



LIFE AND ACCIDENT AND HEALTH COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE
SEECHANGE HEALTH INSURANCE COMPANY, INC.

NAIC Group Code	0000	0759	NAIC Company Code	63541	Employer's ID Number	35-0982487
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	Ohio	
Country of Domicile	United States					
Incorporated/Organized	05/14/1956		Commenced Business	11/16/1956		
Statutory Home Office	545 Metro Place South, Suite 100			Columbus, OH 43017		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	545 Metro Place South, Suite 100		Columbus, OH 43017	763-746-8475		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	10159 Wayzata Blvd., Suite 200		Minneapolis, MN 55305			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	545 Metro Place South, Suite 100		Columbus, OH 43017	763-582-1266		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Internet Web Site Address	www.seechangehealth.com					
Statutory Statement Contact	Donald Alan Powers			763-582-1266		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	dpowers@seechangehealth.com			866-631-6661		
	(E-Mail Address)			(FAX Number)		

OFFICERS

Name	Title	Name	Title
Martin Watson	President	Daniel John Boivin	Secretary
Donald Alan Powers	Treasurer		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Matthew Wayne Etheridge #	Eric John Kim #	Stephen Michael Krupa	Michael Aubrey Stocker
Martin Watson	Albert Sidney Waxman		
State of Minnesota			
County of Hennepin	ss		

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.

Martin Watson President	Daniel John Boivin Secretary	Donald Alan Powers Treasurer
a. Is this an original filing?		Yes [X] No []
b. If no,		
1. State the amendment number		
2. Date filed		
3. Number of pages attached		

Subscribed and sworn to before me this
day of ,
,

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,001,936		1,001,936	1,111,713
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$1,401,023 , Schedule E - Part 1), cash equivalents (\$0 , Schedule E - Part 2) and short-term investments (\$4,920,919 , Schedule DA)	6,321,942		6,321,942	4,919,400
6. Contract loans (including \$premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	7,323,878	0	7,323,878	6,031,113
13. Title plants less \$charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	11,551		11,551	13,928
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	50,728		50,728	588
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	75,896		75,896	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	51,041		51,041	0
24. Health care (\$) and other amounts receivable.....	4,030		4,030	0
25. Aggregate write-ins for other than invested assets	8,735	8,735	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	7,525,858	8,735	7,517,123	6,045,629
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	7,525,858	8,735	7,517,123	6,045,629
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Disallowed Interest Maintenance Reserve.....	8,735	8,735	0	0
2502. Prepaid expenses.....			0	0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	8,735	8,735	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$0 (Exhibit 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve).....	0	0
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$0 Modco Reserve).....	0	0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve).....	0	0
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	0	0
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	813,008	8,822
5. Policyholders' dividends \$ and coupons \$due and unpaid (Exhibit 4, Line 10).....	0	0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco).....	0	0
6.2 Dividends not yet apportioned (including \$ Modco).....	0	0
6.3 Coupons and similar benefits (including \$ Modco).....	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6.....	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$274,805 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	274,805	1,623
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....	0	0
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act.....	0	0
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ ceded.....	0	0
9.4 Interest Maintenance Reserve (IMR, Line 6).....	0	0
10. Commissions to agents due or accrued-life and annuity contracts \$ accident and health \$ and deposit-type contract funds \$208,194.....	208,194	185
11. Commissions and expense allowances payable on reinsurance assumed.....	0	0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	161,114	8,215
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances).....	0	0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	58,297	0
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses).....	0	0
15.2 Net deferred tax liability.....	0	0
16. Unearned investment income.....	0	0
17. Amounts withheld or retained by company as agent or trustee.....	0	0
18. Amounts held for agents' account, including \$ agents' credit balances.....	0	0
19. Remittances and items not allocated.....	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0
21. Liability for benefits for employees and agents if not included above.....	0	0
22. Borrowed money \$ and interest thereon \$0.....	0	0
23. Dividends to stockholders declared and unpaid.....	0	0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7).....	1,705	951
24.02 Reinsurance in unauthorized companies.....	0	0
24.03 Funds held under reinsurance treaties with unauthorized reinsurers.....	0	0
24.04 Payable to parent, subsidiaries and affiliates.....	0	25,785
24.05 Drafts outstanding.....	0	0
24.06 Liability for amounts held under uninsured plans.....	0	0
24.07 Funds held under coinsurance.....	0	0
24.08 Derivatives.....	0	0
24.09 Payable for securities.....	0	0
24.10 Payable for securities lending.....	0	0
24.11 Capital notes \$ and interest thereon \$0.....	0	0
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	1,517,123	45,580
27. From Separate Accounts statement.....	0	0
28. Total liabilities (Lines 26 and 27).....	1,517,123	45,580
29. Common capital stock.....	3,000,000	3,000,000
30. Preferred capital stock.....	0	0
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....	0	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	36,407,393	30,322,234
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	(33,407,392)	(27,322,185)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$).....	0	0
36.2 shares preferred (value included in Line 30 \$).....	0	0
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ in Separate Accounts Statement).....	3,000,001	3,000,049
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	6,000,001	6,000,049
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	7,517,123	6,045,629
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 through 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 through 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 through 3403 plus 3498)(Line 34 above).....	0	0

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)	2,312,214	8,216
2. Considerations for supplementary contracts with life contingencies		0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	68,332	43,866
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	4,331	3,821
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	0	0
7. Reserve adjustments on reinsurance ceded		0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		0
8.2 Charges and fees for deposit-type contracts		0
8.3 Aggregate write-ins for miscellaneous income	0	0
9. Totals (Lines 1 to 8.3)	2,384,877	55,903
10. Death benefits		0
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	0	0
13. Disability benefits and benefits under accident and health contracts	2,052,345	8,924
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		0
20. Totals (Lines 10 to 19)	2,052,345	8,924
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	424,723	903
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	0	0
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	5,593,978	5,100,068
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	404,369	259,220
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	0	0
28. Totals (Lines 20 to 27)	8,475,415	5,369,115
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(6,090,538)	(5,313,211)
30. Dividends to policyholders		0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(6,090,538)	(5,313,211)
32. Federal and foreign 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)	(6,090,538)	(5,313,211)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$(excluding taxes of \$transferred to the IMR)		0
35. Net income (Line 33 plus Line 34)	(6,090,538)	(5,313,211)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	6,000,049	5,770,108
37. Net income (Line 35)	(6,090,538)	(5,313,211)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
39. Change in net unrealized foreign exchange capital gain (loss)		0
40. Change in net deferred income tax		0
41. Change in nonadmitted assets	6,086	(14,238)
42. Change in liability for reinsurance in unauthorized companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)	0	0
44. Change in asset valuation reserve	(754)	(951)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period		0
47. Other changes in surplus in Separate Accounts statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles		0
50. Capital changes:		
50.1 Paid in		0
50.2 Transferred from surplus (Stock Dividend)		0
50.3 Transferred to surplus		0
51. Surplus adjustment:		
51.1 Paid in	6,085,158	5,558,341
51.2 Transferred to capital (Stock Dividend)		0
51.3 Transferred from capital		0
51.4 Change in surplus as a result of reinsurance		0
52. Dividends to stockholders		0
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)	(48)	229,941
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	6,000,001	6,000,049
DETAILS OF WRITE-INS		
08.301		
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 through 08.303 plus 08.398) (Line 8.3 above)	0	0
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	0	0
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	2,459,361	9,251
2. Net investment income.....	80,486	54,514
3. Miscellaneous income.....	0	0
4. Total (Lines 1 through 3).....	2,539,847	63,765
5. Benefit and loss related payments.....	1,248,159	102
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	6,003,865	5,351,791
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0
10. Total (Lines 5 through 9).....	7,252,024	5,351,893
11. Net cash from operations (Line 4 minus Line 10).....	(4,712,177)	(5,288,128)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	100,000	1,000,000
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	100,000	1,000,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	0	0
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	100,000	1,000,000
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	6,085,158	5,558,341
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	(70,438)	(20,184)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	6,014,720	5,538,157
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	1,402,542	1,250,029
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	4,919,400	3,669,371
19.2 End of year (Line 18 plus Line 19.1).....	6,321,942	4,919,400

