



# ANNUAL STATEMENT

For the Year Ended December 31, 2011

of the Condition and Affairs of the

## Consumers Life Insurance Company

NAIC Group Code.....730, 730  
(Current Period) (Prior Period)

NAIC Company Code..... 62375

Employer's ID Number..... 21-0706531

Organized under the Laws of Ohio

State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized..... October 3, 1955

Commenced Business..... October 3, 1955

Statutory Home Office

2060 East Ninth Street..... Cleveland ..... OH ..... 44115-1355  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office

2060 East Ninth Street..... Cleveland ..... OH ..... 44115-1355  
(Street and Number) (City or Town, State and Zip Code)

216-687-7000

(Area Code) (Telephone Number)

Mail Address

2060 East Ninth Street..... Cleveland ..... OH ..... 44115-1355  
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records

2060 East Ninth Street..... Cleveland ..... OH ..... 44115-1355  
(Street and Number) (City or Town, State and Zip Code)

216-687-7000

(Area Code) (Telephone Number)

Internet Web Site Address

www.ConsumersLife.com

Statutory Statement Contact

Sharon Matonis

216-687-6049

(Name)

Sharon.Matonis@mmoh.com

(Area Code) (Telephone Number) (Extension)

(E-Mail Address)

216-687-1579

(Fax Number)

### OFFICERS

Name	Title	Name	Title
1. Richard A. Chircosta	President	2. Patrick J. Dugan	Secretary
3. Dennis P. Jancsy	Treasurer	4.	

### OTHER

### DIRECTORS OR TRUSTEES

Jared P. Chaney	Richard A. Chircosta	Patrick J. Dugan	Dennis P. Jancsy
Steffany K. Matticola			

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

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

(Signature) Richard A. Chircosta	(Signature) Patrick J. Dugan	(Signature) Dennis P. Jancsy
1. (Printed Name) President	2. (Printed Name) Secretary	3. (Printed Name) Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_ 2012

a. Is this an original filing?  
b. If no     1. State the amendment number  
                  2. Date filed  
                  3. Number of pages attached

Yes [ X ]   No [ ]

\_\_\_\_\_

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	17,717,932		17,717,932	17,898,210
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 (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 (\$....3,449,497, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$....5,285,730, Sch. DA).....	8,735,227		8,735,227	5,725,711
6. Contract loans (including \$.....0 premium notes).....			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	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	26,453,159	0	26,453,159	23,623,921
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	224,286		224,286	223,885
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	1,088,071		1,088,071	127,947
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	5,519,410		5,519,410	6,325,283
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.....	17,173		17,173	1,000
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	1,048,000	1,048,000	0	
19. Guaranty funds receivable or on deposit.....	816,843		816,843	763,863
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....	125,943	125,943	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 (\$....11,488) and other amounts receivable.....	229,041	217,553	11,488	17,688
25. Aggregate write-ins for other than invested assets.....	131,368	127,400	3,968	819,215
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	35,653,294	1,518,896	34,134,398	31,902,802
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	35,653,294	1,518,896	34,134,398	31,902,802

**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. Prepaid Assets.....	.98,400	.98,400	0	
2502. Other Assets.....	.29,000	.29,000	0	
2503. State Tax Recoverables.....	3,968		3,968	819,215
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).....	131,368	127,400	3,968	819,215

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$....656,500 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	656,500	738,500
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$.....0 Modco Reserve).....	1,766,000	1,532,000
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	1,613,679	1,084,083
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	1,755,600	2,181,200
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 \$....2,314,807 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	2,535,324	3,493,774
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.....	4,670,277	5,294,016
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$....4,670,277 ceded.....	3,940	19,883
9.4 Interest Maintenance Reserve (IMR, Line 6).....		
10. Commissions to agents due or accrued - life and annuity contracts \$....173,290, accident and health \$....714,374 and deposit-type contract funds \$.....0.....	887,664	1,232,256
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	342,999	334,380
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).....	1,095,625	1,496,716
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		
15.2 Net deferred tax liability.....		
16. Unearned investment income.....	1,306	2,023
17. Amounts withheld or retained by company as agent or trustee.....		
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....	133,529	13,411
19. Remittances and items not allocated.....		
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR Line 16, Col. 7).....	14,120	10,486
24.02 Reinsurance in unauthorized companies.....		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....	310,174	839,539
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.....	0	0
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	15,786,737	18,272,267
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	15,786,737	18,272,267
29. Common capital stock.....	1,600,000	1,600,000
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).....	30,925,250	25,925,250
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	(14,177,589)	(13,894,715)
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).....	16,747,661	12,030,535
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	18,347,661	13,630,535
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	34,134,398	31,902,802

**DETAILS OF WRITE-INS**

2501. ....		
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0

# Consumers 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).....	.55,307,368	47,735,458
2. Considerations for supplementary contracts with life contingencies.....		
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	403,117	446,941
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	15,943	42,974
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).....		
7. Reserve adjustments on reinsurance ceded.....		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....		
8.2 Charges and fees for deposit-type contracts.....		
8.3 Aggregate write-ins for miscellaneous income.....	0	110,582
9. Totals (Lines 1 to 8.3).....	.55,726,428	48,335,955
10. Death benefits.....	7,914,052	3,549,851
11. Matured endowments (excluding guaranteed annual pure endowments).....		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....		
13. Disability benefits and benefits under accident and health contracts.....	.19,309,659	17,743,914
14. Coupons, guaranteed annual pure endowments and similar benefits.....		
15. Surrender benefits and withdrawals for life contracts.....		
16. Group conversions.....		
17. Interest and adjustments on contract or deposit-type contract funds.....		
18. Payments on supplementary contracts with life contingencies.....		
19. Increase in aggregate reserves for life and accident and health contracts.....	152,000	1,287,495
20. Totals (Lines 10 to 19).....	.27,375,711	22,581,260
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	.13,147,930	12,414,338
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).....	.13,430,992	12,894,982
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	1,848,828	1,684,616
25. Increase in loading on deferred and uncollected premiums.....		
26. Net transfers to or (from) Separate Accounts net of reinsurance.....		
27. Aggregate write-ins for deductions.....	354,260	0
28. Totals (Lines 20 to 27).....	.56,157,721	49,575,196
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	(431,293)	(1,239,241)
30. Dividends to policyholders.....		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	(431,293)	(1,239,241)
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....		
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).....	(431,293)	(1,239,241)
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).....	(431,293)	(1,239,241)
35. Net income (Line 33 plus Line 34).....	(431,293)	(1,239,241)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	.13,630,535	14,902,729
37. Net income (Line 35).....	(431,293)	(1,239,241)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....		
39. Change in net unrealized foreign exchange capital gain (loss).....		
40. Change in net deferred income tax.....	1,048,000	
41. Change in nonadmitted assets.....	(895,947)	(26,369)
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).....		(2,000)
44. Change in asset valuation reserve.....	(3,634)	(4,584)
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.....		
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.....	5,000,000	
51.2 Transferred to capital (Stock Dividend).....		
51.3 Transferred from capital.....		
51.4 Change in surplus as a result of reinsurance.....		
52. Dividends to stockholders.....		
53. Aggregate write-ins for gains and losses in surplus.....	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53).....	4,717,126	(1,272,194)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	.18,347,661	13,630,535

### DETAILS OF WRITE-INS

08.301. Other Income, net of Other Expense.....		110,582
08.302. .....		
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).....	0	110,582
2701. Other Expense, net of Other Income.....	354,260	
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).....	354,260	0
5301. .....		
5302. .....		
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).....	0	0

# Consumers Life Insurance Company

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	53,543,878	48,626,959
2. Net investment income.....	692,236	741,486
3. Miscellaneous income.....		110,582
4. Total (Lines 1 through 3).....	54,236,114	49,479,027
5. Benefit and loss related payments.....	26,937,581	22,314,664
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	29,586,383	26,578,853
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....		
10. Total (Lines 5 through 9).....	56,523,964	48,893,517
11. Net cash from operations (Line 4 minus Line 10).....	(2,287,850)	585,510
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....		1,500,000
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.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	1,500,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	111,086	1,665,000
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	111,086	1,665,000
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(111,086)	(165,000)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	5,000,000	
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	408,452	646,868
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	5,408,452	646,868
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	3,009,516	1,067,378
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	5,725,711	4,658,333
19.2 End of year (Line 18 plus Line 19.1).....	8,735,227	5,725,711

