

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

ASSETS

| | Current Year | | | Prior Year |
|--|---------------|-------------------------|---|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 Net Admitted Assets |
| 1. Bonds (Schedule D) | 2,258,976,992 | 0 | 2,258,976,992 | 1,945,225,052 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | 0 | 0 | 0 | 261,697 |
| 2.2 Common stocks | 46,526,949 | 0 | 46,526,949 | 9,626,689 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | 230,877,635 | 0 | 230,877,635 | 234,784,992 |
| 3.2 Other than first liens | 0 | 0 | 0 | 0 |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$ encumbrances) | 0 | 0 | 0 | 825,813 |
| 4.2 Properties held for the production of income (less \$ 0 encumbrances) | 0 | 0 | 0 | 0 |
| 4.3 Properties held for sale (less \$ encumbrances) | 726,219 | 0 | 726,219 | 0 |
| 5. Cash (\$ (4,737,318) , Schedule E - Part 1), cash equivalents (\$ 0 , Schedule E - Part 2) and short-term investments (\$ 39,473,380 , Schedule DA) | 34,736,062 | 0 | 34,736,062 | 29,786,060 |
| 6. Contract loans (including \$ 0 premium notes) | 252,801,486 | 0 | 252,801,486 | 209,835,442 |
| 7. Derivatives (Schedule DB) | 26,003,622 | 0 | 26,003,622 | 51,221,758 |
| 8. Other invested assets (Schedule BA) | 22,369,030 | 0 | 22,369,030 | 14,207,907 |
| 9. Receivables for securities | 332,866 | 0 | 332,866 | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | 0 | 0 | 0 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 2,873,350,861 | 0 | 2,873,350,861 | 2,495,775,410 |
| 13. Title plants less \$ 0 charged off (for Title insurers only) | 0 | 0 | 0 | 0 |
| 14. Investment income due and accrued | 34,499,580 | 0 | 34,499,580 | 31,039,580 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 1,796,326 | 0 | 1,796,326 | 658,532 |
| 15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums) | 34,666,059 | 0 | 34,666,059 | 31,762,699 |
| 15.3 Accrued retrospective premiums | 0 | 0 | 0 | 0 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 15,063,928 | 0 | 15,063,928 | 6,314,840 |
| 16.2 Funds held by or deposited with reinsured companies | 0 | 0 | 0 | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | 285,056 | 0 | 285,056 | 831,947 |
| 17. Amounts receivable relating to uninsured plans | 0 | 0 | 0 | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 0 | 0 | 0 | 61,467 |
| 18.2 Net deferred tax asset | 43,824,694 | 9,818,412 | 34,006,282 | 28,408,654 |
| 19. Guaranty funds receivable or on deposit | 1,633,757 | 0 | 1,633,757 | 3,070,243 |
| 20. Electronic data processing equipment and software | 0 | 0 | 0 | 69,906 |
| 21. Furniture and equipment, including health care delivery assets (\$ 0) | 0 | 0 | 0 | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | 0 | 0 | 0 | 0 |
| 24. Health care (\$ 0) and other amounts receivable | 2,575,376 | 1,771,910 | 803,466 | 707,031 |
| 25. Aggregate write-ins for other than invested assets | 0 | 0 | 0 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 3,007,695,637 | 11,590,322 | 2,996,105,315 | 2,598,700,309 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 | 0 |
| 28. Total (Lines 26 and 27) | 3,007,695,637 | 11,590,322 | 2,996,105,315 | 2,598,700,309 |
| 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 thru 1103 plus 1198)(Line 11 above) | 0 | 0 | 0 | 0 |
| 2501. | | | | |
| 2502. | | | | |
| 2503. | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 0 | 0 | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| 1. Aggregate reserve for life contracts \$ 2,475,892,168 (Exh. 5, Line 9999999) less \$ 0 included in Line 6.3 (including \$ 7,278,833 Modco Reserve) | 2,475,892,168 | 2,103,636,820 |
| 2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$ 0 Modco Reserve) | 1,023,221 | 1,132,011 |
| 3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ 0 Modco Reserve) | 222,515,481 | 232,587,313 |
| 4. Contract claims: | | |
| 4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) | 4,282,710 | 4,997,075 |
| 4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) | 0 | 0 |
| 5. Policyholders' dividends \$ 1,690,607 and coupons \$ 0 due and unpaid (Exhibit 4, Line 10) | 1,690,607 | 1,666,865 |
| 6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts: | | |
| 6.1 Dividends apportioned for payment (including \$ 0 Modco) | 44,937,115 | 42,924,470 |
| 6.2 Dividends not yet apportioned (including \$ 0 Modco) | 0 | 0 |
| 6.3 Coupons and similar benefits (including \$ 0 Modco) | 0 | 0 |
| 7. Amount provisionally held for deferred dividend policies not included in Line 6 | 0 | 0 |
| 8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ 0 discount; including \$ 0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14) | 1,420,675 | 1,370,554 |
| 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 \$ 0 accident and health experience rating refunds of which \$ 0 is for medical loss ratio rebate per the Public Health Service Act | 0 | 0 |
| 9.3 Other amounts payable on reinsurance including \$ 85,855 assumed and \$ 0 ceded | 85,855 | 258,007 |
| 9.4 Interest maintenance reserve (IMR, Line 6) | 5,221,007 | 3,736,442 |
| 10. Commissions to agents due or accrued-life and annuity contracts \$ 1,111,072 accident and health \$ 0 and deposit-type contract funds \$ 0 | 1,111,072 | 948,538 |
| 11. Commissions and expense allowances payable on reinsurance assumed | 455 | 473 |
| 12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6) | 3,417,389 | 3,944,326 |
| 13. Transfers to Separate Accounts due or accrued (net) (including \$ 0 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) | 2,642,340 | 5,644,465 |
| 15.1 Current federal and foreign income taxes including \$ 0 on realized capital gains (losses) | 4,697,318 | 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 | 1,563,733 | 2,218,380 |
| 18. Amounts held for agents' account, including \$ 160,126 agents' credit balances | 160,126 | 129,326 |
| 19. Remittances and items not allocated | 5,809,191 | 3,047,723 |
| 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 | 4,969,621 | 10,705,009 |
| 22. Borrowed money \$ 10,000,000 and interest thereon \$ 19,250 | 10,019,250 | 10,019,250 |
| 23. Dividends to stockholders declared and unpaid | 0 | 0 |
| 24. Miscellaneous liabilities: | | |
| 24.01 Asset valuation reserve (AVR, Line 16, Col. 7) | 17,387,477 | 13,435,970 |
| 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 | 16,246,609 | 5,826,204 |
| 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 | 18,070,342 | 36,631,562 |
| 24.09 Payable for securities | 0 | 1,241,843 |
| 24.10 Payable for securities lending | 0 | 0 |
| 24.11 Capital notes \$ 0 and interest thereon \$ 0 | 0 | 0 |
| 25. Aggregate write-ins for liabilities | 606,056 | 557,523 |
| 26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) | 2,843,769,818 | 2,486,660,149 |
| 27. From Separate Accounts Statement | 0 | 0 |
| 28. Total Liabilities (Lines 26 and 27) | 2,843,769,818 | 2,486,660,149 |
| 29. Common capital stock | 2,500,000 | 2,500,000 |
| 30. Preferred capital stock | 0 | 0 |
| 31. Aggregate write-ins for other than special surplus funds | 0 | 0 |
| 32. Surplus notes | 10,000,000 | 10,000,000 |
| 33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) | 40,825,285 | 3,825,285 |
| 34. Aggregate write-ins for special surplus funds | 10,354,894 | 11,066,393 |
| 35. Unassigned funds (surplus) | 88,655,318 | 84,648,482 |
| 36. Less treasury stock, at cost: | | |
| 36.1 0 shares common (value included in Line 29 \$ 0) | 0 | 0 |
| 36.2 0 shares preferred (value included in Line 30 \$ 0) | 0 | 0 |
| 37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ 0 in Separate Accounts Statement) | 149,835,497 | 109,540,160 |
| 38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) | 152,335,497 | 112,040,160 |
| 39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) | 2,996,105,315 | 2,598,700,309 |
| DETAILS OF WRITE-INS | | |
| 2501. Modco Adjustment Wilton Reinsurance | 606,056 | 557,523 |
| 2502. | | |
| 2503. | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 606,056 | 557,523 |
| 3101. | | |
| 3102. | | |
| 3103. | | |
| 3198. Summary of remaining write-ins for Line 31 from overflow page | 0 | 0 |
| 3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) | 0 | 0 |
| 3401. Special Guarantee Fund - Colorado | 0 | 400,000 |
| 3402. Surplus From Additional DTA (SSAP 10R) | 10,354,894 | 10,666,393 |
| 3403. | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | 0 | 0 |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) | 10,354,894 | 11,066,393 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
SUMMARY OF OPERATIONS

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| 1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11) | 612,911,680 | 586,133,598 |
| 2. Considerations for supplementary contracts with life contingencies | 803,281 | 564,296 |
| 3. Net investment income (Exhibit of Net Investment Income, Line 17) | 143,818,061 | 136,511,567 |
| 4. Amortization of interest maintenance reserve (IMR, Line 5) | 1,294,745 | 126,240 |
| 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) | 1,269,635 | 1,435,973 |
| 7. Reserve adjustments on reinsurance ceded | 0 | 0 |
| 8. Miscellaneous Income: | | |
| 8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts | 0 | 0 |
| 8.2 Charges and fees for deposit-type contracts | 0 | 0 |
| 8.3 Aggregate write-ins for miscellaneous income | 1,019,771 | 928,932 |
| 9. Total (Lines 1 to 8.3) | 761,117,173 | 725,700,606 |
| 10. Death benefits | 16,861,245 | 16,264,319 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | 168,950 | 259,670 |
| 12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) | 16,171,873 | 13,664,640 |
| 13. Disability benefits and benefits under accident and health contracts | 1,159,640 | 1,138,138 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | 0 | 0 |
| 15. Surrender benefits and withdrawals for life contracts | 176,154,002 | 172,247,674 |
| 16. Group conversions | 0 | 0 |
| 17. Interest and adjustments on contract or deposit-type contract funds | 9,948,817 | 10,141,123 |
| 18. Payments on supplementary contracts with life contingencies | 2,471,263 | 2,482,677 |
| 19. Increase in aggregate reserves for life and accident and health contracts | 370,884,908 | 347,212,354 |
| 20. Totals (Lines 10 to 19) | 593,820,698 | 563,410,595 |
| 21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) | 80,124,472 | 77,296,195 |
| 22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) | 6,092 | 6,843 |
| 23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4) | 24,672,755 | 23,579,045 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3) | 6,332,587 | 6,288,000 |
| 25. Increase in loading on deferred and uncollected premiums | (906,335) | 2,196,531 |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | 0 | 0 |
| 27. Aggregate write-ins for deductions | 2,194,579 | 3,304,262 |
| 28. Totals (Lines 20 to 27) | 706,244,848 | 676,081,471 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | 54,872,325 | 49,619,135 |
| 30. Dividends to policyholders | 43,537,602 | 42,611,988 |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | 11,334,723 | 7,007,147 |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) | 6,066,171 | 6,140,450 |
| 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) | 5,268,552 | 866,697 |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 696,947 (excluding taxes of \$ 1,496,552 transferred to the IMR) | 404,011 | 2,472,733 |
| 35. Net income (Line 33 plus Line 34) | 5,672,563 | 3,339,430 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) | 112,040,161 | 115,750,044 |
| 37. Net income (Line 35) | 5,672,563 | 3,339,430 |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$ (1,246,368) | (2,555,356) | (319,169) |
| 39. Change in net unrealized foreign exchange capital gain (loss) | 0 | 0 |
| 40. Change in net deferred income tax | 2,971,916 | 771,818 |
| 41. Change in nonadmitted assets | 2,289,291 | (1,964,372) |
| 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 (Exh. 5A, Line 9999999, Col. 4) | 0 | 0 |
| 44. Change in asset valuation reserve | (3,951,507) | (5,616,230) |
| 45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1) | 0 | 0 |
| 46. Surplus (contributed) or withdrawn from Separate Accounts during period | 0 | 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 | 0 |
| 50. Capital changes: | | |
| 50.1 Paid in | 0 | 0 |
| 50.2 Transferred from surplus (Stock Dividend) | 0 | 0 |
| 50.3 Transferred to surplus | 0 | 0 |
| 51. Surplus adjustment: | | |
| 51.1 Paid in | 37,000,000 | 0 |
| 51.2 Transferred to capital (Stock Dividend) | 0 | 0 |
| 51.3 Transferred from capital | 0 | 0 |
| 51.4 Change in surplus as a result of reinsurance | 0 | 0 |
| 52. Dividends to stockholders | 0 | 0 |
| 53. Aggregate write-ins for gains and losses in surplus | (1,131,571) | (559,699) |
| 54. Net change in capital and surplus for the year (Lines 37 through 53) | 40,295,336 | (3,709,884) |
| 55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) | 152,335,497 | 112,040,161 |
| DETAILS OF WRITE-INS | | |
| 08.301. Miscellaneous Income | 407,626 | 35,346 |
| 08.302. Pension Administrative Fees | 612,145 | 893,586 |
| 08.303 | | |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | 0 | 0 |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above) | 1,019,771 | 928,932 |
| 2701. Modified Coinsurance – Change in Mean Reserve Adjustment | 2,194,579 | 3,304,262 |
| 2702 | | |
| 2703 | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | 0 | 0 |
| 2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above) | 2,194,579 | 3,304,262 |
| 5301. Reserve Release Due to Reinsurance of Ordinary Life Insurance | (820,072) | (784,039) |
| 5302. Change in Surplus from Additional DTA (SSAP 10R) | (311,499) | 1,665,087 |
| 5303. Net Correction of Prior Years Reserves | 0 | (1,440,747) |
| 5398. Summary of remaining write-ins for Line 53 from overflow page | 0 | 0 |
| 5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above) | (1,131,571) | (559,699) |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
CASH FLOW

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | 610,630,263 | 582,329,168 |
| 2. Net investment income | 137,730,239 | 128,329,304 |
| 3. Miscellaneous income | 2,890,315 | 2,408,443 |
| 4. Total (Lines 1 through 3) | 751,250,817 | 713,066,915 |
| 5. Benefit and loss related payments | 232,580,801 | 206,083,430 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 114,716,956 | 111,766,632 |
| 8. Dividends paid to policyholders | 41,501,215 | 38,367,821 |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses) | 3,059,307 | 5,953,500 |
| 10. Total (Lines 5 through 9) | 391,858,279 | 362,171,383 |
| 11. Net cash from operations (Line 4 minus Line 10) | 359,392,538 | 350,895,532 |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 227,718,702 | 210,843,958 |
| 12.2 Stocks | 542,305 | 172,225 |
| 12.3 Mortgage loans | 27,637,355 | 22,876,468 |
| 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 | 4,991,486 | 9,399,632 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 260,889,848 | 243,292,283 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 534,641,635 | 504,068,459 |
| 13.2 Stocks | 4,182,572 | 455,276 |
| 13.3 Mortgage loans | 23,730,000 | 22,905,000 |
| 13.4 Real estate | 0 | 107,699 |
| 13.5 Other invested assets | 8,180,370 | 5,018,191 |
| 13.6 Miscellaneous applications | 1,574,709 | 0 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 572,309,286 | 532,554,625 |
| 14. Net increase (decrease) in contract loans and premium notes | 42,966,044 | 35,007,389 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (354,385,482) | (324,269,731) |
| 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 | 3,321,495 | 0 |
| 16.3 Borrowed funds | 0 | (10,000,000) |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | (10,071,832) | (8,633,657) |
| 16.5 Dividends to stockholders | 0 | 0 |
| 16.6 Other cash provided (applied) | 6,693,283 | (63,241) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | (57,054) | (18,696,898) |
| 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) | 4,950,002 | 7,928,903 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 29,786,060 | 21,857,157 |
| 19.2 End of year (Line 18 plus Line 19.1) | 34,736,062 | 29,786,060 |

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

| | | |
|--|------------|------------|
| 20.0001. Capital contribution from parent in the form of common stock | 33,678,505 | 0 |
| 20.0002. Reclassification of a bond to an other invested asset (surplus debenture) | 0 | 4,834,391 |
| 20.0003. Borrowed money FHLB advances converted into funding agreements | 0 | 10,000,000 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 Total | 2 Industrial Life | Ordinary | | | 6 Credit Life (Group and Individual) | Group | | Accident and Health | | | 12 Aggregate of All Other Lines of Business |
|--|-------------|----------------------|---------------------|---------------------------|------------------------------|---|-------------------------|----------------|---------------------|-------------------------------------|-------------|--|
| | | | 3 Life Insurance | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance (a) | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other | |
| 1. Premiums and annuity considerations for life and accident and health contracts | 612,911,679 | 0 | 357,291,994 | 242,593,425 | 0 | 0 | 32,544 | 12,662,514 | 0 | 0 | 331,202 | 0 |
| 2. Considerations for supplementary contracts with life contingencies | 803,281 | 0 | 0 | 0 | 803,281 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Net investment income | 143,818,061 | 0 | 83,890,617 | 54,837,472 | 1,068,841 | 0 | 343,602 | 3,621,300 | 56,229 | 0 | 0 | 0 |
| 4. Amortization of Interest Maintenance Reserve (IMR) | 1,294,745 | 0 | 755,240 | 493,683 | 9,622 | 0 | 3,093 | 32,601 | 506 | 0 | 0 | 0 |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Commissions and expense allowances on reinsurance ceded | 1,269,635 | 0 | 1,197,186 | 44,981 | 0 | 0 | 10,588 | 0 | 0 | 0 | 16,880 | 0 |
| 7. Reserve adjustments on reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Miscellaneous Income: | | | | | | | | | | | | |
| 8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.2 Charges and fees for deposit-type contracts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.3 Aggregate write-ins for miscellaneous income | 1,019,771 | 0 | 368,121 | 602,452 | 3,176 | 0 | 11,579 | 34,443 | 0 | 0 | 0 | 0 |
| 9. Totals (Lines 1 to 8.3) | 761,117,172 | 0 | 443,503,158 | 298,572,013 | 1,884,920 | 0 | 401,406 | 16,350,858 | 56,735 | 0 | 348,082 | 0 |
| 10. Death benefits | 16,861,245 | 0 | 16,364,051 | 0 | 0 | 0 | 497,194 | 0 | 0 | 0 | 0 | 0 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | 168,950 | 0 | 168,950 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Annuity benefits | 16,171,873 | 0 | 0 | 15,421,192 | 0 | 0 | 0 | 0 | 750,681 | 0 | 0 | 0 |
| 13. Disability benefits and benefits under accident and health contracts | 1,159,640 | 0 | 950,619 | 0 | 0 | 0 | 0 | 0 | 209,021 | 0 | 0 | 0 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Surrender benefits and withdrawals for life contracts | 176,154,002 | 0 | 99,128,600 | 67,319,534 | 0 | 0 | 0 | 0 | 9,705,868 | 0 | 0 | 0 |
| 16. Group conversions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Interest and adjustments on contract or deposit-type contract funds | 9,948,817 | 0 | 1,225,185 | 8,313,072 | 334,133 | 0 | 76,427 | 0 | 0 | 0 | 0 | 0 |
| 18. Payments on supplementary contracts with life contingencies | 2,471,263 | 0 | 0 | 0 | 2,471,263 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Increase in aggregate reserves for life and accident and health contracts | 370,884,908 | 0 | 193,796,182 | 174,354,872 | (796,651) | 0 | (555,025) | 4,194,320 | (108,790) | 0 | 0 | 0 |
| 20. Totals (Lines 10 to 19) | 593,820,698 | 0 | 311,633,587 | 265,408,670 | 2,008,745 | 0 | 18,596 | 14,650,869 | 100,231 | 0 | 0 | 0 |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) | 80,124,471 | 0 | 58,905,379 | 20,499,001 | 0 | 0 | 270 | 706,187 | 200 | 0 | 13,434 | 0 |
| 22. Commissions and expense allowances on reinsurance assumed | 6,092 | 0 | 83 | 6,009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. General insurance expenses | 24,672,755 | 0 | 18,778,104 | 5,014,489 | 113,997 | 0 | 300,970 | 401,818 | 59,634 | 0 | 3,743 | 0 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes | 6,332,587 | 0 | 5,863,435 | 419,205 | 8,388 | 0 | 1,526 | 36,851 | 3,182 | 0 | 0 | 0 |
| 25. Increase in loading on deferred and uncollected premiums | (906,335) | 0 | (906,335) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 27. Aggregate write-ins for deductions | 2,194,579 | 0 | 0 | 2,194,579 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28. Totals (Lines 20 to 27) | 706,244,847 | 0 | 394,274,253 | 293,541,953 | 2,131,130 | 0 | 321,362 | 15,795,725 | 163,247 | 0 | 17,177 | 0 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | 54,872,325 | 0 | 49,228,905 | 5,030,060 | (246,210) | 0 | 80,044 | 555,133 | (106,512) | 0 | 330,905 | 0 |
| 30. Dividends to policyholders | 43,537,602 | 0 | 43,507,097 | 30,505 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | 11,334,723 | 0 | 5,721,808 | 4,999,555 | (246,210) | 0 | 80,044 | 555,133 | (106,512) | 0 | 330,905 | 0 |
| 32. Federal income taxes incurred (excluding tax on capital gains) | 6,066,171 | 0 | 2,002,633 | 1,749,844 | (86,174) | 0 | 28,015 | 194,296 | (37,279) | 0 | 115,817 | 2,099,019 |
| 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) | 5,268,552 | 0 | 3,719,175 | 3,249,711 | (160,036) | 0 | 52,029 | 360,837 | (69,233) | 0 | 215,088 | (2,099,019) |
| DETAILS OF WRITE-INS | | | | | | | | | | | | |
| 08.301. Miscellaneous Income | 407,626 | 0 | 321,006 | .62,940 | 3,176 | 0 | 11,579 | 8,925 | 0 | 0 | 0 | 0 |
| 08.302. Pension Administrative Fees | 612,145 | 0 | .47,115 | 539,512 | 0 | 0 | 0 | 25,518 | 0 | 0 | 0 | 0 |
| 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. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) | 1,019,771 | 0 | 368,121 | 602,452 | 3,176 | 0 | 11,579 | 34,443 | 0 | 0 | 0 | 0 |
| 2701. Modco Adjustment Wilton Reinsurance | 2,194,579 | 0 | 0 | 2,194,579 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2702. | | | | | | | | | | | | |
| 2703. | | | | | | | | | | | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | 0 | 0 | 0 | 2,194,579 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) | 2,194,579 | 0 | 0 | 2,194,579 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
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 | 2,103,636,820 | 0 | 1,245,567,763 | 769,355,526 | 14,547,203 | 0 | 6,862,530 | 67,303,798 | | | |
| 2. Tabular net premiums or considerations | 513,164,554 | 0 | 268,613,634 | 231,052,582 | 803,281 | 0 | 32,544 | 12,662,513 | | | |
| 3. Present value of disability claims incurred | 612,000 | 0 | 612,000 | 0 | XXX | 0 | 0 | 0 | | | |
| 4. Tabular interest | .86,888,374 | 0 | 54,738,972 | 27,924,025 | 863,233 | 0 | 294,313 | 3,067,831 | | | |
| 5. Tabular less actual reserve released | .305,859 | 0 | 408,633 | 1,211,549 | 352,376 | 0 | (587,224) | (1,079,475) | | | |
| 6. Increase in reserve on account of change in valuation basis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| 7. Other increases (net) | (1,930,124) | 0 | (2,361) | (1,927,763) | 0 | 0 | 0 | 0 | | | |
| 8. Totals (Lines 1 to 7) | 2,702,677,483 | 0 | 1,569,938,641 | 1,027,615,919 | 16,566,093 | 0 | 6,602,163 | 81,954,667 | | | |
| 9. Tabular cost | .17,881,198 | 0 | 17,772,686 | 1,873 | XXX | 0 | 106,639 | 0 | | | |
| 10. Reserves released by death | .10,763,164 | 0 | 10,626,841 | XXX | XXX | 0 | 136,323 | XXX | | | |
| 11. Reserves released by other terminations (net) | .177,436,448 | 0 | 99,599,949 | .77,441,216 | 343,586 | 0 | 51,697 | 0 | | | |
| 12. Annuity, supplementary contract and disability payments involving life contingencies | .20,704,505 | 0 | 1,312,004 | 6,463,995 | 2,471,957 | 0 | 0 | 10,456,549 | | | |
| 13. Net transfers to or (from) Separate Accounts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| 14. Total Deductions (Lines 9 to 13) | 226,785,315 | 0 | 129,311,480 | 83,907,084 | 2,815,543 | 0 | 294,659 | 10,456,549 | | | |
| 15. Reserve December 31, current year | 2,475,892,168 | 0 | 1,440,627,161 | 943,708,835 | 13,750,550 | 0 | 6,307,504 | 71,498,118 | | | |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|---|----------------------------|-------------------------|
| 1. U.S. Government bonds | (a) 1,323,441 | 1,143,748 |
| 1.1 Bonds exempt from U.S. tax | (a) 0 | 0 |
| 1.2 Other bonds (unaffiliated) | (a) 112,957,148 | 115,714,319 |
| 1.3 Bonds of affiliates | (a) 0 | 0 |
| 2.1 Preferred stocks (unaffiliated) | (b) 0 | 0 |
| 2.11 Preferred stocks of affiliates | (b) 0 | 0 |
| 2.2 Common stocks (unaffiliated) | 266,381 | 266,381 |
| 2.21 Common stocks of affiliates | 300,000 | 300,000 |
| 3. Mortgage loans | (c) 16,527,977 | 16,426,782 |
| 4. Real estate | (d) 457,500 | 457,500 |
| 5. Contract loans | 11,893,821 | 12,857,559 |
| 6. Cash, cash equivalents and short-term investments | (e) 42,899 | 42,899 |
| 7. Derivative instruments | (f) 217 | 217 |
| 8. Other invested assets | 1,222,828 | 1,242,807 |
| 9. Aggregate write-ins for investment income | 130,222 | 130,222 |
| 10. Total gross investment income | 145,122,434 | 148,582,434 |
| 11. Investment expenses | (g) 3,602,683 | |
| 12. Investment taxes, licenses and fees, excluding federal income taxes | (g) 161,613 | |
| 13. Interest expense | (h) 900,483 | |
| 14. Depreciation on real estate and other invested assets | (i) 99,594 | |
| 15. Aggregate write-ins for deductions from investment income | 0 | |
| 16. Total deductions (Lines 11 through 15) | 4,764,373 | |
| 17. Net investment income (Line 10 minus Line 16) | 143,818,061 | |
| DETAILS OF WRITE-INS | | |
| 0901. Interest on Agent Debit Balances | 15,761 | 15,761 |
| 0902. Miscellaneous Investment Income | 114,461 | 114,461 |
| 0903. | 0 | 0 |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | 130,222 | 130,222 |
| 1501. | 0 | 0 |
| 1502. | 0 | 0 |
| 1503. | 0 | 0 |
| 1598. Summary of remaining write-ins for Line 15 from overflow page | 0 | 0 |
| 1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) | 0 | 0 |