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	2,312,214	.0	.0	.0		.0	.0	.0	2,312,214	.0	.0	
2. Considerations for supplementary contracts with life contingencies .....	.0											
3. Net investment income	68,332								68,332			
4. Amortization of Interest Maintenance Reserve (IMR)	4,331								4,331			
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....	.0											
6. Commissions and expense allowances on reinsurance ceded .....	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0	.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 Separate Accounts .....	.0											
8.2 Charges and fees for deposit-type contracts .....	.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)	2,384,877	.0	.0	.0	.0	.0	.0	.0	2,384,877	.0	.0	.0
10. Death benefits .....	.0											
11. Matured endowments (excluding guaranteed annual pure endowments) .....	.0	.0	.0				.0					
12. Annuity benefits .....	.0			.0				.0				
13. Disability benefits and benefits under accident and health contracts	2,052,345								2,052,345	.0	.0	
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 .....	.0											
20. Totals (Lines 10 to 19)	2,052,345	.0	.0	.0	.0	.0	.0	.0	2,052,345	.0	.0	.0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	424,723	.0	.0	.0		.0	.0	.0	424,723	.0	.0	.0
22. Commissions and expense allowances on reinsurance assumed .....	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0	.0
23. General insurance expenses	5,593,978								5,593,978	.0	.0	.0
24. Insurance taxes, licenses and fees, excluding federal income taxes	404,369								404,369	.0	.0	.0
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 .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
28. Totals (Lines 20 to 27)	8,475,415	.0	.0	.0	.0	.0	.0	.0	8,475,415	.0	.0	.0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(6,090,538)	.0	.0	.0	.0	.0	.0	.0	(6,090,538)	.0	.0	.0
30. Dividends to policyholders .....	.0								.0	.0	.0	
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(6,090,538)	.0	.0	.0	.0	.0	.0	.0	(6,090,538)	.0	.0	.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)	(6,090,538)	.0	.0	.0	.0	.0	.0	.0	(6,090,538)	.0	.0	.0
DETAILS OF WRITE-INS												
08.301.												
08.302.												
08.303.												
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 through 08.303 plus 08.398) (Line 8.3 above) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2701.												
2702.												
2703.												
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 through 2703 plus 2798) (Line 27 above) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year .....	.0	.0	.0	.0	.0	.0	.0	.0
2. Tabular net premiums or considerations .....	.0							
3. Present value of disability claims incurred .....	.0				.XXX			
4. Tabular interest								
5. Tabular less actual reserve released .....	.0							
6. Increase in reserve on account of change in valuation basis .....	.0							
7. Other increases (net)	0							
8. Totals (Lines 1 to 7)	0	0	0	0	0	0	0	0
9. Tabular cost .....	.0				.XXX			
10. Reserves released by death .....	.0			.XXX	.XXX			.XXX
11. Reserves released by other terminations (net) .....	.0							
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)	0	0	0	0	0	0	0	0
15. Reserve December 31, current year	0	0	0	0	0	0	0	0

NONE

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....5,250	.....1,969
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....52,000	.....43,127
1.3	Bonds of affiliates	(a) .....0	.....
2.1	Preferred stocks (unaffiliated)	(b) .....0	.....
2.11	Preferred stocks of affiliates	(b) .....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) .....25,664	.....25,664
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	82,914	70,759
11.	Investment expenses		(g) .....2,427
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) .....0
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....2,427
17.	Net investment income (Line 10 minus Line 16)		68,332
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 through 0903) plus 0998 (Line 9 above)	0	0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes \$701 accrual of discount less \$10,478 amortization of premium and less \$0 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5.
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	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	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....			.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0		.....0
5.	Contract loans .....			.....0		
6.	Cash, cash equivalents and short-term investments .....			.....0	.....0	.....0
7.	Derivative instruments .....			.....0		
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....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.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

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

	1	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected	48,566							48,566			
2. Deferred and accrued	.0										
3. Deferred, accrued and uncollected:											
3.1 Direct	48,566							48,566			
3.2 Reinsurance assumed	.0										
3.3 Reinsurance ceded	.0										
3.4 Net (Line 1 + Line 2)	48,566	.0	.0	.0	.0	.0	.0	48,566	.0	.0	.0
4. Advance	274,805	.0	.0	.0	.0	.0	.0	274,805	.0	.0	.0
5. Line 3.4 - Line 4	(226,239)	.0	.0	.0	.0	.0	.0	(226,239)	.0	.0	.0
6. Collected during year:											
6.1 Direct	2,771,326							2,771,326			
6.2 Reinsurance assumed	.0										
6.3 Reinsurance ceded	272,371							272,371			
6.4 Net	2,498,955	.0	.0	.0	.0	.0	.0	2,498,955	.0	.0	.0
7. Line 5 + Line 6.4	2,272,716	.0	.0	.0	.0	.0	.0	2,272,716	.0	.0	.0
8. Prior year (uncollected + deferred and accrued - advance)	(1,035)	.0	.0	.0	.0	.0	.0	(1,035)	.0	.0	.0
9. First year premiums and considerations:											
9.1 Direct	2,546,122	.0	.0	.0	.0	.0	.0	2,546,122	.0	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	272,371	.0	.0	.0	.0	.0	.0	272,371	.0	.0	.0
9.4 Net (Line 7 - Line 8)	2,273,750	.0	.0	.0	.0	.0	.0	2,273,750	.0	.0	.0
SINGLE											
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
RENEWAL											
11. Uncollected	2,162							2,162			
12. Deferred and accrued	.0										
13. Deferred, accrued and uncollected:											
13.1 Direct	2,162							2,162			
13.2 Reinsurance assumed	.0										
13.3 Reinsurance ceded	.0										
13.4 Net (Line 11 + Line 12)	2,162	.0	.0	.0	.0	.0	.0	2,162	.0	.0	.0
14. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Line 13.4 - Line 14	2,162	.0	.0	.0	.0	.0	.0	2,162	.0	.0	.0
16. Collected during year:											
16.1 Direct	40,527							40,527			
16.2 Reinsurance assumed	.0										
16.3 Reinsurance ceded	4,225							4,225			
16.4 Net	36,302	.0	.0	.0	.0	.0	.0	36,302	.0	.0	.0
17. Line 15 + Line 16.4	38,464	.0	.0	.0	.0	.0	.0	38,464	.0	.0	.0
18. Prior year (uncollected + deferred and accrued - advance)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19. Renewal premiums and considerations:											
19.1 Direct	42,689	.0	.0	.0	.0	.0	.0	42,689	.0	.0	.0
19.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.3 Reinsurance ceded	4,225	.0	.0	.0	.0	.0	.0	4,225	.0	.0	.0
19.4 Net (Line 17 - Line 18)	38,464	.0	.0	.0	.0	.0	.0	38,464	.0	.0	.0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	2,588,811	.0	.0	.0	.0	.0	.0	2,588,811	.0	.0	.0
20.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.3 Reinsurance ceded	276,596	.0	.0	.0	.0	.0	.0	276,596	.0	.0	.0
20.4 Net (Lines 9.4 + 10.4 + 19.4)	2,312,214	.0	.0	.0	.0	.0	.0	2,312,214	.0	.0	.0

