



ANNUAL STATEMENT

For the Year Ended December 31, 2011

of the Condition and Affairs of the

Provident American Life and Health Insurance Company

| | | |
|-------------------------------------------|---------------------------------------------------------------------|--------------------------------------------|
| NAIC Group Code.....0084, 0084 | NAIC Company Code..... 67903 | Employer's ID Number..... 23-1335885 |
| (Current Period) (Prior Period) | | |
| Organized under the Laws of Ohio | State of Domicile or Port of Entry Ohio | Country of Domicile US |
| Incorporated/Organized..... April 6, 1949 | Commenced Business..... September 30, 1949 | |
| Statutory Home Office | 301 East Fourth Street..... Cincinnati OH 45202 | |
| | (Street and Number) (City or Town, State and Zip Code) | |
| Main Administrative Office | 11200 Lakeline Blvd Ste 100..... Austin TX 78717 | 512-451-2224 |
| | (Street and Number) (City or Town, State and Zip Code) | (Area Code) (Telephone Number) |
| Mail Address | 11200 Lakeline Blvd Ste 100..... Austin TX 78717 | |
| | (Street and Number or P. O. Box) (City or Town, State and Zip Code) | |
| Primary Location of Books and Records | 11200 Lakeline Blvd Ste 100..... Austin TX 78717 | 512-451-2224 |
| | (Street and Number) (City or Town, State and Zip Code) | (Area Code) (Telephone Number) |
| Internet Web Site Address | www.palhic.com | |
| Statutory Statement Contact | Jesse Navarrete | 512-807-4801 |
| | (Name) | (Area Code) (Telephone Number) (Extension) |
| | austinfirpt@gafri.com | 512-467-1399 |
| | (E-Mail Address) | (Fax Number) |

OFFICERS

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

DIRECTORS OR TRUSTEES

| | | | |
|-------------------------|-----------------------------|-----------------------|----------------------|
| Bradley Allen Wolfram # | Christopher Patrick Miliano | Mark Frances Muething | Michael James Prager |
| Paul Adolph Severt # | | | |

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

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

| | | |
|--------------------------------------|-------------------------------------|-----------------------------------------|
| (Signature) Bradley Allen Wolfram | (Signature) Byron Keith Buescher | (Signature) Brenda Weigilia Hardison |
| 1. (Printed Name) | 2. (Printed Name) | 3. (Printed Name) |
| President | Treasurer | Secretary |
| (Title) | (Title) | (Title) |
| Subscribed and sworn to before me | a. Is this an original filing? | Yes [X] No [] |
| This _____ day of February 2012 | b. If no | |
| | 1. State the amendment number | |
| | 2. Date filed | |
| | 3. Number of pages attached | |

ASSETS

| | Current Year | | | Prior Year |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------|--------------------------------------|---------------------|
| | 1 | 2 | 3 | 4 |
| | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | Net Admitted Assets |
| 1. Bonds (Schedule D)..... | 11,075,784 | | 11,075,784 | 7,452,177 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks..... | | | 0 | |
| 2.2 Common stocks..... | 3,135,253 | | 3,135,253 | 3,125,372 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens..... | | | 0 | |
| 3.2 Other than first liens..... | | | 0 | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances)..... | | | 0 | |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances)..... | | | 0 | |
| 4.3 Properties held for sale (less \$.....0 encumbrances)..... | | | 0 | |
| 5. Cash (\$.....(325,195), Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....4,986,135, Sch. DA)..... | 4,660,940 | | 4,660,940 | 5,667,757 |
| 6. Contract loans (including \$.....0 premium notes)..... | 4,458 | | 4,458 | 2,662 |
| 7. Derivatives (Schedule DB)..... | | | 0 | |
| 8. Other invested assets (Schedule BA)..... | | | 0 | |
| 9. Receivables for securities..... | | | 0 | |
| 10. Securities lending reinvested collateral assets (Schedule DL)..... | | | 0 | |
| 11. Aggregate write-ins for invested assets..... | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11)..... | 18,876,435 | 0 | 18,876,435 | 16,247,968 |
| 13. Title plants less \$.....0 charged off (for Title insurers only)..... | | | 0 | |
| 14. Investment income due and accrued..... | 105,044 | | 105,044 | 78,209 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in course of collection..... | (476,532) | 4,190 | (480,722) | (582,413) |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)..... | 334,354 | | 334,354 | 376,651 |
| 15.3 Accrued retrospective premiums..... | | | 0 | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers..... | 362,094 | | 362,094 | 526,851 |
| 16.2 Funds held by or deposited with reinsured companies..... | | | 0 | |
| 16.3 Other amounts receivable under reinsurance contracts..... | 103,847 | | 103,847 | 163,786 |
| 17. Amounts receivable relating to uninsured plans..... | | | 0 | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon..... | | | 0 | |
| 18.2 Net deferred tax asset..... | 3,800,000 | 2,152,000 | 1,648,000 | 1,462,000 |
| 19. Guaranty funds receivable or on deposit..... | 164,568 | | 164,568 | 39,861 |
| 20. Electronic data processing equipment and software..... | | | 0 | |
| 21. Furniture and equipment, including health care delivery assets (\$.....0)..... | | | 0 | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates..... | | | 0 | |
| 23. Receivables from parent, subsidiaries and affiliates..... | 27,382 | | 27,382 | 2,742 |
| 24. Health care (\$.....0) and other amounts receivable..... | 27,153 | 27,153 | 0 | |
| 25. Aggregate write-ins for other than invested assets..... | 102,124 | 102,124 | 0 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)..... | 23,426,469 | 2,285,467 | 21,141,002 | 18,315,655 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | | 0 | |
| 28. TOTALS (Lines 26 and 27)..... | 23,426,469 | 2,285,467 | 21,141,002 | 18,315,655 |

DETAILS OF WRITE-INS

| | | | | |
|--------------------------------------------------------------------------|---------|---------|---|---|
| 1101. | | | 0 | |
| 1102. | | | 0 | |
| 1103. | | | 0 | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)..... | 0 | 0 | 0 | 0 |
| 2501. Other Receivables and Prepaids..... | 102,124 | 102,124 | 0 | |
| 2502. | | | 0 | |
| 2503. | | | 0 | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | 102,124 | 102,124 | 0 | 0 |

Provident American Life and Health Insurance Company
LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Year | 2 Prior Year |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| 1. Aggregate reserve for life contracts \$.....1,825,307 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve)..... | 1,825,307 | 1,507,341 |
| 2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$.....0 Modco Reserve)..... | 1,175,750 | 1,389,638 |
| 3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve)..... | | |
| 4. Contract claims: | | |
| 4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)..... | 69,615 | 81,500 |
| 4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)..... | 1,361,781 | 1,797,011 |
| 5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10)..... | | |
| 6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts: | | |
| 6.1 Dividends apportioned for payment (including \$.....0 Modco)..... | | |
| 6.2 Dividends not yet apportioned (including \$.....0 Modco)..... | | |
| 6.3 Coupons and similar benefits (including \$.....0 Modco)..... | | |
| 7. Amount provisionally held for deferred dividend policies not included in Line 6..... | | |
| 8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....214,072 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)..... | 214,160 | 211,364 |
| 9. Contract liabilities not included elsewhere: | | |
| 9.1 Surrender values on canceled contracts..... | | |
| 9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act..... | | |
| 9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded..... | | |
| 9.4 Interest Maintenance Reserve (IMR, Line 6)..... | 45 | 194 |
| 10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0..... | 72,437 | 156,482 |
| 11. Commissions and expense allowances payable on reinsurance assumed..... | | |
| 12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)..... | 54,159 | 55,747 |
| 13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances)..... | | |
| 14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)..... | 242,146 | 105,837 |
| 15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses)..... | 309,685 | 94,640 |
| 15.2 Net deferred tax liability..... | | |
| 16. Unearned investment income..... | 165 | 98 |
| 17. Amounts withheld or retained by company as agent or trustee..... | | |
| 18. Amounts held for agents' account, including \$.....0 agents' credit balances..... | | |
| 19. Remittances and items not allocated..... | 34,613 | 54,301 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates..... | | |
| 21. Liability for benefits for employees and agents if not included above..... | | |
| 22. Borrowed money \$.....0 and interest thereon \$.....0..... | | |
| 23. Dividends to stockholders declared and unpaid..... | | |
| 24. Miscellaneous liabilities: | | |
| 24.01 Asset valuation reserve (AVR Line 16, Col. 7)..... | 45,139 | 15,791 |
| 24.02 Reinsurance in unauthorized companies..... | | |
| 24.03 Funds held under reinsurance treaties with unauthorized reinsurers..... | | |
| 24.04 Payable to parent, subsidiaries and affiliates..... | 882 | 24,104 |
| 24.05 Drafts outstanding..... | | |
| 24.06 Liability for amounts held under uninsured plans..... | | |
| 24.07 Funds held under coinsurance..... | | |
| 24.08 Derivatives..... | | |
| 24.09 Payable for securities..... | | |
| 24.10 Payable for securities lending..... | | |
| 24.11 Capital notes \$.....0 and interest thereon \$.....0..... | | |
| 25. Aggregate write-ins for liabilities..... | 97,612 | 70,556 |
| 26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)..... | 5,503,496 | 5,564,604 |
| 27. From Separate Accounts Statement..... | | |
| 28. Total liabilities (Line 26 and 27)..... | 5,503,496 | 5,564,604 |
| 29. Common capital stock..... | 2,500,000 | 2,500,000 |
| 30. Preferred capital stock..... | | |
| 31. Aggregate write-ins for other than special surplus funds..... | 0 | 0 |
| 32. Surplus notes..... | | |
| 33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)..... | 27,346,312 | 27,346,312 |
| 34. Aggregate write-ins for special surplus funds..... | 1,050,000 | 912,000 |
| 35. Unassigned funds (surplus)..... | (15,258,806) | (18,007,261) |
| 36. Less treasury stock, at cost: | | |
| 36.1 .....0.000 shares common (value included in Line 29 \$.....0)..... | | |
| 36.2 .....0.000 shares preferred (value included in Line 30 \$.....0)..... | | |
| 37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement)..... | 13,137,506 | 10,251,051 |
| 38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)..... | 15,637,506 | 12,751,051 |
| 39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)..... | 21,141,002 | 18,315,655 |

DETAILS OF WRITE-INS

| | | |
|--------------------------------------------------------------------------|-----------|---------|
| 2501. Escheat Liability..... | 97,612 | 70,556 |
| 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)..... | 97,612 | 70,556 |
| 3101. | | |
| 3102. | | |
| 3103. | | |
| 3198. Summary of remaining write-ins for Line 31 from overflow page..... | 0 | 0 |
| 3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)..... | 0 | 0 |
| 3401. SSAP 10R Additional Surplus..... | 1,050,000 | 912,000 |
| 3402. | | |
| 3403. | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0 | 0 |
| 3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)..... | 1,050,000 | 912,000 |

Provident American Life and Health 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)..... | 23,930,095 | 30,649,879 |
| 2. Considerations for supplementary contracts with life contingencies..... | | |
| 3. Net investment income (Exhibit of Net Investment Income, Line 17)..... | 294,337 | 315,502 |
| 4. Amortization of Interest Maintenance Reserve (IMR) (Line 5)..... | 149 | 275 |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses..... | | |
| 6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)..... | 498,493 | 746,062 |
| 7. Reserve adjustments on reinsurance ceded..... | | |
| 8. Miscellaneous Income: | | |
| 8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts..... | | |
| 8.2 Charges and fees for deposit-type contracts..... | | |
| 8.3 Aggregate write-ins for miscellaneous income..... | 19,176 | 150,145 |
| 9. Totals (Lines 1 to 8.3)..... | 24,742,250 | 31,861,863 |
| 10. Death benefits..... | 450,427 | 432,917 |
| 11. Matured endowments (excluding guaranteed annual pure endowments)..... | | |
| 12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)..... | | |
| 13. Disability benefits and benefits under accident and health contracts..... | 14,720,262 | 20,266,430 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits..... | | |
| 15. Surrender benefits and withdrawals for life contracts..... | 37,343 | 16,458 |
| 16. Group conversions..... | | |
| 17. Interest and adjustments on contract or deposit-type contract funds..... | | |
| 18. Payments on supplementary contracts with life contingencies..... | | |
| 19. Increase in aggregate reserves for life and accident and health contracts..... | 104,078 | 122,897 |
| 20. Totals (Lines 10 to 19)..... | 15,312,110 | 20,838,702 |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)..... | 3,212,024 | 5,360,060 |
| 22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)..... | | |
| 23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)..... | 1,160,393 | 1,698,217 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)..... | 611,238 | 785,417 |
| 25. Increase in loading on deferred and uncollected premiums..... | (24,559) | (32,603) |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance..... | | |
| 27. Aggregate write-ins for deductions..... | 0 | 86 |
| 28. Totals (Lines 20 to 27)..... | 20,271,206 | 28,649,879 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)..... | 4,471,044 | 3,211,984 |
| 30. Dividends to policyholders..... | | |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)..... | 4,471,044 | 3,211,984 |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains)..... | 1,774,824 | 1,665,884 |
| 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)..... | 2,696,220 | 1,546,100 |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$.....0 transferred to the IMR)..... | | (152) |
| 35. Net income (Line 33 plus Line 34)..... | 2,696,220 | 1,545,948 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)..... | 12,751,051 | 12,166,390 |
| 37. Net income (Line 35)..... | 2,696,220 | 1,545,948 |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0..... | 9,881 | (6,409) |
| 39. Change in net unrealized foreign exchange capital gain (loss)..... | | |
| 40. Change in net deferred income tax..... | 202,000 | 532,750 |
| 41. Change in nonadmitted assets..... | (113,849) | (635,028) |
| 42. Change in liability for reinsurance in unauthorized companies..... | | |
| 43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)..... | | |
| 44. Change in asset valuation reserve..... | (29,348) | (2,840) |
| 45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)..... | | |
| 46. Surplus (contributed to) withdrawn from Separate Accounts during period..... | | |
| 47. Other changes in surplus in Separate Accounts Statement..... | | |
| 48. Change in surplus notes..... | | |
| 49. Cumulative effect of changes in accounting principles..... | | |
| 50. Capital changes: | | |
| 50.1 Paid in..... | | |
| 50.2 Transferred from surplus (Stock Dividend)..... | | |
| 50.3 Transferred to surplus..... | | |
| 51. Surplus adjustment: | | |
| 51.1 Paid in..... | | (1,000,000) |
| 51.2 Transferred to capital (Stock Dividend)..... | | |
| 51.3 Transferred from capital..... | | |
| 51.4 Change in surplus as a result of reinsurance..... | (16,449) | (21,760) |
| 52. Dividends to stockholders..... | | |
| 53. Aggregate write-ins for gains and losses in surplus..... | 138,000 | 172,000 |
| 54. Net change in capital and surplus for the year (Lines 37 through 53)..... | 2,886,455 | 584,661 |
| 55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)..... | 15,637,506 | 12,751,051 |
| DETAILS OF WRITE-INS | | |
| 08.301. Interest on Agent Balances..... | 4,432 | 6,620 |
| 08.302. Miscellaneous Income..... | | 119,200 |
| 08.303. Other Income - Express Script Rebate..... | 14,744 | 24,325 |
| 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)..... | 19,176 | 150,145 |
| 2701. Penalties..... | | 84 |
| 2702. Other Expenses..... | | 2 |
| 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)..... | 0 | 86 |
| 5301. SAP10-R Additional Surplus..... | 138,000 | 172,000 |
| 5302. | | |
| 5303. | | |
| 5398. Summary of remaining write-ins for Line 53 from overflow page..... | 0 | 0 |
| 5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above)..... | 138,000 | 172,000 |