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 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	55,307,368		163,194				12,967,080		37,030,949		5,146,145	
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	403,117		1,189				94,513		270,575		36,840	
4. Amortization of Interest Maintenance Reserve (IMR).....	15,943		.47				3,738		10,701		1,457	
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	0											
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						0		0		0	
8.3 Aggregate write-ins for miscellaneous income.....	0	0	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 to 8.3).....	55,726,428	0	164,430	0	0	0	13,065,331	0	37,312,225	0	5,184,442	0
10. Death benefits.....	7,914,052		80,201				7,833,851					
11. Matured endowments (excluding guaranteed annual pure endowments).....	0											
12. Annuity benefits.....	0											
13. Disability benefits and benefits under accident and health contracts.....	19,309,659									17,260,324		2,049,335
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	0											
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	0											
18. Payments on supplementary contracts with life contingencies.....	0											
19. Increase in aggregate reserves for life and accident and health contracts.....	152,000		20,000				(102,000)		310,000		(76,000)	
20. Totals (Lines 10 to 19).....	27,375,711	0	100,201	0	0	0	7,731,851	0	17,570,324	0	1,973,335	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	13,147,930		27,796				1,624,318		9,980,532		1,515,284	
22. Commissions and expense allowances on reinsurance assumed.....	0											
23. General insurance expenses.....	13,430,992		15,018				2,125,254		8,969,668		2,321,052	
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	1,848,828		1,687				238,762		1,406,098		202,281	
25. Increase in loading on deferred and uncollected premiums.....	0											
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0											
27. Aggregate write-ins for deductions.....	354,260	0	.496	0	0	0	39,380	0	12,380	0	302,004	0
28. Totals (Lines 20 to 27).....	56,157,721	0	145,198	0	0	0	11,759,565	0	37,939,002	0	6,313,956	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	(431,293)	0	19,232	0	0	0	1,305,766	0	(626,777)	0	(1,129,514)	0
30. Dividends to policyholders.....	0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	(431,293)	0	19,232	0	0	0	1,305,766	0	(626,777)	0	(1,129,514)	0
32. Federal income taxes incurred (excluding tax on capital gains).....	0											
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).....	(431,293)	0	19,232	0	0	0	1,305,766	0	(626,777)	0	(1,129,514)	0

**DETAILS OF WRITE-INS**

08.301.	0											
08.302.	0											
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).....	0	0	0	0	0	0	0	0	0	0	0	0
2701. Other Expense, net of Other Income.....	354,260		.496					39,380		12,380		302,004
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).....	354,260	0	.496	0	0	0	0	39,380	0	12,380	0	302,004

(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			
<b>Involving Life or Disability Contingencies (Reserves)</b>											
(Net of Reinsurance Ceded)											
1. Reserve December 31, prior year.....	738,500			24,500				.714,000			
2. Tabular net premiums or considerations.....	641,260			114,236				.527,024			
3. Present value of disability claims incurred.....	142,407				XXX			.142,407			
4. Tabular interest.....	37,178			3,820				.33,358			
5. Tabular less actual reserve released.....	0										
6. Increase in reserve on account of change in valuation basis.....	0										
7. Other increases (net).....	27,745			27,745							
8. Totals (Lines 1 to 7).....	1,587,090	0	170,301	0	0	0	1,416,789	0			
9. Tabular cost.....	678,438		118,056		XXX		.560,382				
10. Reserves released by death.....	244,407			XXX	XXX		.244,407	XXX			
11. Reserves released by other terminations (net).....	7,745		7,745								
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	0										
13. Net transfers to or (from) Separate Accounts.....	0										
14. Total deductions (Lines 9 to 13).....	930,590	0	125,801	0	0	0	.804,789	0			
15. Reserve December 31, current year.....	656,500	0	44,500	0	0	0	.612,000	0			

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....342,928	343,357
1.1 Bonds exempt from U.S. tax.....	(a).....	
1.2 Other bonds (unaffiliated).....	(a).....138,473	138,473
1.3 Bonds of affiliates.....	(a).....	
2.1 Preferred stocks (unaffiliated).....	(b).....	
2.11 Preferred stocks of affiliates.....	(b).....	
2.2 Common stocks (unaffiliated).....	(b).....	
2.21 Common stocks of affiliates.....	(b).....	
3. Mortgage loans.....	(c).....	
4. Real estate.....	(d).....	
5. Contract loans.....	(d).....	
6. Cash, cash equivalents and short-term investments.....	(e).....1,011	984
7. Derivative instruments.....	(f).....	
8. Other invested assets.....	(f).....	
9. Aggregate write-ins for investment income.....	0	0
10. Total gross investment income.....	482,412	482,814
11. Investment expenses.....	(g).....79,697	
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	0
15. Aggregate write-ins for deductions from investment income.....	(i).....	0
16. Total deductions (Lines 11 through 15).....	79,697	
17. Net investment income (Line 10 minus Line 16).....	403,117	

**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	0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	0	0

(a) Includes \$...6,998 accrual of discount less \$...298,362 amortization of premium and less \$...2,298 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		
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		
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	0	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 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
<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.....	79,427		79,427								
6.2 Reinsurance assumed.....	0										
6.3 Reinsurance ceded.....	0										
6.4 Net.....	79,427	0	79,427	0	0	0	0	0	0	0	0
7. Line 5 + Line 6.4.....	79,427	0	79,427	0	0	0	0	0	0	0	0
8. Prior year (uncollected + deferred and accrued - advance).....	0										
9. First year premiums and considerations:											
9.1 Direct.....	79,427		79,427								
9.2 Reinsurance assumed.....	0										
9.3 Reinsurance ceded.....	0										
9.4 Net (Line 7 - Line 8).....	79,427	0	79,427	0	0	0	0	0	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.....	1,088,071		3,620			299,928		781,586		2,937	
12. Deferred and accrued.....	0										
13. Deferred, accrued and uncollected:											
13.1 Direct.....	1,088,071		3,620			299,928		781,586		2,937	
13.2 Reinsurance assumed.....	0										
13.3 Reinsurance ceded.....	0										
13.4 Net (Line 11 + Line 12).....	1,088,071	0	3,620	0	0	299,928	0	781,586	0	2,937	0
14. Advance.....	2,535,324		6,827			213,690		2,085,844		228,963	
15. Line 13.4 - Line 14.....	(1,447,253)	0	(3,207)	0	0	86,238	0	(1,304,258)	0	(226,026)	0
16. Collected during year:											
16.1 Direct.....	118,788,812		82,450			14,192,045		91,434,207		13,080,110	
16.2 Reinsurance assumed.....	0										
16.3 Reinsurance ceded.....	65,324,361					1,383,504		55,783,930		8,156,927	
16.4 Net.....	53,464,451	0	82,450	0	0	12,808,541	0	35,650,277	0	4,923,183	0
17. Line 15 + Line 16.4.....	52,017,198	0	79,243	0	0	12,894,779	0	34,346,019	0	4,697,157	0
18. Prior year (uncollected + deferred and accrued - advance).....	(3,210,743)	0	(4,524)	0	0	(72,301)	0	(2,684,930)	0	(448,988)	0
19. Renewal premiums and considerations:											
19.1 Direct.....	120,552,302		83,767			14,350,584		92,814,879		13,303,072	
19.2 Reinsurance assumed.....	0										
19.3 Reinsurance ceded.....	65,324,361	0	83,767	0	0	1,383,504	0	55,783,930		8,156,927	
19.4 Net (Line 17 - Line 18).....	55,227,941	0	83,767	0	0	12,967,080	0	37,030,949	0	5,146,145	0
<b>TOTAL</b>											
20. Total premiums and annuity considerations:											
20.1 Direct.....	120,631,729	0	163,194	0	0	14,350,584	0	92,814,879	0	13,303,072	0
20.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
20.3 Reinsurance ceded.....	65,324,361	0	0	0	0	1,383,504	0	55,783,930	0	8,156,927	0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	55,307,368	0	163,194	0	0	12,967,080	0	37,030,949	0	5,146,145	0

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21. To pay renewal premiums.....	0										
22. All other.....	0										
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded.....	0										
23.2 Reinsurance assumed.....	0										
23.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	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.....	0										
25.2 Reinsurance assumed.....	0										
25.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	0	0	0	0	0	0	0	0	0	0	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.....	0	0	0	0	0	0	0	0	0	0	0
<b>COMMISSIONS INCURRED (direct business only)</b>											
27. First year (other than single).....	5,829,474		11,973			213,409		5,132,829		471,263	
28. Single.....	0										
29. Renewal.....	7,318,456		15,823			1,410,909		4,847,703		1,044,021	
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	13,147,930	0	27,796	0	0	1,624,318	0	9,980,532	0	1,515,284	0