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)

	1	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums	0										
22. All other	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
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
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	424,723							424,723			
28. Single	0										
29. Renewal	0										
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	424,723	0	0	0	0	0	0	424,723	0	0	0

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6
	1	Accident and Health		4		
		2	3			
	Life	Cost Containment	All Other	All Other Lines of Business	Investment	Total
1. Rent			187,156			187,156
2. Salaries and wages			2,413,974			2,413,974
3.11 Contributions for benefit plans for employees						0
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			43,396			43,396
3.32 Other agent welfare						0
4.1 Legal fees and expenses			216,297			216,297
4.2 Medical examination fees						0
4.3 Inspection report fees						0
4.4 Fees of public accountants and consulting actuaries			201,681			201,681
4.5 Expense of investigation and settlement of policy claims			142,557			142,557
5.1 Traveling expenses						0
5.2 Advertising			1,045,577			1,045,577
5.3 Postage, express, telegraph and telephone			74,227			74,227
5.4 Printing and stationery			36,437			36,437
5.5 Cost or depreciation of furniture and equipment			87,049			87,049
5.6 Rental of equipment			20,491			20,491
5.7 Cost or depreciation of EDP equipment and software			385,019			385,019
6.1 Books and periodicals			19,193			19,193
6.2 Bureau and association fees						0
6.3 Insurance, except on real estate			29,210			29,210
6.4 Miscellaneous losses			14,977			14,977
6.5 Collection and bank service charges						0
6.6 Sundry general expenses			23,786			23,786
6.7 Group service and administration fees						0
6.8 Reimbursements by uninsured plans						0
7.1 Agency expense allowance			150,000			150,000
7.2 Agents' balances charged off (less \$ recovered)						0
7.3 Agency conferences other than local meetings						0
9.1 Real estate expenses						0
9.2 Investment expenses not included elsewhere					2,427	2,427
9.3 Aggregate write-ins for expenses	0	0	502,951	0	0	502,951
10. General expenses incurred	0	0	5,593,978	0	2,427	(a) 5,596,405
11. General expenses unpaid December 31, prior year	0	0	8,215	0	0	8,215
12. General expenses unpaid December 31, current year			161,114			161,114
13. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0	0
14. Amounts receivable relating to uninsured plans, current year						0
15. General expenses paid during year (Lines 10+11-12-13+14)	0	0	5,441,079	0	2,427	5,443,506
DETAILS OF WRITE-INS						
09.301. Consulting.....			403,760			403,760
09.302. Temporary Labor.....			62,698			62,698
09.303. Interest Expense.....			36,493			36,493
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	0	0	0	0	0	0
09.399. Totals (Lines 09.301 through 09.303 + 09.398) (Line 9.3 above)	0	0	502,951	0	0	502,951

(a) Includes management fees of \$ 5,753,636 to affiliates and \$ to non-affiliates.

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

	Insurance			4	5
	1	2	3		
	Life	Accident and Health	All Other Lines of Business	Investment	Total
1. Real estate taxes					0
2. State insurance department licenses and fees		47,399			47,399
3. State taxes on premiums		69,818			69,818
4. Other state taxes, incl. \$287,075 for employee benefits		287,152			287,152
5. U.S. Social Security taxes					0
6. All other taxes					0
7. Taxes, licenses and fees incurred	0	404,369	0	0	404,369
8. Taxes, licenses and fees unpaid December 31, prior year ..	0	0	0	0	0
9. Taxes, licenses and fees unpaid December 31, current year ..		58,297			58,297
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	0	346,072	0	0	346,072

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums		
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
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	0	0
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	0
0899. Totals (Line 0801 through 0803 + 0898) (Line 8 above)	0	0

NONE

Exhibit 5
NONE



1.1	Has the reporting entity ever issued both participating and non-participating contracts?.....	Yes []	No []
1.2	If not, state which kind is issued.		
2.1	Does the reporting entity at present issue both participating and non-participating contracts?	Yes []	No []
2.2	If not, state which kind is issued.		
3.	Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?	Yes []	No []
	If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.		
4.	Has the reporting entity any assessment or stipulated premium contracts in force?	Yes []	No []
	If so, state:		
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 the 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 []
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 []
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		

[illegible]

Exhibit 6 - Agg. Res. for A&H Contracts

NONE

Exhibit 7 - Deposit Type Contracts

NONE

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year											
	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct .....	.0										
1.2 Reinsurance assumed .....	.0										
1.3 Reinsurance ceded .....	.0										
1.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. In course of settlement:											
2.1 Resisted											
2.11 Direct .....	.0										
2.12 Reinsurance assumed .....	.0										
2.13 Reinsurance ceded .....	.0										
2.14 Net .....	.0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	.0	.0	.0	.0
2.2 Other											
2.21 Direct .....	.0										
2.22 Reinsurance assumed .....	.0										
2.23 Reinsurance ceded .....	.0										
2.24 Net .....	.0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	(b) .0
3. Incurred but unreported:											
3.1 Direct	813,008								813,008		
3.2 Reinsurance assumed .....	.0										
3.3 Reinsurance ceded .....	.0										
3.4 Net	813,008	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	.0	(b) 813,008	(b) .0	(b) .0
4. TOTALS											
4.1 Direct	813,008	.0	.0	.0	.0	.0	.0	.0	813,008	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	813,008	(a) 0	(a) 0	0	0	0	(a) 0	0	813,008	0	0

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$in Column 2, \$in Column 3 and \$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 \$ Individual Annuities \$, Credit Life (Group and Individual) \$, and Group Life \$, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ Credit (Group and Individual) Accident and Health \$, and Other Accident and Health \$ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

	PART 2 - Incurred During the Year										
	1	2	Ordinary			6	Group		Accident and Health		
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1. Settlements during the year:											
1.1 Direct	1,248,159								1,248,159		
1.2 Reinsurance assumed .....	.0										
1.3 Reinsurance ceded .....	.0										
1.4 Net	(d) 1,248,159	.0	.0	.0	.0	.0	.0	.0	1,248,159	.0	.0
2. Liability December 31, current year from Part 1:											
2.1 Direct	813,008	.0	.0	.0	.0	.0	.0	.0	813,008	.0	.0
2.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.4 Net	813,008	.0	.0	.0	.0	.0	.0	.0	813,008	.0	.0
3. Amounts recoverable from reinsurers December 31, current year .....	.0										
4. Liability December 31, prior year:											
4.1 Direct	8,822	.0	.0	.0	.0	.0	.0	.0	8,822	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	8,822	.0	.0	.0	.0	.0	.0	.0	8,822	.0	.0
5. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0	0
6. Incurred benefits:											
6.1 Direct	2,052,345	.0	.0	.0	.0	.0	.0	.0	2,052,345	.0	.0
6.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.4 Net	2,052,345	0	0	0	0	0	0	0	2,052,345	0	0

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

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

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

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

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	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	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets	8,735	14,821	6,086
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	8,735	14,821	6,086
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	8,735	14,821	6,086
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0
2501. Disallowed Interest Maintenance Reserve.....	8,735	4,404	(4,331)
2502. Prepaid expenses.....	0	10,417	10,417
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	8,735	14,821	6,086

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of SeeChange Health Insurance Company, Inc. (the Company), formerly known as Central Benefits National Life Insurance Company, are presented on the basis of accounting practices prescribed or permitted by the Insurance Department of Ohio.