CASH FLOW

| | 1 Current Year | 2 Prior Year |
|----------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| CASH FROM OPERATIONS | | |
| 1. Premiums collected net of reinsurance..... | 23,896,371 | 30,584,658 |
| 2. Net investment income..... | 254,248 | 267,453 |
| 3. Miscellaneous income..... | 501,220 | 874,447 |
| 4. Total (Lines 1 through 3)..... | 24,651,839 | 31,726,558 |
| 5. Benefit and loss related payments..... | 15,430,451 | 22,278,035 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions..... | 5,030,630 | 7,940,631 |
| 8. Dividends paid to policyholders..... | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)..... | 1,559,779 | 1,390,000 |
| 10. Total (Lines 5 through 9)..... | 22,020,860 | 31,608,666 |
| 11. Net cash from operations (Line 4 minus Line 10)..... | 2,630,979 | 117,892 |
| CASH FROM INVESTMENTS | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds..... | 381,075 | 2,241,830 |
| 12.2 Stocks..... | | |
| 12.3 Mortgage loans..... | | |
| 12.4 Real estate..... | | |
| 12.5 Other invested assets..... | | |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments..... | | |
| 12.7 Miscellaneous proceeds..... | | |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7)..... | 381,075 | 2,241,830 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds..... | 3,991,360 | 2,995,950 |
| 13.2 Stocks..... | | |
| 13.3 Mortgage loans..... | | |
| 13.4 Real estate..... | | |
| 13.5 Other invested assets..... | | |
| 13.6 Miscellaneous applications..... | | |
| 13.7 Total investments acquired (Lines 13.1 to 13.6)..... | 3,991,360 | 2,995,950 |
| 14. Net increase (decrease) in contract loans and premium notes..... | 1,796 | 1,451 |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)..... | (3,612,081) | (755,571) |
| CASH FROM FINANCING AND MISCELLANEOUS SOURCES | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes..... | | |
| 16.2 Capital and paid in surplus, less treasury stock..... | | (1,000,000) |
| 16.3 Borrowed funds..... | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities..... | | |
| 16.5 Dividends to stockholders..... | | |
| 16.6 Other cash provided (applied)..... | (25,715) | (14,185) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | (25,715) | (1,014,185) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)..... | (1,006,817) | (1,651,864) |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year..... | 5,667,757 | 7,319,621 |
| 19.2 End of year (Line 18 plus Line 19.1)..... | 4,660,940 | 5,667,757 |

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

| | | |
|---------|--|--|
| 20.0001 | | |
|---------|--|--|

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 | 2 | Ordinary | | | 6 | Group | | Accident and Health | | | 12 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------|---------------------|---------------------------|------------------------------|------------------------------------|------------------------|----------------|---------------------|-------------------------------------|-------------|------------------------------------------|
| | Total | Industrial Life | 3 Life Insurance | 4 Individual Annuities | 5 Supplementary Contracts | Credit Life (Group and Individual) | 7 Life Insurance(a) | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other | Aggregate of All Other Lines of Business |
| 1. Premiums and annuity considerations for life and accident and health contracts..... | 23,930,095 | | 1,079,474 | | | | 77,053 | | | | 22,773,568 | |
| 2. Considerations for supplementary contracts with life contingencies..... | 0 | | | | | | | | | | | |
| 3. Net investment income..... | 294,337 | | 57,835 | | | | | | | | 236,502 | |
| 4. Amortization of Interest Maintenance Reserve (IMR)..... | 149 | | 29 | | | | | | | | 120 | |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses..... | 0 | | | | | | | | | | | |
| 6. Commissions and expense allowances on reinsurance ceded..... | 498,493 | | 2,373 | | | | | | | | 496,120 | |
| 7. Reserve adjustments on reinsurance ceded..... | 0 | | | | | | | | | | | |
| 8. Miscellaneous Income: | | | | | | | | | | | | |
| 8.1 Fees associated with income from investment management, administration and contract guarantees from S/A..... | 0 | | | | | | | | | | | |
| 8.2 Charges and fees for deposit-type contracts..... | 0 | | | | | | | | | | | |
| 8.3 Aggregate write-ins for miscellaneous income..... | 19,176 | 0 | 871 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,305 | 0 |
| 9. Totals (Lines 1 to 8.3)..... | 24,742,250 | 0 | 1,140,582 | 0 | 0 | 0 | 77,053 | 0 | 0 | 0 | 23,524,615 | 0 |
| 10. Death benefits..... | 450,427 | | 450,427 | | | | | | | | | |
| 11. Matured endowments (excluding guaranteed annual pure endowments)..... | 0 | | | | | | | | | | | |
| 12. Annuity benefits..... | 0 | | | | | | | | | | | |
| 13. Disability benefits and benefits under accident and health contracts..... | 14,720,262 | | | | | | | | | | 14,720,262 | |
| 14. Coupons, guaranteed annual pure endowments and similar benefits..... | 0 | | | | | | | | | | | |
| 15. Surrender benefits and withdrawals for life contracts..... | 37,343 | | 37,343 | | | | | | | | | |
| 16. Group conversions..... | 0 | | | | | | | | | | | |
| 17. Interest and adjustments on contract or deposit-type contract funds..... | 0 | | | | | | | | | | | |
| 18. Payments on supplementary contracts with life contingencies..... | 0 | | | | | | | | | | | |
| 19. Increase in aggregate reserves for life and accident and health contracts..... | 104,078 | | 317,966 | | | | | | | | (213,888) | |
| 20. Totals (Lines 10 to 19)..... | 15,312,110 | 0 | 805,736 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,506,374 | 0 |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)..... | 3,212,024 | | 127,822 | | | | 6,327 | | | | 3,077,875 | |
| 22. Commissions and expense allowances on reinsurance assumed..... | 0 | | | | | | | | | | | |
| 23. General insurance expenses..... | 1,160,393 | | 155,575 | | | | | | | | 1,004,818 | |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes..... | 611,238 | | 28,325 | | | | | | | | 582,913 | |
| 25. Increase in loading on deferred and uncollected premiums..... | (24,559) | | (20,202) | | | | | | | | (4,357) | |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance..... | 0 | | | | | | | | | | | |
| 27. Aggregate write-ins for deductions..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28. Totals (Lines 20 to 27)..... | 20,271,206 | 0 | 1,097,256 | 0 | 0 | 0 | 6,327 | 0 | 0 | 0 | 19,167,623 | 0 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)..... | 4,471,044 | 0 | 43,326 | 0 | 0 | 0 | 70,726 | 0 | 0 | 0 | 4,356,992 | 0 |
| 30. Dividends to policyholders..... | 0 | | | | | | | | | | | |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)..... | 4,471,044 | 0 | 43,326 | 0 | 0 | 0 | 70,726 | 0 | 0 | 0 | 4,356,992 | 0 |
| 32. Federal income taxes incurred (excluding tax on capital gains)..... | 1,774,824 | | 16,949 | | | | 28,202 | | | | 1,729,673 | |
| 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)..... | 2,696,220 | 0 | 26,377 | 0 | 0 | 0 | 42,524 | 0 | 0 | 0 | 2,627,319 | 0 |

DETAILS OF WRITE-INS

| | | | | | | | | | | | | |
|-----------------------------------------------------------------------------|--------|---|-----|---|---|---|---|---|---|---|--------|---|
| 08.301. Interest on Agent Balances..... | 4,432 | | 871 | | | | | | | | 3,561 | |
| 08.302. Other Income - Express Scripts..... | 14,744 | | | | | | | | | | 14,744 | |
| 08.303. | 0 | | | | | | | | | | | |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)..... | 19,176 | 0 | 871 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,305 | 0 |
| 2701. | 0 | | | | | | | | | | | |
| 2702. | 0 | | | | | | | | | | | |
| 2703. | 0 | | | | | | | | | | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above)..... | 0 | 0 | 0 | 0 | 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.

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..... | 1,507,341 | | 1,507,341 | | | | | |
| 2. Tabular net premiums or considerations..... | 797,016 | | 797,016 | | | | | |
| 3. Present value of disability claims incurred..... | 0 | | | | XXX | | | |
| 4. Tabular interest..... | 74,865 | | 74,865 | | | | | |
| 5. Tabular less actual reserve released..... | 0 | | | | | | | |
| 6. Increase in reserve on account of change in valuation basis..... | 0 | | | | | | | |
| 7. Other increases (net)..... | 0 | | | | | | | |
| 8. Totals (Lines 1 to 7)..... | 2,379,222 | 0 | 2,379,222 | 0 | 0 | 0 | 0 | 0 |
| 9. Tabular cost..... | 430,959 | | 430,959 | | XXX | | | |
| 10. Reserves released by death..... | 54,482 | | 54,482 | XXX | XXX | | | XXX |
| 11. Reserves released by other terminations (net)..... | 68,474 | | 68,474 | | | | | |
| 12. Annuity, supplementary contract, and disability payments involving life contingencies..... | 0 | | | | | | | |
| 13. Net transfers to or (from) Separate Accounts..... | 0 | | | | | | | |
| 14. Total deductions (Lines 9 to 13)..... | 553,915 | 0 | 553,915 | 0 | 0 | 0 | 0 | 0 |
| 15. Reserve December 31, current year..... | 1,825,307 | 0 | 1,825,307 | 0 | 0 | 0 | 0 | 0 |

EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|------------------------------------------------------------------------------|-------------------------------|----------------------------|
| 1. U.S. government bonds..... | (a).....120,842 |124,133 |
| 1.1 Bonds exempt from U.S. tax..... | (a)..... | ..... |
| 1.2 Other bonds (unaffiliated)..... | (a).....155,068 |178,612 |
| 1.3 Bonds of affiliates..... | (a)..... | ..... |
| 2.1 Preferred stocks (unaffiliated)..... | (b)..... | ..... |
| 2.11 Preferred stocks of affiliates..... | (b)..... | ..... |
| 2.2 Common stocks (unaffiliated)..... | ..... | ..... |
| 2.21 Common stocks of affiliates..... | ..... | ..... |
| 3. Mortgage loans..... | (c)..... | ..... |
| 4. Real estate..... | (d)..... | ..... |
| 5. Contract loans..... |330 |264 |
| 6. Cash, cash equivalents and short-term investments..... | (e).....1,800 |1,800 |
| 7. Derivative instruments..... | (f)..... | ..... |
| 8. Other invested assets..... | ..... | ..... |
| 9. Aggregate write-ins for investment income..... |0 |0 |
| 10. Total gross investment income..... |278,040 |304,809 |
| 11. Investment expenses..... | ..... | (g).....10,472 |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... | ..... | (g)..... |
| 13. Interest expense..... | ..... | (h)..... |
| 14. Depreciation on real estate and other invested assets..... | ..... | (i).....0 |
| 15. Aggregate write-ins for deductions from investment income..... | ..... | .....0 |
| 16. Total deductions (Lines 11 through 15)..... | ..... | .....10,472 |
| 17. Net investment income (Line 10 minus Line 16)..... | ..... | .....294,337 |

DETAILS OF WRITE-INS

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| 0901. .... | ..... | ..... |
| 0902. .... | ..... | ..... |
| 0903. .... | ..... | ..... |
| 0998. Summary of remaining write-ins for Line 9 from overflow page..... |0 |0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)..... |0 |0 |
| 1501. .... | ..... | ..... |
| 1502. .... | ..... | ..... |
| 1503. .... | ..... | ..... |
| 1598. Summary of remaining write-ins for Line 15 from overflow page..... | ..... | .....0 |
| 1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)..... | ..... | .....0 |
| (a) Includes \$.....20,354 accrual of discount less \$.....7,033 amortization of premium and less \$.....0 paid for accrued interest on purchases. | ..... | ..... |
| (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases. | ..... | ..... |
| (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. | ..... | ..... |
| (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances. | ..... | ..... |
| (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. | ..... | ..... |
| (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium. | ..... | ..... |
| (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts. | ..... | ..... |
| (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes. | ..... | ..... |
| (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets. | ..... | ..... |

