	
Penn Central Energy Management Company	DE	06-1209709	
Penn Towers, Inc.	PA	23-1537928	
Pennsylvania-Reading Seashore Lines (66.67%)	NJ	23-6000766	
Pittsburgh and Cross Creek Railroad Company (83%)	PA	23-6207599	
Terminal Realty Penn Co.	DC	23-1707450	
Waynesburg Southern Railroad Company	PA	23-1675796	
GAI Insurance Company, Ltd. *	BM		
Hangar Acquisition Corp.	OH	31-1446308	
PLLS, Ltd.	WA	91-1508643	
Premier Lease & Loan Services Insurance Agency, Inc.	WA	91-1242743	
Premier Lease & Loan Services of Canada, Inc.	WA	91-1508644	
Republic Indemnity Company of America *	CA	95-2801326	22179
Republic Indemnity Company of California *	CA	31-1054123	43753
Risiko Management Corporation	DE	31-1262960	
Atlas Building Company, LLC	OH	27-4521779	
Dixie Terminal Corporation	OH	31-0823725	
Flextech Holding Co., Inc.	OH	31-1733037	
GAI Holding Bermuda Ltd.	BM	98-0606803	
GAI Indemnity, Ltd. #	GB	98-0556144	
Marketform Group Limited (71.6%)	GB		
Marketform Holdings Limited	GB		
Caduceus Underwriting Limited	GB		
Lavenham Underwriting Limited #	GB	98-0412245	
Marketform Limited	GB		
Gabinete Marketform SL	ES		
Marketform Australia Pty Limited	AU		
Studio Marketform SRL	IT		
Marketform Management Services Limited	GB		
Marketform Managing Agency Limited	GB		
Sampford Underwriting Limited #	GB	98-0431601	
Marketform Trust Company Limited	GB		

\* Denotes insurer  
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^ Total percentage owned by respective parent and other affiliated companies

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group  
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
Great American Financial Resources, Inc. ^	DE	06-1356481	
AAG Holding Company, Inc.	OH	31-1475936	
Great American Financial Statutory Trust IV	CT	58-646032	
Great American Life Insurance Company *	OH	13-1935920	63312
Aerielle IP Holdings, LLC ^	OH	45-2969767	
Aerielle, LLC ^	DE	26-4391696	
Aerielle Technologies, Inc.	CA	26-0756104	
Annuity Investors Life Insurance Company *	OH	31-1021738	93661
Bay Bridge Marina Hemingway's Restaurant, LLC (85%)	MD	27-4078277	
Bay Bridge Marina Management, LLC (85%)	MD	27-0513333	
Brothers Management, LLC (99%)	FL	20-1246122	
Consolidated Financial Corporation	MI	36-3383108	
FT Liquidation, LLC	OH	45-3988240	
GALIC - Bay Bridge Marina, LLC	MD	20-4604276	
GALIC - Stoneleigh, LLC	FL	45-3829557	
GALIC Brothers, Inc. (80%)	OH	31-1391777	
GALIC Pointe, LLC ^	FL	45-1144095	
GALIC Port Orange, LLC (80%) ^	FL	27-1026964	
Manhattan National Holding Corporation	OH	26-3260520	
Manhattan National Life Insurance Company *	IL	45-0252531	67083
Skipjack Marina Corp.	MD	52-2179330	
Loyal American Holding Corporation	OH	20-3568924	
Loyal American Life Insurance Company *	OH	63-0343428	65722
American Retirement Life Insurance Company *	OH	59-2760189	88366
GALAC Holding Company	OH	45-4121852	
Great American Life Assurance Company *	OH	95-2496321	62200
United Teacher Associates, Ltd. ^	TX	74-2180806	
United Teacher Associates Insurance Company *	TX	58-0869673	63479
AAG Insurance Agency, Inc.	KY	31-1422717	
Ceres Group, Inc.	DE	34-1017531	
Central Reserve Life Insurance Company *	OH	34-0970995	61727
Provident American Life & Health Insurance Company *	OH	23-1335885	67903
United Benefit Life Insurance Company *	OH	75-2305400	65269
Ceres Administrators, L.L.C.	DE	34-1880408	
Ceres Sales, LLC	DE	34-1947043	
Ceres Sales of Ohio, LLC	OH	34-1970892	
HealthMark Sales, LLC	DE	34-1920479	
Continental General Corporation	NE	47-0717079	
Continental General Insurance Company *	OH	47-0463747	71404
Continental Print & Photo Co.	NE	47-0562685	
QQAgency of Texas, Inc.	TX	34-1947042	
Great American Advisors, Inc.	OH	31-1395344	
Great American Holding, Inc.	OH	42-1575938	
Agricultural Services, LLC	OH	27-3062314	
United States Commodities Producers, LLC (51.3%)	MT	45-4110027	
United States Livestock Producers, LLC (51.3%)	NV	27-2354685	
Livestock Market Enhancement Risk Retention Group *	NV	27-4395897	14084
American Empire Surplus Lines Insurance Company *	DE	31-0912199	35351
American Empire Insurance Company *	OH	31-0973761	37990
American Empire Underwriters, Inc.	TX	59-1671722	
Great American International Insurance Limited *	IE		
Mid-Continent Casualty Company *	OH	73-0556513	23418
Mid-Continent Assurance Company *	OH	73-1406844	15380
Mid-Continent Excess and Surplus Insurance Company *	DE	38-3803661	13794
Mid-Continent Specialty Insurance Services, Inc.	OK	30-0571535	
Oklahoma Surety Company *	OH	73-0773259	23426
Premier International Insurance Company *	TC	98-0627464	