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

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

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

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. The Company does not write life insurance business.

In addition, the Company uses the following accounting policies:

- 1) Short-term investments are stated at cost, which approximates market value.
- 2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- 3) The Company has no common stocks.
- 4) The Company has no preferred stocks.
- 5) The Company has no mortgage loans.
- 6) Loan-backed bonds and structured securities are stated at amortized cost using the interest method including anticipated prepayments at the date of purchase. Anticipated prepayments are considered using the retrospective method when determining the amortization of discount or premium.
- 7) Not applicable.
- 8) Not applicable.
- 9) The Company has no investments in derivatives.
- 10) Not applicable.
- 11) Losses and loss adjustment expense reserves represent the estimated net cost of all unpaid reported and unreported claims at the end of the year. The Company does not discount losses and loss adjustment expense reserves. The reserves for unpaid claims and claim adjustment expenses are estimated using valuations and statistical frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for losses and loss adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops and new information becomes known; such adjustments are included in current operations.

2. Accounting Changes and Corrections of Errors

During the prior year's financial statement preparation, the Company discovered an error in the reporting of an expense of \$6,148 which was duplicated in the 2009 annual financial statement. The duplicate expense was reversed in 2010 which resulted in a reduction of the net loss (Summary of Operations, Line 35).

The adjustment of \$6,148 was reported in the Audited Financial Statement (AFS) in a manner different than the reporting in the annual financial statement. The adjustment was recorded not as an adjustment to current year operations, but as an adjustment in the Change in Capital and Surplus Account. Contributed surplus was increased by \$6,148 in the 2010 AFS and thus differs from the amount reported in the annual financial statement (Summary of Operations, Line 51.1).

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

NOTES TO FINANCIAL STATEMENTS

5. Investments

A. Mortgage Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

1) The Company has no investments in loan-backed securities.

2) The Company has no investments in loan-backed securities.

3) Not applicable.

4) Not applicable.

5) Not applicable.

E. Repurchase Agreements

The Company does not have any repurchase agreements.

F. Real Estate

The Company has no investments in real estate.

G. Investments in Low-Income Housing Tax Credits (LIHTC)

The Company has no investments in low-income housing tax credits.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships or limited liability companies.

7. Investment Income

A. Due and accrued income is excluded from investment income on bonds where collection of interest is uncertain.

B. No such income was excluded from investment income for any of the years reported.

8. Derivative Instruments

The Company has no assets invested in derivative instruments.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The Company has operating loss carry forwards, and due to the unlikely recovery of these carry forwards in the near future, does not record a deferred tax asset on its balance sheet. The following presentation of deferred tax assets and liabilities is for disclosure purposes only. The 2011 presentation includes estimates only, as the 2011 Audited Financial Statement has not yet been prepared.

The components of the net deferred tax asset at December 31, 2011 and 2010 would be as follows:

	2011	2010	Change
(a) Gross Deferred Tax Assets	\$ 4,426,214	\$ 2,398,511	\$ 2,027,703
(b) Statutory Valuation Allowance Adjustment	\$ 4,396,863	\$ 2,375,711	\$ 2,021,152
© Adjusted Gross Deferred Tax Assets	\$ 29,352	\$ 22,800	\$ 6,552
(d) Deferred Tax Liabilities	\$ 29,352	\$ 22,800	\$ 6,552
(e) Subtotal Net Deferred Tax Asset	\$ 0	\$ -	\$ 0
(f) Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -
(g) Net Admitted Deferred Tax Asset	\$ 0	\$ -	\$ 0

- (1) Not applicable.
(2) Not applicable.
(3) Not applicable.
(4) Not applicable.

B. The Company has no DTLs with temporary differences.
C. No income tax was incurred for any of the periods presented.

DTAs	Statutory	Tax	Change	Tax Effect
NOL carry forward	\$ -	\$ 12,398,000	\$ 12,398,000	\$ 4,215,320
Uamortized license costs	\$ -	\$ 620,278	\$ 620,278	\$ 210,895
Investments	\$ -	\$ -	\$ -	\$ -
Uncollected premiums	\$ 50,728	\$ 50,728	\$ -	\$ -
Advance premiums	\$ 274,805	\$ 274,805	\$ -	\$ -
Gross DTA				\$ 4,426,214
Statutory valuation allowance adj.				\$ 4,396,863
Non-Admitted DTAs				\$ -
Admitted DTA's				\$ 29,352

DTLs				
Unrealized gain on investments	\$ -	\$ 86,329	\$ 86,329	\$ 29,352
DAC	\$ -	\$ -	\$ -	\$ -
Gross DTLs				\$ 29,352

DTAs	2011	2010	Change
Advance premiums	\$ -	\$ -	\$ -
Investments	\$ -	\$ -	\$ -
Uncollected premiums	\$ -	\$ -	\$ -
NOL carry forward	\$ 4,215,320	\$ 2,175,291	\$ 2,040,029
Unamortized license costs	\$ 210,895	\$ 223,220	\$ (12,325)
Subtotal	\$ 4,426,214	\$ 2,398,511	\$ 2,027,703
Statutory valuation allowance adj.	\$ 4,396,863	\$ 2,375,711	\$ 2,021,152
Nonadmitted DTAs	\$ -	\$ -	\$ -
Admitted DTAs	\$ 29,352	\$ 22,800	\$ 6,552

DTLs			
Unrealized gain on investments	\$ 29,352	\$ 22,800	\$ 6,552
DAC	\$ -	\$ -	\$ -
Gross DTLs	\$ 29,352	\$ 22,800	\$ 6,552

Net DTAs \$ (0) \$ - \$ (0)

D. There were no significant book-to-tax adjustments for either the period ended December 31, 2011 or 2010.
E. At December 31, 2011, the Company had \$12,398,000 (estimate) of operating loss carry forwards originating in 2009 through 2011 which expire, if unused, in years 2029 through 2031.
F. The Company files a consolidated federal income tax return with its parent, SeeChange Health Management Company, Inc.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries and Affiliates

A.-C. The parent has made capital infusions of \$6,085,158 and \$5,558,341 into the Company in 2011 and 2010, respectively.

Effective July 31, 2009, all outstanding shares of the Company were purchased by SeeChange Health Management Company, Inc., a Delaware corporation, from Central Benefits Mutual Insurance Company.

Effective in October 2009, the Company's name was changed to SeeChange Health Insurance Company, Inc. The name change was approved by the Ohio Department of Insurance. Effective February 16, 2010, the statutory home office address was changed to 545 Metro Place South, Suite 100, Columbus, Ohio 43017.