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | 1 Realized Gain (Loss) on Sales or Maturity | 2 Other Realized Adjustments | 3 Total Realized Capital Gain (Loss) (Columns 1 + 2) | 4 Change in Unrealized Capital Gain (Loss) | 5 Change in Unrealized Foreign Exchange Capital Gain (Loss) |
|-----------------------------------------------------------|---------------------------------------------------------|---------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------|
| 1. U.S. government bonds..... | | |0 | ..... | ..... |
| 1.1 Bonds exempt from U.S. tax..... | | |0 | ..... | ..... |
| 1.2 Other bonds (unaffiliated)..... | | |0 | ..... | ..... |
| 1.3 Bonds of affiliates..... | | |0 | ..... | ..... |
| 2.1 Preferred stocks (unaffiliated)..... | | |0 | ..... | ..... |
| 2.11 Preferred stocks of affiliates..... | | |0 | ..... | ..... |
| 2.2 Common stocks (unaffiliated)..... | | |0 | ..... | ..... |
| 2.21 Common stocks of affiliates..... | | |0 |9,881 | ..... |
| 3. Mortgage loans..... | | |0 | ..... | ..... |
| 4. Real estate..... | | |0 | ..... | ..... |
| 5. Contract loans..... | | |0 | ..... | ..... |
| 6. Cash, cash equivalents and short-term investments..... | | |0 | ..... | ..... |
| 7. Derivative instruments..... | | |0 | ..... | ..... |
| 8. Other invested assets..... | | |0 | ..... | ..... |
| 9. Aggregate write-ins for capital gains (losses)..... |0 |0 |0 |0 |0 |
| 10. Total capital gains (losses)..... |0 |0 |0 |9,881 |0 |

DETAILS OF WRITE-INS

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

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

| | 1 Total | 2 Industrial Life | Ordinary | | 5 Credit Life (Group and Individual) | Group | | Accident and Health | | | 11 Aggregate of All Other Lines of Business |
|-------------------------------------------------------------------|-------------|-------------------------|---------------------|------------------------------|-----------------------------------------------|---------------------|----------------|---------------------|-------------------------------------|-------------|------------------------------------------------------|
| | | | 3 Life Insurance | 4 Individual Annuities | | 6 Life Insurance | 7 Annuities | 8 Group | 9 Credit (Group & Individual) | 10 Other | |
| FIRST YEAR (other than single) | | | | | | | | | | | |
| 1. Uncollected..... | .0 | | | | | | | | | | |
| 2. Deferred and accrued..... | .0 | | | | | | | | | | |
| 3. Deferred, accrued and uncollected: | | | | | | | | | | | |
| 3.1 Direct..... | .0 | | | | | | | | | | |
| 3.2 Reinsurance assumed..... | .0 | | | | | | | | | | |
| 3.3 Reinsurance ceded..... | .0 | | | | | | | | | | |
| 3.4 Net (Line 1 + Line 2)..... | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 4. Advance..... | .88 | | .88 | | | | | | | | |
| 5. Line 3.4 - Line 4..... | (.88) | .0 | (.88) | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 6. Collected during year: | | | | | | | | | | | |
| 6.1 Direct..... | (.334) | | (.75) | | | | | | | (.259) | |
| 6.2 Reinsurance assumed..... | .0 | | | | | | | | | | |
| 6.3 Reinsurance ceded..... | .125 | | | | | | | | | .125 | |
| 6.4 Net..... | (.459) | .0 | (.75) | .0 | .0 | .0 | .0 | .0 | .0 | (.384) | .0 |
| 7. Line 5 + Line 6.4..... | (.547) | .0 | (.163) | .0 | .0 | .0 | .0 | .0 | .0 | (.384) | .0 |
| 8. Prior year (uncollected + deferred and accrued - advance).... | .0 | | | | | | | | | | |
| 9. First year premiums and considerations: | | | | | | | | | | | |
| 9.1 Direct..... | (.422) | | (.163) | | | | | | | (.259) | |
| 9.2 Reinsurance assumed..... | .0 | | | | | | | | | | |
| 9.3 Reinsurance ceded..... | .125 | | | | | | | | | .125 | |
| 9.4 Net (Line 7 - Line 8)..... | (.547) | .0 | (.163) | .0 | .0 | .0 | .0 | .0 | .0 | (.384) | .0 |
| SINGLE | | | | | | | | | | | |
| 10. Single premiums and considerations: | | | | | | | | | | | |
| 10.1 Direct..... | .0 | | | | | | | | | | |
| 10.2 Reinsurance assumed..... | .0 | | | | | | | | | | |
| 10.3 Reinsurance ceded..... | .0 | | | | | | | | | | |
| 10.4 Net..... | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| RENEWAL | | | | | | | | | | | |
| 11. Uncollected..... | (.461,121) | | .12,247 | | | | | | | (.473,368) | |
| 12. Deferred and accrued..... | 483,026 | | 483,026 | | | | | | | | |
| 13. Deferred, accrued and uncollected: | | | | | | | | | | | |
| 13.1 Direct..... | 636,442 | | 503,933 | | | | | | | 132,509 | |
| 13.2 Reinsurance assumed..... | .0 | | | | | | | | | | |
| 13.3 Reinsurance ceded..... | 614,537 | | 8,660 | | | | | | | 605,877 | |
| 13.4 Net (Line 11 + Line 12)..... | .21,905 | .0 | .495,273 | .0 | .0 | .0 | .0 | .0 | .0 | (.473,368) | .0 |
| 14. Advance..... | 214,072 | | | | | | | | | 214,072 | |
| 15. Line 13.4 - Line 14..... | (.192,167) | .0 | .495,273 | .0 | .0 | .0 | .0 | .0 | .0 | (.687,440) | .0 |
| 16. Collected during year: | | | | | | | | | | | |
| 16.1 Direct..... | .26,557,874 | | 1,154,812 | | | .77,053 | | | | 25,326,009 | |
| 16.2 Reinsurance assumed..... | .0 | | | | | | | | | | |
| 16.3 Reinsurance ceded..... | 2,661,043 | | 12,423 | | | | | | | 2,648,620 | |
| 16.4 Net..... | .23,896,831 | .0 | 1,142,389 | .0 | .0 | .77,053 | .0 | .0 | .0 | 22,677,389 | .0 |
| Line 15 + Line 16.4..... | .23,704,664 | .0 | 1,637,662 | .0 | .0 | .77,053 | .0 | .0 | .0 | 21,989,949 | .0 |
| 17. Prior year (uncollected + deferred and accrued - advance).... | (.225,978) | | .558,025 | | | | | | | (.784,003) | |
| 19. Renewal premiums and considerations: | | | | | | | | | | | |
| 19.1 Direct..... | .26,444,586 | | 1,092,802 | | | .77,053 | | | | 25,274,731 | |
| 19.2 Reinsurance assumed..... | .0 | | | | | | | | | | |
| 19.3 Reinsurance ceded..... | 2,513,944 | | 13,165 | | | | | | | 2,500,779 | |
| 19.4 Net (Line 17 - Line 18)..... | .23,930,642 | .0 | 1,079,637 | .0 | .0 | .77,053 | .0 | .0 | .0 | 22,773,952 | .0 |
| TOTAL | | | | | | | | | | | |
| 20. Total premiums and annuity considerations: | | | | | | | | | | | |
| 20.1 Direct..... | .26,444,164 | .0 | 1,092,639 | .0 | .0 | .77,053 | .0 | .0 | .0 | 25,274,472 | .0 |
| 20.2 Reinsurance assumed..... | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 20.3 Reinsurance ceded..... | 2,514,069 | .0 | 13,165 | .0 | .0 | .0 | .0 | .0 | .0 | 2,500,904 | .0 |
| 20.4 Net (Lines 9.4 + 10.4 + 19.4)..... | .23,930,095 | .0 | 1,079,474 | .0 | .0 | .77,053 | .0 | .0 | .0 | 22,773,568 | .0 |

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND

EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)

| | 1 | 2 | Ordinary | | 5 | Group | | Accident and Health | | | 11 |
|--------------------------------------------------------------------|-----------|-----------------|---------------------|---------------------------|---------------------------------------|---------------------|----------------|---------------------|-------------------------------------|-------------|------------------------------------------------|
| | Total | Industrial Life | 3 Life Insurance | 4 Individual Annuities | Credit Life (Group and Individual) | 6 Life Insurance | 7 Annuities | 8 Group | 9 Credit (Group & Individual) | 10 Other | Aggregate of All Other Lines of Business |
| DIVIDENDS AND COUPONS APPLIED (included in Part 1) | | | | | | | | | | | |
| 21. To pay renewal premiums..... | 0 | | | | | | | | | | |
| 22. All other..... | 0 | | | | | | | | | | |
| REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED | | | | | | | | | | | |
| 23. First year (other than single): | | | | | | | | | | | |
| 23.1 Reinsurance ceded..... | 0 | | | | | | | | | | |
| 23.2 Reinsurance assumed..... | 0 | | | | | | | | | | |
| 23.3 Net ceded less assumed..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24. Single: | | | | | | | | | | | |
| 24.1 Reinsurance ceded..... | 0 | | | | | | | | | | |
| 24.2 Reinsurance assumed..... | 0 | | | | | | | | | | |
| 24.3 Net ceded less assumed..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25. Renewal: | | | | | | | | | | | |
| 25.1 Reinsurance ceded..... | 498,493 | | 2,373 | | | | | | | 496,120 | |
| 25.2 Reinsurance assumed..... | 0 | | | | | | | | | | |
| 25.3 Net ceded less assumed..... | 498,493 | 0 | 2,373 | 0 | 0 | 0 | 0 | 0 | 0 | 496,120 | 0 |
| 26. Totals: | | | | | | | | | | | |
| 26.1 Reinsurance ceded (Page 6, Line 6)..... | 498,493 | 0 | 2,373 | 0 | 0 | 0 | 0 | 0 | 0 | 496,120 | 0 |
| 26.2 Reinsurance assumed (Page 6, Line 22)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26.3 Net ceded less assumed..... | 498,493 | 0 | 2,373 | 0 | 0 | 0 | 0 | 0 | 0 | 496,120 | 0 |
| COMMISSIONS INCURRED (direct business only) | | | | | | | | | | | |
| 27. First year (other than single)..... | (540) | | (82) | | | | | | | (458) | |
| 28. Single..... | 0 | | | | | | | | | | |
| 29. Renewal..... | 3,212,564 | | 127,904 | | | 6,327 | | | | 3,078,333 | |
| 30. Deposit-type contract funds..... | 0 | | | | | | | | | | |
| 31. Totals (to agree with Page 6, Line 21)..... | 3,212,024 | 0 | 127,822 | 0 | 0 | 6,327 | 0 | 0 | 0 | 3,077,875 | 0 |

Provident American Life and Health Insurance Company
EXHIBIT 2 - GENERAL EXPENSES

| | | Insurance | | | | 5 | 6 |
|------|-----------------------------------------------------------------------|-----------|---------------------|-----------|-----------------------------|------------|-------------------|
| | | 1 | Accident and Health | | 4 | | |
| | | | 2 | 3 | | | |
| | | Life | Cost Containment | All Other | All Other Lines of Business | Investment | Total |
| 1. | Rent..... | 4,541 | | 28,354 | | | 32,895 |
| 2. | Salaries and wages..... | 60,322 | | 385,285 | | | 445,607 |
| 3.11 | Contributions for benefit plans for employees..... | 8,954 | | 60,080 | | | 69,034 |
| 3.12 | Contributions for benefit plans for agents..... | | | | | | 0 |
| 3.21 | Payments to employees under non-funded benefit plans..... | | | | | | 0 |
| 3.22 | Payments to agents under non-funded benefit plans..... | | | | | | 0 |
| 3.31 | Other employee welfare..... | 1,092 | | 6,544 | | | 7,636 |
| 3.32 | Other agent welfare..... | | | | | | 0 |
| 4.1 | Legal fees and expenses..... | 5,004 | | 4,140 | | | 9,144 |
| 4.2 | Medical examination fees..... | | | | | | 0 |
| 4.3 | Inspection report fees..... | | | | | | 0 |
| 4.4 | Fees of public accountants and consulting actuaries..... | 3,864 | | 15,936 | | | 19,800 |
| 4.5 | Expense of investigation and settlement of policy claims..... | 3,300 | | 116,961 | | | 120,261 |
| 5.1 | Traveling expenses..... | 477 | | 2,158 | | | 2,635 |
| 5.2 | Advertising..... | | | (4) | | | (4) |
| 5.3 | Postage, express, telegraph and telephone..... | 4,162 | | 131,869 | | | 136,031 |
| 5.4 | Printing and stationery..... | 1,269 | | 5,460 | | | 6,729 |
| 5.5 | Cost or depreciation of furniture and equipment..... | 11 | | 48 | | | 59 |
| 5.6 | Rental of equipment..... | 3,865 | | 16,558 | | | 20,423 |
| 5.7 | Cost or depreciation of EDP equipment and software..... | 1,349 | | 5,563 | | | 6,912 |
| 6.1 | Books and periodicals..... | 304 | | 1,588 | | | 1,892 |
| 6.2 | Bureau and association fees..... | 21 | | 88 | | | 109 |
| 6.3 | Insurance, except on real estate..... | 1,304 | | 5,391 | | | 6,695 |
| 6.4 | Miscellaneous losses..... | 332 | | 1,380 | | | 1,712 |
| 6.5 | Collection and bank service charges..... | 16,248 | | 70,977 | | | 87,225 |
| 6.6 | Sundry general expenses..... | 24,466 | | 106,045 | | | 130,511 |
| 6.7 | Group service and administration fees..... | | | | | | 0 |
| 6.8 | Reimbursements by uninsured plans..... | | | | | | 0 |
| 7.1 | Agency expense allowance..... | | | | | | 0 |
| 7.2 | Agents' balances charged off (less \$.....6,121 recovered)..... | (7,710) | | (65,578) | | | (73,288) |
| 7.3 | Agency conferences other than local meetings..... | | | | | | 0 |
| 9.1 | Real estate expenses..... | | | | | | 0 |
| 9.2 | Investment expenses not included elsewhere..... | | | | | 10,472 | 10,472 |
| 9.3 | Aggregate write-ins for expenses..... | 22,400 | 0 | 105,975 | 0 | 0 | 128,375 |
| 10. | General expenses Incurred..... | 155,575 | 0 | 1,004,818 | 0 | 10,472 | (a).....1,170,865 |
| 11. | General expenses unpaid December 31, prior year..... | 3,837 | | 51,910 | | | 55,747 |
| 12. | General expenses unpaid December 31, current year..... | 7,261 | | 46,898 | | | 54,159 |
| 13. | Amounts receivable relating to uninsured plans, prior year..... | | | | | | 0 |
| 14. | Amounts receivable relating to uninsured plans, current year..... | | | | | | 0 |
| 15. | General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)..... | 152,151 | 0 | 1,009,830 | 0 | 10,472 | 1,172,453 |

| DETAILS OF WRITE-INS | | | | | | | |
|----------------------|---------------------------------------------------------------------|--------|---|---------|---|---|---------|
| 09.301. | EDP Expenses..... | 22,400 | | 100,243 | | | 122,643 |
| 09.302. | TPA Service Fees..... | | | 5,732 | | | 5,732 |
| 09.303. | | | | | | | 0 |
| 09.398. | Summary of remaining write-ins for Line 9.3 from overflow page..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 09.399. | Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above)..... | 22,400 | 0 | 105,975 | 0 | 0 | 128,375 |