(a) Includes \$ 5,181,635 accrual of discount less \$ 2,273,358 amortization of premium and less \$ 2,850,706 paid for accrued interest on purchases.

(b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.

(c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.

(d) Includes \$ 457,500 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.

(e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.

(f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.

(g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes \$ 900,483 interest on surplus notes and \$ 0 interest on capital notes.

(i) Includes \$ 99,594 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | 1 Realized Gain (Loss) On Sales or Maturity | 2 Other Realized Adjustments | 3 Total Realized Capital Gain (Loss) (Columns 1 + 2) | 4 Change in Unrealized Capital Gain (Loss) | 5 Change in Unrealized Foreign Exchange Capital Gain (Loss) |
|--|---|------------------------------------|---|---|--|
| 1. U.S. Government bonds | (104,495) | 0 | (104,495) | 0 | 0 |
| 1.1 Bonds exempt from U.S. tax | 0 | 0 | 0 | 0 | 0 |
| 1.2 Other bonds (unaffiliated) | 4,543,065 | (472,473) | 4,070,592 | (45,360) | 0 |
| 1.3 Bonds of affiliates | 0 | 0 | 0 | 0 | 0 |
| 2.1 Preferred stocks (unaffiliated) | 115,236 | 0 | 115,236 | 0 | 0 |
| 2.11 Preferred stocks of affiliates | 0 | 0 | 0 | 0 | 0 |
| 2.2 Common stocks (unaffiliated) | 0 | (572,000) | (572,000) | 17,226 | 0 |
| 2.21 Common stocks of affiliates | 0 | 0 | 0 | (240,672) | 0 |
| 3. Mortgage loans | 0 | 0 | 0 | 0 | 0 |
| 4. Real estate | 0 | 0 | 0 | 0 | 0 |
| 5. Contract loans | 0 | 0 | 0 | 0 | 0 |
| 6. Cash, cash equivalents and short-term investments | 0 | 0 | 0 | 0 | 0 |
| 7. Derivative instruments | 1,867,487 | 0 | 1,867,487 | (3,532,918) | 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) | 6,421,293 | (1,044,473) | 5,376,820 | (3,801,724) | 0 |
| DETAILS OF WRITE-INS | | | | | |
| 0901. | 0 | 0 | 0 | 0 | 0 |
| 0902. | 0 | 0 | 0 | 0 | 0 |
| 0903. | 0 | 0 | 0 | 0 | 0 |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 | 0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | 0 | 0 | 0 | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

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

| | 1 Total | 2 Industrial Life | Ordinary | | 5 Credit Life (Group and Individual) | Group | | Accident and Health | | | 11 Aggregate of All Other Lines of Business |
|---|-------------|----------------------|---------------------|---------------------------|---|---------------------|----------------|---------------------|------------------------------------|-------------|--|
| | | | 3 Life Insurance | 4 Individual Annuities | | 6 Life Insurance | 7 Annuities | 8 Group | 9 Credit (Group and Individual) | 10 Other | |
| FIRST YEAR (other than single) | | | | | | | | | | | |
| 1. Uncollected | (130,736) | 0 | (115,258) | (15,478) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Deferred and accrued | 4,886,620 | 0 | 4,886,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Deferred, accrued and uncollected: | | | | | | | | | | | |
| 3.1 Direct | 4,996,304 | 0 | 4,996,304 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.3 Reinsurance ceded | 240,420 | 0 | 224,942 | 15,478 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.4 Net (Line 1 + Line 2) | 4,755,884 | 0 | 4,771,362 | (15,478) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Advance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Line 3.4 - Line 4 | 4,755,884 | 0 | 4,771,362 | (15,478) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Collected during year: | | | | | | | | | | | |
| 6.1 Direct | 268,067,777 | 0 | 56,786,332 | 205,731,444 | 0 | 0 | 5,457,199 | 0 | 0 | 92,802 | 0 |
| 6.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.3 Reinsurance ceded | 119,081 | 0 | 89,717 | 28,880 | 0 | 0 | 0 | 0 | 0 | 484 | 0 |
| 6.4 Net | 267,948,696 | 0 | 56,696,615 | 205,702,564 | 0 | 0 | 5,457,199 | 0 | 0 | 92,318 | 0 |
| 7. Line 5 + Line 6.4 | 272,704,580 | 0 | 61,467,977 | 205,687,086 | 0 | 0 | 5,457,199 | 0 | 0 | 92,318 | 0 |
| 8. Prior year (uncollected + deferred and accrued - advance) | 6,275,610 | 0 | 6,289,536 | (13,926) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. First year premiums and considerations: | | | | | | | | | | | |
| 9.1 Direct | 266,544,663 | 0 | 55,263,218 | 205,731,444 | 0 | 0 | 5,457,199 | 0 | 0 | 92,802 | 0 |
| 9.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.3 Reinsurance ceded | 115,693 | 0 | 84,777 | 30,432 | 0 | 0 | 0 | 0 | 0 | 484 | 0 |
| 9.4 Net (Line 7 - Line 8) | 266,428,970 | 0 | 55,178,441 | 205,701,012 | 0 | 0 | 5,457,199 | 0 | 0 | 92,318 | 0 |
| SINGLE | | | | | | | | | | | |
| 10. Single premiums and considerations: | | | | | | | | | | | |
| 10.1 Direct | 117,024,753 | 0 | 110,628,047 | 6,396,706 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10.4 Net | 117,024,753 | 0 | 110,628,047 | 6,396,706 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RENEWAL | | | | | | | | | | | |
| 11. Uncollected | 3,461,925 | 0 | 3,542,797 | (80,872) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Deferred and accrued | 36,517,689 | 0 | 36,517,689 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Deferred, accrued and uncollected: | | | | | | | | | | | |
| 13.1 Direct | 46,608,864 | 0 | 46,608,864 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13.3 Reinsurance ceded | 6,629,250 | 0 | 6,548,378 | 80,872 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13.4 Net (Line 11 + Line 12) | 39,979,614 | 0 | 40,060,486 | (80,872) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Advance | 1,420,675 | 0 | 1,420,675 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Line 13.4 - Line 14 | 38,558,939 | 0 | 38,639,811 | (80,872) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. Collected during year: | | | | | | | | | | | |
| 16.1 Direct | 254,048,829 | 0 | 214,471,736 | 31,415,298 | 0 | 93,503 | 7,205,315 | 0 | 0 | 862,977 | 0 |
| 16.2 Reinsurance assumed | 13,421 | 0 | 13,421 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16.3 Reinsurance ceded | 28,616,712 | 0 | 27,024,489 | 907,171 | 0 | 60,959 | 0 | 0 | 0 | 624,093 | 0 |
| 16.4 Net | 225,445,538 | 0 | 187,460,668 | 30,508,127 | 0 | 32,544 | 7,205,315 | 0 | 0 | 238,884 | 0 |
| 17. Line 15 + Line 16.4 | 264,004,477 | 0 | 226,100,479 | 30,427,255 | 0 | 32,544 | 7,205,315 | 0 | 0 | 238,884 | 0 |
| 18. Prior year (uncollected + deferred and accrued - advance) | 34,546,521 | 0 | 34,614,973 | (68,452) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Renewal premiums and considerations: | | | | | | | | | | | |
| 19.1 Direct | 258,208,369 | 0 | 218,631,276 | 31,415,298 | 0 | 93,503 | 7,205,315 | 0 | 0 | 862,977 | 0 |
| 19.2 Reinsurance assumed | 13,421 | 0 | 13,421 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19.3 Reinsurance ceded | 28,763,834 | 0 | 27,159,191 | 919,591 | 0 | 60,959 | 0 | 0 | 0 | 624,093 | 0 |
| 19.4 Net (Line 17 - Line 18) | 229,457,956 | 0 | 191,485,506 | 30,495,707 | 0 | 32,544 | 7,205,315 | 0 | 0 | 238,884 | 0 |
| TOTAL | | | | | | | | | | | |
| 20. Total premiums and annuity considerations: | 641,777,785 | 0 | 384,522,541 | 243,543,448 | 0 | 93,503 | 12,662,514 | 0 | 0 | 955,779 | 0 |
| 20.2 Reinsurance assumed | 13,421 | 0 | 13,421 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20.3 Reinsurance ceded | 28,879,527 | 0 | 27,243,968 | 950,023 | 0 | 60,959 | 0 | 0 | 0 | 624,577 | 0 |
| 20.4 Net (Lines 9.4 + 10.4 + 19.4) | 612,911,679 | 0 | 357,291,994 | 242,593,425 | 0 | 32,544 | 12,662,514 | 0 | 0 | 331,202 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

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

| | 1 Total | 2 Industrial Life | Ordinary | | 5 Credit Life (Group and Individual) | Group | | Accident and Health | | | 11 Aggregate of All Other Lines of Business |
|--|------------|----------------------|---------------------|------------------------------|--|---------------------|----------------|---------------------|---------------------------------------|-------------|--|
| | | | 3 Life Insurance | 4 Individual Annuities | | 6 Life Insurance | 7 Annuities | 8 Group | 9 Credit (Group and Individual) | 10 Other | |
| DIVIDENDS AND COUPONS APPLIED (included in Part 1) | | | | | | | | | | | |
| 21. To pay renewal premiums | 4,843,264 | 0 | 4,841,728 | 1,536 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. All other | 34,666,326 | 0 | 34,638,172 | 28,154 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED | | | | | | | | | | | |
| 23. First year (other than single): | | | | | | | | | | | |
| 23.1 Reinsurance ceded | 52,410 | 0 | 52,410 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23.3 Net ceded less assumed | 52,410 | 0 | 52,410 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24. Single: | | | | | | | | | | | |
| 24.1 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24.3 Net ceded less assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25. Renewal: | | | | | | | | | | | |
| 25.1 Reinsurance ceded | 1,217,225 | 0 | 1,144,776 | 44,981 | 0 | 10,588 | 0 | 0 | 0 | 16,880 | 0 |
| 25.2 Reinsurance assumed | 6,092 | 0 | 83 | 6,009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25.3 Net ceded less assumed | 1,211,133 | 0 | 1,144,693 | 38,972 | 0 | 10,588 | 0 | 0 | 0 | 16,880 | 0 |
| 26. Totals: | | | | | | | | | | | |
| 26.1 Reinsurance ceded (Page 6, Line 6) | 1,269,635 | 0 | 1,197,186 | 44,981 | 0 | 10,588 | 0 | 0 | 0 | 16,880 | 0 |
| 26.2 Reinsurance assumed (Page 6, Line 22) | 6,092 | 0 | 83 | 6,009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26.3 Net ceded less assumed | 1,263,543 | 0 | 1,197,103 | 38,972 | 0 | 10,588 | 0 | 0 | 0 | 16,880 | 0 |
| COMMISSIONS INCURRED (direct business only) | | | | | | | | | | | |
| 27. First year (other than single) | 60,592,929 | 0 | 41,729,838 | 18,478,053 | 0 | 0 | 385,038 | 0 | 0 | 0 | 0 |
| 28. Single | 1,933,922 | 0 | 1,636,369 | 297,553 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29. Renewal | 17,597,621 | 0 | 15,539,173 | 1,723,395 | 0 | 270 | 321,149 | 200 | 0 | 13,434 | 0 |
| 30. Deposit-type contract funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31. Totals (to agree with Page 6, Line 21) | 80,124,472 | 0 | 58,905,380 | 20,499,001 | 0 | 270 | 706,187 | 200 | 0 | 13,434 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
EXHIBIT 2 - GENERAL EXPENSES

| | Insurance | | | | 5 | 6 | | |
|--|---------------|-----------------------|----------------|-------------------------------------|-----------|----------------|--|--|
| | 1 Life | Accident and Health | | 4 All Other Lines of Business | | | | |
| | | 2 Cost Containment | 3 All Other | | | | | |
| 1. Rent | 786,314 | .0 | 4,488 | .0 | 129,192 | 919,994 | | |
| 2. Salaries and wages | 13,100,065 | .0 | 50,209 | .0 | 791,129 | 13,941,403 | | |
| 3.11 Contributions for benefit plans for employees | 4,257,874 | .0 | 5,480 | .0 | 568,001 | 4,831,355 | | |
| 3.12 Contributions for benefit plans for agents | 17,476 | .0 | .0 | .0 | .0 | 17,476 | | |
| 3.21 Payments to employees under non-funded benefit plans | 114,768 | .0 | 829 | .0 | 17,274 | 132,871 | | |
| 3.22 Payments to agents under non-funded benefit plans | .0 | .0 | .0 | .0 | .0 | .0 | | |
| 3.31 Other employee welfare | 188,643 | .0 | 1,013 | .0 | 24,178 | 213,834 | | |
| 3.32 Other agent welfare | .0 | .0 | .0 | .0 | .0 | .0 | | |
| 4.1 Legal fees and expenses | 153,234 | .0 | 1,591 | .0 | 104,504 | 259,329 | | |
| 4.2 Medical examination fees | 1,115,577 | .0 | .0 | .0 | .0 | 1,115,577 | | |
| 4.3 Inspection report fees | 184,358 | .0 | 28 | .0 | .0 | 184,386 | | |
| 4.4 Fees of public accountants and consulting actuaries | 202,612 | .0 | (44) | .0 | .0 | 202,568 | | |
| 4.5 Expense of investigation and settlement of policy claims | 228,518 | .0 | .0 | .0 | .0 | 228,518 | | |
| 5.1 Traveling expenses | 453,331 | .0 | 875 | .0 | 19,511 | 473,717 | | |
| 5.2 Advertising | .0 | .0 | .0 | .0 | .0 | .0 | | |
| 5.3 Postage, express, telegraph and telephone | 437,546 | .0 | 2,841 | .0 | 64,874 | 505,261 | | |
| 5.4 Printing and stationery | 200,419 | .0 | .0 | .0 | .0 | 201,255 | | |
| 5.5 Cost or depreciation of furniture and equipment | 120,716 | .0 | .0 | .0 | .0 | 120,716 | | |
| 5.6 Rental of equipment | 203,440 | .0 | 1,300 | .0 | 24,016 | 228,756 | | |
| 5.7 Cost or depreciation of EDP equipment and software | 153,946 | .0 | .0 | .0 | .0 | 153,946 | | |
| 6.1 Books and periodicals | 14,691 | .0 | .0 | .0 | .0 | 17,114 | | |
| 6.2 Bureau and association fees | 129,314 | .0 | 7 | .0 | .0 | 129,638 | | |
| 6.3 Insurance, except on real estate | 86,551 | .0 | 573 | .0 | 9,212 | 96,336 | | |
| 6.4 Miscellaneous losses | 52,399 | .0 | 3 | .0 | .0 | 52,402 | | |
| 6.5 Collection and bank service charges | 45,204 | .0 | .0 | .0 | .0 | 45,204 | | |
| 6.6 Sundry general expenses | 514,198 | .0 | (5) | .0 | 12,816 | 527,009 | | |
| 6.7 Group service and administration fees | 51,963 | .0 | 1,898 | .0 | .0 | 53,861 | | |
| 6.8 Reimbursements by uninsured plans | .0 | .0 | .0 | .0 | .0 | .0 | | |
| 7.1 Agency expense allowance | .0 | .0 | .0 | .0 | .0 | .0 | | |
| 7.2 Agents' balances charged off (less \$ recovered) | 0 (16,175) | .0 | .0 | .0 | .0 | (16,175) | | |
| 7.3 Agency conferences other than local meetings | 873,466 | .0 | 156 | .0 | .0 | 873,622 | | |
| 9.1 Real estate expenses | .0 | .0 | .0 | .0 | 589,434 | 589,434 | | |
| 9.2 Investment expenses not included elsewhere | 7,033 | .0 | .0 | .0 | 1,097,347 | 1,104,380 | | |
| 9.3 Aggregate write-ins for expenses | 931,897 | .0 | (7,865) | .0 | 132,928 | 1,056,960 | | |
| 10. General expenses incurred | 24,609,378 | .0 | 63,377 | .0 | 3,602,683 | (a) 28,275,438 | | |
| 11. General expenses unpaid December 31, prior year | 9,825,729 | .0 | 7,160 | .0 | 1,253,246 | 11,086,135 | | |
| 12. General expenses unpaid December 31, current year | 9,908,370 | .0 | 7,220 | .0 | 1,263,787 | 11,179,377 | | |
| 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 | 0 | 0 | 0 | 0 | 0 | | |
| 15. General expenses paid during year (Lines 10+11-12-13+14) | 24,526,737 | 0 | 63,317 | 0 | 3,592,142 | 28,182,196 | | |
| DETAILS OF WRITE-INS | | | | | | | | |
| 09.301. Consulting Fees | 140,853 | .0 | 2 | .0 | .0 | 140,855 | | |
| 09.302. EDP Software | 594,109 | .0 | 29 | .0 | 132,928 | 727,066 | | |
| 09.303. Contributions | 31,883 | .0 | 8 | .0 | .0 | 31,891 | | |
| 09.398. Summary of remaining write-ins for Line 9.3 from overflow page | 165,052 | .0 | (7,904) | .0 | .0 | 157,148 | | |
| 09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above) | 931,897 | 0 | (7,865) | 0 | 132,928 | 1,056,960 | | |

(a) Includes management fees of \$ 4,133,686 to affiliates and \$ 0 to non-affiliates.