D. The Company reported amounts due from its parent of \$51,041 and amounts due to its parent of \$25,785 as of December 31, 2011 and 2010, respectively.

E. Not applicable.

F. The Company has a management agreement with SeeChange Health Management Company, Inc., the parent company. The management agreement is based upon a cost allocation of expenses.

G. All outstanding shares of the Company are owned by the parent, SeeChange Health Management Company, Inc., a Delaware corporation.

H. Not applicable.

I. The Company has no investments in Subsidiary, Controlled or Affiliated (SCA) companies.

J. Not applicable.

K. The Company has no investments in foreign insurance subsidiaries.

L. The Company has no investments in a downstream noninsurance holding company.

11. Debt

The Company has no debt or FHLB agreements structured as debt.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

Not applicable.

B. Defined Contribution Plans

Not applicable.

C. Multiemployer Plan

Not applicable.

D. Consolidated/Holding Company Plans

Not applicable.

E. Postemployment Benefits and Compensated Absences

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits

Not applicable.

NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus

- (1) The Company has 1,000 shares authorized, and 100 shares issued and outstanding of common stock. The par value of the stock is \$30,000 per share.
- (2) The Company has no preferred stock authorized or outstanding.
- (3) The payment of dividends is subject to Section 3901.34 of the Ohio Insurance Code in that any dividend to shareholders cannot reduce surplus to an amount less than 50% of the capital stock of the Company.
- (4) The Company paid no dividends in either 2011 or 2010.
- (5) The payment of dividends is subject to the approval of the Ohio Department of Insurance.
- (6) There were no restrictions placed on the Company’s surplus, including for whom the surplus is being held.
- (7) There were no advances made on the Company’s surplus.
- (8) The Company has no subsidiaries.
- (9) The Company has no special surplus funds.
- (10) The portion of unassigned funds (surplus) at December 31, 2011 is reduced by \$1705 for the Asset Valuation Reserve.
- (11) The Company has no surplus notes or similar obligations.
- (12) Not applicable.
- (13) Not applicable.

14. Contingencies

- A. Contingent Commitments

The Company has no contingent liabilities.
- B. Assessments

Periodically, the Company is assessed by various guaranty funds to cover certain losses to policyholders that resulted from the insolvency or rehabilitation of other insurance companies. At December 31, 2011 the Company is not able to reasonably estimate the potential amounts of any future assessments and has deemed that any potential assessments would be immaterial to the Company. Accordingly, there is no provision made for such future assessments.
- C. Gain Contingencies

The Company did not recognize any gain contingencies subsequent to the balance sheet date and prior to the issuance of financial statements.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The Company did not have any lawsuits arising from extra contractual claims or bad faith losses.
- E. All Other Contingencies

Various lawsuits against the Company have arisen in the normal course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company. The Company has no assets that it considers to be impaired.

15. Leases

- A. The Company is not the lessee in any operating lease agreements.
- B. The Company is not the lessor in any operating lease agreements.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company does not have any financial instruments with off-balance sheet risk, or with concentrations of credit risk.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

The Company does not report any premium receivables as sales. The Company has not serviced or transferred any financial assets and has no wash sales.

NOTES TO FINANCIAL STATEMENTS

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The Company has no gain from operations from neither Administrative Services Only (ASO) uninsured plans nor the uninsured portion of partially insured plans in either 2011 or 2010.

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

The Company has no direct premium written through managing general agents or third party administrators.

20. Fair Value Measurements

The Company has no assets or liabilities either measured or reported at fair value in any of the periods reported.

21. Other Items

A. Extraordinary Items

The Company has no extraordinary items.

B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt obligations.

C. Other Disclosures

Effective May 18, 2011, SeeChange Health LLC (parent of SeeChange Health Management Company, Inc.), closed on an offering of Series B Preferred Units totaling \$20 million. Purchasers were existing investor Psilos Group Managers and new investor Maverick Capital, Ltd.

On the same date, two new board members were appointed to the Company's board of directors - Eric John Kim and Matthew Wayne Etheridge. Current Treasurer Donald Alan Powers exited the Board.

D. Uncollectible Asset Balances

The Company has no asset balances with uncollectible balances.

E. Business Interruption Insurance Recoveries

The Company had no business interruptions in any of the periods reported.

F. State Transferable Tax Credits

The Company has no transferable state tax credits.

G. Subprime-Mortgage-Related Risk Exposure

The Company has no investments in subprime mortgage related risks.

H. Retained Assets

The Company has no retained assets.

22. Events Subsequent

In the 4th quarter of 2011, the Company began the process of changing their state of domicile from Ohio to California. It is anticipated that the process will be completed and the Company redomiciled effective by the end of the 2nd quarter of 2012.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- 1. No
- 2. No

Section 2 – Ceded Reinsurance Report – Part A

- 1. No
- 2. No

Section 3 – Ceded Reinsurance Report – Part B

- 1. Not applicable
- 2. No

B. Uncollectible Reinsurance

The Company has not written off any uncollectible reinsurance.

C. Commutation of Ceded Reinsurance

NOTES TO FINANCIAL STATEMENTS

The Company has not commuted any ceded reinsurance.

24. **Retrospectively Rated Contracts & Contracts Subject to Redetermination**

The Company does not have any accrued retrospective premium adjustments.

25. **Change in Incurred Losses and Loss Adjustment Expenses**

The Company did not have any changes in the provision for incurred losses and loss adjustment expenses attributable to insured events of prior years.

26. **Intercompany Pooling Arrangements**

The Company has no intercompany pooling arrangements.

27. **Structured Settlements**

The Company has no structured settlements.

28. **Health Care Receivables**

The Company does not record estimates of pharmacy rebates receivable.

29. **Participating Policies**

The Company has no participating contract policies.

30. **Premium Deficiency Reserves**

The Company has no premium deficiency reserves.

31. **Reserves for Life Contracts and Annuity Contracts**

- 1) The Company does not write any life or annuity business.
- 2) The Company does not write any life or annuity business.
- 3) The Company does not have any life insurance in force.
- 4) Not applicable.
- 5) Not applicable.
- 6) Not applicable.

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

The Company does not have any annuity actuarial reserves or deposit liabilities in force.

33. **Premium and Annuity Considerations Deferred and Uncollected**

The Company does not write any life insurance or annuity policies.

34. **Separate Accounts**

The Company has no separate accounts.

35. **Loss/Claim Adjustment Expenses**

There was no balance in the liability for unpaid accident and health claim adjustment expenses at either December 31, 2011 or 2010. The Company did not increase or decrease the provision for insured events of prior years.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

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

Yes [] No [X]
- 1.2

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

Yes [] No [] NA [X]
- 1.3

State Regulating?

Ohio
- 2.1

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

Yes [] No [X]
- 2.2

If yes, date of change:
- 3.1

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

12/31/2007
- 3.2

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

12/31/2007
- 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).

12/10/2008
- 3.4

By what department or departments?

Ohio
- 3.5

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

Yes [X] No [] NA []
- 3.6

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

Yes [X] No [] NA []
- 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:
- 4.11

sales of new business?

Yes [X] No []
- 4.12

renewals?

Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes [] No [X]
- 4.22

renewals?

Yes [] No [X]
- 5.1

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

Yes [] No [X]
- 5.2

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

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1

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

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

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

Yes [] No [X]
- 7.2

If yes,
- 7.21

State the percentage of foreign control
- 7.22

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

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1

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

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

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

Yes [] No [X]
- 8.4

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

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

9.