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

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

| | | Insurance | | | 4 | 5 |
|-----|------------------------------------------------------------------|-----------|---------------------|-----------------------------|------------|---------|
| | | 1 | 2 | 3 | Investment | Total |
| | | Life | Accident and Health | All Other Lines of Business | | |
| 1. | Real estate taxes..... | | | | | 0 |
| 2. | State insurance department licenses and fees..... | 4,421 | 104,515 | | | 108,936 |
| 3. | State taxes on premiums..... | 17,369 | 417,413 | | | 434,782 |
| 4. | Other state taxes, including \$.....0 for employee benefits..... | 142 | 3,429 | | | 3,571 |
| 5. | U.S. Social Security taxes..... | 4,213 | 26,442 | | | 30,655 |
| 6. | All other taxes..... | 2,180 | 31,114 | | | 33,294 |
| 7. | Taxes, licenses and fees incurred..... | 28,325 | 582,913 | 0 | 0 | 611,238 |
| 8. | Taxes, licenses and fees unpaid December 31, prior year..... | 3,715 | 102,122 | | | 105,837 |
| 9. | Taxes, licenses and fees unpaid December 31, current year..... | 11,221 | 230,925 | | | 242,146 |
| 10. | Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)..... | 20,819 | 454,110 | 0 | 0 | 474,929 |

EXHIBIT 4 - DIVIDENDS OR REFUNDS

| | | 1 | 2 |
|-----|----------------------------------------------------------------------------------------|------|---------------------|
| | | Life | Accident and Health |
| 1. | Applied to pay renewal premiums..... | | |
| 2. | Applied to shorten the endowment or premium-paying period..... | | |
| 3. | Applied to provide paid-up additions..... | | |
| 4. | Applied to provide paid-up annuities..... | | |
| 5. | Total Lines 1 through 4..... | 0 | 0 |
| 6. | Paid-in cash..... | | |
| 7. | Left on deposit..... | | |
| 8. | Aggregate write-ins for dividend or refund options..... | 0 | 0 |
| 9. | Total Lines 5 through 8..... | 0 | 0 |
| 10. | Amount due and unpaid..... | | |
| 11. | Provision for dividends or refunds payable in the following calendar year..... | | |
| 12. | Terminal dividends..... | | |
| 13. | Provision for deferred dividend contracts..... | | |
| 14. | Amount provisionally held for deferred dividend contracts not included in Line 13..... | | |
| 15. | Total Lines 10 through 14..... | 0 | 0 |
| 16. | Total from prior year..... | | |
| 17. | Total dividends or refunds (Lines 9 + 15 - 16)..... | 0 | 0 |

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

Provident American Life and Health Insurance Company
EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

| 1 | 2 | 3 | 4 | 5 | 6 |
|-------------------------------------------------------------|-----------|------------|-----------|-------------------------------------|-------|
| Valuation Standard | Total | Industrial | Ordinary | Credit (Group and Individual) | Group |
| Life Insurance: | | | | | |
| 0100001. 2001 CSO 4.0% ANB CRVM..... | 1,757,193 | | 1,757,193 | | |
| 0100002. 2001 CSO 4.0% ALB CRVM..... | 3,579 | | 3,579 | | |
| 0100003. 2001 CSO 4.0% ANB NLP..... | 4,434 | | 4,434 | | |
| 0199997. Totals (Gross)..... | 1,765,206 | 0 | 1,765,206 | 0 | 0 |
| 0199998. Reinsurance ceded..... | 28,711 | | 28,711 | | |
| 0199999. Totals (Net)..... | 1,736,495 | 0 | 1,736,495 | 0 | 0 |
| Miscellaneous Reserves: | | | | | |
| 0700001. Non-deduction of Deferred Fractional Premiums..... | 63,454 | | 63,454 | | |
| 0700002. Immediate Payment of Death Claims..... | 26,644 | | 26,644 | | |
| 0799997. Totals (Gross)..... | 90,098 | 0 | 90,098 | 0 | 0 |
| 0799998. Reinsurance ceded..... | 1,286 | | 1,286 | | |
| 0799999. Totals (Net)..... | 88,812 | 0 | 88,812 | 0 | 0 |
| 9999999. Totals (Net) - Page 3, Line 1..... | 1,825,307 | 0 | 1,825,307 | 0 | 0 |

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

| | 1 | 2 | 3 | 4 | Other Individual Contracts | | | | |
|-------------------------------------------------------------------|-----------|---------------------------------|------------------------------------------------------------|---------------------------|----------------------------|-------------------------|---------------------------------------------|------------------------|-----------|
| | | | | | 5 | 6 | 7 | 8 | 9 |
| | Total | Group Accident and Health | Credit Accident and Health (Group and Individual) | Collectively Renewable | Non- Cancelable | Guaranteed Renewable | Non-Renewable for Stated Reasons Only | Other Accident Only | All Other |
| ACTIVE LIFE RESERVE | | | | | | | | | |
| 1. Unearned premium reserves..... | 1,294,601 | | | | | 1,294,601 | | | |
| 2. Additional contract reserves (a)..... | 54,674 | | | | | 54,674 | | | |
| 3. Additional actuarial reserves - Asset/Liability analysis..... | 0 | | | | | | | | |
| 4. Reserve for future contingent benefits..... | 0 | | | | | | | | |
| 5. Reserve for rate credits..... | 0 | | | | | | | | |
| 6. Aggregate write-ins for reserves..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Totals (Gross)..... | 1,349,275 | 0 | 0 | 0 | 0 | 1,349,275 | 0 | 0 | 0 |
| 8. Reinsurance ceded..... | 173,525 | | | | | 173,525 | | | |
| 9. Totals (Net)..... | 1,175,750 | 0 | 0 | 0 | 0 | 1,175,750 | 0 | 0 | 0 |
| CLAIM RESERVE | | | | | | | | | |
| 10. Present value of amounts not yet due on claims..... | 0 | | | | | | | | |
| 11. Additional actuarial reserves - Asset/Liability analysis..... | 0 | | | | | | | | |
| 12. Reserve for future contingent benefits..... | 0 | | | | | | | | |
| 13. Aggregate write-ins for reserves..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Totals (Gross)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Reinsurance ceded..... | 0 | | | | | | | | |
| 16. Totals (Net)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. TOTALS (Net)..... | 1,175,750 | 0 | 0 | 0 | 0 | 1,175,750 | 0 | 0 | 0 |
| 18. TABULAR FUND INTEREST..... | 1,426 | | | | | 1,426 | | | |

DETAILS OF WRITE-INS

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

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

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

| | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------------------------------------------------------------------------------------------------|--------|-------------------------------------|----------------------|---------------------------|-----------------------------------------|---------------------------------------|
| | Total | Guaranteed Interest Contracts | Annuities Certain | Supplemental Contracts | Dividend Accumulations or Refunds | Premium and Other Deposit Funds |
| 1. Balance at the beginning of the year before reinsurance..... |0 | | | | | |
| 2. Deposits received during the year..... |0 | | | | | |
| 3. Investment earnings credited to the account..... |0 | | | | | |
| 4. Other net change in reserves..... |0 | | | | | |
| 5. Fees and other charges assessed..... |0 | | | | | |
| 6. Surrender charges..... |0 | | | | | |
| 7. Net surrender or withdrawal payments..... |0 | | | | | |
| 8. Other net transfers to or (from) Separate Accounts..... |0 | | | | | |
| 9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8)..... |0 |0 |0 |0 |0 |0 |
| 10. Reinsurance balance at the beginning of the year..... |0 | | | | | |
| 11. Net change in reinsurance assumed..... |0 | | | | | |
| 12. Net change in reinsurance ceded..... |0 | | | | | |
| 13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12)..... |0 |0 |0 |0 |0 |0 |
| 14. Net balance at the end of the current year after reinsurance (Lines 9 + 13)..... |0 |0 |0 |0 |0 |0 |

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

16

| | 1 Total | 2 Industrial Life | Ordinary | | | 6 Credit Life (Group and Individual) | Group | | Accident and Health | | |
|-------------------------------|----------------|-----------------------------|----------------------------|----------------------------------|-------------------------------------|---------------------------------------------------|----------------------------|--------------------|---------------------|-------------------------------------------|-----------------|
| | | | 3 Life Insurance | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other |
| 1. Due and unpaid: | | | | | | | | | | | |
| 1.1 Direct..... | 0 | | | | | | | | | | |
| 1.2 Reinsurance assumed..... | 0 | | | | | | | | | | |
| 1.3 Reinsurance ceded..... | 0 | | | | | | | | | | |
| 1.4 Net..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. In course of settlement: | | | | | | | | | | | |
| 2.1 Resisted: | | | | | | | | | | | |
| 2.11 Direct..... | 0 | | | | | | | | | | |
| 2.12 Reinsurance assumed..... | 0 | | | | | | | | | | |
| 2.13 Reinsurance ceded..... | 0 | | | | | | | | | | |
| 2.14 Net..... | 0 | 0 | (b) 0 | (b) 0 | 0 | (b) 0 | (b) 0 | 0 | 0 | 0 | 0 |
| 2.2 Other: | | | | | | | | | | | |
| 2.21 Direct..... | 289,551 | | 60,230 | | | | | | 632 | | 228,689 |
| 2.22 Reinsurance assumed..... | 0 | | | | | | | | | | |
| 2.23 Reinsurance ceded..... | 30,169 | | 5,115 | | | | | | 632 | | 24,422 |
| 2.24 Net..... | 259,382 | 0 | (b) 55,115 | (b) 0 | 0 | (b) 0 | (b) 0 | 0 | (b) 0 | (b) 0 | (b) 204,267 |
| 3. Incurred but unreported: | | | | | | | | | | | |
| 3.1 Direct..... | 1,311,675 | | 15,000 | | | | | | 772 | | 1,295,903 |
| 3.2 Reinsurance assumed..... | 0 | | | | | | | | | | |
| 3.3 Reinsurance ceded..... | 139,661 | | 500 | | | | | | 772 | | 138,389 |
| 3.4 Net..... | 1,172,014 | 0 | (b) 14,500 | (b) 0 | 0 | (b) 0 | (b) 0 | 0 | (b) 0 | (b) 0 | (b) 1,157,514 |
| 4. Totals: | | | | | | | | | | | |
| 4.1 Direct..... | 1,601,226 | 0 | 75,230 | 0 | 0 | 0 | 0 | 0 | 1,404 | 0 | 1,524,592 |
| 4.2 Reinsurance assumed..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded..... | 169,830 | 0 | 5,615 | 0 | 0 | 0 | 0 | 0 | 1,404 | 0 | 162,811 |
| 4.4 Net..... | 1,431,396 | (a) 0 | (a) 69,615 | 0 | 0 | 0 | (a) 0 | 0 | 0 | 0 | 1,361,781 |

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

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

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

| | 1 | 2 | Ordinary | | 5 | 6 | Group | | Accident and Health | | |
|-----------------------------------------------------------------------|------------|---------------------|--------------------|----------------------|-------------------------|------------------------------------|--------------------|-----------|---------------------|-------------------------------|------------|
| | | | 3 | 4 | | | 7 | 8 | 9 | 10 | 11 |
| | Total | Industrial Life (a) | Life Insurance (b) | Individual Annuities | Supplementary Contracts | Credit Life (Group and Individual) | Life Insurance (c) | Annuities | Group | Credit (Group and Individual) | Other |
| 1. Settlements during the year: | | | | | | | | | | | |
| 1.1 Direct..... | 17,316,385 | | 467,332 | | | | | | | | 16,849,053 |
| 1.2 Reinsurance assumed..... | 0 | | | | | | | | | | |
| 1.3 Reinsurance ceded..... | 1,863,338 | | 2,520 | | | | | | | | 1,860,818 |
| 1.4 Net..... (d) | 15,453,047 | 0 | 464,812 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,988,235 |
| 2. Liability December 31, current year from Part 1: | | | | | | | | | | | |
| 2.1 Direct..... | 1,601,226 | | 75,230 | | | | | | 1,404 | | 1,524,592 |
| 2.2 Reinsurance assumed..... | 0 | | | | | | | | | | |
| 2.3 Reinsurance ceded..... | 169,830 | | 5,615 | | | | | | 1,404 | | 162,811 |
| 2.4 Net..... | 1,431,396 | 0 | 69,615 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,361,781 |
| 3. Amounts recoverable from reinsurers December 31, current year..... | 362,094 | | 2,500 | | | | | | | | 359,594 |
| 4. Liability December 31, prior year: | | | | | | | | | | | |
| 4.1 Direct..... | 2,078,570 | | 82,000 | | | | | | | | 1,996,570 |
| 4.2 Reinsurance assumed..... | 0 | | | | | | | | | | |
| 4.3 Reinsurance ceded..... | 200,059 | | 500 | | | | | | | | 199,559 |
| 4.4 Net..... | 1,878,511 | 0 | 81,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,797,011 |
| 5. Amounts recoverable from reinsurers December 31, prior year..... | 526,851 | | | | | | | | | | 526,851 |
| 6. Incurred benefits: | | | | | | | | | | | |
| 6.1 Direct..... | 16,839,041 | 0 | 460,562 | 0 | 0 | 0 | 0 | 0 | 1,404 | 0 | 16,377,075 |
| 6.2 Reinsurance assumed..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.3 Reinsurance ceded..... | 1,668,352 | 0 | 10,135 | 0 | 0 | 0 | 0 | 0 | 1,404 | 0 | 1,656,813 |
| 6.4 Net..... | 15,170,689 | 0 | 450,427 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,720,262 |

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.00 in Line 1.1, \$.00 in Line 1.4, \$.00 in Line 6.1 and \$.00 in line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.00 in Line 1.1, \$.00 in Line 1.4, \$.00 in Line 6.1 and \$.00 in line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.00 in Line 1.1, \$.00 in Line 1.4, \$.00 in Line 6.1 and \$.00 in line 6.4.