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

| | Insurance | | | 4 Investment | 5 Total |
|--|--------------|--------------------------|-------------------------------------|-----------------|------------|
| | 1 Life | 2 Accident and Health | 3 All Other Lines of Business | | |
| 1. Real estate taxes | .0 | 0 | 0 | 40,512 | 40,512 |
| 2. State insurance department licenses and fees | 452,487 | (2,930) | 0 | .0 | 449,557 |
| 3. State taxes on premiums | 5,169,563 | 5,909 | 0 | .0 | 5,175,472 |
| 4. Other state taxes, including \$ for employee benefits | 0 204,178 | 19 | 0 | .0 405 | 204,602 |
| 5. U.S. Social Security taxes | 684,677 | 184 | 0 | 55,451 | 740,312 |
| 6. All other taxes | (181,502) | 0 | 0 | 65,245 | (116,257) |
| 7. Taxes, licenses and fees incurred | 6,329,403 | 3,182 | 0 | 161,613 | 6,494,198 |
| 8. Taxes, licenses and fees unpaid December 31, prior year | 2,708,259 | 4,560 | 0 | 93,930 | 2,806,749 |
| 9. Taxes, licenses and fees unpaid December 31, current year | 2,549,619 | 4,293 | 0 | 88,428 | 2,642,340 |
| 10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9) | 6,488,043 | 3,449 | 0 | 167,115 | 6,658,607 |

EXHIBIT 4 - DIVIDENDS OR REFUNDS

| | 1 Life | 2 Accident and Health |
|---|------------|--------------------------|
| 1. Applied to pay renewal premiums | 4,843,264 | 0 |
| 2. Applied to shorten the endowment or premium-paying period | .0 | 0 |
| 3. Applied to provide paid-up additions | 34,638,172 | 0 |
| 4. Applied to provide paid-up annuities | 28,154 | 0 |
| 5. Total Lines 1 through 4 | 39,509,590 | 0 |
| 6. Paid in cash | 965,086 | 0 |
| 7. Left on deposit | 1,026,539 | 0 |
| 8. Aggregate write-ins for dividend or refund options | 0 | 0 |
| 9. Total Lines 5 through 8 | 41,501,215 | 0 |
| 10. Amount due and unpaid | 1,690,607 | 0 |
| 11. Provision for dividends or refunds payable in the following calendar year | 44,937,115 | 0 |
| 12. Terminal dividends | .0 | 0 |
| 13. Provision for deferred dividend contracts | .0 | 0 |
| 14. Amount provisionally held for deferred dividend contracts not included in Line 13 | 0 | 0 |
| 15. Total Lines 10 through 14 | 46,627,722 | 0 |
| 16. Total from prior year | 44,591,335 | 0 |
| 17. Total dividends or refunds (Lines 9 + 15 - 16) | 43,537,602 | 0 |
| DETAILS OF WRITE-INS | | |
| 0801. | | |
| 0802. | | |
| 0803. | | |
| 0898. Summary of remaining write-ins for Line 8 from overflow page | .0 | 0 |
| 0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) | 0 | 0 |

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

| 1 Valuation Standard | 2 Total | 3 Industrial | 4 Ordinary | 5 Credit (Group and Individual) | 6 Group |
|--|---------------|-----------------|---------------|--|------------|
| 0100001. 41 CSO 2.5% ANB CRVM CRF 48-63 | .6,086,646 | 0 | .6,086,646 | 0 | 0 |
| 0100002. 41 CSO 2.5% ANB NL CNF 48-63 | 268,634 | 0 | 268,634 | 0 | 0 |
| 0100003. 41 CSO 2.5% ANB NL CRF 48-63 | .9,013,490 | 0 | .9,013,490 | 0 | 0 |
| 0100004. 41 CSO 3% ANB NL CRF 48-63 | 1,921,096 | 0 | 1,921,096 | 0 | 0 |
| 0100005. 58 CET 2.5% ALB NL CNF 63-81 | 219,372 | 0 | 219,372 | 0 | 0 |
| 0100006. 58 CET 3.5% ALB NL CRF 69-88 | 3,924 | 0 | 3,924 | 0 | 0 |
| 0100007. 58 CET 4% ALB NL CNF 79-88 | 9,027 | 0 | 9,027 | 0 | 0 |
| 0100008. 58 CSO 2.5% ALB CRVM CNF 63-81 | 24,493,795 | 0 | 24,493,795 | 0 | 0 |
| 0100009. 58 CSO 2.5% ALB NL CNF 63-81 | 13,017,885 | 0 | 13,017,885 | 0 | 0 |
| 0100010. 58 CSO 2.75% ALB NL CRF 70-93 | 92,529 | 0 | 0 | 0 | 92,529 |
| 0100011. 58 CSO 3% ANB CRVM CRF 72-79 | 365,678 | 0 | 365,678 | 0 | 0 |
| 0100012. 58 CSO 3.5% ALB CRVM CNF 69-88 | .9,611,320 | 0 | .9,611,320 | 0 | 0 |
| 0100013. 58 CSO 3.5% ALB NL CNF 69-88 | 2,772,918 | 0 | 2,772,918 | 0 | 0 |
| 0100014. 58 CSO 4% ALB MOD CNF 79-88 | 80,527,597 | 0 | 80,527,597 | 0 | 0 |
| 0100015. 58 CSO 4% ALB NL CNF 79-88 | .3,328,465 | 0 | .3,328,465 | 0 | 0 |
| 0100016. 58 CSO 4% ALB NL CRF 80-88 | .4,865,029 | 0 | .4,865,029 | 0 | 0 |
| 0100017. 58 CSO 4.5% ALB CRVM CNF 81-88 | .5,594,701 | 0 | .5,594,701 | 0 | 0 |
| 0100018. 58 CSO 4.5% ALB NL CNF 81-88 | 1,522,071 | 0 | 1,522,071 | 0 | 0 |
| 0100019. 58 CSO 5% ALB NL CNF 84-88 | 1,383,432 | 0 | 1,383,432 | 0 | 0 |
| 0100020. 58 CSO 5.5% ALB NL CNF 77-88 | .500,493 | 0 | .498,888 | 0 | 1,605 |
| 0100021. 80 CET 4% ALB NL CNF 83-08 | 55,481 | 0 | 55,481 | 0 | 0 |
| 0100022. 80 CET 4.5% ALB NL CNF 85-05 | 5,948 | 0 | 5,948 | 0 | 0 |
| 0100023. 80 CSO 4% ALB CRVM CNF 83-08 | 111,430,024 | 0 | 111,430,024 | 0 | 0 |
| 0100024. 80 CSO 4% ALB MOD CNF 85-08 | 72,746,831 | 0 | 72,746,831 | 0 | 0 |
| 0100025. 80 CSO 4% ALB NL CNF 85-08 | 62,970,076 | 0 | 62,970,076 | 0 | 0 |
| 0100026. 80 CSO 4.5% ANB CRVM CNF 97-05 | 12,488,611 | 0 | 12,488,611 | 0 | 0 |
| 0100027. 80 CSO 4.5% ALB CRVM CNF 97-05 | 296,309,803 | 0 | 296,309,803 | 0 | 0 |
| 0100028. 80 CSO 4.5% ALB MOD CNF 85-05 | .53,608,571 | 0 | .53,608,571 | 0 | 0 |
| 0100029. 80 CSO 4.5% ALB NL CNF 85-05 | 114,439,020 | 0 | 112,129,579 | 0 | 2,309,441 |
| 0100030. 80 CSO 5.25% ALB NL CNF 99-08 | .3,206,681 | 0 | .3,206,681 | 0 | 0 |
| 0100031. 01 CSO 4% ALB CRVM CNF 05-11 (N.B.) | 322,439,369 | 0 | 322,439,369 | 0 | 0 |
| 0100032. 01 CSO 4.5% ALB CRVM CNF 05 | 13,204,905 | 0 | 13,204,905 | 0 | 0 |
| 0100033. 01 CSO 4% ALB NL CNF 05-11 (N.B.) | 242,920,431 | 0 | 239,832,354 | 0 | 3,088,077 |
| 0100034. 01 CSO 4.5% ALB NL CNF 05 | .4,589,317 | 0 | .4,589,317 | 0 | 0 |
| 0100035. AE 3.5% ANB ILL CRF 05-47 | .88,665 | 0 | .88,665 | 0 | 0 |
| 0100036. AE 3.5% ANB NL CRF 05-47 | .215,134 | 0 | .215,134 | 0 | 0 |
| 0199997. Totals (Gross) | 1,476,316,969 | 0 | 1,470,825,317 | 0 | 5,491,652 |
| 0199998. Reinsurance ceded | 46,483,185 | 0 | 44,107,892 | 0 | 2,375,293 |
| 0199999. Life Insurance: Totals (Net) | 1,429,833,784 | 0 | 1,426,717,425 | 0 | 3,116,359 |
| 0200001. 71 IAM 8.00% 87 - 87 | 219,437 | XXX | 0 | XXX | .219,437 |
| 0200002. 71 IAM 8.25% 90 - 91 | 248,629 | XXX | 0 | XXX | .248,629 |
| 0200003. 71 IAM 8.50% 83 - 89 | .484,436 | XXX | 0 | XXX | .484,436 |
| 0200004. 83 GAM 6.25% 98 - 98 | .634,260 | XXX | 0 | XXX | .634,260 |
| 0200005. 83 GAM 6.50% 94 - 97 | 2,291,526 | XXX | 0 | XXX | 2,291,526 |
| 0200006. 83 GAM 7.00% 92 - 93 | .361,161 | XXX | 0 | XXX | .361,161 |
| 0200007. 83 GAM 7.25% 95 - 95 | .174,900 | XXX | 0 | XXX | .174,900 |
| 0200008. 83a 6.25% 98 - 98 | .1,419,234 | XXX | .1,419,234 | XXX | 0 |
| 0200009. 83a 6.50% 94 - 94 | .90,430 | XXX | .90,430 | XXX | 0 |
| 0200010. 83a 6.75% 96 - 97 | 1,015,561 | XXX | 1,015,561 | XXX | 0 |
| 0200011. 83a 7.25% 95 - 95 | 1,845,168 | XXX | 1,845,168 | XXX | 0 |
| 0200012. a-1949 2.50% 72 - 81 | .18,104 | XXX | 0 | XXX | .18,104 |
| 0200013. a-1949 Proj. 2.50% 68 - 80 | .6,201 | XXX | .6,201 | XXX | 0 |
| 0200014. 2000a 5.00% 11 (N.B.) | .5,711,841 | XXX | .5,711,841 | XXX | 0 |
| 0200015. 2000a 5.25% 05 - 10 | 13,010,932 | XXX | 13,010,932 | XXX | 0 |
| 0200016. 2000a 5.50% 04 - 08 | 15,236,148 | XXX | 15,236,148 | XXX | 0 |
| 0200017. 2000a 6.00% 03 - 09 | .9,033,141 | XXX | .9,033,141 | XXX | 0 |
| 0200018. 2000a 6.25% 99 - 99 | .2,252,607 | XXX | .2,252,607 | XXX | 0 |
| 0200019. 2000a 6.50% 02 - 02 | 1,515,744 | XXX | 1,515,744 | XXX | 0 |
| 0200020. 2000a 6.75% 01 - 01 | .797,891 | XXX | .797,891 | XXX | 0 |
| 0200021. 2000a 7.00% 00 - 00 | .668,613 | XXX | .668,613 | XXX | 0 |
| 0200022. CARVM 4.00% 75 - 79 | .938,781 | XXX | .938,781 | XXX | 0 |
| 0200023. CARVM 4.25% 11 (N.B.) | .184,326,413 | XXX | .180,326,443 | XXX | 3,999,970 |
| 0200024. CARVM 4.50% 80 - 10 | 438,766,485 | XXX | .415,887,978 | XXX | 22,878,507 |
| 0200025. CARVM 4.75% 03 - 04 | .98,324,112 | XXX | .93,518,210 | XXX | 4,805,902 |
| 0200026. CARVM 5.00% 98 - 09 | 145,552,521 | XXX | .136,581,366 | XXX | 8,971,155 |
| 0200027. CARVM 5.25% 94 - 02 | 74,576,506 | XXX | .67,986,025 | XXX | 6,590,481 |
| 0200028. CARVM 5.50% 93 - 02 | 15,169,353 | XXX | .10,412,573 | XXX | 4,756,780 |
| 0200029. CARVM 5.75% 95 - 00 | .4,366,756 | XXX | .1,934,772 | XXX | 2,431,984 |
| 0200030. CARVM 6.00% 92 - 92 | .2,833,296 | XXX | .1,371,911 | XXX | 1,461,385 |
| 0200031. CARVM 6.25% 87 - 91 | .5,800,523 | XXX | .2,620,128 | XXX | 3,180,395 |
| 0200032. CARVM 6.50% 89 - 89 | .505,151 | XXX | .262,920 | XXX | .242,231 |
| 0200033. CARVM 6.75% 86 - 88 | .1,368,690 | XXX | .1,368,690 | XXX | 0 |
| 0200034. CARVM 8.00% 84 - 85 | .1,727,796 | XXX | .1,727,796 | XXX | 0 |
| 0200035. CARVM 8.25% 83 - 83 | .275,313 | XXX | .275,313 | XXX | 0 |
| 0200036. Home Office Pension Plan 85-11 (N.B.) | .7,746,875 | XXX | 0 | XXX | .7,746,875 |
| 0299997. Totals (Gross) | 1,039,314,535 | XXX | 967,816,417 | XXX | 71,498,118 |
| 0299998. Reinsurance ceded | 24,112,474 | XXX | 24,112,474 | XXX | 0 |
| 0299999. Annuities: Totals (Net) | 1,015,202,061 | XXX | 943,703,943 | XXX | 71,498,118 |
| 0300001. 71 IAM 7.50% 83 - 84 | .40,190 | 0 | .40,190 | 0 | 0 |
| 0300002. 83a 6.25% 98 - 98 | .353,919 | 0 | .353,919 | 0 | 0 |
| 0300003. 83a 6.50% 93 - 94 | .1,402,604 | 0 | .1,402,604 | 0 | 0 |
| 0300004. 83a 6.75% 96 - 97 | .648,155 | 0 | .648,155 | 0 | 0 |
| 0300005. 83a 7.00% 92 - 92 | .768,566 | 0 | .768,566 | 0 | 0 |
| 0300006. 83a 7.25% 95 - 95 | .490,749 | 0 | .490,749 | 0 | 0 |
| 0300007. 83a 7.50% 85 - 86 | .29,556 | 0 | .29,556 | 0 | 0 |
| 0300008. 83a 8.00% 87 - 91 | .2,131,855 | 0 | .2,131,855 | 0 | 0 |
| 0300009. a-1949 Proj. 2.50% 66 - 82 | .25,845 | 0 | .25,845 | 0 | 0 |
| 0300010. 2000a 5.00% 11 (N.B.) | .731,898 | 0 | .731,898 | 0 | 0 |
| 0300011. 2000a 5.25% 05 - 10 | .1,549,273 | 0 | .1,549,273 | 0 | 0 |
| 0300012. 2000a 5.50% 04 - 08 | .2,713,242 | 0 | .2,713,242 | 0 | 0 |
| 0300013. 2000a 6.00% 03 - 09 | .1,868,420 | 0 | .1,868,420 | 0 | 0 |

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

| 1 Valuation Standard | 2 Total | 3 Industrial | 4 Ordinary | 5 Credit (Group and Individual) | 6 Group |
|---|---------------|-----------------|---------------|--|------------|
| 0300014. 2000a 6.25% 99 - 99 | 352,762 | 0 | 352,762 | 0 | 0 |
| 0300015. 2000a 6.50% 02 - 02 | 438,055 | 0 | 438,055 | 0 | 0 |
| 0300016. 2000a 6.75% 01 - 01 | 349,038 | 0 | 349,038 | 0 | 0 |
| 0300017. 2000a 7.00% 00 - 00 | 304,019 | 0 | 304,019 | 0 | 0 |
| 0399997. Totals (Gross) | 14,198,146 | 0 | 14,198,146 | 0 | 0 |
| 0399998. Reinsurance ceded | 447,596 | 0 | 447,596 | 0 | 0 |
| 0399999. SCWLC: Totals (Net) | 13,750,550 | 0 | 13,750,550 | 0 | 0 |
| 0400001. 59 ADB & 58 CSO 2.5% 63-78 | 6,346 | 0 | 6,346 | 0 | 0 |
| 0400002. 59 ADB & 58 CSO 3% 79-88 | 20,620 | 0 | 20,620 | 0 | 0 |
| 0400003. 59 ADB & 80 CSO 3% 89-11 (N.B.) | 78,033 | 0 | 78,033 | 0 | 0 |
| 0400004. INTERCO DI & CSO 2.5% 48-63 | 12 | 0 | 12 | 0 | 0 |
| 0499997. Totals (Gross) | 105,011 | 0 | 105,011 | 0 | 0 |
| 0499998. Reinsurance ceded | 0 | 0 | 0 | 0 | 0 |
| 0499999. Accidental Death Benefits: Totals (Net) | 105,011 | 0 | 105,011 | 0 | 0 |
| 0500001. 52 INTERCO DISA & 41 CSO 2.5% 60-63 | 982 | 0 | 982 | 0 | 0 |
| 0500002. 52 INTERCO DISA & 58 CSO 2.5% 63-88 | 108,113 | 0 | 108,113 | 0 | 0 |
| 0500003. 52 INTERCO DISA & 58 CSO 3% 87-88 | 1,914 | 0 | 1,914 | 0 | 0 |
| 0500004. 52 INTERCO DISA & 80 CSO 3.5% 85-11 (N.B.) | 5,799,124 | 0 | 5,799,124 | 0 | 0 |
| 0599997. Totals (Gross) | 5,910,133 | 0 | 5,910,133 | 0 | 0 |
| 0599998. Reinsurance ceded | 273,057 | 0 | 273,057 | 0 | 0 |
| 0599999. Disability-Active Lives: Totals (Net) | 5,637,076 | 0 | 5,637,076 | 0 | 0 |
| 0600001. 52 INTERCO DISA 2.5% 30-94 | 128,229 | 0 | 128,229 | 0 | 0 |
| 0600002. 52 INTERCO DISA 4.5% 83-11 (N.B.) | 13,185,635 | 0 | 13,185,635 | 0 | 0 |
| 0600003. 70 INTERCO DISA 3% 63-93 | 1,702,305 | 0 | 0 | 0 | 1,702,305 |
| 0600004. 70 INTERCO DISA 4.5% 94-11 (N.B.) | 4,644,689 | 0 | 0 | 0 | 4,644,689 |
| 0600005. 05 Group Waiver Table 4.0% 11 (N.B.) | 1,496,747 | 0 | 0 | 0 | 1,496,747 |
| 0699997. Totals (Gross) | 21,157,605 | 0 | 13,313,864 | 0 | 7,843,741 |
| 0699998. Reinsurance ceded | 9,834,515 | 0 | 5,181,919 | 0 | 4,652,596 |
| 0699999. Disability-Disabled Lives: Totals (Net) | 11,323,090 | 0 | 8,131,945 | 0 | 3,191,145 |
| 0700001. Deficiency Reserve | 19,811 | 0 | 19,811 | 0 | 0 |
| 0700002. Non-deduction Reserve | 20,785 | 0 | 20,785 | 0 | 0 |
| 0799997. Totals (Gross) | 40,596 | 0 | 40,596 | 0 | 0 |
| 0799998. Reinsurance ceded | 0 | 0 | 0 | 0 | 0 |
| 0799999. Miscellaneous Reserves: Totals (Net) | 40,596 | 0 | 40,596 | 0 | 0 |
| 9999999. Totals (Net) - Page 3, Line 1 | 2,475,892,168 | 0 | 2,398,086,546 | 0 | 77,805,622 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
EXHIBIT 5 - INTERROGATORIES

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.
 Non-participating

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? \$ 0
 4.2 Amount of reserve? \$ 0
 4.3 Basis of reserve:
 4.4 Basis of regular assessments:
 4.5 Basis of special assessments:
 4.6 Assessments collected during the year \$ 0

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: \$ 0
 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: \$ 0

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 \$ 0
 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: \$ 0
 7.4 Identify where the reserves are reported in the blank:

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

| 1 Description of Valuation Class | Valuation Basis | | 4 Increase in Actuarial Reserve Due to Change |
|-------------------------------------|-------------------|-----------------|--|
| | 2 Changed From | 3 Changed To | |
| | | | |
| | | | |
| | | | |
| | | | |
| 9999999 - Total (Column 4, only) | | | |