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

McGladrey & Pullen, LLP, 801 Nicollet Avenue, Suite 1100, Minneapolis, MN 55402-2526
- 10.1

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

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

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

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

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

Yes [X] No [] NA []
- 10.6

If the response to 10.5 is no or n/a, please explain
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?

Catherine Lynn Knuth, FSA, MAAA, Milliman, 1580 Bluemound Road, Suite 100, Brookfield, WI 53005-6043
- 12.1

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

Yes [] No [X]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value

\$
- 12.2

If yes, provide explanation
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 [] NA []
- 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 []
- 14.11

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- 14.12

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- 14.13

Compliance with applicable governmental laws, rules and regulations;
- 14.14

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- 14.15

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).

GENERAL INTERROGATORIES

BOARD OF DIRECTORS

- 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?.....
- 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.
- Yes [] No [X]

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

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?
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
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 []
- Yes [X] No []
- Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers .. \$
- 20.12 To stockholders not officers ... \$
- 20.13 Trustees, supreme or grand (Fraternal only) \$
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers ... \$
- 20.22 To stockholders not officers \$
- 20.23 Trustees, supreme or grand (Fraternal only) \$
- 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?
- 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?
- 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?
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....
- Yes [] No [X]
- Yes [X] No []
- 52,386

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).....
- 24.2 If no, give full and complete information, relating thereto
- Physical possession of investments is held by JPMorgan Chase, under a custodial agreement with the reporting entity.
- 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)
- 24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?.....
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs.
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?.....
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?.....
- 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 [X]
- Yes [] No [] NA [X]
- Yes [] No [] NA [X]
- Yes [] No [] NA [X]
- Yes [] No [] NA [X]
- Yes [] No [] NA [X]

GENERAL INTERROGATORIES

- 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

\$

25.22

Subject to reverse repurchase agreements

\$

25.23

Subject to dollar repurchase agreements

\$

25.24

Subject to reverse dollar repurchase agreements

\$

25.25

Pledged as collateral

\$

25.26

Placed under option agreements

\$

25.27

Letter stock or securities restricted as to sale

\$

25.28

On deposit with state or other regulatory body

\$

1,662,808

25.29

Other

\$

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? If no, attach a description with this statement.

Yes [] No [] NA [X]
- 27.1

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

Yes [] No [X]
- 27.2

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

\$

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase	1111 Polaris Parkway, Suite 2N, Columbus, OH 43240.

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

GENERAL INTERROGATORIES

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/Adjusted 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 above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the 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.....	5,922,854	6,009,184	86,329
30.2 Preferred Stocks.....	0		0
30.3 Totals	5,922,854	6,009,184	86,329

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

Custodian 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:

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any?.....\$4,583
- 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
National Ass'n of Health Underwriters.....	.....4,583

- 34.1 Amount of payments for legal expenses, if any?.....\$216,297
- 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
Wilke, Fieury, Hoffelt & Gould.....	.....132,045

- 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 [] No [X]

1.2

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

\$ 0

1.3

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

\$

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.

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	\$ 2,312,214	\$ 8,216
2.2	Premium Denominator	\$ 2,312,214	\$ 8,216
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	\$ 813,008	\$ 8,822
2.5	Reserve Denominator	\$ 813,008	\$ 8,822
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

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 [] NA [X]

3.3

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

\$

3.4

State the authority under which Separate Accounts are maintained:

3.5

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

Yes [] No []

3.6

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

Yes [] No [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:

\$

4.22

Received:

\$

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:

\$

7.

Total dividends paid stockholders since organization of the reporting entity:

7.11

Cash

\$

7.12

Stock

\$

21

GENERAL 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	2	3
	Reinsurance	Reinsurance	Net
	Assumed	Ceded	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 Column 1 are:

	Attachment	1	2
	Point	Earned	Claim Liability
		Premium	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, Column 1 was assumed from pools? \$.....

9.1 Does the company have variable annuities with guaranteed benefits? Yes [] No [X]

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

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

10 For reporting entities having sold annuities to another insurer where 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: \$.....

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

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

11.1 Do you act as a custodian for health savings accounts?..... 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..... \$.....

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
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4)	0	0	0	0	30
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	0	0	0	0	0
3. Credit life (Line 21, Col. 6)	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	0	0	0	0	0
5. Industrial (Line 21, Col. 2)	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	0	0	0	0	30
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2)	0	0	0	0	0
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)	0	0	0	0	0
10. Credit life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	0	0	0	0	0
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	0	0	0	0	0
Premium Income - Lines of Business (Exhibit 1 – Part 1)					
14. Industrial life (Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary life insurance (Line 20.4, Col. 3)	0	0	0	826	2,582
15.2 Ordinary individual annuities (Line 20.4, Col. 4)	0	0	0	0	0
16. Credit life, (group and individual) (Line 20.4, Col. 5)	0	0	0	0	0
17.1 Group life insurance (Line 20.4, Col. 6)	0	0	0	0	0
17.2 Group annuities (Line 20.4, Col. 7)	0	0	0	0	0
18.1 A & H-group (Line 20.4, Col. 8)	2,312,214	8,216	0	0	0
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9)	0	0	0	0	0
18.3 A & H-other (Line 20.4, Col. 10)	0	0	0	528,038	1,199,640
19. Aggregate of all other lines of business (Line 20.4, Col. 11)	0	0	0	0	0
20. Total	2,312,214	8,216	0	528,864	1,202,222
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	7,517,123	6,045,629	5,805,660	6,770,249	7,137,623
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	1,517,123	45,580	35,552	20,034	683,079
23. Aggregate life reserves (Page 3, Line 1)	0	0	0	0	110,000
24. Aggregate A & H reserves (Page 3, Line 2)	0	0	0	0	227,323
25. Deposit-type contract funds (Page 3, Line 3)	0	0	0	0	0
26. Asset valuation reserve (Page 3, Line 24.01)	1,705	951	0	0	8,684
27. Capital (Page 3, Lines 29 & 30)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
28. Surplus (Page 3, Line 37)	3,000,001	3,000,049	2,770,108	3,750,214	3,454,544
Cash Flow (Page 5)					
29. Net cash from operations (Line 11)	(4,712,177)	(5,288,128)	(965,440)	(159,629)	63,905
Risk-Based Capital Analysis					
30. Total adjusted capital	6,001,706	6,001,000	5,770,108	6,750,214	6,463,228
31. Authorized control level risk - based capital	225,052	215,803	4,580	46,103	57,783
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. / Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1)	13.7	18.4	36.6	24.5	87.0
33. Stocks (Lines 2.1 and 2.2)	0.0	0.0	0.0	0.0	0.0
34. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
35. Real estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
36. Cash, cash equivalents and short - term investments (Line 5)	86.3	81.6	63.4	75.5	13.0
37. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
38. Derivatives (Page 2, Line 7)	0	0	XXX	XXX	XXX
39. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
40. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10)	0	0	XXX	XXX	XXX
42. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