(d) Includes \$.00 premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

| | 1 Current Year Total Nonadmitted Assets | 2 Prior Year Total Nonadmitted Assets | 3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------|
| 1. Bonds (Schedule D)..... | | |0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks..... | | |0 |
| 2.2 Common stocks..... | | |0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens..... | | |0 |
| 3.2 Other than first liens..... | | |0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company..... | | |0 |
| 4.2 Properties held for the production of income..... | | |0 |
| 4.3 Properties held for sale..... | | |0 |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)..... | | |0 |
| 6. Contract loans..... | | |0 |
| 7. Derivatives (Schedule DB)..... | | |0 |
| 8. Other invested assets (Schedule BA)..... | | |0 |
| 9. Receivables for securities..... | | |0 |
| 10. Securities lending reinvested collateral assets (Schedule DL)..... | | |0 |
| 11. Aggregate write-ins for invested assets..... |0 |0 |0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11)..... |0 |0 |0 |
| 13. Title plants (for Title insurers only)..... | | |0 |
| 14. Investment income due and accrued..... | | |0 |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection..... |4,190 |2,505 |(1,685) |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due..... | | |0 |
| 15.3 Accrued retrospective premiums..... | | |0 |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers..... | | |0 |
| 16.2 Funds held by or deposited with reinsured companies..... | | |0 |
| 16.3 Other amounts receivable under reinsurance contracts..... | | |0 |
| 17. Amounts receivable relating to uninsured plans..... | | |0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon..... | | |0 |
| 18.2 Net deferred tax asset..... |2,152,000 |2,136,000 |(16,000) |
| 19. Guaranty funds receivable or on deposit..... | | |0 |
| 20. Electronic data processing equipment and software..... | | |0 |
| 21. Furniture and equipment, including health care delivery assets..... | | |0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates..... | | |0 |
| 23. Receivables from parent, subsidiaries and affiliates..... | | |0 |
| 24. Health care and other amounts receivable..... |27,153 |21,478 |(5,675) |
| 25. Aggregate write-ins for other than invested assets..... |102,124 |149,635 |47,511 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)..... |2,285,467 |2,309,618 |24,151 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | |0 |
| 28. TOTALS (Lines 26 and 27)..... |2,285,467 |2,309,618 |24,151 |

DETAILS OF WRITE-INS

| | | | |
|--------------------------------------------------------------------------|--------------|--------------|-------------|
| 1101. | | |0 |
| 1102. | | |0 |
| 1103. | | |0 |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... |0 |0 |0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)..... |0 |0 |0 |
| 2501. Other Receivables and Prepaids..... |102,124 |149,635 |47,511 |
| 2502. | | |0 |
| 2503. | | |0 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... |0 |0 |0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... |102,124 |149,635 |47,511 |

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices and Procedures

The financial statements of Provident American Life and Health Insurance Company ("PALHIC" or "the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

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

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

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

c. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. The Company has no participating business in force.

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

2. Accounting Changes and Corrections of Errors

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

3. Business Combinations and Goodwill -- Not applicable

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

5. Investments

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

- (1) The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
- (2) The Company does not currently hold any securities with a recognized other-than-temporary impairment where there is an intent to sell or an inability or lack of intent to hold the securities for a sufficient period of time necessary to recover the amortized cost basis of the securities.
- (3) The Company had no other-than-temporary items recognized in 2011.
- (4) The Company had no unrealized losses in 2011.

NOTES TO FINANCIAL STATEMENTS

- e. Repurchase Agreements -- Not applicable
- f. Real Estate -- Not applicable
- g. Low-Income Housing Tax Credits -- Not applicable
6. Joint Ventures, Partnerships and Limited Liability Companies -- Not applicable.
7. Investment Income --There was no due and accrued investment income excluded from capital and surplus at December 31, 2011 or 2010.
8. Derivative Instruments -- Not applicable
9. Income Taxes
- a. Deferred Tax Assets and Deferred Tax Liabilities
- (1) The components of the net deferred tax asset/(liability) at December 31, were as follows:

| | 12/31/2011 | | | 12/31/2010 | | |
|--------------------------------------------------|-------------|---------|---------------------|-------------|---------|---------------------|
| | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Gross Deferred Tax Assets | \$3,869,000 | - | \$ 3,869,000 | \$3,680,000 | - | \$ 3,680,000 |
| Gross deferred tax liabilities | 69,000 | - | 69,000 | 82,000 | - | 82,000 |
| Net deferred tax assets | | | 3,800,000 | | | 3,598,000 |
| Deferred tax assets non-admitted | | | (2,152,000) | | | (2,136,000) |
| Net Admitted Deferred Tax Assets | | | <u>\$ 1,648,000</u> | | | <u>\$ 1,462,000</u> |
| Increase (decrease) in net deferred tax assets | | | <u>\$ 202,000</u> | | | <u>\$ 532,750</u> |
| Increase (decrease) in non-admitted deferred tax | | | <u>\$ 15,000</u> | | | <u>\$ 404,050</u> |

- (2) The Company has elected to admit DTAs pursuant to SSAP 10R – Paragraph 10.e. The Company utilized this election in 2010.
- (3) As a result of this election, the Company has recognized additional deferred tax assets, as follows:

| | 2011 | 2010 |
|---------------------------------------------------------------------|--------------|------------|
| Additional admitted deferred tax assets - SSAP 10R - Paragraph 10.e | \$ 1,050,000 | \$ 912,000 |
| Increase (decrease) for the year | 138,000 | 172,000 |

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

| | 2011 | | | 2010 | | |
|----------------------------------------|------------|---------|-------------------|------------|---------|-------------------|
| | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Recoverable through loss carrybacks | \$ 598,000 | \$ - | \$ 598,000 | \$ 550,000 | \$ - | \$ 550,000 |
| Lesser of: | | | | | | |
| Reversal of deferred tax assets | | | | | | |
| in the following year | - | - | - | - | - | - |
| 10% of adjusted capital and surplus | | | 1,272,000 | | | 1,043,000 |
| | | | - | | | - |
| Adjusted gross deferred tax assets | | | | | | |
| offset agains deferred tax liabilities | 69,000 | - | 69,000 | 82,000 | - | 82,000 |
| Admitted deferred tax assets | | | <u>\$ 667,000</u> | | | <u>\$ 632,000</u> |

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

| | 2011 | | | 2010 | | |
|----------------------------------------|--------------|---------|--------------------|--------------|---------|---------------------|
| | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Recoverable through loss carrybacks | \$ 1,648,000 | \$ - | \$ 1,648,000 | \$ 1,462,000 | \$ - | \$ 1,462,000 |
| Lesser of: | | | | | | |
| Reversal of deferred tax assets | | | | | | |
| in the following three years | - | - | - | - | - | - |
| 15% of adjusted capital and surplus | | | 1,908,000 | | | 1,564,000 |
| | | | - | | | - |
| Adjusted gross deferred tax assets | | | | | | |
| offset agains deferred tax liabilities | 69,000 | - | 69,000 | 82,000 | - | 82,000 |
| Admitted deferred tax assets | | | <u>\$1,717,000</u> | | | <u>\$ 1,544,000</u> |

NOTES TO FINANCIAL STATEMENTS

For purposes of SSAP No 10R, Paragraph 10.d., the following amounts were used:

| | 2011 | 2010 | Change |
|--------------------------|--------------|--------------|-------------|
| Total Adjusted Capital | \$14,632,645 | \$11,854,842 | \$2,777,803 |
| Authorized Control Level | \$ 664,405 | \$ 854,289 | (\$189,844) |

- (5) There were no tax planning strategies utilized in the DTA admissibility calculation for year 2011 and 2010.
- (6) The impact on the Company's financial statements as a result of the election of SSAP 10R Paragraph 10.e are as follows:

| December 31, 2011 | Prior to Election | After Election | Change |
|-----------------------------------------|-------------------|----------------|-------------|
| Admitted deferred tax assets | \$ 667,000 | \$ 1,717,000 | \$1,050,000 |
| Admitted assets | 20,091,002 | 21,141,002 | 1,050,000 |
| Adjusted statutory capital and surplus* | 12,718,594 | xxx | xxx |
| Total adjusted capital for RBC | 14,632,645 | xxx | xxx |
| Statutory surplus | 12,087,506 | 13,137,506 | 1,050,000 |

| December 31, 2010 | Prior to Election | After Election | Change |
|-----------------------------------------|-------------------|----------------|------------|
| Admitted deferred tax assets | \$ 632,000 | \$ 1,544,000 | \$ 912,000 |
| Admitted assets | 17,403,655 | 18,315,655 | 912,000 |
| Adjusted statutory capital and surplus* | 10,426,606 | xxx | xxx |
| Total adjusted capital for RBC | 11,854,842 | xxx | xxx |
| Statutory surplus | 9,339,051 | 10,251,051 | 912,000 |

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

| | 12/31/2011 | 12/31/2010 | Change |
|------------------------------------------------------|--------------|--------------|------------|
| Ordinary: | | | |
| Federal income taxes (benefit) on current operations | \$ 1,775,962 | \$ 1,628,723 | \$ 147,239 |
| Prior year adjustment | - | 35,000 | (35,000) |
| Other | (1,138) | 2,161 | (3,299) |
| Tax on operations | 1,774,824 | 1,665,884 | 108,940 |
| Capital | - | 152 | (152) |
| Federal and foreign income taxes incurred | \$ 1,774,824 | \$ 1,666,036 | \$ 108,788 |

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

| | | | |
|------------------------------------------------------------------|--------------|--------------|------------|
| Ordinary: | | | |
| Reserves | 31,000 | 34,000 | (3,000) |
| Deferred acquisition costs | 3,760,000 | 3,539,000 | 221,000 |
| Other | 78,000 | 107,000 | (29,000) |
| Total ordinary deferred tax assets | 3,869,000 | 3,680,000 | 189,000 |
| Deferred tax assets non-admitted | 2,152,000 | 2,136,000 | 16,000 |
| Admitted ordinary deferred tax assets | 1,717,000 | 1,544,000 | 173,000 |
| Deferred tax liabilities resulting from book/tax differences in: | | | |
| Ordinary: | | | |
| Investments | 31,000 | 29,000 | 2,000 |
| Deferred and uncollected premiums | 38,000 | 53,000 | (15,000) |
| Total ordinary deferred tax liability | 69,000 | 82,000 | (13,000) |
| Net admitted deferred tax assets | \$ 1,648,000 | \$ 1,462,000 | \$ 186,000 |

NOTES TO FINANCIAL STATEMENTS

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

| | | |
|--------------------------------------|---------------------|---------------------|
| | 2011 | 2010 |
| Expected income tax at 35% | \$ 1,564,865 | \$ 1,124,194 |
| Other | 7,959 | 9,092 |
| Total statutory federal income taxes | <u>\$ 1,572,824</u> | <u>\$ 1,133,286</u> |
| | | |
| Federal income taxes incurred | \$ 1,774,824 | \$ 1,666,036 |
| Change in net deferred income taxes | (202,000) | (532,750) |
| Total statutory federal income taxes | <u>\$ 1,572,824</u> | <u>\$ 1,133,286</u> |

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

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

| | | | |
|-----------------|-----------------|----------------|--------------|
| <u>Tax Year</u> | <u>Ordinary</u> | <u>Capital</u> | <u>Total</u> |
| 2011 | \$ 1,775,962 | - | \$ 1,775,962 |
| 2010 | 1,628,571 | 153 | 1,628,724 |
| 2009 | - | - | - |

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

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

- a., b. & c. Related party transactions for 2011 – Not applicable.
- d. At December 31, 2011, the Company reported \$27,382 as amounts due from affiliated companies and \$882 due to affiliated companies. The terms of the agreements require that these amounts be settled within 90 days.
- e. During 2011 there were no material guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that resulted in a material contingent exposure of the Company's or any related party's assets or liabilities.
- f. Management or service contracts and all cost sharing arrangements involving the Company:
- (1) The Company has an agreement with GAFRI, subject to the direction of the finance committee of the Company, whereby GAFRI, along with the services provided by American Money Management, provides for money management and accounting services related to the investment portfolio.

(2) Certain administrative, management, underwriting, claims, accounting, data processing, collection and investment services are provided under agreements between the Company and affiliates at charges not unfavorable to the Company or the affiliate.
- g. The Company is an indirect subsidiary of Great American Financial Resources, Inc. ("GAFRI"), which is a subsidiary of American Financial Group, Inc.; 100% of the Company's outstanding common stock is directly owned by Central Reserve Life Insurance Co. ("CRLIC"). See Schedule Y, Part 1, Organizational Chart.
- h. The Company does not own shares of any upstream immediate entity or ultimate parent.
- i. The Company has no investments in SCA entities.
- j. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
- k. The company has no investment in a foreign insurance subsidiary.
- l. The company has no investment in a downstream non-insurance holding company.

11. Debt

- a. The Company has no outstanding debt instruments.
- b. The Company has no Federal Home Loan Bank arrangements.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans.

- a. The Company does not participate in defined benefit plan.
- b. Defined Compensation Plan -- See item d below.
- c. The Company does not participate in multi-employer plans.
- d. Consolidated/Holding Company Plans:
- (1) Employees' Retirement Plan:

(a) All employees meeting minimum requirements are eligible to participate in an Employee Stock Ownership Retirement Plan ("Plan") established by GAFRI for employees of GAFRI and its participating subsidiaries. The Plan is a defined contribution plan in which participating employees are entitled to share in contributions made by GAFRI on their behalf. The benefits are based on an employee's years of service and eligible compensation for each year of participation. Funding is determined annually. Each participating employer contributes an amount based upon the relationship of its total eligible compensation to total eligible compensation under the Plan. The Company's contribution for the plan was \$7,414 in 2011 and \$18,664 in 2010.