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

| | 1 Total | 2 Group Accident and Health | 3 Credit Accident and Health (Group and Individual) | 4 Collectively Renewable | Other Individual Contracts | | | | |
|---|------------|-----------------------------------|--|--------------------------------|----------------------------|------------------------------|---|--------------------------|----------------|
| | | | | | 5 Non-Cancelable | 6 Guaranteed Renewable | 7 Non-Renewable for Stated Reasons Only | 8 Other Accident Only | 9 All Other |
| ACTIVE LIFE RESERVE | | | | | | | | | |
| 1. Unearned premium reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Additional contract reserves (a) | 43,955 | 0 | 0 | 0 | 42,537 | 48 | 1,370 | 0 | 0 |
| 3. Additional actuarial reserves-Asset/Liability analysis | 1,409,870 | 0 | 0 | 0 | 1,407,414 | 2,456 | 0 | 0 | 0 |
| 4. Reserve for future contingent benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Reserve for rate credits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Aggregate write-ins for reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Totals (Gross) | 1,453,825 | 0 | 0 | 0 | 1,449,951 | 2,504 | 1,370 | 0 | 0 |
| 8. Reinsurance ceded | 1,453,825 | 0 | 0 | 0 | 1,449,951 | 2,504 | 1,370 | 0 | 0 |
| 9. Totals (Net) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CLAIM RESERVE | | | | | | | | | |
| 10. Present value of amounts not yet due on claims | 30,306,843 | 26,126,711 | 0 | 0 | 4,180,132 | 0 | 0 | 0 | 0 |
| 11. Additional actuarial reserves-Asset/Liability analysis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Reserve for future contingent benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Aggregate write-ins for reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Totals (Gross) | 30,306,843 | 26,126,711 | 0 | 0 | 4,180,132 | 0 | 0 | 0 | 0 |
| 15. Reinsurance ceded | 29,283,622 | 25,103,490 | 0 | 0 | 4,180,132 | 0 | 0 | 0 | 0 |
| 16. Totals (Net) | 1,023,221 | 1,023,221 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. TOTAL (Net) | 1,023,221 | 1,023,221 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. TABULAR FUND INTEREST | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 0601. | | | | | | | | | |
| 0602. | | | | | | | | | |
| 0603. | | | | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1301. | | | | | | | | | |
| 1302. | | | | | | | | | |
| 1303. | | | | | | | | | |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

| | 1 Total | 2 Guaranteed Interest Contracts | 3 Annuities Certain | 4 Supplemental Contracts | 5 Dividend Accumulations or Refunds | 6 Premium and Other Deposit Funds |
|--|-------------|---------------------------------------|------------------------|--------------------------------|--|--|
| 1. Balance at the beginning of the year before reinsurance | 232,362,643 | 161,180,683 | 22,779,345 | 5,305,017 | 29,985,513 | 13,112,085 |
| 2. Deposits received during the year | 21,526,841 | 0 | 2,083,329 | 2,242,260 | 1,026,539 | 16,174,713 |
| 3. Investment earnings credited to the account | 9,388,695 | 7,363,069 | 850,133 | 213,874 | 776,742 | 184,877 |
| 4. Other net change in reserves | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Fees and other charges assessed | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Surrender charges | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Net surrender or withdrawal payments | 39,639,621 | 14,310,663 | 7,502,263 | 1,087,077 | 3,158,479 | 13,581,139 |
| 8. Other net transfers to or (from) Separate Accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) | 223,638,558 | 154,233,089 | 18,210,544 | 6,674,074 | 28,630,315 | 15,890,536 |
| 10. Reinsurance balance at the beginning of the year | 224,670 | 0 | 0 | 224,670 | 0 | 0 |
| 11. Net change in reinsurance assumed | (490,240) | 0 | 0 | (490,240) | 0 | 0 |
| 12. Net change in reinsurance ceded | 857,507 | 0 | 0 | 857,507 | 0 | 0 |
| 13. Reinsurance balance at the end of the year (Lines 10+11-12) | (1,123,077) | 0 | 0 | (1,123,077) | 0 | 0 |
| 14. Net balance at the end of current year after reinsurance (Lines 9 + 13) | 222,515,481 | 154,233,089 | 18,210,544 | 5,550,997 | 28,630,315 | 15,890,536 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

| | 1 Total | 2 Industrial Life | Ordinary | | | 6 Credit Life (Group and Individual) | Group | | Accident and Health | | |
|-----------------------------|------------|----------------------|---------------------|---------------------------|------------------------------|---|---------------------|----------------|---------------------|-------------------------------------|-------------|
| | | | 3 Life Insurance | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other |
| 1. Due and unpaid: | | | | | | | | | | | |
| 1.1 Direct | 274,060 | 0 | 21,859 | 252,201 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.4 Net | 274,060 | 0 | 21,859 | 252,201 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. In course of settlement: | | | | | | | | | | | |
| 2.1 Resisted | | | | | | | | | | | |
| 2.11 Direct | 50,000 | 0 | 0 | 0 | 0 | 0 | 50,000 | 0 | 0 | 0 | 0 |
| 2.12 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.13 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.14 Net | 50,000 | 0 | (b) 0 | (b) 0 | 0 | (b) 0 | (b) 50,000 | 0 | 0 | 0 | 0 |
| 2.2 Other | | | | | | | | | | | |
| 2.21 Direct | 4,700,732 | 0 | 3,073,342 | 1,462,971 | 0 | 0 | 3,800 | 0 | 50,000 | 0 | 110,619 |
| 2.22 Reinsurance assumed | 670,976 | 0 | 0 | 670,976 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.23 Reinsurance ceded | 1,794,375 | 0 | 1,255,581 | 378,175 | 0 | 0 | 0 | 0 | 50,000 | 0 | 110,619 |
| 2.24 Net | 3,577,333 | 0 | (b) 1,817,761 | (b) 1,755,772 | 0 | (b) 0 | (b) 3,800 | 0 | (b) 0 | (b) 0 | (b) 0 |
| 3. Incurred but unreported: | | | | | | | | | | | |
| 3.1 Direct | 1,360,144 | 0 | 1,347,584 | 0 | 0 | 0 | 12,560 | 0 | 0 | 0 | 0 |
| 3.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.3 Reinsurance ceded | 978,827 | 0 | 975,699 | 0 | 0 | 0 | 3,128 | 0 | 0 | 0 | 0 |
| 3.4 Net | 381,317 | 0 | (b) 371,885 | (b) 0 | 0 | (b) 0 | (b) 9,432 | 0 | (b) 0 | (b) 0 | (b) 0 |
| 4. TOTALS | | | | | | | | | | | |
| 4.1 Direct | 6,384,936 | 0 | 4,442,785 | 1,715,172 | 0 | 0 | 66,360 | 0 | 50,000 | 0 | 110,619 |
| 4.2 Reinsurance assumed | 670,976 | 0 | 0 | 670,976 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded | 2,773,202 | 0 | 2,231,280 | 378,175 | 0 | 0 | 3,128 | 0 | 50,000 | 0 | 110,619 |
| 4.4 Net | 4,282,710 | (a) 0 | (a) 2,211,505 | 2,007,973 | 0 | 0 | (a) 63,232 | 0 | 0 | 0 | 0 |

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ 0 in Column 2, \$ 0 in Column 3 and \$ 21,859 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 \$ 117,265

Individual Annuities \$ 0, Credit Life (Group and Individual) \$ 0, and Group Life \$ 0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ 1,023,221

Credit (Group and Individual) Accident and Health \$ 0, and Other Accident and Health \$ 0 are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

| | 1 Total | 2 Industrial Life (a) | Ordinary | | | 6 Credit Life (Group and Individual) | Group | | Accident and Health | | |
|--|----------------|-----------------------------|----------------------------|---------------------------|---------------------------------|--|----------------------------|----------------|---------------------|--|-------------|
| | | | 3 Life Insurance (b) | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance (c) | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other |
| 1. Settlements During the Year: | | | | | | | | | | | |
| 1.1 Direct | 71,693,009 | 0 | 44,636,097 | 17,140,970 | 1,714,784 | 0 | 1,181,776 | 750,681 | 5,596,357 | 0 | 672,344 |
| 1.2 Reinsurance assumed | 2,068,680 | 0 | 18,821 | 1,248,365 | 801,494 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.3 Reinsurance ceded | 27,465,266 | 0 | 18,619,830 | 1,930,386 | 44,322 | 0 | 811,048 | 0 | 5,387,336 | 0 | 672,344 |
| 1.4 Net | (d) 46,296,423 | 0 | 26,035,088 | 16,458,949 | 2,471,956 | 0 | 370,728 | 750,681 | 209,021 | 0 | 0 |
| 2. Liability December 31, current year from Part 1: | | | | | | | | | | | |
| 2.1 Direct | 6,384,936 | 0 | 4,442,785 | 1,715,172 | 0 | 0 | 66,360 | 0 | 50,000 | 0 | 110,619 |
| 2.2 Reinsurance assumed | 670,976 | 0 | 0 | 670,976 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.3 Reinsurance ceded | 2,773,202 | 0 | 2,231,280 | 378,175 | 0 | 0 | 3,128 | 0 | 50,000 | 0 | 110,619 |
| 2.4 Net | 4,282,710 | 0 | 2,211,505 | 2,007,973 | 0 | 0 | 63,232 | 0 | 0 | 0 | 0 |
| 3. Amounts recoverable from reinsurers December 31, current year | 15,063,927 | 0 | 14,462,782 | 363,601 | 4,049 | 0 | 233,495 | 0 | 0 | 0 | 0 |
| 4. Liability December 31, prior year: | | | | | | | | | | | |
| 4.1 Direct | 10,266,215 | 0 | 7,487,423 | 2,465,692 | 0 | 0 | 78,198 | 0 | 0 | 0 | 234,902 |
| 4.2 Reinsurance assumed | 252,155 | 0 | 0 | 252,155 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded | 5,521,295 | 0 | 5,244,105 | 38,962 | 0 | 0 | 3,326 | 0 | 0 | 0 | 234,902 |
| 4.4 Net | 4,997,075 | 0 | 2,243,318 | 2,678,885 | 0 | 0 | 74,872 | 0 | 0 | 0 | 0 |
| 5. Amounts recoverable from reinsurers December 31, prior year | 6,314,840 | 0 | 5,943,129 | (3,244) | 3,355 | 0 | 371,600 | 0 | 0 | 0 | 0 |
| 6. Incurred Benefits | | | | | | | | | | | |
| 6.1 Direct | 67,811,730 | 0 | 41,591,459 | 16,390,450 | 1,714,784 | 0 | 1,169,938 | 750,681 | 5,646,357 | 0 | 548,061 |
| 6.2 Reinsurance assumed | 2,487,501 | 0 | 18,821 | 1,667,186 | 801,494 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.3 Reinsurance ceded | 33,466,260 | 0 | 24,126,658 | 2,636,444 | 45,016 | 0 | 672,745 | 0 | 5,437,336 | 0 | 548,061 |
| 6.4 Net | 36,832,971 | 0 | 17,483,622 | 15,421,192 | 2,471,262 | 0 | 497,193 | 750,681 | 209,021 | 0 | 0 |

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

\$ 0 in Line 6.1, and \$ 0 in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ 213,564 in Line 1.1, \$ 213,564 in Line 1.4.

\$ 168,950 in Line 6.1, and \$ 168,950 in Line 6.4.

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

\$ 0 in Line 6.1, and \$ 0 in Line 6.4.

(d) Includes \$ 950,619 premiums waived under total and permanent disability benefits.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
EXHIBIT OF NON-ADMITTED ASSETS

| | 1 Current Year Total Nonadmitted Assets | 2 Prior Year Total Nonadmitted Assets | 3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
|--|---|---|---|
| 1. Bonds (Schedule D) | 0 | 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 | 9,818,412 | 11,197,756 | 1,379,344 |
| 19. Guaranty funds receivable or on deposit | 0 | 0 | 0 |
| 20. Electronic data processing equipment and software | 0 | 16,186 | 16,186 |
| 21. Furniture and equipment, including health care delivery assets | 0 | 56,224 | 56,224 |
| 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 | 1,771,910 | 2,297,948 | 526,038 |
| 25. Aggregate write-ins for other than invested assets | 0 | 0 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 11,590,322 | 13,568,114 | 1,977,792 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 |
| 28. Total (Lines 26 and 27) | 11,590,322 | 13,568,114 | 1,977,792 |
| 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 thru 1103 plus 1198)(Line 11 above) | 0 | 0 | 0 |
| 2501. | | | |
| 2502. | | | |
| 2503. | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 0 | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

The Department recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Department has the right to permit other specific practices that deviate from prescribed practices.

In conjunction with the previously announced Company relocation to Cincinnati, Ohio, effective July 1, 2011, the Company completed its redomestication to the state of Ohio. The permitted practice described below wherein the Company reclassified certain derivative income as net investment income has been discontinued beginning with the June 30, 2011 statement for the full year 2011.

In accordance with the NAIC Statement of Statutory Accounting Principles ("SSAP") No. 86, the Company's use of derivatives requires changes in their fair value be recorded through unrealized gains and losses until they terminate, mature or expire, upon which amounts are to be recorded as realized. To properly match offsetting expense recorded through changes in hedged reserves, the Company had reclassified this income as net investment income as approved and permitted by the Indiana Department of Insurance. Under SSAP No. 86, net income would have decreased \$3,008,548 for the year ended December 31, 2010. There was no impact to surplus.

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

The preparation of financial statements in conformity with statutory accounting practices prescribed or permitted by the state of Ohio requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Deposits on deposit-type contracts are entered directly as a liability when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at either amortized cost using the interest method or the lower of amortized cost or fair market value.
- (3) Unaffiliated common stocks are stated at fair market value, except for Federal Home Loan Bank (FHLB) stock, which is carried at cost, adjusted for stock dividends, and is restricted. Common stocks of non-life subsidiaries and non-life affiliates in which the Company has an interest of 10% or more are carried on the GAAP equity basis.
- (4) Preferred stocks are stated at either cost or the lower of cost or fair market value.
- (5) Mortgage loans on real estate are stated at the aggregate unpaid principal balance plus unamortized premium less unaccrued discount.
- (6) Loan-backed and structured securities are stated at amortized cost, except those with an initial NAIC designation of 6, which are stated at the lower of amortized cost or fair value. Loan backed and structured securities with an initial NAIC designation of 6 could have a final designation of 1 through 5 as determined by the SVO financial modeling process or the SVO modified filing exempt process. The retrospective adjustment method is used to determine amortized cost for all loan-backed and structured securities, except for those which an other-than-temporary impairment has been recognized, which use the prospective adjustment method to determine amortized cost.
- (7) The Company owns 100% of the capital stock of its non-life insurance subsidiaries, which are stated at GAAP equity.
- (8) Other invested assets reflect investments in surplus debentures and are stated at amortized cost.
- (9) All derivatives are stated at fair value. The change in fair value flows through the change in unrealized gains/losses line.
- (10) Anticipated investment income is not a factor in calculating deficiency reserves.
- (11) Loss liabilities for accident and health contracts are based on industry standard tables for long-term disability coverages and historical company experience for other accident and health.
- (12) The Company has not changed its capitalization policy from the prior year.
- (13) The Company has no pharmaceutical rebate receivables on its books during the statement periods.
- (14) The Company monitors investments to determine if there has been an other-than-temporary decline in fair value. Factors management considers for each identified security include the following:
 - the length of time and the extent to which the fair value is below the book/adjusted carry value;
 - the financial condition and near term prospects of the issuer, including specific events that may affect its operations;
 - for equity securities and debt securities with credit related declines in fair value, the Company's intent and ability to hold the security long enough for it to recover its value to book/adjusted carry value;
 - for debt securities with interest related declines in fair value, the Company's intent to sell the security before recovery of its book/adjusted carry value;
 - for loan-backed securities, the Company's intent and ability to hold the security long enough for it to recover its value to book/adjusted carry value;
 - for loan-backed securities, the Company's intent to sell the security before recovery of its book/adjusted carry value.

If the decline is judged to be other-than-temporary, an impairment charge is recorded as a net realized capital loss in the period the determination is made.

2. Accounting Changes and Corrections of Errors

The Company made the following accounting changes in 2011:

In October 2010, the NAIC modified the definitions of loan-backed and structured securities included in SSAP No. 43R. The revised definition expands the requirement to include any securitized asset where the underlying cash flows are from all types of asset pools and not just those emanating from either mortgages or securities. Regardless of the underlying collateral, each security structured through a special purpose entity, trust or limited liability company is

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

expected to be reported as a SSAP No. 43R security, not as an issuer obligation under SSAP No. 26, *Bonds, excluding Loan-backed and Structured Securities*. This guidance was effective January 1, 2011. The adoption of this guidance did not have a significant impact on the Company's financial statements.

The Company made the following accounting changes in 2010:

Effective December 31, 2010, the Company adopted Statement of Statutory Accounting Principles No. 100, *Fair Value Measurements* (SSAP 100). SSAP 100 establishes a framework for measuring fair value under current statutory accounting pronouncements that require or permit fair value measurement. SSAP 100 retains the price notion in the definition of fair value, but clarifies that the exchange price is the price in an orderly transaction between market participants to sell the asset or transfer the liability in the most advantageous market for that asset or liability. SSAP 100 also clarifies that fair value measurement should be based on market, not entity specific, assumptions that include an adjustment for risk if the market would use such an adjustment in pricing in the fair value measurement of liabilities. SSAP 100 also establishes a three-level fair value measurement hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The highest priority is given to quoted market prices and the lowest priority to unobservable inputs where there is little or no market activity for the asset or liability. The adoption of SSAP 100 did not have a material impact on the Company's financial statements. See Note 20 for further information.

3. Business Combinations and Goodwill. None.

4. Discontinued Operations. None.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

(1) The minimum and maximum lending rates for mortgage loans issued during 2011 were:

| | |
|--------------------------|-----------------|
| Farm loans | None |
| City loans | 5.15% and 5.80% |
| Purchase money mortgages | None |
| Mezzanine loans | None |

(2) During 2011, the Company reduced interest rates of outstanding mortgage loans as follows: None.

(3) At the issuance of a loan, the percentage of loan to value on any one loan does not exceed 80%.

| | Current Year | Prior Year |
|--|--------------|------------|
| (4) Mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest | \$ - | \$ - |
| a. Total interest due on mortgages with interest more than 180 days past due | \$ - | \$ - |
| (5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total | \$ - | \$ - |
| (6) Impaired loans with a related allowance for credit losses | \$ - | \$ - |
| a. Related allowance for credit losses | \$ - | \$ - |
| (7) Impaired mortgage loans without an allowance for credit losses | \$ - | \$ - |
| (8) Average recorded investment in impaired mortgage loans | \$ - | \$ - |
| (9) Interest income recognized during the period the loans were impaired | \$ - | \$ - |
| (10) Amount of interest income recognized on a cash basis during the period the loans were impaired | \$ - | \$ - |
| (11) Valuation allowance for mortgage loans: | | |
| a. Beginning balance | \$ - | \$ - |
| b. Additions charged to operations | \$ - | \$ - |
| c. Direct write-downs charged against the allowance | \$ - | \$ - |
| d. Recoveries of amounts previously charged off | \$ - | \$ - |
| e. Ending balance | \$ - | \$ - |

(12) The Company recognizes interest income on its impaired loans upon receipt.

B. Debt Restructuring. None.

C. Reverse Mortgages. None.

D. Loan-Backed Securities

(1) The methods and assumptions used in estimating fair values of loan-backed and structured securities involves analysis of the underlying collateral and calculating present value of the future cash flows utilizing deal-specific assumptions for expected prepayment speeds, expected defaults, and expected default severity discounted at market based expected yields. Specifically, the prepayment assumptions used in the valuation process were from Bloomberg and broker dealer prepayment models or derived from empirical data.

(2) The Company had no other-than-temporary impairments on loan-backed and structured securities for the years ended December 31, 2011 and 2010 and the six month period ended December 31, 2009 due to the intent to sell the security or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis of the security.

(3) The following is a list of each loan-backed and structured security with a recognized other-than-temporary impairment, for the years ended December 31, 2011 and 2010 and the six month period ended December 31, 2009, as the present value of future cash flows expected to be collected is less than the amortized cost basis of the securities:

| CUSIP | Book/Adj Carrying | Present Value | Recognized | Amortized | Date of |
|---------------------------------------|-------------------|---------------|-------------|--------------|-------------------------|
| | Value Amortized | | Other-Than- | | Financial |
| | Cost Before | Future Cash | Temporary | Other-Than- | Statement |
| | Current Period | Flows | Impairment | Temporary | Where |
| | OTTI | | Impairment | Impairment | Reported |
| For the year ended December 31, 2011: | | | | | |
| 76110H3N7 | \$ 1,910,426 | \$ 1,896,256 | \$ 14,170 | \$ 1,896,256 | \$ 1,621,060 12/31/2011 |
| 17307GL97 | 1,379,676 | 1,316,921 | 62,755 | 1,316,921 | 878,094 9/30/2011 |
| 17307GL97 | 1,468,749 | 1,383,755 | 84,994 | 1,383,755 | 871,980 6/30/2011 |
| Total | \$ 4,758,851 | \$ 4,596,932 | \$ 161,919 | \$ 4,596,932 | \$ 3,371,134 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

| CUSIP | Book/Adj Carrying Value Amortized | Present Value of Future Cash Flows | Recognized Other-Than-Temporary Impairment | Amortized Cost After Other-Than-Temporary Impairment | Fair Value | Date of Financial Statement Where Reported |
|---------------------------------------|-----------------------------------|------------------------------------|--|--|------------|--|
| OTTI | Cost Before Current Period | | | | | |
| For the year ended December 31, 2010: | | | | | | |
| 17307GL97 | \$ 1,706,127 | \$ 1,473,880 | \$ 232,247 | \$ 1,473,880 | \$ 912,394 | 9/30/2010 |
| Total | \$ 1,706,127 | \$ 1,473,880 | \$ 232,247 | \$ 1,473,880 | \$ 912,394 | |

For the six month period ended December 31, 2009: None.

(4) The following is an aggregate total of all impaired loan-backed securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss, including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains as of December 31, 2011:

| Unrealized Losses Less Than 12 Months | | Unrealized Losses Greater Than or Equal to 12 Months | |
|---------------------------------------|---------------|--|---------------|
| Unrealized Losses | Fair Value | Unrealized Losses | Fair Value |
| \$ (646,689) | \$ 22,547,619 | \$ (1,901,780) | \$ 15,114,923 |

(5) See Note 1C (13) for the factors management considers when evaluating for an other-than-temporary decline in fair value.

E. Repurchase Agreements and/or Securities Lending Transactions. None.

F. Real Estate

- (1) The Company did not recognize impairment losses on real estate during the statement periods.
- (2) The Company had two property classified as held-for-sale at December 31, 2011. These adjoining properties, located at 1905 Teal Road and 2203 South 18th Street in Lafayette, Indiana, comprised the former home office of the Company. Upon its relocation to Cincinnati, Ohio in June 2011, the Company ceased operating in Lafayette. On July 6, 2011, the Company executed a listing contract with Coldwell Banker Commercial Shook to market the properties for sale.
- (3) The Company did not experience changes to a plan of sale in investment in real estate.
- (4) The Company does not engage in retail land sales operations.
- (5) The Company does not hold any real estate investments with participating mortgage loan features.

G. Low Income Housing Tax Credit Property Investments. None.

6. Joint Ventures, Partnerships and Limited Liability Companies. None.

7. Investment Income

A. Due and accrued income is excluded from surplus on the following bases:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. The amount excluded for bonds and mortgage loans was \$0.

8. Derivative Instruments

- A. The Company markets equity indexed annuities and universal life policies. The risk associated with these products is the ultimate benefit paid could be higher than the return earned from the underlying assets. The Company's exposure to credit risk on its option positions is the risk of loss from a counterparty failing to perform according to the terms of the contract. To control this risk, the Company limits its exposure for an individual counterparty to \$15 million, less than 1% of admitted assets. Further, the counterparty must be rated single A or better by two NRSRO's. The Company's call options, purchased and written, are short-term with a duration of one year or less.
- B. The Company utilizes customized call options to hedge the S&P 500 index exposure embedded in these products with a net notional amount of \$78,990,000 and \$46,770,000 at December 31, 2011 and 2010, respectively. The Company purchases and writes call options to correlate with changes in the annuity and universal life features due to movements in the S&P 500. At the beginning of these contracts, a premium is either paid or received for transferring the related risk. The Company retains basis risk and risk associated with actual versus expected assumptions for mortality and lapse rates.
- C. The Company recognizes changes in the fair value of these call options through unrealized gains/losses and the related gains/losses from terminations, maturities or expirations through realized capital gains/losses.
- D. The change in fair value was \$(3,532,918) and \$4,628,538 for 2011 and 2010, respectively.