	(Continued)				
	1 2011	2 2010	3 2009	4 2008	5 2007
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	.0	.0	.0	.0	.0
45. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	.0	.0	.0	.0	.0
46. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	.0	.0	.0	.0	.0
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	.0	.0	.0	.0	.0
48. Affiliated mortgage loans on real estate .....	.0	.0	.0	.0	.0
49. All other affiliated		0	0	0	0
50. Total of above Lines 44 to 49 .....	.0	.0	.0	.0	.0
Total Nonadmitted and Admitted Assets					
51. Total nonadmitted assets (Page 2, Line 28, Col. 2) .....	.8,735	14,821	.583	.0	.3,377
52. Total admitted assets (Page 2, Line 28, Col. 3)	7,517,123	6,045,629	5,805,660	6,770,249	7,137,623
Investment Data					
53. Net investment income (Exhibit of Net Investment Income)	68,332	43,866	68,487	206,901	298,724
54. Realized capital gains (losses) (Page 4, Line 34, Column 1) .....	.0	.0	(7,077)	(103,371)	(6,412)
55. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	0	0	0	0	0
56. Total of above Lines 53, 54 and 55	68,332	43,866	61,410	103,530	292,312
Benefits and Reserve Increase (Page 6)					
57. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15, Col.1 minus Lines 10, 11, 12, 13, 14, and 15, Cols. 9, 10 and 11) .....	.0	.0	.0	.0	19,000
58. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	2,052,345	8,924	.0	657,685	967,692
59. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3 ) .....	.0	.0	.0	.0	.0
60. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11) .....	.0	.0	.0	(227,323)	(45,497)
61. Dividends to policyholders (Line 30, Col. 1) .....	.0	.0	.0	.0	.0
Operating Percentages					
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	260.3	62,083.2	.0.0	23.6	31.0
63. Lapse percent (ordinary only). [(Exhibit of Life Insurance, Column 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Column 4, Lines 1 & 21)] x 100.00 .....	.0.0	.0.0	.0.0	.0.0	92.9
64. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	88.8	108.6	.0.0	81.5	76.9
65. A & H cost containment percent (Schedule H, Part 1, Line 4, Col. 2) .....	.0.0	.0.0	.0.0	.0.0	.0.0
66. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)	277.8	65,238.1	.0.0	42.1	37.9
A & H Claim Reserve Adequacy					
67. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2)	3,029	.0	.0	.0	135,580
68. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2)	8,822	.0	.0	.0	113,000
69. Incurred losses on prior years' claims-health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2) .....	.0	.0	.0	186,987	175,673
70. Prior years' claim liability and reserve-health other than group (Sch. H, Part 3, Line 3.2 Col. 1 less Col. 2) .....	.0	.0	.0	209,472	199,721
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
71. Industrial life (Col. 2) .....	.0	.0	.0	.0	.0
72. Ordinary - life (Col. 3) .....	.0	.0	.0	152	2,582
73. Ordinary - individual annuities (Col. 4) .....	.0	.0	.0	.0	.0
74. Ordinary-supplementary contracts (Col. 5) .....	.0	.0	.0	.0	.0
75. Credit life (Col. 6) .....	.0	.0	.0	.0	.0
76. Group life (Col. 7) .....	.0	.0	.0	.0	41,000
77. Group annuities (Col. 8) .....	.0	.0	.0	.0	.0
78. A & H-group (Col. 9)	(6,090,538)	(5,313,211)	.0	.0	(22,468)
79. A & H-credit (Col. 10) .....	.0	.0	.0	.0	.0
80. A & H-other (Col. 11) .....	.0	.0	.0	387,397	(2,169,416)
81. Aggregate of all other lines of business (Col. 12)	0	0	(972,447)	0	0
82. Total (Col. 1)	(6,090,538)	(5,313,211)	(972,447)	387,549	(2,148,302)

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

NONE

Exhibit of Life Insurance - Part 2

NONE

Exhibit of Life Insurance - Part 3

NONE

Exhibit of Life Insurance - Part 4

NONE

Exhibit of Life Insurance - Part 5

NONE

Exhibit of Life Insurance - Part 6

NONE

Exhibit of Life Insurance - Part 7

NONE

Policies with Disability Provisions

NONE

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	0	0	0	0
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	0	0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (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	4	46,044	0	0	0	0
2. Issued during year	246	7,529,071				
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Totals (Lines 1 to 4)	250	XXX	0	XXX	0	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)	1	XXX		XXX		XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Lines 6 to 8)	1	XXX	0	XXX	0	XXX
10. In force end of year	249	(a) 7,567,627	0	(a)	0	(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year	0	0
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (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.

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories								
States, Etc.	1	Direct Business Only						
		Life Contracts		4	5	6	7	
		2	3					
	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 Through 5	Deposit-Type Contracts	
1. Alabama	AL	.0	.0	.0	.0	.0	.0	.0
2. Alaska	AK	.0	.0	.0	.0	.0	.0	.0
3. Arizona	AZ	.0	.0	.0	.0	.0	.0	.0
4. Arkansas	AR	.0	.0	.0	.0	.0	.0	.0
5. California	CA	.0	.0	2,811,853	.0	2,811,853	.0	.0
6. Colorado	CO	.0	.0	.0	.0	.0	.0	.0
7. Connecticut	CT	.0	.0	.0	.0	.0	.0	.0
8. Delaware	DE	.0	.0	.0	.0	.0	.0	.0
9. District of Columbia	DC	.0	.0	.0	.0	.0	.0	.0
10. Florida	FL	.0	.0	.0	.0	.0	.0	.0
11. Georgia	GA	.0	.0	.0	.0	.0	.0	.0
12. Hawaii	HI	.0	.0	.0	.0	.0	.0	.0
13. Idaho	ID	.0	.0	.0	.0	.0	.0	.0
14. Illinois	IL	.0	.0	.0	.0	.0	.0	.0
15. Indiana	IN	.0	.0	.0	.0	.0	.0	.0
16. Iowa	IA	.0	.0	.0	.0	.0	.0	.0
17. Kansas	KS	.0	.0	.0	.0	.0	.0	.0
18. Kentucky	KY	.0	.0	.0	.0	.0	.0	.0
19. Louisiana	LA	.0	.0	.0	.0	.0	.0	.0
20. Maine	ME	.0	.0	.0	.0	.0	.0	.0
21. Maryland	MD	.0	.0	.0	.0	.0	.0	.0
22. Massachusetts	MA	.0	.0	.0	.0	.0	.0	.0
23. Michigan	MI	.0	.0	.0	.0	.0	.0	.0
24. Minnesota	MN	.0	.0	.0	.0	.0	.0	.0
25. Mississippi	MS	.0	.0	.0	.0	.0	.0	.0
26. Missouri	MO	.0	.0	.0	.0	.0	.0	.0
27. Montana	MT	.0	.0	.0	.0	.0	.0	.0
28. Nebraska	NE	.0	.0	.0	.0	.0	.0	.0
29. Nevada	NV	.0	.0	.0	.0	.0	.0	.0
30. New Hampshire	NH	.0	.0	.0	.0	.0	.0	.0
31. New Jersey	NJ	.0	.0	.0	.0	.0	.0	.0
32. New Mexico	NM	.0	.0	.0	.0	.0	.0	.0
33. New York	NY	.0	.0	.0	.0	.0	.0	.0
34. North Carolina	NC	.0	.0	.0	.0	.0	.0	.0
35. North Dakota	ND	.0	.0	.0	.0	.0	.0	.0
36. Ohio	OH	.0	.0	.0	.0	.0	.0	.0
37. Oklahoma	OK	.0	.0	.0	.0	.0	.0	.0
38. Oregon	OR	.0	.0	.0	.0	.0	.0	.0
39. Pennsylvania	PA	.0	.0	.0	.0	.0	.0	.0
40. Rhode Island	RI	.0	.0	.0	.0	.0	.0	.0
41. South Carolina	SC	.0	.0	.0	.0	.0	.0	.0
42. South Dakota	SD	.0	.0	.0	.0	.0	.0	.0
43. Tennessee	TN	.0	.0	.0	.0	.0	.0	.0
44. Texas	TX	.0	.0	.0	.0	.0	.0	.0
45. Utah	UT	.0	.0	.0	.0	.0	.0	.0
46. Vermont	VT	.0	.0	.0	.0	.0	.0	.0
47. Virginia	VA	.0	.0	.0	.0	.0	.0	.0
48. Washington	WA	.0	.0	.0	.0	.0	.0	.0
49. West Virginia	WV	.0	.0	.0	.0	.0	.0	.0
50. Wisconsin	WI	.0	.0	.0	.0	.0	.0	.0
51. Wyoming	WY	.0	.0	.0	.0	.0	.0	.0
52. American Samoa	AS	.0	.0	.0	.0	.0	.0	.0
53. Guam	GU	.0	.0	.0	.0	.0	.0	.0
54. Puerto Rico	PR	.0	.0	.0	.0	.0	.0	.0
55. US Virgin Islands	VI	.0	.0	.0	.0	.0	.0	.0
56. Northern Mariana Islands	MP	.0	.0	.0	.0	.0	.0	.0
57. Canada	CN	.0	.0	.0	.0	.0	.0	.0
58. Aggregate Other Alien	OT	.0	.0	.0	.0	.0	.0	.0
59. Subtotal	(a) 25	.0	.0	2,811,853	.0	2,811,853	.0	.0
90. Reporting entity contributions for employee benefits 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	.0
95. Totals (Direct Business)	XXX	.0	.0	2,811,853	.0	2,811,853	.0	.0
96. Plus reinsurance assumed	XXX					.0		
97. Totals (All Business)	XXX	.0	.0	2,811,853	.0	2,811,853	.0	.0
98. Less reinsurance ceded	XXX			276,596		276,596		
99. Totals (All Business) less Reinsurance Ceded	XXX	0	0	(b) 2,535,257	0	2,535,257	0	0
DETAILS OF WRITE-INS								
5801.	XXX							
5802.	XXX							
5803.	XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0
5899. Total (Lines 5801 through 5803 + 5898)(Line 58 above)	XXX	0	0	0	0	0	0	0
9401.	XXX							
9402.	XXX							
9403.	XXX							
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0
9499. Total (Lines 9401 through 9403 + 9498)(Line 94 above)	XXX	0	0	0	0	0	0	0