NOTES TO FINANCIAL STATEMENTS

- (b) Plan costs are funded as they accrue and vested benefits are fully funded. Contributions to the Plan are subject to the discretion of the Board of Directors of the Company, and the Company has no liability for future contributions under the Plan.
- (c) The Company's parent, GAFRI, sponsors a 401(k) retirement plan for all eligible employees of GAFRI and its participating subsidiaries. Effective January 1, 2001, GAFRI and participating subsidiaries began making matching contributions to the 401(k) plan. Company contributions are based on the amount of the participating employees' contributions. The Company recognized expenses of \$12,959 and \$19,311 for its contribution to the plan in 2011 and 2010, respectively.

(2) Deferred Compensation Plans:

- (a) The Company offers to its officers and selected employees the opportunity to defer receipt of a specific percentage of income. Amounts deferred are credited with interest at either a rate set by the Board of Directors or based on the performance of the common stock of American Financial Group, as chosen by individual participants.

(3) Post Retirement Benefits:

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

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

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

e. Post-Employment Benefits and Compensated Absences:

The Company accrues obligations for post employment benefits and compensated absences in accordance with SSAP No. 11.

f. The Medicare Modernization Act

- (1) In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("the Act") became law. Under the Act, starting in 2006, retirees will have the ability to obtain prescription drug benefits through a new Medicare Part D program and companies that continue to provide postretirement prescription drug benefits to their retirees may be eligible to receive a new federal subsidy.
- (2) The Medicare Modernization Act had no impact on the Company's postretirement benefits.

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

- a. The Company has 1,000 shares authorized and 1,000 shares issued and outstanding. All shares are class A shares.
- b. The Company has no preferred stock outstanding.
- c. The maximum amount of dividends that can be paid to stockholders by life insurance companies domiciled in the State of Ohio without prior approval of the Insurance Commissioner is the greater of 10% of surplus as regards to policyholders or net income as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of dividends payable in 2012 without prior approval is \$0, as the Company has no earned surplus.
- d. No dividends were paid in 2011.
- e. Within the limitations of (c) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- f. There are no restrictions on the Company's surplus.
- g. The total amount of advances to surplus not repaid is \$0.
- h. The amounts of stock held by the Company, including stock of affiliated companies, for special purposes is:
 - (1) Conversion of preferred stock: 0 shares
 - (2) Employee stock options: 0 shares
 - (3) Stock purchase warrants: 0 shares
- i. The special surplus funds in the balance sheet of \$1,050,000 is due to SSAP 10R.
- j. The portion of unassigned funds (surplus) represented or (reduced) by each of the following items:
 - (1) Unrealized gains and losses: 0
 - (2) Non-admitted asset values: (2,285,467)
 - (3) Separate account business: 0
 - (4) Asset valuation reserves: (45,139)
 - (5) Reinsurance in unauthorized companies: 0
- k. Surplus Notes -- Not applicable
- l. The impact of any restatement due to prior quasi-reorganizations is as follows: Not applicable
- m. The effective date of all quasi-reorganization in the prior 10 years is/are: Not applicable

NOTES TO FINANCIAL STATEMENTS

14. Contingencies
- a. Contingent Commitments -- No reportable material commitments or contingent commitments.

b. Assessments

(2) From time to time, insurance companies may be assessed by various state insurance guaranty funds to help pay for the cost of other insurance companies insolvencies. These assessments are generally recoverable in most states over a 3 to 10 year period through reduction in future premium tax liabilities. The Company periodically adjusts its accrual for future assessments utilizing information provided by the National Organization of Life and Health Insurance Guaranty Associations. At December 31, 2011, the Company held a liability for future assessments of \$156,000. The Company also holds an asset for premium tax offsets related to guaranty fund assessments paid or accrual.
- Assets recognized from paid and accrued tax offsets for the year ended December 31, 2011, are as follows:

| | |
|-----------------------------|------------------|
| Balance, beginning of year | \$39,861 |
| Premium tax offsets accrued | 135,118 |
| Premium tax offsets applied | (10,411) |
| | <u>\$164,568</u> |
- c. Gain Contingencies -- No reportable material gain contingencies.

d. Claims related extra contractual obligations and bad faith losses stemming from lawsuits -- No reportable material losses.

e. All Other Contingencies -- No reportable material other contingencies.
15. Leases -- Not applicable
16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk -- Not applicable
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities -- The Company has no reportable transactions.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans -- Not applicable
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators -- Not applicable
20. Fair Value Measurements -- The Company does not have any assets or liabilities carried at fair value.
21. Other Items
- a. Extraordinary Items -- No reportable material extraordinary items.

b. Troubled debt restructuring: Debtors -- Not applicable

c. Other disclosures -- Not applicable

d. Uncollectible assets -- No reportable uncollectible amounts.

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

f. State transferable tax credits -- No reportable state transferable tax credits.

g. Subprime mortgage related risk exposure.

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

(1) The company does not have any investment with direct exposure in subprime mortgage loans.

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

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

h. Retained Assets -- Not applicable
22. Events Subsequent -- Management has evaluated the financial statements for subsequent events through February 21, 2012, the date financial statements were available to be issued.
23. Reinsurance
- a. Ceded Reinsurance Report

(1) Section 1 - General Interrogatories

(a) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (X)

If yes, give full details.

NOTES TO FINANCIAL STATEMENTS

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

If yes, give full details.

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

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

If yes, give full details.

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

- (a) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ NONE
- (b) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes () No (X)

- b. Uncollectible Reinsurance -- No reinsurance recoverables were written off.
- c. Commutation of Ceded Reinsurance -- There was no commutation of ceded reinsurance.

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

25. Change in Incurred Losses and Loss Adjustment Expenses:

Reserves as of December 31, 2010 were \$1,797,011. As of December 31, 2011, \$1,608,622 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$10,325 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicare Supplement insurance. Therefore, there has been a \$178,064 favorable prior year development since December 31, 2010 to December 31, 2011. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements -- Not applicable

27. Structured Settlements -- Not applicable

28. Health Care Receivables -- Not applicable

29. Participating Policies -- Not applicable

30. Premium Deficiency Reserves -- Not applicable

31. Reserves for Life Contracts and Annuity Contracts

- a. The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- b. During the calendar year 2011, the Company had no policies in force valued on a substandard basis.
- c. As of December 31, 2011, the Company had \$0 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.
- d. The Tabular less Actual reserve released has been determined by formula as described by instruction. The total of all such products in determining Tabular Interest of funds is entered under Page 7, Part A, Line 9.
- e. As of December 31, 2011, the Company had no policies in force falling under the category of not involving life contingencies.
- f. As of December 31, 2011, the Company had no reserve changes to be explained.

32. Analysis of Annuity Actuarial Reserves and Deposit Type Liabilities – Not applicable.

NOTES TO FINANCIAL STATEMENTS

33. Premium and Annuity Considerations Deferred and Uncollected

| Type | Gross | Loading | Net of Loading |
|---------------------------|-------------------|-------------------|-------------------|
| (1) Industrial | \$ - | \$ - | \$ - |
| (2) Ordinary new business | - | - | - |
| (3) Ordinary renewal | 495,273 | 153,451 | 341,822 |
| (4) Credit Life | - | - | - |
| (5) Group Life | - | - | - |
| (6) Group Annuity | - | - | - |
| (7) Totals | <u>\$ 495,273</u> | <u>\$ 153,451</u> | <u>\$ 341,822</u> |

34. Separate Accounts -- Not applicable

35. Loss/Claim Adjustment Expenses

Reserves for LAE expense is contained within the claim liability reserve for incurred but not reported claims. For 2011 and 2010 LAE reserves were \$34,756 and \$45,863 respectively.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

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

Yes [X]

No []

1.2

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

Yes [X]

No []

N/A []

1.3

State regulating?

Ohio

2.1

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

Yes []

No [X]

2.2

If yes, date of change:

12/31/2011

3.1

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

12/31/2011

3.2

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

12/31/2006

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

01/25/2008

3.4

By what department or departments?

Ohio Department of Insurance

3.5

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

Yes []

No []

N/A [X]

3.6

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

Yes []

No []

N/A [X]

4.1

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

Yes []

No [X]

4.11

sales of new business?

Yes []

No [X]

4.12

renewals?

Yes []

No [X]

4.2

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

Yes []

No [X]

4.21

sales of new business?

Yes []

No [X]

4.22

renewals?

Yes []

No [X]

5.1

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

Yes []

No [X]

5.2

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

| | | |
|----------------|---------------|-------------------|
| 1 | 2 | 3 |
| Name of Entity | NAIC Co. Code | State of Domicile |
| | | |

6.1

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

Yes []

No [X]

6.2

If yes, give full information:

7.1

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

Yes []

No [X]

7.2

If yes,

7.21

State the percentage of foreign control

.....%

7.22

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

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

8.1

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

Yes []

No [X]

8.2

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

8.3

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

Yes []

No [X]

8.4

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

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

9.

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

Ernst & Young, LLP 1900 Scripps Center, 312 Walnut Street, Cincinnati, Ohio 45202

10.1

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

Yes []

No [X]

10.2

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

10.3

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

Yes []

No [X]

10.4

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

10.5

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

Yes []

No [X]

10.6

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

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

11.

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

Mark E. Alberts FSA, MAAA, Alberts Actuarial Consulting LLC, 22 East 55th St., Indianapolis, IN 46220

12.1

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

Yes []

No [X]

12.11

Name of real estate holding company

12.12

Number of parcels involved

.....

12.13

Total book/adjusted carrying value

.....

12.2

If yes, provide explanation.

GENERAL INTERROGATORIES

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes ☐ No ☐

13.3 Have there been any changes made to any of the trust indentures during the year?

Yes ☐ No ☐

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes ☐ No ☐ N/A ☐

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes ☒ 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 ☒

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 ☒

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?

Yes ☐ No ☒

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes ☒ 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 ☒ No ☐

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes ☒ No ☐

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes ☐ No ☒

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 ☒

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

21.21 Rented from others

.....

21.22 Borrowed from others

.....

21.23 Leased from others

.....

21.24 Other

.....

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes ☒ No ☐

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

\$.....25,064

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ☒ No ☐

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

\$.....18

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.3)?

Yes ☒ No ☐

24.2 If no, give full and complete information relating thereto.

Not Applicable

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

The Company does not engage in securities lending.

24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes ☐ No ☐ N/A ☒

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.

.....

24.6 If answer to 24.4 is no, report amount of collateral for other programs.

.....

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ☐ No ☐ N/A ☒

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ☐ No ☐ N/A ☒

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.9

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

Yes [☐]

No [☐]

N/A [☒]

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

\$.....

0

25.26

Placed under option agreements

\$.....

0

25.27

Letter stock or securities restricted as to sale

\$.....

0

25.28

On deposit with state or other regulatory body

\$.....

3,273,114

25.29

Other

\$.....

0

25.3

For category (25.27) provide the following:

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

26.1

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

Yes [☐]

No [☒]

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:

.....

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

28.02

For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

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

28.03

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

Yes [☐]

No [☒]

28.04

If yes, give full and complete information relating thereto:

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

28.05

Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| 1 | 2 | 3 |
|-------------------------------------------|---------------------------------------|-------------------------------------------|
| Central Registration Depository Number(s) | Name | Address |
| Not Applicable | American Money Management Corporation | 301 East 4th Street, Cincinnati, OH 45202 |

29.1

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

Yes [☐]

No [☒]

29.2

If yes, complete the following schedule:

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

29.3

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

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

30.

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

| | 1 | 2 | 3 |
|----------------------------|----------------------------|-----------------|---------------------------------------------------------------------------|
| | Statement (Admitted) Value | Fair Value | Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
| 30.1 Bonds..... |16,061,919 |16,638,144 |576,225 |
| 30.2 Preferred stocks..... | | |0 |
| 30.3 Totals..... |16,061,919 |16,638,144 |576,225 |

30.4

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

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

31.1

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

Yes [☒]

No [☐]

31.2

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

Yes [☐]

No [☒]

31.3

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

32.1

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

Yes [☒]

No [☐]

32.2

If no, list exceptions:

20.2

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....15,350

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 |
|-----------------------|------------------|
| AM Best Rating Agency | 15,350 |

34.1 Amount of payments for legal expenses, if any? \$.....9,144

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 |
|--------------------------|------------------|
| Orr, Elmore & Ervin, LLC | 4,359 |

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

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

| 1 Name | 2 Amount Paid |
|-----------|------------------|
| | |

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1

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

Yes [X] No []

1.2

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

\$.....25,493,913

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.

\$.....16,361,979

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$.....1,480,456

1.62

Total incurred claims

\$.....961,623

1.63

Number of covered lives

.....433

All years prior to most current three years:

1.64

Total premium earned

\$.....24,013,457

1.65

Total incurred claims

\$.....15,400,356

1.66

Number of covered lives

.....6,703

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$.....0

1.72

Total incurred claims

\$.....0

1.73

Number of covered lives

.....0

All years prior to most current three years:

1.74

Total premium earned

\$.....0

1.75

Total incurred claims

\$.....0

1.76

Number of covered lives

.....0

2.

Health test:

| | 1 | 2 |
|-----|------------------------------|-----------------|
| | Current Year | Prior Year |
| 2.1 | Premium Numerator..... |22,987,047 |
| 2.2 | Premium Denominator..... |23,930,095 |
| 2.3 | Premium Ratio (2.1/2.2)..... |96.1 |
| 2.4 | Reserve Numerator..... |2,656,382 |
| 2.5 | Reserve Denominator..... |4,343,641 |
| 2.6 | Reserve Ratio (2.4/2.5)..... |61.2 |

3.1

Does this reporting entity have Separate Accounts?

Yes [] No [X]

3.2

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

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

3.3

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

.....

3.4

State the authority under which Separate Accounts are maintained:

3.5

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

Yes [] No [X]

3.6

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

Yes [] No [X]

3.7

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

.....

4.1

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

Yes [X] No []

4.2

Net reimbursement of such expenses between reporting entities:

4.21

Paid

\$.....1,025,798

4.22

Received

\$.....0

5.1

Does the reporting entity write any guaranteed interest contracts?

Yes [] No [X]

5.2

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

5.21

Page 3, Line 1

.....

5.22

Page 4, Line 1

.....

6.

For stock reporting entities only:

6.1

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

\$.....27,346,312

7.