Outstanding derivatives shown in notional or contract amounts along with their carrying and estimated fair values are as follows:

| | Notional/Contract Amounts | | Carrying Value | | Carrying Value | |
|------------------------|---------------------------|----------------|----------------|---------------|----------------|---------------|
| | December 31 | | December 31 | | December 31 | |
| | 2011 | 2010 | 2011 | 2011 | 2010 | 2010 |
| Call options purchased | \$ 608,080,000 | \$ 507,397,076 | \$ 26,003,622 | \$ 26,003,622 | \$ 51,221,757 | \$ 51,221,757 |
| Call options written | 529,090,000 | 460,627,076 | 18,070,342 | 18,070,342 | 36,631,562 | 36,631,562 |
| Net call positions | \$ 78,990,000 | \$ 46,770,000 | \$ 7,933,280 | \$ 7,933,280 | \$ 14,590,195 | \$ 14,590,195 |

9. Income Taxes

A. The components of net deferred tax asset/(liability) at December 31, 2011 and December 31, 2010 are as follows:

| (1) 2011: | Ordinary | Capital | Total |
|--|---------------|--------------|---------------|
| (a) Gross deferred tax assets | \$ 61,561,965 | \$ 4,382,309 | \$ 65,944,274 |
| (b) Statutory valuation allowance adjustment | - | - | - |
| (c) Adjusted gross deferred tax assets (1a - 1b) | 61,561,965 | 4,382,309 | 65,944,274 |
| (d) Deferred tax liabilities | 20,545,413 | 1,574,167 | 22,119,580 |
| (e) Net deferred tax assets/(liabilities) (1c - 1d) | 41,016,552 | 2,808,142 | 43,824,694 |
| (f) Deferred tax assets nonadmitted | 9,818,412 | - | 9,818,412 |
| (g) Net admitted deferred tax assets/(liabilities) (1e - 1f) | \$ 31,198,140 | \$ 2,808,142 | \$ 34,006,282 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
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2010:

| | Ordinary | Capital | Total |
|--|---------------|--------------|---------------|
| (a) Gross deferred tax assets | \$ 54,147,815 | \$ 1,608,577 | \$ 55,756,392 |
| (b) Statutory valuation allowance adjustment | - | - | - |
| (c) Adjusted gross deferred tax assets (1a – 1b) | 54,147,815 | 1,608,577 | 55,756,392 |
| (d) Deferred tax liabilities | 16,149,982 | - | 16,149,982 |
| (e) Net deferred tax assets/(liabilities) (1c – 1d) | 37,997,833 | 1,608,577 | 39,606,410 |
| (f) Deferred tax assets nonadmitted | 10,071,752 | 1,126,004 | 11,197,756 |
| (g) Net admitted deferred tax assets/(liabilities) (1e – 1f) | \$ 27,926,081 | \$ 482,573 | \$ 28,408,654 |

Change:

| | Ordinary | Capital | Total |
|--|--------------|--------------|---------------|
| (a) Gross deferred tax assets | \$ 7,414,150 | \$ 2,773,732 | \$ 10,187,882 |
| (b) Statutory valuation allowance adjustment | - | - | - |
| (c) Adjusted gross deferred tax assets (1a – 1b) | 7,414,150 | 2,773,732 | 10,187,882 |
| (d) Deferred tax liabilities | 4,395,431 | 1,574,167 | 5,969,598 |
| (e) Net deferred tax assets/(liabilities) (1c – 1d) | 3,018,719 | 1,199,565 | 4,218,284 |
| (f) Deferred tax assets nonadmitted | (253,340) | (1,126,004) | (1,379,344) |
| (g) Net admitted deferred tax assets/(liabilities) (1e – 1f) | \$ 3,272,059 | \$ 2,325,569 | \$ 5,597,628 |

(2) The Company has elected to admit DTAs pursuant to paragraph 10.e. of SSAP No. 10R, *Income Taxes – A Temporary Replacement of SSAP No. 10*. The current period election does not differ from the prior period election.

(3) The increased amount by tax character, and the change in such, of admitted adjusted gross DTAs as the result of the application of paragraph 10.e. of SSAP No. 10R, *Income Taxes – A Temporary Replacement of SSAP No. 10*:

| | Current Year | Prior Year | Change |
|--|---------------|---------------|---------------|
| | \$ 10,354,894 | \$ 10,666,393 | \$ (311,499) |
| | Ordinary | Capital | Total |
| Increase (decrease) in deferred tax assets admitted from SSAP 10R, para. 10.e. | \$ 41,388,659 | \$ 4,382,309 | \$ 45,770,968 |
| (4) 2011: | | | |
| Admission calculation components SSAP 10R, Paragraphs 10.a, 10.b, and 10.c: | | | |
| (a) SSAP 10R, Paragraph 10.a. | \$ 19,269,079 | \$ 3,285,418 | \$ 22,554,497 |
| (b) SSAP 10R, Paragraph 10.b. (lesser of para. 10.b.i. and 10.b.ii. below) | - | 1,096,891 | 1,096,891 |
| (c) SSAP 10R, Paragraph 10.b.i. | - | 1,096,891 | 1,096,891 |
| (d) SSAP 10R, Paragraph 10.b.ii. | 22,119,580 | - | 7,634,524 |
| (e) SSAP 10R, Paragraph 10.c. | - | - | 22,119,580 |
| (f) Total (4a + 4b + 4e) | \$ 41,388,659 | \$ 4,382,309 | \$ 45,770,968 |

Admission calculation components SSAP 10R, Paragraph 10.e.:

| | | | |
|--|---------------|--------------|---------------|
| (g) SSAP 10R, Paragraph 10.e.i. | \$ 20,360,997 | \$ 2,193,499 | \$ 22,554,496 |
| (h) SSAP 10R, Paragraph 10.e.ii. (lesser of para. 10.e.ii.a. and 10.e.ii.b. below) | 9,262,976 | 2,188,810 | 11,451,786 |
| (i) SSAP 10R, Paragraph 10.e.ii.a. | 9,262,976 | 2,188,810 | 11,451,786 |
| (j) SSAP 10R, Paragraph 10.e.ii.b. | 22,119,580 | - | 11,451,786 |
| (k) SSAP 10R, Paragraph 10.e.iii. | - | - | 22,119,580 |
| (l) Total (4g + 4h + 4k) | \$ 51,743,553 | \$ 4,382,309 | \$ 56,125,862 |

Used in SSAP 10R, Paragraph 10.d.

| | |
|------------------------------|----------------|
| (m) Total adjusted capital | \$ 192,191,532 |
| (n) Authorized control level | \$ 28,097,823 |

2010:

Admission calculation components SSAP 10R, Paragraphs 10.a, 10.b, and 10.c:

| | | | |
|--|---------------|------------|---------------|
| (a) SSAP 10R, Paragraph 10.a. | \$ 17,581,404 | \$ 160,858 | \$ 17,742,262 |
| (b) SSAP 10R, Paragraph 10.b. (lesser of para. 10.b.i. and 10.b.ii. below) | - | - | - |
| (c) SSAP 10R, Paragraph 10.b.i. | - | - | - |
| (d) SSAP 10R, Paragraph 10.b.ii. | 16,149,981 | - | 7,509,656 |
| (e) SSAP 10R, Paragraph 10.c. | - | - | 16,149,981 |
| (f) Total (4a + 4b + 4e) | \$ 33,731,385 | \$ 160,858 | \$ 33,892,243 |

Admission calculation components SSAP 10R, Paragraph 10.e.:

| | | | |
|--|---------------|------------|---------------|
| (g) SSAP 10R, Paragraph 10.e.i. | \$ 19,800,292 | \$ - | \$ 19,800,292 |
| (h) SSAP 10R, Paragraph 10.e.ii. (lesser of para. 10.e.ii.a. and 10.e.ii.b. below) | 8,125,790 | 482,573 | 8,608,363 |
| (i) SSAP 10R, Paragraph 10.e.ii.a. | 8,125,790 | 482,573 | 8,608,363 |
| (j) SSAP 10R, Paragraph 10.e.ii.b. | 16,149,981 | - | 11,264,485 |
| (k) SSAP 10R, Paragraph 10.e.iii. | - | - | 16,149,981 |
| (l) Total (4g + 4h + 4k) | \$ 44,076,063 | \$ 482,573 | \$ 44,558,636 |

Used in SSAP 10R, Paragraph 10.d.

| | |
|------------------------------|----------------|
| (m) Total adjusted capital | \$ 146,938,365 |
| (n) Authorized control level | \$ 24,700,173 |

Change:

Admission calculation components SSAP 10R, Paragraphs 10.a, 10.b, and 10.c:

| | | | |
|--|--------------|--------------|---------------|
| (a) SSAP 10R, Paragraph 10.a. | \$ 1,687,675 | \$ 3,124,560 | \$ 4,812,235 |
| (b) SSAP 10R, Paragraph 10.b. (lesser of para. 10.b.i. and 10.b.ii. below) | - | 1,096,891 | 1,096,891 |
| (c) SSAP 10R, Paragraph 10.b.i. | - | 1,096,891 | 1,096,891 |
| (d) SSAP 10R, Paragraph 10.b.ii. | 5,969,599 | - | 124,868 |
| (e) SSAP 10R, Paragraph 10.c. | - | - | 5,969,599 |
| (f) Total (4a + 4b + 4e) | \$ 7,657,274 | \$ 4,221,451 | \$ 11,878,725 |

Admission calculation components SSAP 10R, Paragraph 10.e.:

| | | | |
|--|--------------|--------------|---------------|
| (g) SSAP 10R, Paragraph 10.e.i. | \$ 560,705 | \$ 2,193,499 | \$ 2,754,204 |
| (h) SSAP 10R, Paragraph 10.e.ii. (lesser of para. 10.e.ii.a. and 10.e.ii.b. below) | 1,137,186 | 1,706,237 | 2,843,423 |
| (i) SSAP 10R, Paragraph 10.e.ii.a. | 1,137,186 | 1,706,237 | 2,843,423 |
| (j) SSAP 10R, Paragraph 10.e.ii.b. | 5,969,599 | - | 187,301 |
| (k) SSAP 10R, Paragraph 10.e.iii. | - | - | 5,969,599 |
| (l) Total (4g + 4h + 4k) | \$ 7,667,490 | \$ 3,899,736 | \$ 11,567,226 |

Used in SSAP 10R, Paragraph 10.d.

| | |
|------------------------------|---------------|
| (m) Total adjusted capital | \$ 45,253,167 |
| (n) Authorized control level | \$ 3,397,650 |

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NOTES TO FINANCIAL STATEMENTS

| | | Ordinary | Capital | Total |
|------------------|--|---------------|--------------|------------------|
| (5) <u>2011:</u> | Impact of tax planning strategies: | | | |
| | (a) Adjusted gross DTA (% of total adjusted gross DTAs) | 0.00% | 6.65% | 6.65% |
| | (b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs) | 0.00% | 7.81% | 7.81% |
| <u>2010:</u> | | Ordinary | Capital | Total |
| | Impact of tax planning strategies: | | | |
| | (a) Adjusted gross DTA (% of total adjusted gross DTAs) | 0.00% | 0.00% | 0.00% |
| | (b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs) | 0.00% | 0.00% | 0.00% |
| <u>Change:</u> | | Ordinary | Capital | Total |
| | Impact of tax planning strategies: | | | |
| | (a) Adjusted gross DTA (% of total adjusted gross DTAs) | 0.00% | 6.65% | 6.65% |
| | (b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs) | 0.00% | 7.81% | 7.81% |
| (6) <u>2011:</u> | | Ordinary | Capital | Total |
| | SSAP 10R, Paragraphs 10.a., 10.b., and 10.c.: | | | |
| | (a) Admitted deferred tax assets | \$ 41,388,659 | \$ 4,382,309 | \$ 45,770,968 |
| | (b) Admitted assets | | | \$ 2,985,750,421 |
| | (c) Adjusted statutory surplus * | | | \$ 141,980,603 |
| | (d) Total adjusted capital from DTAs | | | \$ 181,836,638 |
| | Increases due to SSAP 10R, Paragraph 10.e.: | | | |
| | (e) Admitted deferred tax assets | \$ 10,354,894 | \$ - | \$ 10,354,894 |
| | (f) Admitted assets | | | \$ 10,354,894 |
| | (g) Statutory surplus | | | \$ 10,354,894 |
| <u>2010:</u> | | Ordinary | Capital | Total |
| | SSAP 10R, Paragraphs 10.a., 10.b., and 10.c.: | | | |
| | (a) Admitted deferred tax assets | \$ 33,731,385 | \$ 160,858 | \$ 33,892,243 |
| | (b) Admitted assets | | | \$ 2,588,033,916 |
| | (c) Adjusted statutory surplus * | | | \$ 101,373,767 |
| | (d) Total adjusted capital from DTAs | | | \$ 136,271,972 |
| | Increases due to SSAP 10R, Paragraph 10.e.: | | | |
| | (e) Admitted deferred tax assets | \$ 10,344,678 | \$ 321,715 | \$ 10,666,393 |
| | (f) Admitted assets | | | \$ 10,666,393 |
| | (g) Statutory surplus | | | \$ 10,666,393 |
| <u>Change:</u> | | Ordinary | Capital | Total |
| | SSAP 10R, Paragraphs 10.a., 10.b., and 10.c.: | | | |
| | (a) Admitted deferred tax assets | \$ 7,657,274 | \$ 4,221,451 | \$ 11,878,725 |
| | (b) Admitted assets | | | \$ 397,716,505 |
| | (c) Adjusted statutory surplus * | | | \$ 40,606,836 |
| | (d) Total adjusted capital from DTAs | | | \$ 45,564,666 |
| | Increases due to SSAP 10R, Paragraph 10.e.: | | | |
| | (e) Admitted deferred tax assets | \$ 10,216 | \$ (321,715) | \$ (311,499) |
| | (f) Admitted assets | | | \$ (311,499) |
| | (g) Statutory surplus | | | \$ (311,499) |

* As reported on the statutory balance sheet for the most recently filed statement with the Ohio Department of Insurance commissioner adjusted in accordance with SSAP 10R, Paragraph 10.b.ii.

B. Deferred tax liabilities are not recognized for the following amounts: None.

C. Current income taxes incurred consist of the following major components:

| | | Current Year | Prior Year | Change |
|-------------------------|--|--------------|--------------|--------------|
| (1) Current income tax | | \$ 7,750,142 | \$ 6,536,616 | \$ 1,213,526 |
| | (a) Federal | - | - | - |
| | (b) Foreign | - | - | - |
| | (c) Subtotal | 7,750,142 | 6,536,616 | 1,213,526 |
| | (d) Federal income tax on net capital gains | 2,193,499 | 919,601 | 1,273,898 |
| | (e) Utilization of capital loss carry-forwards | - | - | - |
| | (f) Other | (1,683,971) | (739,240) | (944,731) |
| | (g) Federal and foreign income taxes incurred | \$ 8,259,670 | \$ 6,716,977 | \$ 1,542,693 |
| (2) Deferred tax assets | | Current Year | Prior Year | Change |
| | (a) Ordinary: | \$ - | \$ - | \$ - |
| | (1) Discounting of unpaid losses | \$ - | \$ - | \$ - |
| | (2) Unearned premium revenue | 17,711,425 | 15,888,049 | 1,823,376 |
| | (3) Policyholder reserves | - | - | - |
| | (4) Investments | - | - | - |
| | (5) Deferred acquisition costs | 30,576,225 | 25,695,592 | 4,880,633 |
| | (6) Policyholder dividends accrual | 8,727,990 | 8,023,565 | 704,425 |
| | (7) Fixed assets | - | 27,837 | (27,837) |
| | (8) Compensation and benefits accrual | 1,543,367 | 3,550,752 | (2,007,385) |
| | (9) Pension accrual | - | - | - |
| | (10) Receivables – nonadmitted | 617,639 | 560,359 | 57,280 |
| | (11) Net operating loss carry-forward | - | - | - |
| | (12) Tax credit carry-forward | - | - | - |
| | (13) Other | 2,385,319 | 401,661 | 1,983,658 |
| | (14) Subtotal | 61,561,965 | 54,147,815 | 7,414,150 |
| | (b) Statutory valuation allowance adjustment | - | - | - |
| | (c) Nonadmitted | 9,818,412 | 10,071,752 | (253,340) |
| | (d) Admitted ordinary deferred tax assets (2a14 – 2b – 2c) | 51,743,553 | 44,076,063 | 7,667,490 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

| | | Current Year | Prior Year | Change |
|-----|--|---------------|---------------|---------------|
| (e) | Capital: | | | |
| (1) | Investments | 4,382,309 | 1,608,577 | 2,773,732 |
| (2) | Net capital loss carry-forward | - | - | - |
| (3) | Real estate | - | - | - |
| (4) | Other | - | - | - |
| (5) | Subtotal | 4,382,309 | 1,608,577 | 2,773,732 |
| (f) | Statutory valuation allowance adjustment | - | - | - |
| (g) | Nonadmitted | - | 1,126,004 | (1,126,004) |
| (h) | Admitted capital deferred tax assets (2e5 – 2f – 2g) | 4,382,309 | 482,573 | 3,899,736 |
| (i) | Admitted deferred tax assets (2d + 2h) | \$ 56,125,862 | \$ 44,558,636 | \$ 11,567,226 |
| (3) | Deferred tax liabilities | | | |
| (a) | Ordinary: | | | |
| (1) | Investments | \$ 2,827,766 | \$ 3,429 | \$ 2,824,337 |
| (2) | Fixed assets | 27,441 | - | 27,441 |
| (3) | Deferred and uncollected premium | 15,800,031 | 14,697,956 | 1,102,075 |
| (4) | Policyholder reserves | 1,890,175 | 1,448,597 | 441,578 |
| (5) | Other | - | - | - |
| (6) | Subtotal | 20,545,413 | 16,149,982 | 4,395,431 |
| (b) | Capital: | | | |
| (1) | Investments | 1,574,167 | - | 1,574,167 |
| (2) | Real estate | - | - | - |
| (3) | Other | - | - | - |
| (4) | Subtotal | 1,574,167 | - | 1,574,167 |
| (c) | Deferred tax liabilities (3a6 + 3b4) | \$ 22,119,580 | \$ 16,149,982 | \$ 5,969,598 |
| (4) | Net deferred tax assets (liabilities) (2i – 3c) | \$ 34,006,282 | \$ 28,408,654 | \$ 5,597,628 |

D. Among the more significant book to tax adjustments were the following:

| | Current Year | Effective Tax Rate | Prior Year | Effective Tax Rate |
|---|--------------|--------------------|--------------|--------------------|
| Provision computed at statutory rate | \$ 3,967,153 | 35.00% | \$ 2,452,501 | 35.00% |
| Pension plan | 745,714 | 6.58 | 811,832 | 11.59 |
| Tax credits | (372,622) | (3.29) | (371,995) | (5.31) |
| Other | (934,378) | (8.24) | 393,578 | 5.62 |
| Total statutory income taxes | \$ 3,405,867 | 30.05% | \$ 3,285,916 | 46.90% |
| Federal and foreign income taxes incurred | \$ 6,066,171 | 53.52% | \$ 5,797,376 | 82.74% |
| Change in net deferred income taxes* | (2,660,304) | (23.47) | (2,511,460) | (35.84) |
| Total statutory income taxes | \$ 3,405,867 | 30.05% | \$ 3,285,916 | 46.90% |

* Excludes change in net deferred income taxes on realized gains/losses of \$(311,612) and \$963,855 for the year ended December 31, 2011 and 2010, respectively.

E. At December 31, 2011, the Company had \$0 of operating loss carry forwards.

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

| | |
|------|--------------|
| 2011 | \$ 9,369,251 |
| 2010 | \$ 4,393,081 |
| 2009 | \$ 8,792,166 |

F. The Company's federal income tax return is consolidated with the following entities:

The Western and Southern Life Insurance Company
Western & Southern Mutual Holding Company
Western & Southern Financial Group, Inc.
Western-Southern Life Assurance Company and Subsidiaries
Columbus Life Insurance Company and Subsidiaries
Integrity Life Insurance Company and Subsidiary
The Lafayette Life Insurance Company and Subsidiary
Western-Southern Agency, Inc.
Western-Southern Agency Services, Inc.
WestAd, Inc.
Eagle Realty Investments, Inc.
Fort Washington Investment Advisors, Inc. and Subsidiary
Fort Washington Savings Company

The Western and Southern Life Insurance Company (Western and Southern), affiliate of the Company, files a consolidated income tax return with its eligible affiliates, including the Company. The provision for federal income taxes is allocated to the Company using a separate return method based upon a written tax sharing agreement. Under the agreement, the benefits from losses of subsidiaries are retained by the subsidiary companies. Western and Southern pays all federal income taxes due for all members in the consolidated return. Western and Southern then immediately charges or reimburses, as the case may be, these members an amount consistent with the method described in the tax sharing agreement. At December 31, 2011, the Company has a payable to Western and Southern of \$4.7 million on line 15.1 of page 3.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. The Company is a wholly-owned stock insurance subsidiary of the Western & Southern Financial Group, Inc. which is a wholly-owned subsidiary of Western & Southern Mutual Holding Company (WSMHC). Various relationships are maintained to provide efficiencies and limit costs within the affiliated group. The Company is party to an Administrative Service Cost Sharing Agreement, governing all entities within the affiliated group, with WSMHC that covers direct and indirect allocable costs associated with technological support, financial and actuarial services, legal and compliance and human resource functions provided to the Company. An investment advisory agreement is in effect with Fort Washington Investment Advisors, Inc. to provide discretionary advisory and asset management services. To the extent the Company receives services which inures to the benefit of its subsidiary, LLIC, Inc., these costs are allocated under a separate service agreement.

Specific reinsurance agreements have been transacted to spread risk within the affiliated group and in line with the Company's retention. Reference should be made to Schedule S for additional information regarding their financial impact.

B&C. On December 9, 2011, the Company received a \$37 million capital contribution from Western and Southern Financial Group. The capital contribution consisted of \$3.3 million in cash and \$33.7 in common stocks at market value.

D. For services provided under the administration agreement with WSMHC, payment is to occur quarterly within 60 days of receipt of the invoice and to be remitted directly to Western and Southern, an affiliate domiciled in Ohio. The Company has recorded a payable of \$7,608,157 and \$303,943 to Western and Southern as of December 31, 2011 and 2010, respectively. Additionally, the Company owes \$7,859,194 to Western and Southern for its

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
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portion of benefits accrued under the defined benefit pension and \$5,476,576 to Western and Southern for its portion of benefits accrued under the post retirement benefit plan at December 31, 2011; reference should be made to Note 12.

- E. The Company has no guarantees or undertakings for the benefit of an affiliate which resulted in a material contingent exposure of the Company's assets or liabilities.
- F. Total expenses incurred under the administrative service cost sharing agreement were \$5,675,250 and \$945,422 for 2011 and 2010, respectively. Transactions with LLIA, Inc. were settled monthly with no outstanding balances at year-end. Amounts received for services rendered were \$100,405 and \$123,709 for 2011 and 2010, respectively. Reimbursement of administrative services is made on the basis of the cost of the services provided and is determined in accordance with SSAP 70.
- Under the investment advisory fee with Fort Washington, services are billed quarterly in advance and are rendered on a fee basis. Total expense was \$966,167 and \$386,538 for 2011 and 2010, respectively.
- G. All outstanding shares of the Company are owned by the Western & Southern Financial Group, Inc., a non-insurance subsidiary wholly owned by WSMHC and domiciled in Ohio.
- H. The Company does not own any shares of an upstream affiliate either directly or through its subsidiaries.
- I. The Company does not have an investment in an SCA entity that exceeds 10% of the admitted assets of the insurer.
- J. The Company did not recognize any impairment write down for its investments in subsidiary, controlled or affiliated companies during the statement periods.
- K. Not applicable.
- L. Not applicable.