# Consumers Life Insurance Company

## EXHIBIT 2 - GENERAL EXPENSES

	Insurance			5	6		
	1 Life	Accident and Health					
		2 Cost Containment	3 All Other				
1. Rent.....	50,737	544	669,775		721,056		
2. Salaries and wages.....	1,547,946	2,853,406	4,099,253		8,500,605		
3.11 Contributions for benefit plans for employees.....	342,487	714,239	1,048,462		2,105,188		
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.....	637		81,095		81,732		
3.32 Other agent welfare.....					0		
4.1 Legal fees and expenses.....		6,590	95,508		102,098		
4.2 Medical examination fees.....					0		
4.3 Inspection report fees.....					0		
4.4 Fees of public accountants and consulting actuaries.....	4,274		47,865		52,139		
4.5 Expense of investigation and settlement of policy claims.....					0		
5.1 Traveling expenses.....	16,705	79,689	237,035		333,429		
5.2 Advertising.....	6,684	8,272	294,783		309,739		
5.3 Postage, express, telegraph and telephone.....	10,849	21,868	204,507		237,224		
5.4 Printing and stationery.....	7,998	10,505	90,604		109,107		
5.5 Cost or depreciation of furniture and equipment.....	11,375	11,048	27,781		50,204		
5.6 Rental of equipment.....			67,447		67,447		
5.7 Cost or depreciation of EDP equipment and software.....	24,949	23,823	410,432		459,204		
6.1 Books and periodicals.....	965		13,357		14,322		
6.2 Bureau and association fees.....	4,140	1,579	20,193		25,912		
6.3 Insurance, except on real estate.....			22,264		22,264		
6.4 Miscellaneous losses.....					0		
6.5 Collection and bank service charges.....				75,112	75,112		
6.6 Sundry general expenses.....					0		
6.7 Group service and administration fees.....					0		
6.8 Reimbursements by uninsured plans.....			(1,028,002)		(1,028,002)		
7.1 Agency expense allowance.....					0		
7.2 Agents' balances charged off (less \$.....0 recovered).....					0		
7.3 Agency conferences other than local meetings.....					0		
9.1 Real estate expenses.....					0		
9.2 Investment expenses not included elsewhere.....				4,585	4,585		
9.3 Aggregate write-ins for expenses.....	110,526	453,942	702,856	0	1,267,324		
10. General expenses Incurred.....	2,140,272	4,185,505	7,105,215	0	79,697 (a) 13,510,689		
11. General expenses unpaid December 31, prior year.....	135,778	40,206	149,771		8,625 334,380		
12. General expenses unpaid December 31, current year.....	120,499	62,722	152,997		6,781 342,999		
13. Amounts receivable relating to uninsured plans, prior year.....			1,000		1,000		
14. Amounts receivable relating to uninsured plans, current year.....			17,173		17,173		
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14).....	2,155,551	4,162,989	7,118,162	0	81,541 13,518,243		

## DETAILS OF WRITE-INS

09.301. Vendor Services.....	110,526	323,847	702,856		1,137,229
09.302. Network Access Fees.....		130,095			130,095
09.303.....					0
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	110,526	453,942	702,856	0	1,267,324

(a) Includes management fees of \$.....11,710,016 to affiliates and \$.....0 to non-affiliates.

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

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes.....					0
2. State insurance department licenses and fees.....					220,692
3. State taxes on premiums.....					1,626,174
4. Other state taxes, including \$.....0 for employee benefits.....					0
5. U.S. Social Security taxes.....					0
6. All other taxes.....		1,962			1,962
7. Taxes, licenses and fees incurred.....	240,449	1,608,379	0	0	1,848,828
8. Taxes, licenses and fees unpaid December 31, prior year.....	330,060	1,166,656			1,496,716
9. Taxes, licenses and fees unpaid December 31, current year.....	280,624	815,001			1,095,625
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	289,885	1,960,034	0	0	2,249,919

## EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 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.....		
4. Applied to provide paid-up annuities.....		
5. Total Lines 1 through 4.....	0	0
6. Paid-in cash.....		
7. Left on deposit.....		
8. Aggregate write-ins for dividend or refund options.....	0	0
9. Total Lines 5 through 8.....	0	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).....	0	0

## DETAILS OF WRITE-INS

0801.....		
0802.....		
0803.....		
0898. Summary of remaining write-ins for Line 8 from overflow page.....		0
0899. Totals (Line 0801 thru 0803 plus 0898) (Line 8 above).....		0

**Consumers Life Insurance Company**  
**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
<b>Life Insurance:</b>					
0100001. 01 CSO - 4% CRVM ALB.....	44,500		44,500		
0199997. Totals (Gross).....	44,500	0	44,500	0	0
0199999. Totals (Net).....	44,500	0	44,500	0	0
<b>Disability - Disabled Lives:</b>					
0600001. 05 GTLW - 3.5% ALB.....	170,000				170,000
0600002. 05 GTLW - 2.5% ALB.....	442,000				442,000
0699997. Totals (Gross).....	612,000	0	0	0	612,000
0699999. Totals (Net).....	612,000	0	0	0	612,000
9999999. Totals (Net) - Page 3, Line 1.....	656,500	0	44,500	0	612,000

**EXHIBIT 5 - INTERROGATORIES**

1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes [ ] No [ X ]

1.2 If not, state which kind is issued..... non-participating

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? If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions? Yes [ ] No [ X ]

  
\* 6 2 3 7 5 2 0 1 1 3 7 0 0 0 0 0 \*

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 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
<b>ACTIVE LIFE RESERVE</b>									
1. Unearned premium reserves.....	0								
2. Additional contract reserves (a).....	1,460,000					1,460,000			
3. Additional actuarial reserves - Asset/Liability analysis.....	800,000	720,000				.80,000			
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).....	2,260,000	720,000	.0	0	0	1,540,000	0	0	0
8. Reinsurance ceded.....	1,168,000					1,168,000			
9. Totals (Net).....	1,092,000	720,000	.0	0	0	372,000	0	0	0
<b>CLAIM RESERVE</b>									
10. Present value of amounts not yet due on claims.....	3,839,000	3,839,000							
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).....	3,839,000	3,839,000	.0	0	0	0	0	0	0
15. Reinsurance ceded.....	3,165,000	3,165,000							
16. Totals (Net).....	674,000	674,000	.0	0	0	0	0	0	0
17. TOTALS (Net).....	1,766,000	1,394,000	.0	0	0	372,000	0	0	0
18. TABULAR FUND INTEREST.....	0								

**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.

Liabilities for future policy reserves for health business are based on the net level premium method at 5% interest, premium increases by duration in addition to trend as permitted by state law, and estimates of future claims and lapses using the Company's experience and actuarial judgment with an allowance for possible future adverse deviations from expected experience

**EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS**

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	0					
2. Deposits received during the year.....	0					
3. Investment earnings credited to the account.....	0					
4. Other net change in reserves.....	0					
5. Fees and other charges assessed.....	0					
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	0					
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).....	0	0	0	0	0	0
10. Reinsurance balance at the beginning of the year.....	0					
11. Net change in reinsurance assumed.....	0					
12. Net change in reinsurance ceded.....	0					
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	0	0	0	0	0	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	0	0	0	0	0	0

**NONE**

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS****PART 1 - Liability End of Current Year**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 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	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0
2.2 Other:											
2.21 Direct.....	627,551						627,551				
2.22 Reinsurance assumed.....	0										
2.23 Reinsurance ceded.....	273,872						273,872				
2.24 Net.....	353,679	0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....353,679	0	(b).....0	(b).....0	(b).....0
3. Incurred but unreported:											
3.1 Direct.....	10,110,000		13,000				1,319,000		7,901,255		876,745
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	7,094,400						72,000		6,321,004		701,396
3.4 Net.....	3,015,600	0	(b).....13,000	(b).....0	(b).....0	(b).....0	(b).....1,247,000	0	(b).....1,580,251	(b).....0	(b).....175,349
4. Totals:											
4.1 Direct.....	10,737,551	0	13,000	0	0	0	1,946,551	0	7,901,255	0	876,745
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	7,368,272	0	0	0	0	0	345,872	0	6,321,004	0	701,396
4.4 Net.....	3,369,279	(a).....0	(a).....13,000	0	0	0	(a).....1,600,679	0	1,580,251	0	175,349

(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 \$.....612,000,

are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$....674,000, 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 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct.....	94,232,191			75,201			7,718,300		75,603,263		10,835,427
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	67,102,716						399,285		58,035,089		8,668,342
1.4 Net.....	(d) 27,129,475	0	75,201	0	0	0	7,319,015	0	17,568,174	0	2,167,085
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	10,737,551			13,000			1,946,551		7,901,255		876,745
2.2 Reinsurance assumed.....	0										
2.3 Reinsurance ceded.....	7,368,272						345,872		6,321,004		701,396
2.4 Net.....	3,369,279	0	13,000	0	0	0	1,600,679	0	1,580,251	0	175,349
3. Amounts recoverable from reinsurers December 31, current year.....	41,951						41,951				
4. Liability December 31, prior year:											
4.1 Direct.....	12,174,750			8,000			1,260,750		9,440,505		1,465,495
4.2 Reinsurance assumed.....	0										
4.3 Reinsurance ceded.....	8,909,467						184,667		7,552,404		1,172,396
4.4 Net.....	3,265,283	0	8,000	0	0	0	1,076,083	0	1,888,101	0	293,099
5. Amounts recoverable from reinsurers December 31, prior year.....	32,191						32,191				
6. Incurred benefits:											
6.1 Direct.....	92,794,992	0	80,201	0	0	0	8,404,101	0	74,064,013	0	10,246,677
6.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded.....	65,571,281	0	0	0	0	0	570,250	0	56,803,689	0	8,197,342
6.4 Net.....	27,223,711	0	80,201	0	0	0	7,833,851	0	17,260,324	0	2,049,335

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in line 6.4.