Total dividends paid stockholders since organization of the reporting entity:

7.11

Cash

\$.....1,000,000

7.12

Stock

\$.....0

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

Yes [] No [X]

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

Yes [] No [X]

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

| 1 | 2 | 3 |
|---------------------|-------------------|--------------|
| Reinsurance Assumed | Reinsurance Ceded | Net Retained |
| | | |
| | | |
| | | |
| | | |
| | | |

8.31 Earned premium.....
8.32 Paid claims.....
8.33 Claim liability and reserve (beginning of year).....
8.34 Claim liability and reserve (end of year).....
8.35 Incurred claims.....

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

| 1 | 2 |
|----------------|-----------------------------|
| Earned Premium | Claim Liability and Reserve |
| | |
| | |
| | |
| | |
| | |

Attachment Point
8.41 < \$25,000.....
8.42 \$25,000 -- 99,999.....
8.43 \$100,000 -- 249,999.....
8.44 \$250,000 -- 999,999.....
8.45 \$1,000,000 or more.....

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

9.1 Does the company have variable annuities with guaranteed benefits?

Yes [] No [X]

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

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

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

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

\$.....0

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

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

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

Yes [] No [X]

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

.....

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

Yes [] No [X]

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

.....

Provident American Life and Health 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)..... | 13,567 | 15,030 | 16,851 | 15,424 | 10,691 |
| 2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)..... | | | (1) | | 1 |
| 3. Credit life (Line 21, Col. 6)..... | | | | | |
| 4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)..... | 2,790 | 2,744 | 3,029 | | 5,072 |
| 5. Industrial (Line 21, Col. 2)..... | | | | | |
| 6. FEGLI/SGLI (Lines 43 & 44, Col. 4)..... | | | | | |
| 7. Total (Line 21, Col. 10)..... | 16,357 | 17,774 | 19,879 | 15,424 | 15,764 |
| New Business Issued (Exhibit of Life Insurance) | | | | | |
| 8. Ordinary - whole life and endowment (Line 34, Col. 2)..... | | | 5,460 | 9,279 | 10,083 |
| 9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)..... | | | | | |
| 10. Credit life (Line 2, Col. 6)..... | | | | | |
| 11. Group (Line 2, Col. 9)..... | 223 | | | | 372 |
| 12. Industrial (Line 2, Col. 2)..... | | | | | |
| 13. Total (Line 2, Col. 10)..... | 223 | 0 | 5,460 | 9,279 | 10,455 |
| Premium Income - Lines of Business (Exhibit 1-Part 1) | | | | | |
| 14. Industrial life (Line 20.4, Col. 2)..... | | | | | |
| 15.1 Ordinary life insurance (Line 20.4, Col. 3)..... | 1,079,474 | 1,209,328 | 1,319,737 | 1,684,633 | 594,126 |
| 15.2 Ordinary individual annuities (Line 20.4, Col. 4)..... | | | | | |
| 16. Credit life (group and individual) (Line 20.4, Col. 5)..... | | | | | |
| 17.1 Group life insurance (Line 20.4, Col. 6)..... | 77,053 | 78,509 | 82,299 | 72,071 | 325,025 |
| 17.2 Group annuities (Line 20.4, Col. 7)..... | | | | | |
| 18.1 A&H - group (Line 20.4, Col. 8)..... | | | | 90 | 10,088 |
| 18.2 A&H - credit (group and individual) (Line 20.4, Col. 9)..... | | | | | |
| 18.3 A&H - other (Line 20.4, Col. 10)..... | 22,773,568 | 29,362,041 | 39,226,173 | 41,733,048 | 18,698,811 |
| 19. Aggregate of all other lines of business (Line 20.4, Col. 11)..... | | | | | |
| 20. Total..... | 23,930,095 | 30,649,878 | 40,628,209 | 43,489,842 | 19,628,049 |
| Balance Sheet (Pages 2 and 3) | | | | | |
| 21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3).... | 21,141,002 | 18,315,655 | 19,393,135 | 16,943,659 | 10,588,092 |
| 22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)..... | 5,503,496 | 5,564,604 | 7,226,745 | 9,648,624 | 7,490,826 |
| 23. Aggregate life reserves (Page 3, Line 1)..... | 1,825,307 | 1,507,341 | 1,089,945 | 612,529 | 168,815 |
| 24. Aggregate A&H reserves (Page 3, Line 2)..... | 1,175,750 | 1,389,638 | 1,684,137 | 2,164,813 | 1,501,256 |
| 25. Deposit-type contract funds (Page 3, Line 3)..... | | | | | |
| 26. Asset valuation reserve (Page 3, Line 24.01)..... | 45,139 | 15,791 | 12,950 | 10,567 | 6,983 |
| 27. Capital (Page 3, Lines 29 & 30)..... | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| 28. Surplus (Page 3, Line 37)..... | 13,137,506 | 10,251,051 | 9,666,390 | 4,795,035 | 597,265 |
| Cash Flow (Page 5) | | | | | |
| 29. Net Cash from operations (Line 11)..... | 2,630,979 | 117,892 | (4,643,675) | (138,223) | 1,726,048 |
| Risk-Based Capital Analysis | | | | | |
| 30. Total adjusted capital..... | 15,682,645 | 12,766,842 | 12,179,340 | 7,305,602 | 3,104,248 |
| 31. Authorized control level risk-based capital..... | 690,734 | 877,158 | 1,249,486 | 1,198,305 | 1,300,965 |
| 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)..... | 58.7 | 45.9 | 39.0 | 47.9 | 43.5 |
| 33. Stocks (Lines 2.1 and 2.2)..... | 16.6 | 19.2 | 18.3 | | |
| 34. Mortgage loans on real estate (Lines 3.1 and 3.2)..... | | | | | |
| 35. Real estate (Line 4.1, 4.2 and 4.3)..... | | | | | |
| 36. Cash, cash equivalents and short-term investments (Line 5)..... | 24.7 | 34.9 | 42.7 | 52.1 | 56.5 |
| 37. Contract loans (Line 6)..... | 0.0 | 0.0 | 0.0 | | |
| 38. Derivatives (Line 7)..... | | | XXX | XXX | XXX |
| 39. Other invested assets (Line 8)..... | | | | | |
| 40. Receivables for securities (Line 9)..... | | | | | |
| 41. Securities lending reinvested collateral assets (Line 10)..... | | | XXX | XXX | XXX |
| 42. Aggregate write-ins for invested assets (Line 11)..... | | | | | |
| 43. Cash, cash equivalents and invested assets (Line 12)..... | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Provident American Life and Health 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 (Sch. D Summary, Line 12 Col. 1)..... | | | | | |
| 45. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1)..... | | | | | |
| 46. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1)..... | 3,135,253 | 3,125,372 | 3,131,781 | | |
| 47. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10)..... | | | | | |
| 48. Affiliated mortgage loans on real estate | | | | | |
| 49. All other affiliated..... | | | | | |
| 50. Total of above Lines 44 to 49..... | 3,135,253 | 3,125,372 | 3,131,781 | 0 | 0 |
| Total Nonadmitted and Admitted Assets | | | | | |
| 51. Total nonadmitted assets (Page 2, Line 28, Col. 2)..... | 2,285,467 | 2,309,618 | 1,846,589 | 4,127,163 | 3,881,054 |
| 52. Total admitted assets (Page 2, Line 28, Col. 3)..... | 21,141,002 | 18,315,655 | 19,393,135 | 16,943,659 | 10,588,092 |
| Investment Data | | | | | |
| 53. Net investment income (Exhibit of Net Investment Income)..... | 294,337 | 315,502 | 221,862 | 441,082 | 267,437 |
| 54. Realized capital gains (losses) (Page 4, Line 34, Column 1)..... | | (152) | | | |
| 55. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)..... | 9,881 | (6,409) | 6,275 | | |
| 56. Total of above Lines 53, 54 and 55..... | 304,218 | 308,941 | 228,137 | 441,082 | 267,437 |
| Benefits and Reserve Increase (Page 6) | | | | | |
| 57. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11)..... | 487,770 | 449,375 | 334,613 | 121,068 | 69,682 |
| 58. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11)..... | 14,720,262 | 20,266,430 | 30,207,435 | 29,371,895 | 12,294,269 |
| 59. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3)..... | 317,966 | 417,396 | 477,415 | 443,712 | 122,106 |
| 60. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11)..... | (213,888) | (294,499) | (480,676) | 663,556 | 854,969 |
| 61. Dividends to policyholders (Line 30, Col 1)..... | | | | | |
| Operating Percentages | | | | | |
| 62. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00..... | 16.2 | 20.6 | 29.9 | 34.3 | 36.4 |
| 63. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00..... | 5.0 | 6.3 | 22.7 | 33.5 | 26.9 |
| 64. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)..... | 64.0 | 68.4 | 76.6 | 71.5 | 68.9 |
| 65. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)..... | | | | | |
| 66. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)..... | 18.1 | 22.7 | 31.3 | 35.8 | 40.4 |
| A&H Claim Reserve Adequacy | | | | | |
| 67. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2)..... | | | | 367 | |
| 68. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2)..... | | | | | |
| 69. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2)..... | 1,618,947 | 2,294,159 | 4,103,714 | 2,522,277 | 852,263 |
| 70. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2)..... | 1,797,011 | 3,499,200 | 4,911,878 | 2,303,309 | 848,796 |
| Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33) | | | | | |
| 71. Industrial life (Col. 2)..... | | | | | |
| 72. Ordinary - life (Col. 3)..... | 26,377 | 32,478 | (101,226) | (313,488) | (85,536) |
| 73. Ordinary - individual annuities (Col. 4)..... | | | | | |
| 74. Ordinary - supplementary contracts (Col. 5)..... | | | | | |
| 75. Credit life (Col. 6)..... | | | | | |
| 76. Group life (Col. 7)..... | 42,524 | 25,577 | 74,374 | 67,900 | 3,559 |
| 77. Group annuities (Col. 8)..... | | | | | |
| 78. A&H - group (Col. 9)..... | | | | (294) | (25,830) |
| 79. A&H - credit (Col. 10)..... | | | | | |
| 80. A&H - other (Col. 11)..... | 2,627,319 | 1,488,045 | (2,444,744) | (2,727,793) | (1,557,699) |
| 81. Aggregate of all other lines of business (Col. 12)..... | | | | | |
| 82. Total (Col. 1)..... | 2,696,220 | 1,546,100 | (2,471,596) | (2,973,675) | (1,665,506) |

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

Yes [] No []

If no, please explain:

EXHIBIT OF LIFE INSURANCE

| | Industrial | | Ordinary | | Credit Life (Group and Individual) | | Group | | | 10 Total Amount of Insurance (a) |
|------------------------------------------------------|-------------------------------|------------------------------------|-------------------------------|------------------------------------|-----------------------------------------------------------------|------------------------------------|---------------|-------------------|------------------------------------|----------------------------------------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) | 5 Number of Individual Policies and Group Certificates | 6 Amount of Insurance (a) | Number of | | 9 Amount of Insurance (a) | |
| | | | | | | | 7 Policies | 8 Certificates | | |
| 1. In force end of prior year..... | | | 2,155 | 15,030 | | | 63 | 147 | 2,744 | 17,774 |
| 2. Issued during year..... | | | | | | | | 8 | 223 | 223 |
| 3. Reinsurance assumed..... | | | | | | | | | | 0 |
| 4. Revived during year..... | | | | | | | | | | 0 |
| 5. Increased during year (net)..... | | | | | | | | | | 0 |
| 6. Subtotals, Lines 2 to 5..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 223 | 223 |
| 7. Additions by dividends during year..... | XXX | | XXX | | XXX | | XXX | XXX | | 0 |
| 8. Aggregate write-ins for increases..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Totals (Lines 1 and 6 to 8)..... | 0 | 0 | 2,155 | 15,030 | 0 | 0 | 63 | 155 | 2,967 | 17,997 |
| Deductions during year: | | | | | | | | | | |
| 10. Death..... | | | 76 | 465 | | | XXX | | | 465 |
| 11. Maturity..... | | | | | | | XXX | | | 0 |
| 12. Disability..... | | | | | | | XXX | | | 0 |
| 13. Expiry..... | | | 40 | 252 | | | 1 | 11 | 177 | 429 |
| 14. Surrender..... | | | 94 | 687 | | | | | | 687 |
| 15. Lapse..... | | | 2 | 30 | | | | | | 30 |
| 16. Conversion..... | | | | | | | XXX | XXX | XXX | 0 |
| 17. Decreased (net)..... | | | | 29 | | | | | | 29 |
| 18. Reinsurance..... | | | | | | | | | | 0 |
| 19. Aggregate write-ins for decreases..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Totals (Lines 10 to 19)..... | 0 | 0 | 212 | 1,463 | 0 | 0 | 1 | 11 | 177 | 1,640 |
| 21. In force end of year (Line 9 minus Line 20)..... | 0 | 0 | 1,943 | 13,567 | 0 | 0 | 62 | 144 | 2,790 | 16,357 |
| 22. Reinsurance ceded end of year..... | XXX | | XXX | 158 | XXX | | XXX | XXX | | 158 |
| 23. Line 21 minus Line 22..... | XXX | 0 | XXX | 13,409 | XXX | (b)0 | XXX | XXX | 2,790 | 16,199 |

DETAILS OF WRITE-INS

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

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

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

EXHIBIT OF LIFE INSURANCE (continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

| | Industrial | | Ordinary | |
|-----------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) |
| 24. Additions by dividends..... | .XXX. | | .XXX. | |
| 25. Other paid-up insurance..... | | | 14 | 9 |
| 26. Debit ordinary insurance..... | .XXX. | .XXX. | | |

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

| Term Insurance Excluding Extended Term Insurance | Issued During Year (Included in Line 2) | | In Force End of Year (Included in Line 21) | |
|--------------------------------------------------|-----------------------------------------|------------------------------|--------------------------------------------|------------------------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) |
| 27. Term policies-decreasing..... | | | | |
| 28. Term policies-other..... | | | | |
| 29. Other term insurance-decreasing..... | .XXX. | | .XXX. | |
| 30. Other term insurance..... | .XXX. | | .XXX. | |
| 31. Totals (Lines 27 to 30)..... | 0 | 0 | 0 | 0 |
| Reconciliation to Lines 2 and 21: | | | | |
| 32. Term additions..... | .XXX. | | .XXX. | |
| 33. Totals, extended term insurance..... | .XXX. | .XXX. | | |
| 34. Totals, whole life and endowment..... | | | 1,943 | 13,567 |
| 35. Totals (Lines 31 to 34)..... | 0 | 0 | 1,943 | 13,567 |