11. Debt

- A. The Company has no capital notes outstanding. The Company does not hold any dollar reverse repurchase agreements.
- B. FHLB (Federal Home Loan Bank) Agreements

- 1. Thru June 30, 2011, the Company was a member of the Federal Home Loan Bank (FHLB) of Indianapolis. On July 1, 2011, the Company terminated its membership with the FHLB of Indianapolis and became a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company has issued debt to the FHLB of Indianapolis in exchange for cash advances in the amount of \$10 million. It is part of the Company's strategy to utilize these funds for operations and any funds obtained from the FHLB of Indianapolis for use in general operations would be accounted for consistent with SSAP No. 15, *Debt and Holding Company Obligations* as borrowed money. The table below indicates the amounts of FHLB of Indianapolis stock purchased, collateral pledged, assets and liabilities related to the agreement with the FHLB of Indianapolis.

| | Current Year | Prior Year |
|--|--------------|--------------|
| 2. FHLB of Indianapolis stock purchased/owned as part of the agreement | \$ 8,723,700 | \$ 8,792,300 |
| 3. Collateral pledged to the FHLB of Indianapolis | 198,727,540 | 216,388,089 |
| 4. Borrowing capacity currently available | - | 34,492,880 |
| 5. Agreement assets and liabilities | | |
| General Account: Assets | 11,860,828 | 16,662,114 |
| Liabilities | 10,019,250 | 10,019,250 |
| Separate Account: Assets | - | - |
| Liabilities | - | - |

The outstanding advances at December 31, 2011 and 2010 are summarized below:

| Year | Issue Date | Interest Rate | Amount | Accrued Interest | Paid Interest | Maturity Date |
|------------|------------|---------------|---------------|------------------|---------------|---------------|
| 12/31/2011 | 5/3/2005 | 4.62% | \$ 10,000,000 | \$ 19,250 | \$ 468,415 | 5/3/2012 |
| 12/31/2010 | 5/3/2005 | 4.62% | \$ 10,000,000 | \$ 19,250 | \$ 556,087 | 5/3/2012 |

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

- A. Defined Benefit Plan

The Company has no employee retirement plan. However, it contributes its share toward the retirement plans of Western and Southern.

- B. Defined Contribution Plan. None.

- C. Multi-employer Plans. Not applicable.

- D. The Company participates in a qualified, noncontributory defined pension plan sponsored by Western and Southern. In addition, the Company provides certain other postretirement benefits to retired employees through a plan sponsored by Western and Southern. The Company has no legal obligation for benefits under these plans. Western and Southern allocated amounts to the Company based on a rational allocation methodology.

Effective January 1, 2012, the Company's postretirement healthcare and life insurance benefits plan (the Plan) was merged with The Western and Southern Life Insurance Company Flexible Benefits Plan. The plan merger was formally approved in December of 2011, therefore, Western and Southern increased its postretirement benefit obligation by \$5.5 million to reflect its additional liability at December 31, 2011 and recorded a receivable from the Company in an equivalent amount. Although the Company's legal obligation to provide postretirement benefits has been eliminated, it has a payable to Western & Southern in the amount of \$5.5 million which represents the accrued benefit obligation up to the time of the plan merger. On a go forward basis, the Company will participate in The Western and Southern Life Insurance Company Flexible Benefits Plan and be allocated its share of expense based on a rational allocation methodology.

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

- (1) The Company has one class of common stock with a par value of \$1 per share. At December 31, 2011, the Company had 10,000,000 shares authorized, 2,500,000 shares issued and 2,500,000 shares outstanding.
- (2) The Company has no preferred stock outstanding.
- (3) The ability of the Company to pay dividends is limited by state insurance laws. Under Ohio insurance laws, the Company may pay dividends, without the approval of the Ohio Director of Insurance, only from earned surplus and those dividends may not exceed (when added to other dividends paid in the preceding 12 months) the greater of (i) 10% of the Company's surplus as of the prior December 31, or (ii) the Company's net income for the twelve month period ending the prior December 31. Dividends are noncumulative.
- (4) The Company did not pay any dividends in 2011 or 2010.
- (5) Within the limitations of (3) above, there are no restrictions placed on the portion of company profits that may be paid as ordinary dividends to stockholders.

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- (6) There were no restrictions placed on the Company's surplus.
- (7) There are no advances of surplus.
- (8) There was no stock held by the Company, including stock of affiliated companies, for special purposes.
- (9) The Company does not hold any special surplus funds.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses: \$(2,917,055).
- (11) On December 16, 2003, the Company issued and sold a surplus note in the principal amount of \$10,000,000. The registered holder of the note is InCapS Funding II Ltd. with the surplus note issued pursuant to the terms of an indenture under which the trustee is the Wilmington Trust Company. The principal is due in one single installment on January 8, 2034 with interest payments made semi-annually on March 30 and September 30. The interest rate is floating at six-month LIBOR plus 380 basis points adjusted semi-annually.

Any payment of interest or repayment of principal on the surplus note is subject to approval by the Ohio Department of Insurance and may be paid only out of the Company's earnings and only if the Company's surplus exceeds specified levels. A summary of the terms of the surplus note follows:

| Date Issued | Interest Rate at 12/31/2011 | Par Value (Face Amount of Note) | Carrying Value at 12/31/2011 | Principal/Interest Paid 2011 | Total Principal/Interest Paid | Unapproved Principal/Interest | Date of Maturity |
|-------------|-----------------------------|---------------------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|------------------|
| 12/16/2003 | 4.35% | \$ 10,000,000 | \$ 10,000,000 | \$ 432,068 | \$ 5,109,608 | \$ 0 | 1/8/2034 |

- (12) There have been no restatements of surplus due to quasi-reorganizations.
- (13) Not applicable.

14. Contingencies

A. (1) Contingent Commitments

The Company is not aware of any material contingent commitments.

(2) Guarantees. None.

B. Assessments

The Company is not aware of any material assessments.

C. Gain Contingencies

The Company is not aware of any gain contingencies.

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

The Company does not have any material extra contractual obligations or bad faith losses stemming from lawsuits.

E. All Other Contingencies

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. Leases

A. The Company did not have any material lease obligations at December 31, 2011.

B. The Company is not involved in any material lessor leasing arrangements.

16. The Company had no financial instruments with off-balance sheet risk.

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

A. Transfers of Receivables Reported as Sales. None.

B. Transfer and Servicing of Financial Assets. None.

C. The Company did not have any wash sales for securities with a NAIC designation of 3 or below, or unrated.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans. None.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators. None.

20. Fair Value Measurements

A.

(1) Fair Value Measurements at December 31, 2011

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|---------|---------|------------|------------|
| Assets at fair value | | | | |
| Bonds | | | | |
| U.S. governments | \$ | - | \$ | - |
| Issuer obligation | | - | 283,640 | - |
| RMBS | - | | - | - |
| CMBS | - | | - | - |
| Hybrid securities | - | | - | - |
| Parent, subsidiaries and affiliates | - | | - | - |
| Total bonds | \$ | - | \$ 283,640 | \$ 283,640 |
| Preferred stock | | | | |
| Industrial and miscellaneous | \$ | - | \$ | - |
| Parent, subsidiaries and affiliates | | - | - | - |
| Total preferred stock | \$ | - | \$ | - |

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| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|----------------------|-------------------|------------------------|------------------------|
| Common stock | | | | |
| Industrial and miscellaneous | \$ 33,421,152 | \$ - | \$ - | \$ 33,421,152 |
| Parent, subsidiaries and affiliates | - - | - - | - - | - - |
| Mutual funds | - - | - - | - - | - - |
| Total common stock | \$ 33,421,152 | \$ - | \$ - | \$ 33,421,152 |
| Derivative assets | | | | |
| Interest rate contracts | - - | - - | - - | - - |
| Options, purchased | - - | - - | 26,003,620 | 26,003,620 |
| Foreign exchange contracts | - - | - - | - - | - - |
| Credit contracts | - - | - - | - - | - - |
| Commodity futures contracts | - - | - - | - - | - - |
| Commodity forward contracts | - - | - - | - - | - - |
| Total derivative assets | \$ - - | \$ - - | \$ 26,003,620 | \$ 26,003,620 |
| Separate account assets | - - | - - | - - | - - |
| Total assets at fair value | <u>\$ 33,421,152</u> | <u>\$ 283,640</u> | <u>\$ 26,003,620</u> | <u>\$ 59,708,412</u> |
| Liabilities at fair value | Level 1 | Level 2 | Level 3 | Total |
| Derivative liabilities | \$ - - | \$ - - | \$ (18,070,343) | \$ (18,070,343) |
| Total liabilities at fair value | <u>\$ - -</u> | <u>\$ - -</u> | <u>\$ (18,070,343)</u> | <u>\$ (18,070,343)</u> |

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy. See Note 20A(3) for the policy for determining when transfers between levels are recognized.

(2) Fair Value Measurements in Level 3 of the Fair Value Hierarchy

| | Balance at 1/1/2011 | Transfers in Level 3 | Transfers out of Level 3 | Total Gains (Losses) Included in Net Income | Total Gains (Losses) Included in Surplus | Net Purchases, Issuances, Sales and Settlements | Balance at 12/31/2011 |
|------------------------|------------------------|-------------------------|--------------------------------|--|---|---|--------------------------|
| Derivative assets | \$ 51,221,758 | \$ - | \$ - | \$ (9,818,366) | \$ (8,960,681) | \$ (6,439,092) | \$ 26,003,619 |
| Derivative liabilities | (36,631,563) | - - | - - | 11,685,852 | 5,427,762 | 1,447,606 | (18,070,343) |
| Total | <u>\$ 14,590,195</u> | <u>\$ - -</u> | <u>\$ - -</u> | <u>\$ 1,867,486</u> | <u>\$ (3,532,919)</u> | <u>\$ (4,991,486)</u> | <u>\$ 7,933,276</u> |

Gross Purchases, Issuances, Sales and Settlements

| | Purchases | Issuances | Sales | Settlements | Net Purchases, Issuances, Sales and Settlements |
|------------------------|----------------------|------------------------|---------------|------------------------|---|
| Derivative assets | \$ 35,199,319 | \$ - | \$ - | \$ (41,638,411) | \$ (6,439,092) |
| Derivative liabilities | - - | (23,653,760) | - - | 25,101,366 | 1,447,606 |
| Total | <u>\$ 35,199,319</u> | <u>\$ (23,653,760)</u> | <u>\$ - -</u> | <u>\$ (16,537,045)</u> | <u>\$ (4,991,486)</u> |

(3) The Company's policy is to recognize transfers in and transfers out of levels at the end of the reporting period.

(4) The derivatives in Level 3 consist of options on the S&P 500 Index and are valued using a valuation model and inputs from outside sources. The models include the Black-Scholes-Merton model for point to point options, spreads and average (SPAV) algorithm model for monthly average options and a Monte Carlo model monthly cap (cliquet) options. The SPAV model is provided by Financial Engineering Associates of Berkley California.

The assumptions used are derived from outside sources. Bloomberg investment services supplies the S&P Index level, the dividend yield and the London Interbank Offering (interest) Rates (LIBOR). Investment banks supply estimates of the implied volatility surface. Other than interpolation of the interest rates and implied volatility rates all inputs are provided by the outside sources.

The fair values of bonds in Level 2 have been determined through the use of third-party pricing services utilizing market observable inputs.

The fair value of common stock has been determined utilizing publicly quoted prices from third-party pricing services.

- B. Not applicable.
- C. Not applicable.
- D. Not applicable.

21. Other Items

- A. Extraordinary Items. None.
- B. Troubled Debt Restructuring. None.
- C. Other Disclosures. None.
- D. Uncollectible Assets. None.
- E. Business Interruption Insurance Recoveries. None.
- F. State Transferable Tax Credits. None.
- G. Subprime Mortgage Related Risk Exposure

The Company does not have any direct investments in subprime mortgage loans. The Company does not have any equity investments in subsidiary, controlled or affiliated entities with significant subprime mortgage related risk exposure. This disclosure does not include an evaluation of mortgage-backed debt securities commonly referred to as Alt A because these debt securities do not generally share all characteristics of subprime mortgage related risk.

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The Company invests directly in certain debt securities which are considered to have subprime mortgage related risk. The Company considers the following general characteristics typical of its debt securities with subprime mortgage exposure:

- Underlying borrowers with low credit ratings (FICO score generally lower than 670);
- Underlying loans with interest rates above rates available to prime borrowers;
- Underlying loans with generally higher initial loan-to-value ratios;
- Underlying loans with generally higher concentration of second liens;
- Underlying loans with generally higher concentration of manufactured housing;
- Securities with generally higher spread between collateral interest received and interest payments to investors;
- Securities with generally higher level of overcollateralization.

Investments in debt securities with subprime mortgage exposure, similar to other types of investments, can subject an investor to unrealized losses due to changing interest rates or general credit spread widening. Similarly, an investor is exposed to realized losses if actual cash flow of the underlying mortgages is worse than expected due to higher defaults which can result in principal loss for the investor.

In order to manage subprime mortgage related risk the Company uses proprietary risk models to project probability of default and recoveries of underlying collateral, proprietary surveillance systems to monitor credit performance, exposure analysis by risk category and maintenance of a watchlist for higher risk investments.

The following table shows our investments in debt securities with subprime mortgage exposure based on the definition above:

| | Actual Cost | Book/Adjusted Carrying Value | Fair Value | Other-Than-Temporary Impairment Losses Recognized |
|--|---------------------|------------------------------|---------------------|---|
| Residential mortgage-backed securities | \$ 1,921,666 | \$ 1,916,036 | \$ 1,763,035 | \$ - |
| Commercial mortgage-backed securities | - | - | - | - |
| Collateralized debt obligations | - | - | - | - |
| Structured securities | - | - | - | - |
| | \$ 1,921,666 | \$ 1,916,036 | \$ 1,763,035 | \$ - |

The percentage of book value of these debt securities that have underlying loans with primarily variable interest rates is 0.00%.

H. Retained Assets

(1) The Company offered, during 2011, retained asset accounts as an optional form of settlement. Under the claim form, as drafted prior to August 2010, the retained asset option was, with certain exceptions, the default option for amounts equal to or greater than \$25,000 payable to a beneficiary who was an adult natural person. However, in certain states, namely Arkansas, Colorado, Florida, Kansas, Nevada, New York, North Carolina and North Dakota, the retained asset option had to be affirmatively elected in accordance with the requirements of applicable state law. The retained asset account option was not available to residents of Alaska. Even though the retained asset option was the stated default option for amounts equal to or greater than \$25,000 (payable to an adult natural person beneficiary), the Company would not enforce the option if objected to by the beneficiary should the beneficiary desire a lump sum payment instead. In August 2010, the Company changed its claim form for retained assets. The option is no longer the default option but must be affirmatively elected and approved. In addition, the option is not available to residents of the states of Alaska, New Jersey, New York or any other state which does not permit the retained asset option.

The Company's retained asset program is serviced by an unaffiliated bank. The funds in the retained asset option are held in the general funds of the Company until a draft is written through the bank against the account. Thus, the assets and liabilities related to retained assets accounts remain on the Company's financial statements. The retained asset accounts are included in liability-type deposit contracts. The interest rate paid to retained asset accountholders during 2011 was 0.10%. That rate did not change in 2011. The accountholder is not charged for routine administrative fees associated with the retained asset account. The accountholder is responsible for fees associated with insufficient funds drafts on the account and stop payments on drafts on the account.

(2) The number and balance of retained asset accounts in force as of December 31, 2011 and December 31, 2010 are as follows:

| | Current Year | | Prior Year | |
|-------------------------------|--------------|---------------------|------------|---------------------|
| | Number | Balance | Number | Balance |
| Up to and including 12 months | 5 | \$ 361,078 | 18 | \$ 1,250,204 |
| 13 to 24 months | 13 | 627,085 | 18 | 691,347 |
| 25 to 36 months | 11 | 600,499 | 13 | 342,726 |
| 37 to 48 months | 11 | 201,535 | - | - |
| 49 to 60 months | - | - | - | - |
| Over 60 months | - | - | - | - |
| Total | 40 | \$ 1,790,197 | 49 | \$ 2,284,277 |

(3)

| | Individual | | Group | |
|---|------------|----------------|--------|----------------|
| | Number | Balance/Amount | Number | Balance/Amount |
| Retained asset accounts at the beginning of the year | 49 | \$ 2,284,277 | - | \$ - |
| Retained asset accounts issued/added during the year | 10 | 1,734,852 | - | - |
| Investment earnings credited to retained asset accounts | N/A | 2,502 | N/A | - |
| Fees and other charges assessed to retained asset accounts | N/A | 75 | N/A | - |
| Retained asset accounts transferred to state unclaimed property funds | - | - | - | - |
| Retained asset accounts closed/withdrawn | 19 | 2,231,359 | - | - |
| Retained asset accounts at the end of the year | 40 | \$ 1,790,197 | - | \$ - |

22. Events Subsequent

The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the Balance Sheet date. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Company is required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. Management has evaluated subsequent events through the issuance of these financial statements on February 24, 2012.

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23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, office, trustee, or director of the company? Yes () No (X)
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes () No (X)
 - a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.
 - b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement?
- (2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes () No (X)

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

B. The Company had no uncollectible reinsurance balances written off through income or expense during the year.

C. The Company had no commutation of reinsurance reflected in income or expense during the year.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination. None.

25. Change in Incurred Losses and Loss Adjustment Expenses. None.

26. Intercompany Pooling Arrangements. None.

27. Structured Settlements. None.

28. Health Care Receivables. None.

29. Participating Policies

A. For the year ended 2011, the relative percentage of participating insurance is 30.2% based upon in force amounts; for 2010, the percentage was 35.8%. Reference should be made to the Exhibit of Life Insurance – Classification of amount of Insurance by Participating Status.

B&C. The Company accounts for its policyholder dividends on an accrual basis consistent with SSAP 51 and 54, which includes dividends due and unpaid, amounts apportioned for payment in the following 12 months with the assumption that all policies remain in force at their current face amount, and dividends left on deposit to accumulate interest. For participating business, the total amount incurred was \$20,264,680 and \$21,708,814 for 2011 and 2010, respectively.

D. There are no other amounts of additional income allocated to participating policies in the financial statements.

30. Premium Deficiency Reserves

As of December 31, 2011, the Company had no liabilities related to premium deficiency reserves for all accident and health contracts.

31. Reserves for Life Contracts and Annuity Contracts

- (1) The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) Policies issued prior to January 1, 1948, for substandard lives are charged the gross premiums for a rated age. Mean reserves are determined by computing the regular mean reserves at the rated age. Policies issued after January 1, 1948, for substandard lives are charged an extra premium plus the regular gross premium for the true age. Mean reserves are determined by computing the regular mean reserve at the true age and holding an additional one-half (1/2) of the extra premium charge for the year.
- (3) As of December 31, 2011, the Company had \$350,764,284 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the state of Ohio. Reserves to cover this insurance totaled \$2,205,537 at year-end and are reported in Exhibit 5, Life Insurance and Annuities sections.
- (4) The tabular interest, the tabular less actual reserve released, and the tabular cost have been determined by formula as described in the instructions.
- (5) The determination of tabular interest on funds not involving life has been determined by formula as described in the instructions.
- (6) The details for other changes: None.