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American Financial Group, Inc.	OH	31-1544320	
Great American Insurance Company *	OH	31-0501234	16691
American Signature Underwriters, Inc.	OH	31-1463075	
Brothers Property Corporation (80%)	OH	59-2840291	
Brothers Le Pavillon, LLC	DE	20-5173494	
Brothers Le Pavillon (SPE), LLC	DE	20-5173589	
Brothers Pennsylvanian Corporation	PA	25-1754638	
Brothers Property Management Corporation	OH	59-2840294	
Crescent Centre Apartments ^	OH	20-4498054	
Crop Managers Insurance Agency, Inc.	KS	31-1277904	
Dempsey & Siders Agency, Inc.	OH	31-0589001	
Eden Park Insurance Brokers, Inc.	CA	31-1341668	
El Aguila, Compañía de Seguros, S.A. de C.V. *	MX		
Financiadora de Primas Condor, S.A. de C.V. (99%)	MX		
Farmers Crop Insurance Alliance, Inc.	KS	39-1404033	
FCIA Management Company, Inc.	NY	13-3628555	
Foreign Credit Insurance Association @	NY		
GAI Warranty Company	OH	31-1753938	
GAI Warranty Company of Florida	FL	31-1765544	
GAI Warranty Company of Canada Inc.	CN		
Global Premier Finance Company	OH	61-1329718	
Great American Agency of Texas, Inc.	TX	74-2693636	
Great American Alliance Insurance Company *	OH	95-1542353	26832
Great American Assurance Company *	OH	15-6020948	26344
Great American Casualty Insurance Company *	OH	61-0983091	39896
Great American Claims Services, Inc.	DE	31-1228726	
Great American Contemporary Insurance Company *	OH	36-4079497	10646
Great American E & S Insurance Company *	DE	31-0954439	37532
Great American Fidelity Insurance Company *	DE	31-1036473	41858
Great American Insurance Agency, Inc.	OH	31-1652643	
Great American Insurance Company of New York *	NY	13-5539046	22136
Great American Lloyd's Insurance Company * @	TX	31-0974853	38024
Great American Lloyd's, Inc.	TX	31-1073664	
Great American Management Services, Inc.	OH	31-0856644	
Great American Protection Insurance Company *	OH	31-1288778	38580
Great American Re Inc.	DE	31-0918893	
Great American Security Insurance Company *	OH	31-1209419	31135
Great American Spirit Insurance Company *	OH	31-1237970	33723
Key Largo Group, Inc.	FL	59-1263251	
National Interstate Corporation (52.4%)	OH	34-1607394	
American Highways Insurance Agency, Inc.	OH	34-1899058	
Explorer RV Insurance Agency, Inc.	OH	31-1548235	
Hudson Indemnity, Ltd.	KY	98-0191335	
Hudson Management Group, Ltd.	VI	66-0660039	
National Interstate Insurance Agency, Inc.	OH	34-1607396	
Commercial For Hire Transportation Purchasing Group @	SC	36-4670968	
National Interstate Insurance Company *	OH	34-1607395	32620
National Interstate Insurance Company of Hawaii, Inc. *	OH	99-0345306	11051
Triumphe Casualty Company *	OH	95-3623282	41106
Vanliner Group, Inc.	DE	43-1415856	
TransProtection Service Company	MO	43-1254631	
Vanliner Insurance Company *	MO	86-0114294	21172
Vanliner Reinsurance Limited *	BM		
Safety Claims and Litigation Services, LLC	MT	20-5546054	
Safety, Claims & Litigation Services, Inc.	PA	23-2825108	
Penn Central U.K. Limited	GB		
Insurance (GB) Limited *	GB		
Pinecrest Place LLC	FL	27-2226948	
PLLS Canada Insurance Brokers Inc. ^	CN	871850814	
Professional Risk Brokers, Inc.	IL	31-1293064	
Strategic Comp Holdings, L.L.C.	LA	72-1331800	
Strategic Comp Services, L.L.C.	LA	36-4517754	
Strategic Comp, L.L.C.	LA	32-0050970	
One East Fourth, Inc.	OH	31-0686194	
Pioneer Carpet Mills, Inc.	OH	31-0883227	
Superior NWVN of Ohio, Inc.	OH	31-1737792	
TEJ Holdings, Inc.	OH	31-1119320	
Three East Fourth, Inc.	OH	31-0728327	

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