(d) Includes \$.....0 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):			0
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			0
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			0
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.....		155,084	155,084
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.....	1,048,000		(1,048,000)
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.....	125,943	143,386	17,443
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.....	217,553	240,291	22,738
25. Aggregate write-ins for other than invested assets.....	127,400	84,188	(43,212)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,518,896	622,949	(895,947)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	1,518,896	622,949	(895,947)

**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. Prepaid Assets.....	98,400	55,188	(43,212)
2502. Other Assets.....	29,000	29,000	0
2503.....			0
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).....	127,400	84,188	(43,212)

**NOTES TO FINANCIAL STATEMENTS****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Accounting Practices that depart from NAIC Prescribed Practices**

None

**B. Use of Estimates**

The preparation of the financial statements of insurance companies requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

**C. Accounting Policies**

The accompanying financial statements of the Company have been prepared in conformity with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*, as prescribed by the Ohio Department of Insurance (ODI).

Statutory accounting practices vary from generally accepted accounting principles (GAAP). The more significant differences from GAAP are as follows:

*Investments* – Investments in bonds are reported at amortized cost or fair value based on their NAIC rating; for GAAP, such fixed maturity investments would be designated as held-to-maturity, trading or available-for-sale. Held-to-maturity fixed investments would be reported at amortized cost, and the remaining fixed maturity investments would be reported at fair value, with unrealized holding gains and losses reported in operations for those designated as trading and as a separate component of stockholder's equity for those designated as available-for-sale.

*Nonadmitted Assets* – Certain assets designated as "nonadmitted," principally deferred tax assets, furniture and equipment, certain accounts receivable, and other assets not specifically identified as an admitted asset in the NAIC's *Accounting Practices and Procedures Manual*, are excluded from the statutory-basis balance sheet and are charged directly to capital and surplus. Under GAAP, such assets are included in the balance sheet. Capital and surplus was reduced by nonadmitted assets of \$1,519,000 and \$623,000 at December 31, 2011 and 2010, respectively.

*Deferred Income Taxes* – Gross deferred tax assets are reduced by a statutory valuation allowance adjustment if, based on the weight of available evidence, it is more likely than not (a likelihood of more than 50 percent) that some portion or all of the gross deferred tax assets will not be realized. Adjusted deferred tax assets are limited to (1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse by the end of the subsequent calendar year, plus (2) the lesser of the remaining gross deferred tax assets expected to be realized within one year of the balance sheet date or 10% of capital and surplus excluding any net deferred tax assets, electronic data processing equipment and operating software and any net positive goodwill, plus (3) the amount of remaining adjusted gross deferred tax assets that can be offset against existing gross deferred tax liabilities. The remaining adjusted deferred tax assets are nonadmitted. Deferred taxes do not include amounts for state taxes. In accordance with GAAP, a deferred tax asset is recorded for the amount of gross deferred tax assets expected to be realized in future years, and a valuation allowance is established for estimated unrealizable deferred tax assets. For GAAP, state taxes are included in the computation of deferred taxes.

*Reinsurance* – Policy and contract liabilities ceded to reinsurers have been reported as reductions of the related reserves rather than as assets as would be required under GAAP.

*Statements of Cash Flow* – Cash, cash equivalents, and short-term investments in the statements of cash flow represent cash balances and investments with initial maturities of one year or less. Under GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

Other significant accounting practices are as follows:

*Cash and Invested Assets* – Short-term investments, principally money market accounts, include investments with remaining maturities of one year or less at the time of acquisition and are principally carried at amortized cost, which approximates fair value.

U.S. government securities and corporate bonds not backed by other assets are recorded at cost adjusted for amortization of premiums and discounts using the interest method. The fair values disclosed for these securities are obtained from independent pricing services.

A realized loss is recorded upon the sale of an investment at a loss or when a decline in the fair value of an investment is determined by management to be other than temporary. Realized capital gains and losses are determined on the first-in, first-out cost method.

*Premiums* – Life and accident and health premiums are earned pro rata over the period for which coverage is provided. Premium payments received prior to the period of coverage are classified as advance premiums.

*Contract Claims Reserves* – The liabilities for contract claims represent management's best estimate of the ultimate net cost of all reported and unreported claims, less the estimated amount recoverable from claim overpayments and subrogation. The liabilities are actuarially estimated based on a review of historical claim payment patterns and claim trends. The estimates are subject to the effects of trends in claim severity and frequency, and a reasonable provision for adverse development has been incorporated in management's best estimate. Although considerable variability is inherent in such estimates, management believes that the amounts reported are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

**NOTES TO FINANCIAL STATEMENTS**

*Aggregate Reserves* – Aggregate reserves include active life reserves for individual accident and health insurance policies, which are based on the net level premium method at 5% interest, and estimates of future premium, claims, and lapses using the Company's experience and actuarial judgment. Aggregate reserves also include premium deficiency reserves for accident and health policies when expected claims, claim adjustment expenses, and administrative costs exceed the premium to be collected for the remainder of the contract period. The Company considers anticipated net investment income as a factor in determining the premium deficiency reserve amount. Premium deficiency reserves held at December 31, 2011 and 2010 were \$800,000 and \$400,000, respectively.

*Federal Medical Loss Ratio Rebate* – The Company is subject to the Public Health Service Act, which requires the payment of rebates to eligible policyholders or enrollees when the amounts paid for healthcare benefits and quality improvement initiatives fall below specified thresholds. Separate calculations are performed for each state and by employer group size (individual, small group, and large group). The Company does not expect to owe any federal medical loss ratio rebates for 2011.

*Income Taxes* – An election to admit adjusted deferred tax assets in accordance with paragraph 10(e) of Statement of Statutory Accounting Principles No. 10R, *Income Taxes* has not been made in any reported period. Interest and penalty amounts related to tax matters are recorded as income tax expense in the accompanying statutory-basis financial statements.

**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

A. Not applicable

**3. BUSINESS COMBINATIONS AND GOODWILL**

A. Statutory Purchase Method

Items (1) - (4) - Not applicable

B. Statutory Merger

Items (1) - (5) - Not applicable

C. Assumption Reinsurance

Items (1) - (4) - Not applicable

D. Impairment Loss

Not applicable

**4. DISCONTINUED OPERATIONS**

Items (1) - (5) - Not applicable

**5. INVESTMENTS**

A. Mortgage Loans, including Mezzanine Real Estate Loans

Items (1) - (12) - Not applicable

B. Debt Restructuring

Items (1) - (4) - Not applicable

C. Reverse Mortgages

Items (1) - (4) - Not applicable

D. Loan-Backed Securities

Items (1) - (4) - Not applicable

E. Repurchase Agreements and/or Securities Lending Transactions

Items (1) - (4) - Not applicable

F. Real Estate

Items (1) - (5) - Not applicable

**NOTES TO FINANCIAL STATEMENTS**

## G. Investments in low-income housing tax credits (LIHTC)

Items (1) - (5) - Not applicable

## 6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Items (A) - (B) - Not applicable

## 7. INVESTMENT INCOME

Items (A) - (B) - Not applicable

## 8. DERIVATIVE INSTRUMENTS

Items (A) - (F) - Not applicable

## 9. INCOME TAXES

The Company is taxed as a stock property and casualty insurance company and files a consolidated federal income tax return with its Parent, Medical Mutual of Ohio (MMO) and other MMO subsidiaries. Pursuant to a tax sharing agreement, the Company pays MMO the amount of taxes determined as if the Company filed a separate return. There were no amounts due to MMO for federal income taxes at December 31, 2011 or 2010.

At December 31, 2011, the Company had approximately \$14,588,000 of net operating loss carryforwards for federal income tax purposes expiring through 2031. The Company has not incurred any federal income taxes in the current year or in any preceding year. However, due to Internal Revenue Code Section 382, the use of these net operating losses is limited to approximately \$12,432,000.

The Company is currently open to audit under the statute of limitation by the Internal Revenue Service and State Taxing authorities for the years ended December 31, 2008 through 2010.