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

| | Issued During Year (Included in Line 2) | | In Force End of Year (Included in Line 21) | |
|---------------------------------------------|-----------------------------------------|--------------------|--------------------------------------------|--------------------|
| | 1 Non-Participating | 2 Participating | 3 Non-Participating | 4 Participating |
| 36. Industrial..... | | | | |
| 37. Ordinary..... | | | 13,567 | |
| 38. Credit Life (Group and Individual)..... | | | | |
| 39. Group..... | 223 | | 2,790 | |
| 40. Totals (Lines 36 to 39)..... | 223 | 0 | 16,357 | 0 |

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

| | Credit Life | | Group | |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| | 1 Number of Individual Policies and Group Certificates | 2 Amount of Insurance (a) | 3 Number of Certificates | 4 Amount of Insurance (a) |
| 41. Amount of insurance included in Line 2 ceded to other companies..... | NONE | | .XXX. | |
| 42. Number in force end of year if the number under shared groups is counted on a pro-rata basis..... | | .XXX. | | .XXX. |
| 43. Federal Employees' Group Life Insurance included in Line 21..... | | | | |
| 44. Servicemen's Group Life Insurance included in Line 21..... | | | | |
| 45. Group Permanent Insurance included in Line 21..... | | | | |

ADDITIONAL INFORMATION ON ACCIDENTAL DEATH BENEFITS

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

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

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

POLICIES WITH DISABILITY PROVISIONS

| Disability Provision | Industrial | | Ordinary | | Credit | | Group | |
|----------------------------|-------------------------|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|-----------------------------|------------------------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) | 5 Number of Policies | 6 Amount of Insurance (a) | 7 Number of Certificates | 8 Amount of Insurance (a) |
| 48. Waiver of Premium..... | | | | | | | | |
| 49. Disability Income..... | | | | | | | 59 | 1,129 |
| 50. Extended Benefits..... | | | .XXX. | .XXX. | | | | |
| 51. Other..... | | | | | | | | |
| 52. Total..... | 0 | (b).0 | 0 | (b).0 | 0 | (b).0 | 59 | (b).1,129 |

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).
(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the Annual Statement Instructions.

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

SUPPLEMENTARY CONTRACTS

| | Ordinary | | Group | |
|-------------------------------------|--------------------------------------|------------------------------------------|--------------------------------------|------------------------------------------|
| | 1 Involving Life Contingencies | 2 Not Involving Life Contingencies | 3 Involving Life Contingencies | 4 Not Involving Life Contingencies |
| 1. In force end of prior year..... | NONE | | | |
| 2. Issued during year..... | | | | |
| 3. Reinsurance assumed..... | | | | |
| 4. Increased during year (net)..... | | | | |
| 5. Total (Lines 1 to 4)..... | | | | |
| |0 |0 |0 |0 |
| Deductions during year: | | | | |
| 6. Decreased (net)..... | | | | |
| 7. Reinsurance ceded..... | | | | |
| 8. Totals (Lines 6 and 7)..... |0 |0 |0 |0 |
| 9. In force end of year..... |0 |0 |0 |0 |
| 10. Amount on deposit..... | | (a)..... | | (a)..... |
| 11. Income now payable..... | | | | |
| 12. Amount of income payable..... | (a)..... | (a)..... | (a)..... | (a)..... |

ANNUITIES

| | Ordinary | | Group | |
|-------------------------------------|----------------|---------------|----------------|-------------------|
| | 1 Immediate | 2 Deferred | 3 Contracts | 4 Certificates |
| 1. In force end of prior year..... | NONE | | | |
| 2. Issued during year..... | | | | |
| 3. Reinsurance assumed..... | | | | |
| 4. Increased during year (net)..... | | | | |
| 5. Total (Lines 1 to 4)..... | | | | |
| |0 |0 |0 |0 |
| Deductions during year: | | | | |
| 6. Decreased (net)..... | | | | |
| 7. Reinsurance ceded..... | | | | |
| 8. Totals (Lines 6 and 7)..... |0 |0 |0 |0 |
| 9. In force end of year..... |0 |0 |0 |0 |
| Income now payable: | | | | |
| 10. Amount of income payable..... | (a)..... |XXX |XXX | (a)..... |
| Deferred fully paid: | | | | |
| 11. Account balance..... |XXX | (a)..... |XXX | (a)..... |
| Deferred not fully paid: | | | | |
| 12. Account balance..... |XXX | (a)..... |XXX | (a)..... |

ACCIDENT AND HEALTH INSURANCE

| | Group | | Credit | | Other | |
|-------------------------------------|-------------------|------------------------|---------------|------------------------|---------------|------------------------|
| | 1 Certificates | 2 Premiums in force | 3 Policies | 4 Premiums in force | 5 Policies | 6 Premiums in force |
| 1. In force end of prior year..... | | | | |10,453 |29,274,840 |
| 2. Issued during year..... | | | | | | |
| 3. Reinsurance assumed..... | | | | | | |
| 4. Increased during year (net)..... | |XXX | |XXX | |XXX |
| 5. Total (Lines 1 to 4)..... |0 |XXX |0 |XXX |10,453 |XXX |
| Deductions during year: | | | | | | |
| 6. Conversions..... | |XXX |XXX |XXX |XXX |XXX |
| 7. Decreased (net)..... | |XXX | |XXX |3,317 |XXX |
| 8. Reinsurance ceded..... | |XXX | |XXX | |XXX |
| 9. Totals (Lines 6 to 8)..... |0 |XXX |0 |XXX |3,317 |XXX |
| 10. In force end of year..... |0 | (a)..... |0 | (a)..... |7,136 | (a).....23,308,926 |

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

| | 1 Deposit Funds Contracts | 2 Dividend Accumulations Contracts |
|-------------------------------------|---------------------------------|------------------------------------------|
| | | |
| 1. In force end of prior year..... | NONE | |
| 2. Issued during year..... | | |
| 3. Reinsurance assumed..... | | |
| 4. Increased during year (net)..... | | |
| 5. Total (Lines 1 to 4)..... | | |
| |0 |0 |
| Deductions during year: | | |
| 6. Decreased (net)..... | | |
| 7. Reinsurance ceded..... | | |
| 8. Totals (Lines 6 and 7)..... |0 |0 |
| 9. In force end of year..... |0 |0 |
| 10. Amount of account balance..... | (a)..... | (a)..... |

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

Provident American Life and Health Insurance Company
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

| States, Etc. | | | 1 | Direct Business Only | | | | | | |
|--------------|---------------------------------------------------------------------------------------------|---------------|-----|-------------------------|------------------------|------------|------------|------------|---|-------------------------------------------------------------------------------------|
| | | | | Life Contracts | | 4 | 5 | 6 | 7 | |
| | | | | 2 | 3 | | | | | Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees | Other Considerations | Total Columns 2 through 5 | Deposit-Type Contracts |
| | | Active Status | | Life Insurance Premiums | Annuity Considerations | | | | | |
| 1. | Alabama..... | AL | N | 11,245 | | 10,298 | | 21,543 | | |
| 2. | Alaska..... | AK | L | - | | 9,476 | | 9,476 | | |
| 3. | Arizona..... | AZ | L | 1,454 | | 28,162 | | 29,616 | | |
| 4. | Arkansas..... | AR | L | - | | 10,271 | | 10,271 | | |
| 5. | California..... | CA | L | 475 | | 29,369 | | 29,844 | | |
| 6. | Colorado..... | CO | L | 719 | | 129,841 | | 130,560 | | |
| 7. | Connecticut..... | CT | N | - | | 4,839 | | 4,839 | | |
| 8. | Delaware..... | DE | L | 772 | | 2,985 | | 3,757 | | |
| 9. | District of Columbia..... | DC | L | - | | - | | 0 | | |
| 10. | Florida..... | FL | L | 2,098 | | 65,216 | | 67,314 | | |
| 11. | Georgia..... | GA | L | 4,428 | | 103,644 | | 108,072 | | |
| 12. | Hawaii..... | HI | L | - | | - | | 0 | | |
| 13. | Idaho..... | ID | L | 795 | | 51,401 | | 52,196 | | |
| 14. | Illinois..... | IL | L | 29,243 | | 554,033 | | 583,276 | | |
| 15. | Indiana..... | IN | L | 2,901 | | 351,681 | | 354,582 | | |
| 16. | Iowa..... | IA | L | 23,619 | | 979,587 | | 1,003,206 | | |
| 17. | Kansas..... | KS | L | - | | 18,723 | | 18,723 | | |
| 18. | Kentucky..... | KY | L | 21,841 | | 232,251 | | 254,092 | | |
| 19. | Louisiana..... | LA | L | 7,175 | | 270,650 | | 277,825 | | |
| 20. | Maine..... | ME | N | - | | - | | 0 | | |
| 21. | Maryland..... | MD | L | 1,819 | | 4,997 | | 6,816 | | |
| 22. | Massachusetts..... | MA | L | - | | 6,960 | | 6,960 | | |
| 23. | Michigan..... | MI | N | - | | 12,041 | | 12,041 | | |
| 24. | Minnesota..... | MN | N | - | | 8,293 | | 8,293 | | |
| 25. | Mississippi..... | MS | L | 20,212 | | 585,237 | | 605,449 | | |
| 26. | Missouri..... | MO | L | 14,179 | | 129,469 | | 143,648 | | |
| 27. | Montana..... | MT | L | 2,396 | | 351,398 | | 353,794 | | |
| 28. | Nebraska..... | NE | L | 6,560 | | 446,827 | | 453,387 | | |
| 29. | Nevada..... | NV | L | - | | 57,931 | | 57,931 | | |
| 30. | New Hampshire..... | NH | N | - | | 1,318 | | 1,318 | | |
| 31. | New Jersey..... | NJ | N | - | | - | | 0 | | |
| 32. | New Mexico..... | NM | N | 995 | | 20,601 | | 21,596 | | |
| 33. | New York..... | NY | N | 580 | | 4,081 | | 4,661 | | |
| 34. | North Carolina..... | NC | L | 1,590 | | 20,743 | | 22,333 | | |
| 35. | North Dakota..... | ND | L | 751 | | 12,936 | | 13,687 | | |
| 36. | Ohio..... | OH | L | 25,574 | | 564,102 | | 589,676 | | |
| 37. | Oklahoma..... | OK | L | 64,283 | | 965,142 | | 1,029,425 | | |
| 38. | Oregon..... | OR | L | 41,107 | | 1,781,468 | | 1,822,575 | | |
| 39. | Pennsylvania..... | PA | L | 63,520 | | 63,811 | | 127,331 | | |
| 40. | Rhode Island..... | RI | N | - | | - | | 0 | | |
| 41. | South Carolina..... | SC | L | 131,834 | | 1,989,979 | | 2,121,813 | | |
| 42. | South Dakota..... | SD | L | 421 | | 16,348 | | 16,769 | | |
| 43. | Tennessee..... | TN | L | 1,414 | | 26,598 | | 28,012 | | |
| 44. | Texas..... | TX | L | 697,953 | | 14,957,012 | | 15,654,965 | | |
| 45. | Utah..... | UT | L | 26,085 | | 129,142 | | 155,227 | | |
| 46. | Vermont..... | VT | L | - | | 2,372 | | 2,372 | | |
| 47. | Virginia..... | VA | N | 4,292 | | 20,113 | | 24,405 | | |
| 48. | Washington..... | WA | N | 519 | | 60,241 | | 60,760 | | |
| 49. | West Virginia..... | WV | L | 13,302 | | 203,830 | | 217,132 | | |
| 50. | Wisconsin..... | WI | L | 5,640 | | 10,365 | | 16,005 | | |
| 51. | Wyoming..... | WY | L | - | | 19,966 | | 19,966 | | |
| 52. | American Samoa..... | AS | N | | | | | 0 | | |
| 53. | Guam..... | GU | N | | | | | 0 | | |
| 54. | Puerto Rico..... | PR | N | | | | | 0 | | |
| 55. | US Virgin Islands..... | VI | N | | | | | 0 | | |
| 56. | Northern Mariana Islands..... | MP | N | | | | | 0 | | |
| 57. | Canada..... | CN | N | | | | | 0 | | |
| 58. | Aggregate Other Alien..... | OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 | |
| 59. | Subtotal..... | (a)..... | 39 | 1,231,791 | 0 | 25,325,748 | 0 | 26,557,539 | 0 | |
| 90. | Reporting entity contributions for employee benefit plans..... | XXX | | | | | | 0 | | |
| 91. | Dividends or refunds applied to purchase paid-up additions and annuities..... | XXX | | | | | | 0 | | |
| 92. | Dividends or refunds applied to shorten endowment or premium paying period..... | XXX | | | | | | 0 | | |
| 93. | Premium or annuity considerations waived under disability or other contract provisions..... | XXX | | | | | | 0 | | |
| 94. | Aggregate other amounts not allocable by State..... | XXX | | 0 | 0 | 0 | 0 | 0 | 0 | |
| 95. | Totals (Direct Business)..... | XXX | | 1,231,791 | 0 | 25,325,748 | 0 | 26,557,539 | 0 | |
| 96. | Plus reinsurance assumed..... | XXX | | | | | | 0 | | |
| 97. | Totals (All Business)..... | XXX | | 1,231,791 | 0 | 25,325,748 | 0 | 26,557,539 | 0 | |
| 98. | Less reinsurance ceded..... | XXX | | 12,423 | | 2,648,745 | | 2,661,168 | | |
| 99. | Totals (All Business) less reinsurance ceded..... | XXX | | 1,219,368 | 0 | (b)..... | 22,677,003 | 23,896,371 | 0 | |

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

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

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

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

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

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

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

* Denotes insurer
@ Company affiliated but not owned
Participant in Lloyd's Syndicate 2468
Subsidiaries 100% owned by respective parent unless otherwise stated
^ Total percentage owned by respective parent and other affiliated companies

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

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

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

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

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