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

| | General Account | Separate Account with Guarantees | Separate Account Nonguaranteed | Total | % of Total |
|---|-------------------------|----------------------------------|--------------------------------|-------------------------|------------|
| A. Subject to discretionary withdrawal: | | | | | |
| (1) With fair value adjustment | \$ - | \$ - | \$ - | - | 0.00% |
| (2) At book value less surrender charge of 5% or more | 666,846,874 | - | - | 666,846,874 | 52.17% |
| (3) At fair value | - | - | - | - | 0.00% |
| (4) Total with adjustment or at market value (Total of 1 through 3) | 666,846,874 | - | - | 666,846,874 | 52.17% |
| (5) At book value without adjustment (minimal or no charge or adjustment) | 358,879,745 | - | - | 358,879,745 | 28.08% |
| B. Not subject to discretionary withdrawal | 252,396,778 | - | - | 252,396,778 | 19.75% |
| C. Total (gross) | 1,278,123,397 | - | - | 1,278,123,397 | 100.00% |
| D. Reinsurance ceded | 26,655,306 | - | - | 26,655,306 | |
| E. Total (net)* (C) - (D) | <u>\$ 1,251,468,091</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,251,468,091</u> | |

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

F. Life & Accident & Health Annual Statement:

| | Amount |
|--|------------------|
| 1. Exhibit 5, Annuities Section, Total (net) | \$ 1,015,202,061 |
| 2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net) | 13,750,550 |
| 3. Exhibit 7, Exhibit of Deposit-Type Contracts, Line 14, Column 1 | 222,515,480 |
| 4. Subtotal | 1,251,468,091 |

Separate Accounts Annual Statement

| | |
|---|-------------------------|
| 5. Exhibit 3, Line 0299999, Column 2 | - |
| 6. Exhibit 3, Line 0399999, Column 2 | - |
| 7. Policyholder dividend and coupon accumulations | - |
| 8. Policyholder premiums | - |
| 9. Guaranteed interest contracts | - |
| 10. Other contract deposit funds | - |
| 11. Subtotal | - |
| 12. Combined Total | <u>\$ 1,251,468,091</u> |

G. FHLB (Federal Home Loan Bank) Agreements

1. Thru June 30, 2011, the Company was as a member of the Federal Home Loan Bank (FHLB) of Indianapolis. On July 1, 2011, the Company terminated its membership with the FHLB of Indianapolis and became a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company has issued funding agreements to the FHLB of Indianapolis in exchange for cash advances in the amount of \$153,564,352. The Company uses these funds in an investment spread strategy, consistent with its other investment spread operations. As such, the Company applies SSAP No. 52 accounting treatment to these funds, consistent with its other deposit-type contracts. It is not part of the Company's strategy to utilize these funds for operations, and any funds obtained from the FHLB of Cincinnati for use in general operations would be accounted for consistent with SSAP No. 15 as borrowed money. The table below indicates the amount of FHLB of Indianapolis and FHLB of Cincinnati stock purchased, collateral pledged, assets and liabilities related to the agreements with the FHLB of Indianapolis and the FHLB of Cincinnati in 2011.

| | Total | Indianapolis | Cincinnati |
|--|---------------|--------------|--------------|
| 2. FHLB of Indianapolis stock purchased/owned as part of the agreement | \$ 12,800,500 | \$ 8,723,700 | \$ 4,076,800 |
| 3. Collateral pledged to the FHLB of Indianapolis | 198,727,540 | 198,727,540 | - |
| 4. Borrowing capacity currently available | - | - | - |
| 5. Total reserves related to funding agreement | 154,233,089 | 154,233,089 | - |
| 6. Agreement assets and liabilities | | | |
| General Account: Assets | 148,286,255 | 148,286,255 | - |
| Liabilities | 154,233,089 | 154,233,089 | - |
| Separate Account: Assets | - | - | - |
| Liabilities | - | - | - |

7. The table below indicates the amount of FHLB of Indianapolis stock purchased, collateral pledged, assets and liabilities related to the agreement with the FHLB of Indianapolis in 2010.

| | 2010 |
|--|--------------|
| 8. FHLB of Cincinnati stock purchased/owned as part of the agreement | \$ 8,792,300 |
| 9. Collateral pledged to the FHLB of Cincinnati | 216,388,089 |
| 10. Borrowing capacity currently available | 34,492,880 |
| 11. Total reserves related to funding agreement | 161,180,683 |
| 12. Agreement assets and liabilities | |
| General Account: Assets | 156,252,826 |
| Liabilities | 161,180,683 |
| Separate Account: Assets | - |
| Liabilities | - |

33. Premiums and Annuity Considerations Deferred and Uncollected

| Type | Gross | Net of Loading |
|---------------------------|----------------------|----------------------|
| (1) Industrial | \$ - | \$ - |
| (2) Ordinary new business | 4,755,884 | 1,436,596 |
| (3) Ordinary renewal | 40,571,620 | 35,025,789 |
| (4) Credit Life | - | - |
| (5) Group Life | - | - |
| (6) Group Annuity | - | - |
| (7) Totals | <u>\$ 45,327,504</u> | <u>\$ 36,462,385</u> |

34. Separate Accounts. None.

35. Loss/Claim Adjustment Expenses. None.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

| 1.1 | Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] | | | | | | |
|---------------------|--|--|------------------------|------------------------|-------|-------|-------|--|
| 1.2 | 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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input type="checkbox"/>] | | | | | | |
| 1.3 | 1.3 State Regulating? | OHIO | | | | | | |
| 2.1 | 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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] | | | | | | |
| 2.2 | 2.2 If yes, date of change: | 02/03/2011 | | | | | | |
| 3.1 | 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. | 12/31/2006 | | | | | | |
| 3.2 | 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. | 12/31/2006 | | | | | | |
| 3.3 | 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). | 05/05/2008 | | | | | | |
| 3.4 | 3.4 By what department or departments? INDIANA DEPARTMENT OF INSURANCE | | | | | | | |
| 3.5 | 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 [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/>] | | | | | | |
| 3.6 | 3.6 Have all of the recommendations within the latest financial examination report been complied with? | Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/>] | | | | | | |
| 4.1 | 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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] | | | | | | |
| | 4.12 renewals? | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] | | | | | | |
| 4.2 | 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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] | | | | | | |
| | 4.22 renewals? | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] | | | | | | |
| 5.1 | 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] | | | | | | |
| 5.2 | 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. | | | | | | | |
| | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; width: 33%;">1 Name of Entity</th> <th style="text-align: center; width: 33%;">2 NAIC Company Code</th> <th style="text-align: center; width: 33%;">3 State of Domicile</th> </tr> </thead> <tbody> <tr> <td>.....</td> <td>.....</td> <td>.....</td> </tr> </tbody> </table> | 1 Name of Entity | 2 NAIC Company Code | 3 State of Domicile | | | | |
| 1 Name of Entity | 2 NAIC Company Code | 3 State of Domicile | | | | | | |
| | | | | | | | | |
| 6.1 | 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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] | | | | | | |
| 6.2 | 6.2 If yes, give full information: | | | | | | | |
| 7.1 | 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? | Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] | | | | | | |
| 7.2 | 7.2 If yes, 7.21 State the percentage of foreign control; | 0.0 % | | | | | | |
| | 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 or government, manager or attorney in fact). | | | | | | | |

| 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; 0.0 %
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 or government, manager or attorney in fact).

| 1 Nationality | 2 Type of Entity |
|------------------|---------------------|
|------------------|---------------------|

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
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 [X] No []
 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 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 OTS | 6 FDIC | 7 SEC |
|-------------------------------|-----------------------------|----------|----------|----------|-----------|----------|
| FORT WASHINGTON SAVINGS | CINCINNATI, OH | | | YES | | |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 ERNST AND YOUNG, 312 WALNUT STREET, CINCINNATI, OH 45202

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

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?
 NORA MOUSHEY, 400 BROADWAY STREET, CINCINNATI, OH
 OFFICER OF REPORTING ENTITY

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 0

12.13 Total book/adjusted carrying value \$ 0

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 [] N/A []

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

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

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

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

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

(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
 17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
 18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? 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)? Yes [] No [X]
 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans): 20.11 To directors or other officers \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal Only) \$ 0
 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers \$ 0
 20.23 Trustees, supreme or grand (Fraternal Only) \$ 0
 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
 21.2 If yes, state the amount thereof at December 31 of the current year: 21.21 Rented from others \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 22.2 If answer is yes: 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes [X] No []
 24.2 If no, give full and complete information relating thereto
 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs \$ 0
 24.6 If answer to 24.4 is no, report amount of collateral for other programs \$ 0
 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
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 [] No []

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

| | | |
|-------|--|----------------------|
| 25.21 | Subject to repurchase agreements | \$ 0 |
| 25.22 | Subject to reverse repurchase agreements | \$ 0 |
| 25.23 | Subject to dollar repurchase agreements | \$ 0 |
| 25.24 | Subject to reverse dollar repurchase agreements | \$ 0 |
| 25.25 | Pledged as collateral | \$ 183,179,637 |
| 25.26 | Placed under option agreements | \$ 0 |
| 25.27 | Letter stock or other securities restricted as to sale | \$ 0 |
| 25.28 | On deposit with state or other regulatory body | \$ 2,294,170 |
| 25.29 | Other | \$ 0 |

25.3 For category (25.27) provide the following:

| 1 Nature of Restriction | 2 Description | 3 Amount |
|----------------------------|------------------|-------------|
| | | |

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No []

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No []

27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

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 [] 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 |
|-------------------------------|-------------------------------------|
| BANK OF NEW YORK MELLON | ONE WALL STREET, NY, NY 12086 |
| FEDERAL HOME LOAN BANK | CINCINNATI, OH |
| FEDERAL HOME LOAN BANK | INDIANAPOLIS, IN |

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 []

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

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 Reason |
|--------------------|---|---------------------|------------------------------|
| | Federal Home Loan Bank, Cincinnati OH | 01/07/2011 | Home office relocation |

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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 |
|---|--|---|
| 107126 | FT. WASHINGTON INVESTMENT ADVISORS | 303 BROADWAY, SUITE 1200, CINTI, OH 45202 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
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 | 2,298,450,366 | 2,505,004,555 | 206,554,189 |
| 30.2 Preferred stocks | 0 | 0 | 0 |
| 30.3 Totals | 2,298,450,366 | 2,505,004,555 | 206,554,189 |

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

Fair values were generally obtained from IDC, Princeton Financial Spread Pricing Module and/or an Internal Pricing Committee/Internal Pricing Models.

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 [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

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:

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$227,417

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 |
|---|------------------|
| AMERICAN COUNCIL OF LIFE INSURERS | 70,148 |

34.1 Amount of payments for legal expenses, if any?\$310,048

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 |
|----------------------------|------------------|
| WINTHROP & WEINSTINE | 187,616 |

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$9,436

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 |
|---|------------------|
| ASSOCIATION OF INDIANA LIFE INSURANCE COMPANIES | 9,436 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
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? | \$ 0 |
| 1.31 | Reason for excluding: | |
| 1.4 | Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. | \$ 0 |
| 1.5 | Indicate total incurred claims on all Medicare Supplement insurance. | \$ 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 |
| 1.7 | Group policies: | 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 |
| 2. | Health Test: | 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 |
| 3.1 | Does this reporting entity have Separate Accounts? | Yes [] No [X] |
| 3.2 | If yes, has a Separate Accounts Statement been filed with this Department? | Yes [] No [] N/A [X] |
| 3.3 | What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? | \$ 0 |
| 3.4 | State the authority under which Separate Accounts are maintained: | |
| 3.5 | Was any of the reporting entity's Separate Accounts business reinsured as of December 31? | Yes [] No [] |
| 3.6 | Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? | Yes [] No [] |
| 3.7 | If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?" | 0 |
| 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 \$ 5,675,250 4.22 Received \$ 100,405 |
| 5.1 | Does the reporting entity write any guaranteed interest contracts? | Yes [] No [X] |
| 5.2 | If yes, what amount pertaining to these lines is included in: | 5.21 Page 3, Line 1 \$ 0 5.22 Page 4, Line 1 \$ 0 |
| 6. | FOR STOCK REPORTING ENTITIES ONLY: | |
| 6.1 | Total amount paid in by stockholders as surplus funds since organization of the reporting entity: | \$ 40,825,285 |
| 7. | Total dividends paid stockholders since organization of the reporting entity: | 7.11 Cash \$ 0 7.12 Stock \$ 0 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
GENERAL INTERROGATORIES

8.1 Does the company reinsurance any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes [] No []

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

| | 1 Reinsurance Assumed | 2 Reinsurance Ceded | 3 Net Retained |
|--|-----------------------------|---------------------------|----------------------|
| 8.31 Earned premium | .0 | 0 | 0 |
| 8.32 Paid claims | .0 | 0 | 0 |
| 8.33 Claim liability and reserve (beginning of year) | .0 | 0 | 0 |
| 8.34 Claim liability and reserve (end of year) | .0 | 0 | 0 |
| 8.35 Incurred claims | .0 | 0 | 0 |

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:

| | 1 Attachment Point | 2 Earned Premium | 2 Claim Liability and Reserve |
|--------------------------------|--------------------------|------------------------|-------------------------------------|
| 8.41 <\$25,000 | 0 | 0 | 0 |
| 8.42 \$25,000 - 99,999 | 0 | 0 | 0 |
| 8.43 \$100,000 - 249,999 | 0 | 0 | 0 |
| 8.44 \$250,000 - 999,999 | 0 | 0 | 0 |
| 8.45 \$1,000,000 or more | 0 | 0 | 0 |

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$ 0

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

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: \$ 0

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

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

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. \$ 0

11.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

11.4 If yes, please provide the balance of funds administered as of the reporting date. \$ 0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

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

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

| | 1 2011 | 2 2010 | 3 2009 | 4 2008 | 5 2007 |
|--|---------------|---------------|---------------|---------------|---------------|
| Life Insurance in Force | | | | | |
| (Exhibit of Life Insurance) | | | | | |
| 1. Ordinary - whole life and endowment (Line 34, Col. 4) | 9,857,315 | 9,176,339 | 8,365,119 | 8,132,529 | 7,938,050 |
| 2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) | 5,863,446 | 4,995,395 | 3,982,427 | 3,353,328 | 2,991,641 |
| 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) | 50,497 | 54,876 | 768,530 | 7,215,435 | 12,380,556 |
| 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) | 15,771,258 | 14,226,610 | 13,116,076 | 18,701,292 | 23,310,247 |
| New Business Issued | | | | | |
| (Exhibit of Life Insurance) | | | | | |
| 8. Ordinary - whole life and endowment (Line 34, Col. 2) | 1,194,387 | 1,330,047 | 1,024,042 | 1,009,140 | 964,257 |
| 9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2) | 1,289,736 | 1,400,333 | 1,037,399 | 748,386 | 479,257 |
| 10. Credit life (Line 2, Col. 6) | 0 | 0 | 0 | 0 | 0 |
| 11. Group (Line 2, Col. 9) | 0 | 0 | 0 | 1,568,551 | 3,296,116 |
| 12. Industrial (Line 2, Col. 2) | 0 | 0 | 0 | 0 | 0 |
| 13. Total (Line 2, Col. 10) | 2,484,123 | 2,730,380 | 2,061,441 | 3,326,077 | 4,739,630 |
| 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) | 357,291,994 | 317,865,415 | 238,887,677 | 210,904,437 | 198,439,217 |
| 15.2 Ordinary-individual annuities (Line 20.4, Col. 4) | 242,593,425 | 253,803,686 | 149,784,175 | 101,581,654 | 75,667,481 |
| 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) | 32,544 | 104,783 | 694,872 | 24,808,820 | 23,410,957 |
| 17.2 Group annuities (Line 20.4, Col. 7) | 12,662,514 | 14,360,767 | 14,630,029 | 10,285,755 | 6,447,356 |
| 18.1 A & H-group (Line 20.4, Col. 8) | 0 | (1,053) | 139,277 | 5,871,843 | 7,941,292 |
| 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) | 331,202 | 0 | 0 | 0 | 0 |
| 19. Aggregate of all other lines of business (Line 20.4, Col. 11) | 0 | 0 | 0 | 0 | 0 |
| 20. Total | 612,911,679 | 586,133,598 | 404,136,030 | 353,452,509 | 311,906,303 |
| Balance Sheet (Pages 2 & 3) | | | | | |
| 21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3) | 2,996,105,315 | 2,598,700,309 | 2,268,229,627 | 2,017,159,154 | 1,937,269,421 |
| 22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) | 2,843,769,818 | 2,486,660,149 | 2,152,479,583 | 1,914,263,659 | 1,819,061,058 |
| 23. Aggregate life reserves (Page 3, Line 1) | 2,475,892,168 | 2,103,636,820 | 1,752,804,966 | 1,571,404,419 | 1,508,745,562 |
| 24. Aggregate A & H reserves (Page 3, Line 2) | 1,023,221 | 1,132,011 | 1,328,763 | 1,623,427 | 1,588,152 |
| 25. Deposit-type contract funds (Page 3, Line 3) | 222,515,481 | 232,587,313 | 228,382,662 | 217,831,306 | 168,427,441 |
| 26. Asset valuation reserve (Page 3, Line 24.01) | 17,387,477 | 13,435,970 | 7,819,740 | 9,350,929 | 15,021,444 |
| 27. Capital (Page 3, Lines 29 and 30) | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| 28. Surplus (Page 3, Line 37) | 149,835,497 | 109,540,160 | 113,250,044 | 100,395,495 | 115,708,363 |
| Cash Flow (Page 5) | | | | | |
| 29. Net Cash from Operations (Line 11) | 359,392,538 | 350,895,532 | 184,271,402 | 92,244,056 | 74,973,609 |
| Risk-Based Capital Analysis | | | | | |
| 30. Total adjusted capital | 192,191,532 | 146,938,365 | 143,094,487 | 130,347,374 | 149,369,917 |
| 31. Authorized control level risk - based capital | 28,097,796 | 24,700,173 | 21,199,845 | 19,243,763 | 23,278,368 |
| 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) | 78.6 | 77.9 | 75.5 | 76.1 | 78.3 |
| 33. Stocks (Lines 2.1 and 2.2) | 1.6 | 0.4 | 0.4 | 1.1 | 0.8 |
| 34. Mortgage loans on real estate(Lines 3.1 and 3.2) | 8.0 | 9.4 | 10.8 | 12.0 | 11.5 |
| 35. Real estate (Lines 4.1, 4.2 and 4.3) | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| 36. Cash, cash equivalents and short-term investments (Line 5) | 1.2 | 1.2 | 1.0 | 2.1 | 0.8 |
| 37. Contract loans (Line 6) | 8.8 | 8.4 | 8.0 | 7.6 | 6.6 |
| 38. Derivatives (Page 2, Line 7) | 0.9 | 2.1 | XXX | XXX | XXX |
| 39. Other invested assets (Line 8) | 0.8 | 0.6 | 0.4 | 0.4 | 0.2 |
| 40. Receivables for securities (Line 9) | 0.0 | 0.0 | 0.1 | 0.0 | 0.5 |
| 41. Securities lending reinvested collateral assets (Line 10) | 0.0 | 0.0 | XXX | XXX | XXX |
| 42. Aggregate write-ins for invested assets (Line 11) | 0.0 | 0.0 | 3.7 | 0.7 | 1.2 |
| 43. Cash, cash equivalents and invested assets (Line 12) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA

(Continued)

| | 1 2011 | 2 2010 | 3 2009 | 4 2008 | 5 2007 |
|--|---------------|---------------|---------------|---------------|---------------|
| Investments in Parent, Subsidiaries and Affiliates | | | | | |
| 44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1), | 296,297 | 536,969 | 494,477 | 260,019 | 218,184 |
| 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 | 0 |
| 50. Total of above Lines 44 to 49 | 296,297 | 536,969 | 494,477 | 260,019 | 218,184 |
| Total Nonadmitted and Admitted Assets | | | | | |
| 51. Total nonadmitted assets (Page 2, Line 28, Col. 2) | 11,590,322 | 13,568,114 | 13,268,829 | 19,988,573 | 16,097,358 |
| 52. Total admitted assets (Page 2, Line 28, Col. 3) | 2,996,105,315 | 2,598,700,309 | 2,268,229,627 | 2,017,159,154 | 1,937,269,421 |
| Investment Data | | | | | |
| 53. Net investment income (Exhibit of Net Investment Income) | 143,818,061 | 136,511,567 | 124,148,320 | 99,988,841 | 100,501,704 |
| 54. Realized capital gains (losses) (Page 4, Line 34, Column 1) | 404,011 | 5,381,304 | (8,660,594) | (13,294,289) | (4,939,086) |
| 55. Unrealized capital gains (losses) (Page 4, Line 38, Column 1) | (2,555,356) | 468,151 | 2,341,934 | (2,507,954) | 60,797 |
| 56. Total of above Lines 53, 54 and 55 | 141,666,716 | 142,361,022 | 117,829,660 | 84,186,598 | 95,623,415 |
| Benefits and Reserve Increases (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) | 210,306,689 | 203,356,144 | 197,265,373 | 240,133,679 | 203,239,678 |
| 58. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11) | 209,021 | 218,297 | 189,927 | 525,230 | 777,903 |
| 59. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3) | 193,796,182 | 168,241,948 | 89,443,006 | 68,260,113 | 88,342,046 |
| 60. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11) | (108,790) | (196,752) | (294,664) | 35,275 | (176,076) |
| 61. Dividends to policyholders (Line 30, Col. 1) | 43,537,602 | 42,611,988 | 37,328,017 | 34,065,857 | 31,663,959 |
| 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 100.0 | 16.9 | 16.7 | 18.1 | 20.9 | 19.9 |
| 63. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0 | 5.9 | 6.4 | 8.3 | 8.5 | 6.4 |
| 64. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2) | 30.3 | (2,049.0) | (74.2) | 9.7 | 7.6 |
| 65. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2) | 0.0 | (1.0) | 0.1 | 0.1 | 0.0 |
| 66. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2) | 19.1 | (6,365.9) | 85.1 | 106.3 | 78.8 |
| A & H Claim Reserve Adequacy | | | | | |
| 67. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2) | 1,232,242 | 1,351,995 | 1,587,640 | 1,790,747 | 1,631,647 |
| 68. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2) | 1,132,011 | 1,330,450 | 1,764,413 | 1,828,549 | 1,996,121 |
| 69. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2) | 0 | 0 | 0 | 0 | 0 |
| 70. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2) | 0 | 0 | 0 | 0 | 0 |
| 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) | 3,719,175 | 638,738 | 7,059,111 | 2,839,737 | 2,070,381 |
| 73. Ordinary - individual annuities (Col. 4) | 3,249,711 | 153,683 | 688,734 | 751,129 | 1,784,558 |
| 74. Ordinary-supplementary contracts (Col. 5) | (160,036) | (149) | 95,837 | (82,484) | 97,234 |
| 75. Credit life (Col. 6) | 0 | 0 | 0 | 0 | 0 |
| 76. Group life (Col. 7) | 52,029 | 21,921 | (100,144) | (925,018) | (1,533,154) |
| 77. Group annuities (Col. 8) | 360,837 | 49,530 | 269,080 | 813 | 302,504 |
| 78. A & H-group (Col. 9) | (69,233) | 1,645 | 134,171 | (189,577) | 720,339 |
| 79. A & H-credit (Col. 10) | 0 | 0 | 0 | 0 | 0 |
| 80. A & H-other (Col. 11) | 215,088 | 1,329 | 11,052 | 9,435 | 18,060 |
| 81. Aggregate of all other lines of business (Col. 12) | (2,099,019) | 0 | 0 | 0 | 0 |
| 82. Total (Col. 1) | 5,268,552 | 866,697 | 8,157,841 | 2,404,035 | 3,459,922 |

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: _____

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE

| | Industrial | | Ordinary | | Credit Life (Group and Individual) | | Group | | 10 Total Amount of Insurance (a) | |
|---|-------------------------|------------------------------|-------------------------|------------------------------|---|------------------------------|---------------|-------------------|--|------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) | 5 Number of Individual Policies and Group Certificates | 6 Amount of Insurance (a) | Number of | | | |
| | | | | | | | 7 Policies | 8 Certificates | | |
| 1. In force end of prior year | .0 | 0 | 88,064 | 14,171,734 | 0 | 0 | 0 | 1,712 | 54,876 | 14,226,610 |
| 2. Issued during year | .0 | 0 | 7,825 | 2,484,123 | 0 | 0 | 0 | 0 | 0 | 2,484,123 |
| 3. Reinsurance assumed | .0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Revived during year | .0 | 0 | 151 | 44,353 | 0 | 0 | 0 | 0 | 0 | 44,353 |
| 5. Increased during year (net) | .0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Subtotals, Lines 2 to 5 | .0 | 0 | 7,976 | 2,528,476 | 0 | 0 | 0 | 0 | 0 | 2,528,476 |
| 7. Additions by dividends during year | XXX | 0 | XXX | 92,551 | XXX | 0 | XXX | XXX | 0 | 92,551 |
| 8. Aggregate write-ins for increases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Totals (Lines 1 and 6 to 8) | 0 | 0 | 96,040 | 16,792,761 | 0 | 0 | 0 | 1,712 | 54,876 | 16,847,637 |
| Deductions during year: | | | | | | | | | | |
| 10. Death | 0 | 0 | 920 | 39,504 | 0 | 0 | XXX | 21 | 788 | 40,292 |
| 11. Maturity | 0 | 0 | 55 | 173 | 0 | 0 | XXX | 0 | 0 | 173 |
| 12. Disability | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0 | 0 |
| 13. Expiry | 0 | 0 | 519 | 57,730 | 0 | 0 | 0 | 0 | 0 | 57,730 |
| 14. Surrender | 0 | 0 | 3,370 | 562,024 | 0 | 0 | 0 | 0 | 0 | 562,024 |
| 15. Lapse | 0 | 0 | 1,487 | 323,844 | 0 | 0 | 0 | 0 | 0 | 323,844 |
| 16. Conversion | 0 | 0 | .55 | 31,806 | 0 | 0 | XXX | XXX | XXX | 31,806 |
| 17. Decreased (net) | 0 | 0 | 160 | 56,919 | 0 | 0 | 0 | 48 | 3,591 | 60,510 |
| 18. Reinsurance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Aggregate write-ins for decreases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Totals (Lines 10 to 19) | 0 | 0 | 6,566 | 1,072,000 | 0 | 0 | 0 | 69 | 4,379 | 1,076,379 |
| 21. In force end of year (Line 9 minus Line 20) | 0 | 0 | 89,474 | 15,720,761 | 0 | 0 | 0 | 1,643 | 50,497 | 15,771,258 |
| 22. Reinsurance ceded end of year | XXX | 0 | XXX | 10,675,397 | XXX | 0 | XXX | XXX | 19,868 | 10,695,265 |
| 23. Line 21 minus Line 22 | XXX | 0 | XXX | 5,045,364 | XXX | (b) | XXX | XXX | 30,629 | 5,075,993 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0801. | | | | | | | | | | |
| 0802. | | | | | | | | | | |
| 0803. | | | | | | | | | | |
| 0898. Summary of remaining write-ins for Line 8 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1901. | | | | | | | | | | |
| 1902. | | | | | | | | | | |
| 1903. | | | | | | | | | | |
| 1998. Summary of remaining write-ins for Line 19 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

| | Industrial | | Ordinary | |
|------------------------------------|-------------------------|---------------------------------|-------------------------|---------------------------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) |
| 24. Additions by dividends | XXX | 0 | XXX | 426,695 |
| 25. Other paid-up insurance | 0 | 0 | 8,992 | 726,954 |
| 26. Debit ordinary insurance | XXX | XXX | 0 | 0 |