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial statement purposes and the amounts used for income taxes. Significant components of the Company's deferred tax assets are as follows:

	December 31	
	2011	2010
Gross deferred ordinary tax assets:		
Claims and other reserves	\$ 310,000	\$ 176,000
Net operating losses/AMT credits	5,106,000	5,783,000
Other	487,000	584,000
Total gross deferred ordinary tax assets	<u>5,903,000</u>	<u>6,543,000</u>
Less statutory valuation allowance	4,825,000	6,543,000
Adjusted gross deferred ordinary tax assets	<u>1,078,000</u>	-
Less amount not admitted	1,048,000	-
Total admitted deferred tax asset	<u>30,000</u>	
Gross deferred ordinary tax liability	30,000	
Net admitted deferred ordinary tax asset	<u>\$ -</u>	-

## 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES AND OTHER RELATED PARTIES

Consumers Life Insurance Company (the Company) is a stock life insurance company which is wholly-owned by Medical Mutual of Ohio (MMO and Parent), a mutual casualty insurance organization.

MMO and certain other MMO subsidiaries provide administrative services, including billing, claims adjudication, accounting, marketing, provider relations, and management information systems to the Company in connection with an administrative services agreement. In 2011 and 2010, charges to the Company for these services totaled \$11,710,000 and \$10,945,000, respectively. Amounts receivable and payable between the Company and its affiliates are settled within three months.

During 2011 and 2010, the Company provided life, accidental death and dismemberment, and long term disability coverage to employees of MMO and its subsidiaries, and recognized net earned premium of \$1,323,000 and \$1,108,000 for 2011 and 2010, respectively, related to such coverage.

During 2011 and 2010, commission expenses include \$5,413,000 and \$5,245,000, respectively, of net commissions paid to majority-owned subsidiaries of MMO Agency Management, which is an affiliate of the Company. MMO Agency Management is wholly owned by MMO.

Effective June 30, 2011, the Company terminated all accident and health contracts written in the states of Indiana and Michigan. New policies were issued to these policyholders by MMO.

In December 2011, the Company received a \$5,000,000 capital contribution from MMO.

The Company cedes 80% of its accident and health business, excluding disability income products, to its Parent pursuant to a quota share reinsurance treaty. In accordance with the agreement, the Company receives up to a 22.1% ceding expense allowance from the Parent.

## **NOTES TO FINANCIAL STATEMENTS**

### **11. DEBT**

Items (A) - (B) - Not applicable

### **12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

Items (A) - (F) - Not applicable

### **13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

(1) The Company has 50,000 shares of common stock authorized; 16,000 shares are issued and outstanding. All shares have a par value of \$100.

(2) The Company has no preferred stock authorized or outstanding.

(3) The payment of dividends by the Company to MMO is limited and can only be made from earned profits unless prior approval is received from the Ohio Insurance Commissioner. The maximum amount of dividends that may be paid without prior approval of the Ohio Insurance Commissioner is also subject to restrictions relating to statutory surplus and net income. There were no dividends paid by the Company in 2011 or 2010.

(4) Dates dividends were paid out. Not applicable.

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(7) There were no advances to surplus not repaid.

Items (8) - (13) - Not applicable.

### **14. CONTINGENCIES**

#### **A. Contingencies**

Items (1) - (3) - Not applicable

#### **B. Assessments**

Items (1) - (2) - Not applicable

#### **C. Gain Contingencies**

Not applicable

#### **D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits**

Not applicable

#### **E. All Other Contingencies**

Various lawsuits against the Company and its affiliates have arisen in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty at this time, management believes they will not have a material adverse effect on the Company's financial position or results of operations.

### **15. LEASES**

#### **A. Lessee Operating Lease**

Items (1) - (3) - Not applicable

#### **B. Lesser/Leveraged Leases**

Items (1) - (2) - Not applicable

### **16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK**

Items (1) - (4) - Not applicable

**NOTES TO FINANCIAL STATEMENTS****17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

Items (A) - (C) - Not applicable

**18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

Items (A) - (C) - Not applicable

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**

Not applicable

**20. FAIR VALUE MEASUREMENT**

Not applicable

**21. OTHER ITEMS****A. Extraordinary Items**

Not applicable

**B. Troubled Debt Restructuring**

Not applicable

**C. Other Disclosures**

The Company is subject to certain Risk-Based Capital (RBC) requirements specified by the NAIC and required by the ODI. Under those requirements, the amount of capital and surplus maintained by the Company is determined based on various risk factors. At December 31, 2011, the Company meets the minimum RBC requirements.

**D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, Uncollected Premium balances, Bills Receivable for Premiums, and Amounts Due from Agents and Brokers, SSAP No. 47 Uninsured Plans, or SSAP No. 66, Retrospectively Related Contracts.**

Certain assets designated as "nonadmitted," principally deferred tax assets, furniture and equipment, certain accounts receivable, and other assets not specifically identified as an admitted asset in the NAIC's *Accounting Practices and Procedures Manual*, are excluded from the statutory-basis balance sheet and are charged directly to capital and surplus. At December 31, 2011, no material amounts are deemed uncollectible.

**E. Business Interruption Insurance Recoveries**

Not applicable

**F. State Transferable Tax Credits**

Not applicable

**G. Subprime Mortgage Related Risk Exposure**

Not applicable

**H. Retained Assets**

Not applicable

**22. EVENTS SUBSEQUENT**

Not applicable

**23. REINSURANCE**

Certain premiums and benefits are ceded to other insurance companies under various reinsurance agreements. The ceded reinsurance agreements provide the Company with increased capacity to write larger risks and maintain its exposure to loss within its capital resources. The Company remains obligated for amounts ceded in the event that the reinsurers do not meet their obligations.

The Company cedes 80% of its accident and health business, excluding disability income products, to its Parent pursuant to a quota share reinsurance treaty. In accordance with the agreement, the Company receives up to a 22.1% ceding expense allowance from the Parent.

The Company cedes all life claims incurred in excess of \$200,000 on any individual life, and cedes all of the risk for long-term disability and accidental death and dismemberment coverages.

**NOTES TO FINANCIAL STATEMENTS**

The effects of reinsurance on earned premiums are as follows:

	<b>Year Ended December 31</b>	
	<b>2011</b>	<b>2010</b>
Direct premiums	\$ 120,631,000	\$ 103,363,000
Ceded premiums:		
Affiliates	61,993,000	53,706,000
Non-affiliates	3,331,000	1,922,000
Net premiums	<b>\$ 55,307,000</b>	<b>\$ 47,735,000</b>

Differences between written and earned premiums subject to reinsurance are not significant.

The Company's ceded reinsurance arrangements reduced certain other items in the accompanying statutory-basis financial statements by the following amounts:

	<b>Year Ended December 31</b>	
	<b>2011</b>	<b>2010</b>
Benefits incurred:		
Affiliates	\$ 64,043,000	\$ 61,229,000
Non-affiliates	1,112,000	407,000
Contract claims and aggregate reserves:		
Affiliates	8,190,000	10,517,000
Non-affiliates	3,553,000	1,117,000

**A. Ceded Reinsurance Report****Section 1 - General Interrogatories**

1. 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.

2. 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.

**Section 2 - Ceded Reinsurance Report - Part A**

1. 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)

2. Does the company 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 (X)

**Section 3 - Ceded Reinsurance Report - Part B**

1. 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? \$0

2. 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 (X)

**B. Uncollectible Reinsurance**

Not applicable

**NOTES TO FINANCIAL STATEMENTS**

## C. Commutation of Ceded Reinsurance

Not applicable

## 24. RETROSPECTIVELY RATED CONTRACTS &amp; CONTRACTS SUBJECT TO REDETERMINATION

Items (A) - (D) - Not applicable

## 25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

A \$665,000 redundancy in the December 31, 2010 reserves emerged in 2011 and a \$1,999,000 redundancy in the December 31, 2009 reserves emerged in 2010. The redundancies that developed during 2011 and 2010 are due in part to the ultimate reserves developing favorably as a result of lower claims than estimated.

## 26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable

## 27. STRUCTURED SETTLEMENTS

Not applicable

## 28. HEALTH CARE RECEIVABLES

Not applicable

## 29. PARTICIPATING POLICIES

Not applicable

## 30. PREMIUM DEFICIENCY RESERVES

Aggregate reserves also include premium deficiency reserves for accident and health policies when expected claims, claim adjustment expenses, and administrative costs exceed the premium to be collected for the remainder of the contract period. The Company considers anticipated net investment income as a factor in determining the premium deficiency reserve amount. Premium deficiency reserves held at December 31, 2011 and 2010 were \$800,000 and \$400,000, respectively.