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

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

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

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

PART 1 - ORGANIZATIONAL CHART

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Increase in Reserves During The Year	7
Analysis of Operations By Lines of Business	6
Asset Valuation Reserve Default Component	30
Asset Valuation Reserve Equity	32
Asset Valuation Reserve Replications (Synthetic) Assets	35
Asset Valuation Reserve	29
Assets	2
Cash Flow	5
Exhibit 1 – Part 1 – Premiums and Annuity Considerations for Life and Accident and Health Contracts	9
Exhibit 1 – Part 2 – Dividends and Coupons Applied, Reinsurance Commissions and Expense	10
Exhibit 2 – General Expenses	11
Exhibit 3 – Taxes, Licenses and Fees (Excluding Federal Income Taxes)	11
Exhibit 4 – Dividends or Refunds	11
Exhibit 5 – Aggregate Reserve for Life Contracts	12
Exhibit 5 – Interrogatories	13
Exhibit 5A – Changes in Bases of Valuation During The Year	13
Exhibit 6 – Aggregate Reserves for Accident and Health Contracts	14
Exhibit 7 – Deposit-Type Contracts	15
Exhibit 8 – Claims for Life and Accident and Health Contracts – Part 1	16
Exhibit 8 – Claims for Life and Accident and Health Contracts – Part 2	17
Exhibit of Capital Gains (Losses)	8
Exhibit of Life Insurance	25
Exhibit of Net Investment Income	8
Exhibit of Nonadmitted Assets	18
Exhibit of Number of Policies, Contracts, Certificates, Income Payable and Account Values	27
Five-Year Historical Data	22
Form for Calculating the Interest Maintenance Reserve (IMR)	28
General Interrogatories	20
Jurat Page	1
Liabilities, Surplus and Other Funds	3
Life Insurance (State Page)	24
Notes to Financial Statements	19
Overflow Page for Write-ins	54
Schedule A – Part 1	E01
Schedule A – Part 2	E02

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule A – Part 3	E03
Schedule A – Verification Between Years	SI02
Schedule B – Part 1	E04
Schedule B – Part 2	E05
Schedule B – Part 3	E06
Schedule B – Verification Between Years	SI02
Schedule BA – Part 1	E07
Schedule BA – Part 2	E08
Schedule BA – Part 3	E09
Schedule BA – Verification Between Years	SI03
Schedule D – Part 1	E10
Schedule D – Part 1A – Section 1	SI05
Schedule D – Part 1A – Section 2	SI08
Schedule D – Part 2 – Section 1	E11
Schedule D – Part 2 – Section 2	E12
Schedule D – Part 3	E13
Schedule D – Part 4	E14
Schedule D – Part 5	E15
Schedule D – Part 6 – Section 1	E16
Schedule D – Part 6 – Section 2	E16
Schedule D – Summary By Country	SI04
Schedule D – Verification Between Years	SI03
Schedule DA – Part 1	E17
Schedule DA – Verification Between Years	SI10
Schedule DB – Part A – Section 1	E18
Schedule DB – Part A – Section 2	E19
Schedule DB – Part A – Verification Between Years	SI11
Schedule DB – Part B – Section 1	E20
Schedule DB – Part B – Section 2	E21
Schedule DB – Part B – Verification Between Years	SI11
Schedule DB – Part C – Section 1	SI12
Schedule DB – Part C – Section 2	SI13
Schedule DB – Part D	E22
Schedule DB – Verification	SI14
Schedule DL - Part 1	E23
Schedule DL - Part 2	E24
Schedule E – Part 1 – Cash	E25
Schedule E – Part 2 – Cash Equivalents	E26
Schedule E – Part 3 – Special Deposits	E27

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule E – Verification Between Years	SI15
Schedule F	36
Schedule H – Accident and Health Exhibit – Part 1	37
Schedule H – Part 2, Part 3, and Part 4	38
Schedule H – Part 5 – Health Claims	39
Schedule S – Part 1 – Section 1	40
Schedule S – Part 1 – Section 2	41
Schedule S – Part 2	42
Schedule S – Part 3 – Section 1	43
Schedule S – Part 3 – Section 2	44
Schedule S – Part 4	45
Schedule S – Part 5	46
Schedule S – Part 6	47
Schedule T – Part 2 Interstate Compact	49
Schedule T – Premiums and Annuity Considerations	48
Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	50
Schedule Y – Part 1A - Detail of Insurance Holding Company System	51
Schedule Y – Part 2 – Summary of Insurer’s Transactions With Any Affiliates	52
Summary Investment Schedule	SI01
Summary of Operations	4
Supplemental Exhibits and Schedules Interrogatories	53