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

| Term Insurance Excluding Extended Term Insurance | Issued During Year (Included in Line 2) | | In Force End of Year (Included in Line 21) | |
|--|--|---------------------------------|---|---------------------------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) |
| 27. Term policies - decreasing | 0 | 0 | 3 | 12 |
| 28. Term policies - other | 964 | 512,438 | 9,500 | 3,573,323 |
| 29. Other term insurance - decreasing | XXX | 0 | XXX | 4,428 |
| 30. Other term insurance | XXX | 777,298 | XXX | 2,253,941 |
| 31. Totals (Lines 27 to 30) | 964 | 1,289,736 | 9,503 | 5,831,704 |
| Reconciliation to Lines 2 and 21: | | | | |
| 32. Term additions | XXX | 0 | XXX | 492 |
| 33. Totals, extended term insurance | XXX | XXX | 838 | 31,250 |
| 34. Totals, whole life and endowment | 6,861 | 1,194,387 | 79,133 | 9,857,315 |
| 35. Totals (Lines 31 to 34) | 7,825 | 2,484,123 | 89,474 | 15,720,761 |

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

| | Issued During Year (Included in Line 2) | | In Force End of Year (Included in Line 21) | |
|--|--|--------------------|---|--------------------|
| | 1 Non-Participating | 2 Participating | 3 Non-Participating | 4 Participating |
| 36. Industrial | 0 | 0 | 0 | 0 |
| 37. Ordinary | 2,484,123 | 0 | 10,968,052 | 4,752,709 |
| 38. Credit Life (Group and Individual) | 0 | 0 | 0 | 0 |
| 39. Group | 0 | 0 | 50,497 | 0 |
| 40. Totals (Lines 36 to 39) | 2,484,123 | 0 | 11,018,549 | 4,752,709 |

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

| | Credit Life | | Group | |
|--|---|------------------------------|-----------------------------|------------------------------|
| | 1 Number of Individual Policies and Group Certificates | 2 Amount of Insurance (a) | 3 Number of Certificates | 4 Amount of Insurance (a) |
| 41. Amount of insurance included in Line 2 ceded to other companies | XXX | 0 | XXX | 0 |
| 42. Number in force end of year if the number under shared groups is counted on a pro-rata basis | 0 | XXX | 0 | XXX |
| 43. Federal Employees' Group Life Insurance included in Line 21 | 0 | 0 | 0 | 0 |
| 44. Servicemen's Group Life Insurance included in Line 21 | 0 | 0 | 0 | 0 |
| 45. Group Permanent Insurance included in Line 21 | 0 | 0 | 856 | 9,109 |

ADDITIONAL ACCIDENTAL DEATH BENEFITS

| | |
|---|---------------|
| 46. Amount of additional accidental death benefits in force end of year under ordinary policies (a) | 102,871 |
|---|---------------|

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

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

POLICIES WITH DISABILITY PROVISIONS

| Disability Provisions | Industrial | | Ordinary | | Credit | | Group | |
|-----------------------------|-------------------------|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|-----------------------------|------------------------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) | 5 Number of Policies | 6 Amount of Insurance (a) | 7 Number of Certificates | 8 Amount of Insurance (a) |
| 48. Waiver of Premium | 0 | 0 | 25,429 | 4,792,123 | 0 | 0 | 608 | 24,348 |
| 49. Disability Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 50. Extended Benefits | 0 | 0 | XXX | XXX | 0 | 0 | 0 | 0 |
| 51. Other | 0 | 0 | 2,935 | 504,801 | 0 | 0 | 0 | 0 |
| 52. Total | 0 | 0 | 28,364 | 5,296,924 | 0 | 0 | 608 | 24,348 |

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

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
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 | 605 | 262 | 0 | 0 |
| 2. Issued during year | 14 | 31 | 0 | 0 |
| 3. Reinsurance assumed | 6 | 0 | 0 | 0 |
| 4. Increased during year (net) | 0 | 0 | 0 | 0 |
| 5. Total (Lines 1 to 4) | 625 | 293 | 0 | 0 |
| Deductions during year: | | | | |
| 6. Decreased (net) | 36 | 27 | 0 | 0 |
| 7. Reinsurance ceded | 2 | 11 | 0 | 0 |
| 8. Totals (Lines 6 and 7) | 38 | 38 | 0 | 0 |
| 9. In force end of year | 587 | 255 | 0 | 0 |
| 10. Amount on deposit | 0 | (a) 1,856,765 | 0 | (a) 0 |
| 11. Income now payable | 587 | 129 | 0 | 0 |
| 12. Amount of income payable | (a) 2,195,263 | (a) 1,015,062 | (a) 0 | (a) 0 |

ANNUITIES

| | Ordinary | | Group | |
|--------------------------------------|----------------|-----------------|----------------|-------------------|
| | 1 Immediate | 2 Deferred | 3 Contracts | 4 Certificates |
| 1. In force end of prior year | 1,117 | 14,507 | 269 | 1,972 |
| 2. Issued during year | 60 | 3,346 | 32 | 183 |
| 3. Reinsurance assumed | 0 | 0 | 0 | 0 |
| 4. Increased during year (net) | 0 | 0 | 0 | 0 |
| 5. Totals (Lines 1 to 4) | 1,177 | 17,853 | 301 | 2,155 |
| Deductions during year: | | | | |
| 6. Decreased (net) | 96 | 1,124 | 33 | 161 |
| 7. Reinsurance ceded | 0 | 0 | 0 | 0 |
| 8. Totals (Lines 6 and 7) | 96 | 1,124 | 33 | 161 |
| 9. In force end of year | 1,081 | 16,729 | 268 | 1,994 |
| Income now payable: | | | | |
| 10. Amount of income payable | (a) 6,431,938 | XXX | XXX | (a) 0 |
| Deferred fully paid: | | | | |
| 11. Account balance | XXX | (a) 56,806 | XXX | (a) 0 |
| Deferred not fully paid: | | | | |
| 12. Account balance | XXX | (a) 891,043,625 | XXX | (a) 0 |

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 | 0 | 0 | 0 | 0 | 638 | 480,793 |
| 2. Issued during year | 0 | 0 | 0 | 0 | 4 | 5,248 |
| 3. Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Increased during year (net) | 0 | XXX | 0 | XXX | 0 | XXX |
| 5. Totals (Lines 1 to 4) | 0 | XXX | 0 | XXX | 642 | XXX |
| Deductions during year: | | | | | | |
| 6. Conversions | 0 | XXX | XXX | XXX | XXX | XXX |
| 7. Decreased (net) | 0 | XXX | 0 | XXX | 65 | XXX |
| 8. Reinsurance ceded | 0 | XXX | 0 | XXX | 0 | XXX |
| 9. Totals (Lines 6 to 8) | 0 | XXX | 0 | XXX | 65 | XXX |
| 10. In force end of year | 0 | (a) 0 | 0 | (a) 0 | 577 | (a) 438,839 |

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

| | | | 1 Deposit Funds Contracts | 2 Dividend Accumulations Contracts |
|--------------------------------------|---------------------------------|---|---------------------------------|---|
| | 1 Deposit Funds Contracts | 2 Dividend Accumulations Contracts | 1 Deposit Funds Contracts | 2 Dividend Accumulations Contracts |
| 1. In force end of prior year | | | 1,986 | 10,616 |
| 2. Issued during year | | | 534 | 202 |
| 3. Reinsurance assumed | | | 0 | 0 |
| 4. Increased during year (net) | | | 0 | 0 |
| 5. Totals (Lines 1 to 4) | | | 2,520 | 10,818 |
| Deductions During Year: | | | | |
| 6. Decreased (net) | | | 297 | 853 |
| 7. Reinsurance ceded | | | 0 | 0 |
| 8. Totals (Lines 6 and 7) | | | 297 | 853 |
| 9. In force end of year | | | 2,223 | 9,965 |
| 10. Amount of account balance | | | (a) 15,890,537 | (a) 28,630,315 |

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

| States, Etc. | Active Status | Life Contracts | | Direct Business Only | | Total Columns 2 through 5 | Deposit-Type Contracts | |
|--|---------------|-------------------------|------------------------|---|----------------------|---------------------------|------------------------|-----------|
| | | Life Insurance Premiums | Annuity Considerations | Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees | Other Considerations | | | |
| 1. Alabama | AL | 2,117,556 | 764,832 | 2,744 | 0 | 2,885,132 | 0 | |
| 2. Alaska | AK | 51,936 | 0 | 327 | 0 | 52,263 | 0 | |
| 3. Arizona | AZ | 9,805,684 | 1,689,132 | 19,891 | 0 | 11,514,708 | 47,480 | |
| 4. Arkansas | AR | 1,994,998 | 663,506 | 2,586 | 0 | 2,661,089 | 0 | |
| 5. California | CA | 32,173,158 | 21,587,422 | 52,671 | 0 | 53,813,251 | 211,631 | |
| 6. Colorado | CO | 12,371,482 | 4,963,823 | 30,886 | 0 | 17,366,190 | 248,023 | |
| 7. Connecticut | CT | 7,748,148 | 14,961,054 | 33,510 | 0 | 22,742,712 | 0 | |
| 8. Delaware | DE | 1,235,731 | 658,311 | 4,743 | 0 | 1,898,784 | 0 | |
| 9. District of Columbia | DC | 1,156,222 | 998,482 | 2,946 | 0 | 2,157,650 | 0 | |
| 10. Florida | FL | 15,646,513 | 16,335,747 | 51,137 | 0 | 32,033,396 | 46,593 | |
| 11. Georgia | GA | 3,609,204 | 1,583,105 | 4,027 | 0 | 5,196,336 | 30,816 | |
| 12. Hawaii | HI | 8,438,739 | 2,737,547 | 44,645 | 0 | 11,220,931 | 432,405 | |
| 13. Idaho | ID | 2,647,186 | 8,502,565 | 6,281 | 0 | 11,156,031 | 71,331 | |
| 14. Illinois | IL | 14,199,232 | 4,172,373 | 23,476 | 0 | 18,395,081 | 106,920 | |
| 15. Indiana | IN | 9,234,220 | 5,698,334 | 69,582 | 0 | 15,002,136 | 6,122,000 | |
| 16. Iowa | IA | 2,584,874 | 888,154 | 16,631 | 0 | 3,489,658 | 0 | |
| 17. Kansas | KS | 4,126,702 | 4,577,871 | 7,168 | 0 | 8,711,741 | 0 | |
| 18. Kentucky | KY | 2,283,721 | 1,791,161 | 4,787 | 0 | 4,079,668 | 0 | |
| 19. Louisiana | LA | 1,565,806 | 470,700 | 4,586 | 0 | 2,041,092 | 0 | |
| 20. Maine | ME | 1,029,348 | 255,050 | 149 | 0 | 1,284,547 | 0 | |
| 21. Maryland | MD | 11,952,653 | 8,796,704 | 34,654 | 0 | 20,784,011 | 52,000 | |
| 22. Massachusetts | MA | 5,160,665 | 5,927,907 | 26,547 | 0 | 11,115,119 | 0 | |
| 23. Michigan | MI | 9,172,442 | 8,403,910 | 79,509 | 0 | 17,655,860 | 0 | |
| 24. Minnesota | MN | 8,078,411 | 9,810,666 | 61,996 | 0 | 17,951,073 | 0 | |
| 25. Mississippi | MS | 999,802 | 2,744,107 | 58 | 0 | 3,743,967 | 0 | |
| 26. Missouri | MO | 13,226,450 | 1,513,357 | 10,633 | 0 | 14,750,440 | 0 | |
| 27. Montana | MT | 432,675 | 255,261 | 116 | 0 | 688,052 | 0 | |
| 28. Nebraska | NE | 4,922,259 | 6,611,380 | 13,039 | 0 | 11,546,677 | 0 | |
| 29. Nevada | NV | 2,700,762 | 2,481,328 | 826 | 0 | 5,182,916 | 0 | |
| 30. New Hampshire | NH | 1,540,197 | 5,491,800 | 8,915 | 0 | 7,040,912 | 88,029 | |
| 31. New Jersey | NJ | 14,493,488 | 4,816,566 | 28,768 | 0 | 19,338,822 | 0 | |
| 32. New Mexico | NM | 2,325,485 | 422,618 | 2,111 | 0 | 2,750,214 | 0 | |
| 33. New York | NY | 1,631,223 | 346,139 | 6,081 | 0 | 1,983,443 | 0 | |
| 34. North Carolina | NC | 8,153,956 | 6,718,323 | 15,830 | 0 | 14,888,110 | 0 | |
| 35. North Dakota | ND | 241,119 | 76,068 | 2,885 | 0 | 320,072 | 0 | |
| 36. Ohio | OH | 14,214,786 | 8,301,107 | 39,344 | 0 | 22,555,237 | 0 | |
| 37. Oklahoma | OK | 1,349,629 | 738,348 | 1,338 | 0 | 2,089,314 | 0 | |
| 38. Oregon | OR | 2,336,260 | 5,371,992 | 2,276 | 0 | 7,710,528 | 0 | |
| 39. Pennsylvania | PA | 21,470,723 | 11,021,442 | 91,943 | 0 | 32,584,109 | 250,122 | |
| 40. Rhode Island | RI | 839,515 | 1,674,688 | 6,991 | 0 | 2,521,194 | 70,846 | |
| 41. South Carolina | SC | 2,121,970 | 221,845 | 11,317 | 0 | 2,355,132 | 0 | |
| 42. South Dakota | SD | 315,612 | 1,400,484 | 262 | 0 | 1,716,358 | 0 | |
| 43. Tennessee | TN | 2,663,790 | 1,554,808 | 6,017 | 0 | 4,224,615 | 0 | |
| 44. Texas | TX | 31,398,358 | 30,667,266 | 8,287 | 0 | 62,073,910 | 62,737 | |
| 45. Utah | UT | 2,717,358 | 6,212,492 | 905 | 0 | 8,930,754 | 0 | |
| 46. Vermont | VT | 1,455,707 | 2,171,520 | 0 | 0 | 3,627,227 | 0 | |
| 47. Virginia | VA | 21,979,370 | 11,760,582 | 60,956 | 0 | 33,800,908 | 20,408 | |
| 48. Washington | WA | 8,198,005 | 10,272,039 | 5,566 | 0 | 18,475,611 | 0 | |
| 49. West Virginia | WV | 1,772,403 | 1,225,198 | 28,557 | 0 | 3,026,158 | 0 | |
| 50. Wisconsin | WI | 5,690,275 | 4,820,369 | 16,806 | 0 | 10,527,450 | 221,989 | |
| 51. Wyoming | WY | 671,807 | 907,357 | 194 | 0 | 1,579,358 | 0 | |
| 52. American Samoa | AS | 3,011 | 0 | 0 | 0 | 3,011 | 0 | |
| 53. Guam | GU | 4,242 | 0 | 0 | 0 | 4,242 | 0 | |
| 54. Puerto Rico | PR | 47,914 | 0 | 0 | 0 | 47,914 | 0 | |
| 55. U.S. Virgin Islands | VI | 0 | 0 | 0 | 0 | 0 | 0 | |
| 56. Northern Mariana Islands | MP | 0 | 0 | 0 | 0 | 0 | 0 | |
| 57. Canada | CN | 234,762 | 44,953 | 0 | 0 | 279,715 | 0 | |
| 58. Aggregate Other Alien | OT | 398,250 | 5,000 | 279 | 0 | 403,529 | 0 | |
| 59. Subtotal | (a) | 49 | 338,935,793 | 256,086,788 | .955,778 | 0 | 595,978,359 | 8,083,329 |
| 90. Reporting entity contributions for employee benefits plans | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 91. Dividends or refunds applied to purchase paid-up additions and annuities | | 34,288,007 | 28,154 | 0 | 0 | 34,316,162 | 0 | 0 |
| 92. Dividends or refunds applied to shorten endowment or premium paying period | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 93. Premium or annuity considerations waived under disability or other contract provisions | | 1,619,911 | 0 | 0 | 0 | 1,619,911 | 0 | 0 |
| 94. Aggregate or other amounts not allocable by State | | 7,135,909 | 91,019 | 0 | 0 | 7,226,928 | 0 | 0 |
| 95. Totals (Direct Business) | | 381,979,620 | 256,205,961 | .955,778 | 0 | 639,141,360 | 8,083,329 | 0 |
| 96. Plus reinsurance assumed | | 13,421 | 0 | 0 | 0 | 13,421 | (123,651) | 0 |
| 97. Totals (All Business) | | 381,993,040 | 256,205,961 | .955,778 | 0 | 639,154,780 | 7,959,678 | 0 |
| 98. Less reinsurance ceded | | 27,161,194 | 950,023 | 624,576 | 0 | 28,735,793 | 0 | 0 |
| 99. Totals (All Business) less Reinsurance Ceded | | 354,831,846 | 255,255,938 | (b) 331,203 | 0 | 610,418,988 | 7,959,678 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | |
| 5801. Alien | XXX | 398,250 | 5,000 | 279 | 0 | 403,529 | 0 | 0 |
| 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. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above) | XXX | 398,250 | 5,000 | 279 | 0 | 403,529 | 0 | 0 |
| 9401. Exchange Value Previously Taxed | XXX | 7,135,909 | 91,019 | 0 | 0 | 7,226,928 | 0 | 0 |
| 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. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above) | XXX | 7,135,909 | 91,019 | 0 | 0 | 7,226,928 | 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

Ordinary Life and Individual Accident and Health premium and Annuity Considerations are allocated according to residence of policyholder at the time premium is paid. Group premiums are for cases under 500 lives with the entire premium allocated to the state where the insured is primarily located.

(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, 10, or with Schedule H, Part 1, Line 1, indicate which: Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10.... 0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY

| | | <u>NAIC#</u> | <u>TIN#</u> |
|--------------|---|--------------|-------------|
| PARENT - | WESTERN-SOUTHERN MUTUAL HOLDING COMPANY, OH (NON-INSURER) | | 31-1732405 |
| SUBSIDIARY - | WESTERN & SOUTHERN FINANCIAL GROUP, INC., OH (NON-INSURER) | | 31-1732404 |
| SUBSIDIARY - | LAFAYETTE LIFE INSURANCE COMPANY, OH (INSURER) | 65242 | 35-0457540 |
| SUBSIDIARY - | LLIA, INC., OH (NON-INSURER) | | 35-2123483 |
| SUBSIDIARY - | THE WESTERN AND SOUTHERN LIFE INSURANCE COMPANY, OH (INSURER) | 70483 | 31-0487145 |
| SUBSIDIARY - | WESTERN-SOUTHERN LIFE ASSURANCE COMPANY, OH (INSURER) | 92622 | 31-1000236 |
| SUBSIDIARY - | TOUCHSTONE SECURITIES, INC., NE (NON-INSURER) | | 47-6046379 |
| SUBSIDIARY - | IFS FINANCIAL SERVICES, INC., OH (NON-INSURER) | | 31-1328371 |
| SUBSIDIARY - | W&S BROKERAGE SERVICES, INC., OH (NON-INSURER) | | 31-0846576 |
| SUBSIDIARY - | COLUMBUS LIFE INSURANCE COMPANY, OH (INSURER) | 99937 | 31-1191427 |
| SUBSIDIARY - | INTEGRITY LIFE INSURANCE COMPANY, OH (INSURER) | 74780 | 86-0214103 |
| SUBSIDIARY - | NATIONAL INTEGRITY LIFE INSURANCE COMPANY, NY (INSURER) | 75264 | 16-0958252 |
| SUBSIDIARY - | INSURANCE PROFILLMENT SOLUTIONS, LLC, OH (NON-INSURER) | | 43-2081325 |
| SUBSIDIARY - | WS OPERATING HOLDINGS, LLC, OH (NON-INSURER) | | 06-1804434 |
| SUBSIDIARY - | EAGLE REALTY GROUP, LLC, OH (NON-INSURER) | | 31-1018957 |
| SUBSIDIARY - | FORT WASHINGTON INVESTMENT ADVISORS, OH (NON-INSURER) | | 31-1301863 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LAFAYETTE LIFE INSURANCE COMPANY
OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Exhibit 2 Line 9.3

| | Insurance | | | | 5 Investment | 6 Total | | |
|---|-----------|-----------------------|----------------|-------------------------------------|-----------------|------------|--|--|
| | 1 Life | Accident and Health | | 4 All Other Lines of Business | | | | |
| | | 2 Cost Containment | 3 All Other | | | | | |
| 09.304. Mortgage Loan Service Fees | 137,090 | 0 | 0 | 0 | 0 | 137,090 | | |
| 09.305. Admin Serv Reim by Subsidiary | 27,962 | 0 | (7,904) | 0 | 0 | 20,058 | | |
| 09.397. Summary of remaining write-ins for Line 9.3 from overflow page | 165,052 | 0 | (7,904) | 0 | 0 | 157,148 | | |

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