## 31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

Item (1) - Description of reserve practices

*Contract Claims Reserves* – The liabilities for contract claims represent management's best estimate of the ultimate net cost of all reported and unreported claims, less the estimated amount recoverable from claim overpayments and subrogation. The liabilities are actuarially estimated based on a review of historical claim payment patterns and claim trends. The estimates are subject to the effects of trends in claim severity and frequency, and a reasonable provision for adverse development has been incorporated in management's best estimate. Although considerable variability is inherent in such estimates, management believes that the amounts reported are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

*Aggregate Reserves* – Aggregate reserves include active life reserves for individual disability insurance policies, which are based on the net level premium method at 5% interest, and estimates of future premium, claims, and lapses using the Company's experience and actuarial judgment.

Items (2) - (6) - Not applicable

## 32. ANALYSIS OF ANNUITY RESERVES AND DEPOSIT TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS

Items (A) - (G) - Not applicable

## 33. PREMIUMS AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

Not applicable

## 34. SEPARATE ACCOUNTS

Items (A) - (C) - Not applicable

**NOTES TO FINANCIAL STATEMENTS****35. LOSS/CLAIM ADJUSTMENT EXPENSES**

The following table provides a reconciliation of the beginning and ending balances for reserves for contract claims and claims adjustment expenses (CAE) for 2011 and 2010.

	<b>Year Ended December 31</b>	
	<b>2011</b>	<b>2010</b>
Reserves for contract claims and CAE at beginning of year	\$ 3,327,000	\$ 4,870,000
Add provision for benefits and claims adjustment expenses (CAE) occurring in:		
Current year	34,281,000	29,404,000
Prior years	(665,000)	(1,999,000)
Net benefit expenses and CAE during the current year	<u>33,616,000</u>	<u>27,405,000</u>
Deduct payments for benefits and CAE occurring in:		
Current year	30,880,000	26,074,000
Prior years	2,645,000	2,874,000
Net benefits and CAE payments during the current year	<u>33,525,000</u>	<u>28,948,000</u>
Reserves for contract claims and CAE at end of year	<u><u>\$ 3,418,000</u></u>	<u><u>\$ 3,327,000</u></u>

The reserves for contract claims and CAE at December 31, 2011 and 2010, has been reduced by \$54,000 and \$50,000 respectively, related to anticipated subrogation claims recoverable.

# Consumers Life Insurance Company

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES - GENERAL

<p>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? <input checked="" type="checkbox"/> Yes [ X ] <input type="checkbox"/> No [ ]</p> <p>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? <input checked="" type="checkbox"/> Yes [ X ] <input type="checkbox"/> No [ ] <input type="checkbox"/> N/A [ ]</p> <p>1.3 State regulating? <u>OHIO</u></p> <p>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? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ X ]</p> <p>2.2 If yes, date of change: <u>12/31/2009</u></p> <p>3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. <u>12/31/2009</u></p> <p>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. <u>12/31/2009</u></p> <p>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). <u>03/02/2011</u></p> <p>3.4 By what department or departments? <u>OHIO DEPARTMENT OF INSURANCE</u></p> <p>3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ ] <input type="checkbox"/> N/A [ X ]</p> <p>3.6 Have all of the recommendations within the latest financial examination report been complied with? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ ] <input type="checkbox"/> N/A [ X ]</p> <p>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:</p> <p>4.11 sales of new business? <input checked="" type="checkbox"/> Yes [ X ] <input type="checkbox"/> No [ ]</p> <p>4.12 renewals? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ X ]</p> <p>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:</p> <p>4.21 sales of new business? <input checked="" type="checkbox"/> Yes [ X ] <input type="checkbox"/> No [ ]</p> <p>4.22 renewals? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ ]</p> <p>5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ X ]</p> <p>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.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">1 Name of Entity</td> <td style="width: 33%; text-align: center;">2 NAIC Co. Code</td> <td style="width: 33%; text-align: center;">3 State of Domicile</td> </tr> </table> <p>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? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ X ]</p> <p>6.2 If yes, give full information: <u>In 2012, the Company surrendered its license to do business in Florida because the Company was not writing business in the state, and Florida requires carriers with licenses to do so.</u></p> <p>7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ X ]</p> <p>7.2 If yes,</p> <p>7.21 State the percentage of foreign control <u>.....%</u></p> <p>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)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Nationality</td> <td style="width: 50%; text-align: center;">2 Type of Entity</td> </tr> </table> <p>8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ X ]</p> <p>8.2 If response to 8.1 is yes, please identify the name of the bank holding company.</p> <p>8.3 Is the company affiliated with one or more banks, thrifts or securities firms? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ X ]</p> <p>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.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 16.66%; text-align: center;">1 Affiliate Name</td> <td style="width: 16.66%; text-align: center;">2 Location (City, State)</td> <td style="width: 16.66%; text-align: center;">3 FRB</td> <td style="width: 16.66%; text-align: center;">4 OCC</td> <td style="width: 16.66%; text-align: center;">5 OTS</td> <td style="width: 16.66%; text-align: center;">6 FDIC</td> <td style="width: 16.66%; text-align: center;">7 SEC</td> </tr> </table> <p>9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? <u>Ernst &amp; Young, LLP 925 Euclid Avenue, Cleveland, OH 44115-1356</u></p> <p>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? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ X ]</p> <p>10.2 If the response to 10.1 is yes, provide information related to this exemption:</p> <p>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? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ X ]</p> <p>10.4 If the response to 10.3 is yes, provide information related to this exemption:</p> <p>10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? <input checked="" type="checkbox"/> Yes [ X ] <input type="checkbox"/> No [ ] <input type="checkbox"/> N/A [ ]</p> <p>10.6 If the answer to 10.5 is no or n/a, please explain.</p> <p>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? <u>John C. Lloyd, FSA, MAAA, Principal, Ingenix Consulting, Atlanta 2170 Satellite Boulevard, Atlanta, GA 30097</u></p> <p>12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? <input checked="" type="checkbox"/> Yes [ ] <input type="checkbox"/> No [ X ]</p> <p>12.11 Name of real estate holding company <u>.....</u></p> <p>12.12 Number of parcels involved <u>.....</u></p> <p>12.13 Total book/adjusted carrying value <u>.....</u></p> <p>12.2 If yes, provide explanation.</p>	1 Name of Entity	2 NAIC Co. Code	3 State of Domicile	1 Nationality	2 Type of Entity	1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC	
1 Name of Entity	2 NAIC Co. Code	3 State of Domicile											
1 Nationality	2 Type of Entity												
1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC							

# Consumers 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 [ ]

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 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 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 [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	.....
22.22 Amount paid as expenses	.....
22.23 Other amounts paid	.....

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

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

### 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).

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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.

**PART 1 - COMMON INTERROGATORIES - INVESTMENT**

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]  
 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 \$.....5,845,481  
 25.29 Other \$.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 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? Yes [ ]  
 If no, attach a description with this statement.

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 Name of Custodian(s)	2 Custodian's Address
Fifth Third Bank	5050 Kingsley Drive, Cincinnati, OH 45263

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 Name(s)	2 Location(s)	3 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 Old Custodian	2 New Custodian	3 Date of Change	4 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 Central Registration Depository Number(s)	2 Name	3 Address

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

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

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	23,003,662	23,901,680	898,018
30.2 Preferred stocks.....			0
30.3 Totals.....	23,003,662	23,901,680	898,018

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

The fair value of our securities was determined by utilizing prices obtained from our custodian, Fifth Third Bank. Fifth Third Bank utilizes FT Interactive Data for their pricing.

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 [X] No [ ]  
 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.

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:

**Consumers Life Insurance Company****PART 1 - COMMON INTERROGATORIES - OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....18,789

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
Greater Cleveland Partnership	10,000
Milliman	4,739

34.1 Amount of payments for legal expenses, if any? \$.....0

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

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 \$.....793,470

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. \$.....538,376

1.6 Individual policies:

Most current three years:

1.61 Total premium earned	\$.....23,723
1.62 Total incurred claims	\$.....16,092
1.63 Number of covered lives	.....10

All years prior to most current three years:

1.64 Total premium earned	\$.....769,747
1.65 Total incurred claims	\$.....522,284
1.66 Number of covered lives	.....330

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 Current Year	2 Prior Year
2.1 Premium Numerator.....	.....42,177,094	.....38,599,358
2.2 Premium Denominator.....	.....55,307,368	.....47,735,458
2.3 Premium Ratio (2.1/2.2).....	.....76.3	.....80.9
2.4 Reserve Numerator.....	.....1,755,600	.....2,181,200
2.5 Reserve Denominator.....	.....4,991,779	.....5,135,783
2.6 Reserve Ratio (2.4/2.5).....	.....35.2	.....42.5

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 [X]

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [ ] No [X]

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	\$.....0
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:	\$.....30,925,250
---	-------------------

7. Total dividends paid stockholders since organization of the reporting entity:

7.11 Cash	\$.....8,584,010
7.12 Stock	\$.....0

**GENERAL INTERROGATORIES****PART 2 - LIFE INTERROGATORIES**

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as:

Yes [ ] No [ X ]

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.

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 Reinsurance Assumed	2 Reinsurance Ceded	3 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:

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

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

Yes [ ] No [ X ]

9.1 Does the company have variable annuities with guaranteed benefits?

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

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

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 P&C Insurance Company and Location	2 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.

.....

# Consumers 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).....					
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	30,740	22,288	.9,443	.280	
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....	5,207,726	3,687,926	3,298,147	2,095,447	
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	5,238,466	3,710,214	3,307,590	2,095,727	0
<b>New Business Issued (Exhibit of Life Insurance)</b>					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....					
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....	18,865	18,963	10,953	.280	
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....	1,781,995	551,254	2,217,077	2,097,991	
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	1,800,860	570,217	2,228,030	2,098,271	0
<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).....	163,194	115,490	60,865	.66	
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....					
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....	12,967,080	9,020,610	8,677,291	2,747,305	
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....	37,030,949	32,859,281	29,831,986	30,763,460	34,973,770
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....	5,146,145	5,740,077	3,721,351	2,932,026	2,278,016
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	55,307,368	47,735,458	42,291,493	36,442,857	37,251,786
<b>Balance Sheet (Pages 2 and 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	34,134,398	31,902,802	31,048,025	31,949,168	34,618,436
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	15,786,737	18,272,267	16,145,296	14,845,014	17,553,382
23. Aggregate life reserves (Page 3, Line 1).....	656,500	738,500	44,005	7,475	
24. Aggregate A&H reserves (Page 3, Line 2).....	1,766,000	1,532,000	937,000	3,927,800	3,627,000
25. Deposit-type contract funds (Page 3, Line 3).....					
26. Asset valuation reserve (Page 3, Line 24.01).....	14,120	10,486	.5,902		
27. Capital (Page 3, Lines 29 & 30).....	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
28. Surplus (Page 3, Line 37).....	16,747,661	12,030,535	13,302,729	15,504,154	15,465,054
<b>Cash Flow (Page 5)</b>					
29. Net Cash from operations (Line 11).....	(2,287,850)	585,510	(1,254,424)	(3,951,263)	(1,124,781)
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital.....	18,361,781	13,641,021	14,908,631	17,104,154	17,065,054
31. Authorized control level risk-based capital.....	3,672,526	2,986,916	3,038,387	2,228,224	1,535,613
<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).....	.67.0	.75.8	.79.4	.53.8	.32.7
33. Stocks (Lines 2.1 and 2.2).....					
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).....	.33.0	.24.2	.20.6	.46.2	.67.3
37. Contract loans (Line 6).....					
38. Derivatives (Line 7).....			XXX.	XXX.	XXX.
39. Other invested assets (Line 8).....					
40. Receivables for securities (Line 9).....					
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

# Consumers 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).....	.....	.....	.....	.....	.....
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.....	0	0	0	0	0
<b>Total Nonadmitted and Admitted Assets</b>					
51. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	1,518,896	622,949	596,580	6,064,846	2,595,990
52. Total admitted assets (Page 2, Line 28, Col. 3).....	34,134,398	31,902,802	31,048,025	31,949,168	34,618,436
<b>Investment Data</b>					
53. Net investment income (Exhibit of Net Investment Income).....	403,117	446,941	472,465	731,198	941,547
54. Realized capital gains (losses) (Page 4, Line 34, Column 1).....	.....	.....	.....	.....	.....
55. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	.....	.....	.....	.....	.....
56. Total of above Lines 53, 54 and 55.....	403,117	446,941	472,465	731,198	941,547
<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).....	7,914,052	3,549,851	5,785,523	1,793,760	.....
58. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	19,309,659	17,743,914	15,186,412	16,837,500	18,497,766
59. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	20,000	24,500	.....	.....	.....
60. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	234,000	595,000	(1,326,800)	300,800	1,419,400
61. Dividends to policyholders (Line 30, Col 1).....	.....	.....	.....	.....	.....
<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.....	48.1	53.0	55.8	58.4	52.8
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.....	.....	.....	.....	.....	.....
64. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	56.3	57.8	49.7	55.6	59.9
65. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....	9.9	10.3	8.3	4.7	6.4
66. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	47.9	49.5	54.4	53.7	50.9
<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).....	2,112,848	1,818,653	1,086,256	1,986,682	1,799,449
68. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	2,572,101	2,101,866	1,669,666	2,330,146	2,165,029
69. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	375,952	348,947	523,339	822,118	346,001
70. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	293,099	244,134	177,134	196,854	42,571
<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).....	19,232	(70,491)	32,885	65	.....
73. Ordinary - individual annuities (Col. 4).....	.....	.....	.....	.....	.....
74. Ordinary - supplementary contracts (Col. 5).....	.....	.....	.....	.....	.....
75. Credit life (Col. 6).....	.....	.....	.....	.....	.....
76. Group life (Col. 7).....	1,305,766	1,228,158	(1,319,084)	(2,363,087)	.....
77. Group annuities (Col. 8).....	.....	.....	.....	.....	.....
78. A&H - group (Col. 9).....	(626,777)	(1,330,636)	(440,602)	(1,519,419)	(2,184,775)
79. A&H - credit (Col. 10).....	.....	.....	.....	.....	.....
80. A&H - other (Col. 11).....	(1,129,514)	(1,066,272)	(449,988)	(763,603)	(682,458)
81. Aggregate of all other lines of business (Col. 12).....	.....	.....	.....	.....	.....
82. Total (Col. 1).....	(431,293)	(1,239,241)	(2,176,789)	(4,646,044)	(2,867,233)

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)	7 Number of Policies	Certificates	9 Amount of Insurance (a)	
1. In force end of prior year.....			891	22,288			8,567	133,644	3,687,926	3,710,214
2. Issued during year.....			669	18,865			1,067	40,594	1,781,995	1,800,860
3. Reinsurance assumed.....										0
4. Revived during year.....										0
5. Increased during year (net).....										0
6. Subtotals, Lines 2 to 5.....	0	0	669	18,865	0	0	1,067	40,594	1,781,995	1,800,860
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	1,560	41,153	0	0	9,634	174,238	5,469,921	5,511,074
<b>Deductions during year:</b>										
10. Death.....			4	75			XXX	327	7,500	7,575
11. Maturity.....							XXX			0
12. Disability.....							XXX			0
13. Expiry.....			409	10,338			1,535	12,745	254,549	264,887
14. Surrender.....										0
15. Lapse.....										0
16. Conversion.....							XXX	XXX	XXX	0
17. Decreased (net).....									146	146
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	413	10,413	0	0	1,535	13,072	262,195	272,608
21. In force end of year (Line 9 minus Line 20).....	0	0	1,147	30,740	0	0	8,099	161,166	5,207,726	5,238,466
22. Reinsurance ceded end of year.....	XXX		XXX		XXX		XXX	XXX	171,807	171,807
23. Line 21 minus Line 22.....	XXX	0	XXX	30,740	XXX	(b)	XXX	XXX	5,035,919	5,066,659

**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.

**Consumers Life Insurance Company****EXHIBIT OF LIFE INSURANCE (continued)**

## ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)
24. Additions by dividends.....	...XXX.....		...XXX.....	
25. Other paid-up insurance.....				
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.....				
28. Term policies-other.....	669	18,865	1,147	30,740
29. Other term insurance-decreasing.....	...XXX.....		...XXX.....	
30. Other term insurance.....	...XXX.....		...XXX.....	
31. Totals (Lines 27 to 30).....	669	18,865	1,147	30,740
Reconciliation to Lines 2 and 21:				
32. Term additions.....	...XXX.....		...XXX.....	
33. Totals, extended term insurance.....	...XXX.....	...XXX.....		
34. Totals, whole life and endowment.....				
35. Totals (Lines 31 to 34).....	669	18,865	1,147	30,740

## 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.....	18,865		30,740	
38. Credit Life (Group and Individual).....				
39. Group.....	1,781,995		5,207,726	
40. Totals (Lines 36 to 39).....	1,800,860	0	5,238,466	0

## 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.....	171,807	...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).....	
--	--

## 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 _____	
47.2 _____	

## POLICIES WITH DISABILITY PROVISIONS

Disability Provision	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.....							161,166	5,207,726
49. Disability Income.....								
50. Extended Benefits.....		...XXX.....	...XXX.....	...XXX.....				
51. Other.....								
52. Total.....	0	(b).....0	0	(b).....0	0	(b).....0	161,166	(b).....5,207,726

(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.....				
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	0	0	0	0
Deductions during year:				
6. Decreased (net).....				
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	0	0	0	0
9. In force end of year.....	0	0	0	0
10. Amount on deposit.....		(a).....		(a).....
11. Income now payable.....				
12. Amount of income payable.....	(a).....	(a).....	(a).....	(a).....

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....				
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	0	0	0	0
Deductions during year:				
6. Decreased (net).....				
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	0	0	0	0
9. In force end of year.....	0	0	0	0
Income now payable:				
10. Amount of income payable.....	(a).....	.XXX.....	.XXX.....	(a).....
Deferred fully paid:				
11. Account balance.....	.XXX.....	(a).....	.XXX.....	(a).....
Deferred not fully paid:				
12. Account balance.....	.XXX.....	(a).....	.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.....	26,581	.86,314,447			4,216	16,530,534
2. Issued during year.....	21,394	(5,010,287)			.476	(7,515,957)
3. Reinsurance assumed.....						
4. Increased during year (net).....	857	XXX.....		XXX.....	26	XXX.....
5. Total (Lines 1 to 4).....	48,832	XXX.....	0	XXX.....	4,718	XXX.....
Deductions during year:						
6. Conversions.....		XXX.....	XXX.....	XXX.....	XXX.....	XXX.....
7. Decreased (net).....	9,502	XXX.....		XXX.....	2,485	XXX.....
8. Reinsurance ceded.....		XXX.....		XXX.....		XXX.....
9. Totals (Lines 6 to 8).....	9,502	XXX.....	0	XXX.....	2,485	XXX.....
10. In force end of year.....	39,330	(a).....81,304,160	0	(a).....	2,233	(a).....9,014,577

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

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

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

# Consumers Life Insurance Company

## SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	Active Status	1		Direct Business Only				
		Life Contracts		4	5	6	7	Deposit-Type Contracts
		2	3					
1. Alabama.....	AL ..N.							0
2. Alaska.....	AK ..N.							0
3. Arizona.....	AZ ..L.							0
4. Arkansas.....	AR ..L.							0
5. California.....	CA ..N.							0
6. Colorado.....	CO ..L.							0
7. Connecticut.....	CT ..N.							0
8. Delaware.....	DE ..L.							0
9. District of Columbia.....	DC ..L.							0
10. Florida.....	FL ..L.							0
11. Georgia.....	GA ..L.	237,914			71,982,156			72,220,070
12. Hawaii.....	HI ..N.							0
13. Idaho.....	ID ..N.							0
14. Illinois.....	IL ..L.							0
15. Indiana.....	IN ..L.	280,065			20,671,184			20,951,249
16. Iowa.....	IA ..L.							0
17. Kansas.....	KS ..L.							0
18. Kentucky.....	KY ..L.							0
19. Louisiana.....	LA ..L.							0
20. Maine.....	ME ..N.							0
21. Maryland.....	MD ..L.							0
22. Massachusetts.....	MA ..N.							0
23. Michigan.....	MI ..L.	3,395			2,110,018			2,113,413
24. Minnesota.....	MN ..L.							0
25. Mississippi.....	MS ..L.							0
26. Missouri.....	MO ..L.							0
27. Montana.....	MT ..L.							0
28. Nebraska.....	NE ..L.							0
29. Nevada.....	NV ..L.							0
30. New Hampshire.....	NH ..N.							0
31. New Jersey.....	NJ ..L.							0
32. New Mexico.....	NM ..L.							0
33. New York.....	NY ..N.							0
34. North Carolina.....	NC ..N.							0
35. North Dakota.....	ND ..L.							0
36. Ohio.....	OH ..L.	13,356,434			6,747,125			20,103,559
37. Oklahoma.....	OK ..L.							0
38. Oregon.....	OR ..L.							0
39. Pennsylvania.....	PA ..L.	1,731			540,694			542,425
40. Rhode Island.....	RI ..N.							0
41. South Carolina.....	SC ..L.	609,107			14,478			623,585
42. South Dakota.....	SD ..L.							0
43. Tennessee.....	TN ..N.							0
44. Texas.....	TX ..L.							0
45. Utah.....	UT ..L.							0
46. Vermont.....	VT ..N.							0
47. Virginia.....	VA ..L.							0
48. Washington.....	WA ..N.							0
49. West Virginia.....	WV ..L.	11,303			2,615,230			2,626,533
50. Wisconsin.....	WI ..L.				492,445			492,445
51. Wyoming.....	WY ..L.							0
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	0
59. Subtotal.....		(a) ..36	14,499,949	0	105,173,330	0	119,673,279	0
90. Reporting entity contributions for employee benefit plans.....		XXX						0
91. Dividends or refunds applied to purchase paid-up additions and annuities.....		XXX						0
92. Dividends or refunds applied to shorten endowment or premium paying period.....		XXX						0
93. Premium or annuity considerations waived under disability or other contract provisions.....		XXX						0
94. Aggregate other amounts not allocable by State.....		XXX	0	0	0	0	0	0
95. Totals (Direct Business).....		XXX	14,499,949	0	105,173,330	0	119,673,279	0
96. Plus reinsurance assumed.....		XXX						0
97. Totals (All Business).....		XXX	14,499,949	0	105,173,330	0	119,673,279	0
98. Less reinsurance ceded.....		XXX	1,383,504		63,940,857		65,324,361	
99. Totals (All Business) less reinsurance ceded.....		XXX	13,116,445	0	(b) ..41,232,473	0	54,348,918	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	0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....		XXX	0	0	0	0	0	0
9401.....		XXX						0
9402.....		XXX						0
9403.....		XXX						0
9498. Summ. of remaining write-ins for line 94 from overflow page.....		XXX	0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....		XXX	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

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

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

Premiums are allocated based upon the location of the group's home office or the individual's home address.

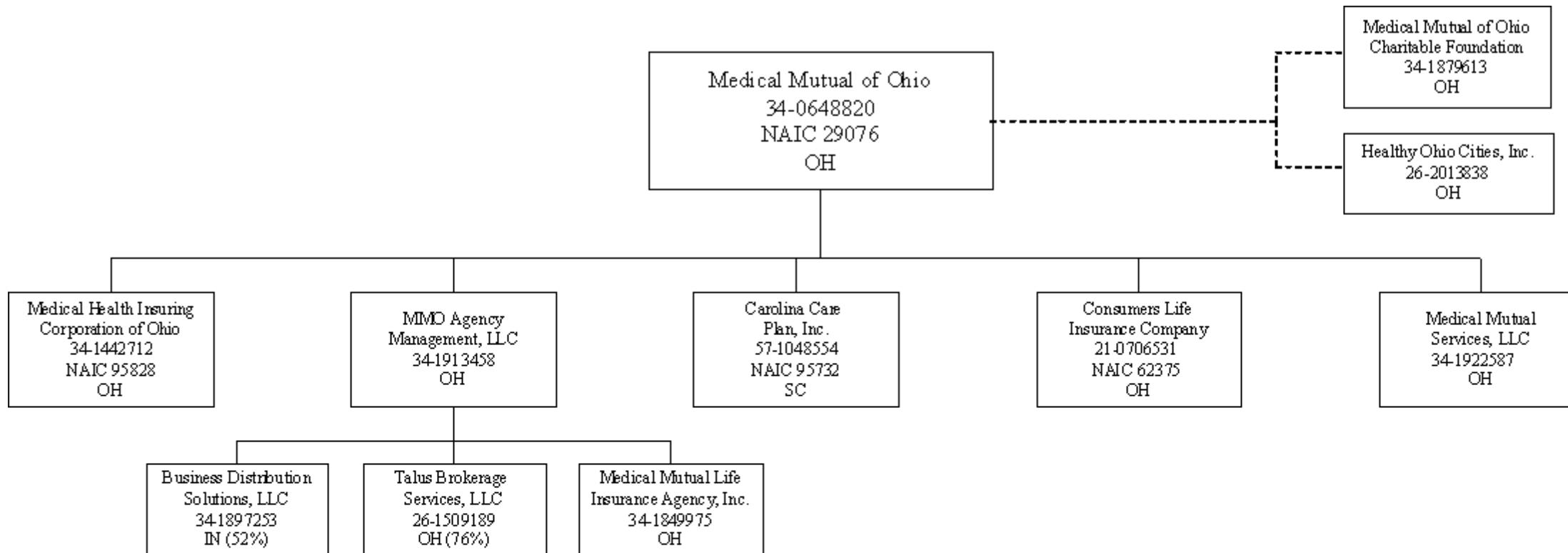
(a) Insert the number of "L" responses except for Canada and Other Alien.

(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:

Schedule H, Part 1, Column 1, Line 1

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

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**LIFE ANNUAL STATEMENT BLANK**

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