



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

Integrity Life Insurance Company

NAIC Group Code 0836, 0836 NAIC Company Code 74780 Employer's ID Number 86-0214103
(Current Period) (Prior Period)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized May 3, 1966 Commenced Business May 25, 1966

Statutory Home Office 400 Broadway, Cincinnati, Ohio 45202
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 400 Broadway, Cincinnati, Ohio 45202 513-629-1800
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 400 Broadway, Cincinnati, Ohio 45202
(Street and Number or P.O. Box, City or Town, State and Zip Code)

Primary Location of Books and Records 400 Broadway, Cincinnati, Ohio 45202
(Street and Number, City or Town, State and Zip Code)
513-629-1800
(Area Code) (Telephone Number)

Internet Website Address www.integritylife.com

Statutory Statement Contact Bradley J. Hunkler 513-629-2980
(Name) (Area Code) (Telephone Number) (Extension)
CompAcctGrp@WesternSouthernLife.com 513-629-1871
(E-Mail Address) (Fax Number)

OFFICERS

John Finn Barrett (Chairman of the Board)
Jill Tripp McGruder (President & CEO)
Nora Eyre Moushey (Senior VP & Chief Actuary)
Edward Joseph Babbitt (Secretary)

OTHER OFFICERS

Mark Erdem Caner (Sr VP)
Daniel Joseph Downing# (Sr VP)
Scott Warner Edblom (VP)
Brian Anthony Eichhold (VP)
Clint David Gibler (Sr VP)
Daniel Wayne Harris (VP)
David Todd Henderson (VP & Chief Risk Officer)
Kevin Louis Howard (Sr VP)
Bradley Joseph Hunkler (VP, Chief Accounting Officer)
Phillip Earl King (VP & Auditor)
Paul Matthew Kruth (VP)
Constance Marie Maccarone (Sr VP)
Michael Ryland Moser (VP & Chf Compliance Officer)
Nicholas Peter Sargen (Sr VP)
Denise Lynn Sparks (VP)
Richard Kelley Taulbee (VP)
James Joseph Vance (VP & Treasurer)
Terrie Ann Wiedenheft (VP)
Patricia Jean Wilson (VP)

DIRECTORS OR TRUSTEES

Edward Joseph Babbitt
John Finn Barrett
Jill Tripp McGruder
Robert Lewis Walker
Donald Joseph Wuebbling

State of Ohio }
County of Hamilton } SS

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

Jill Tripp McGruder
President & CEO
Edward Joseph Babbitt
Secretary
Bradley Joseph Hunkler
VP, Chief Accounting Officer

Subscribed and sworn to before me this
3rd day of February, 2012
a. Is this an original filing? Yes (X) No ()
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

| | Current Year | | | Prior Year |
|--|---------------|----------------------------|--|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Column 1 minus Column 2) | 4 Net Admitted Assets |
| 1. Bonds (Schedule D) | 2,451,628,737 | | 2,451,628,737 | 2,382,140,448 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common stocks | 429,338,640 | | 429,338,640 | 412,620,614 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | 44,342,338 | | 44,342,338 | 60,527,706 |
| 3.2 Other than first liens | | | | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$ encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$ encumbrances) | | | | |
| 4.3 Properties held for sale (less \$ encumbrances) | | | | |
| 5. Cash (\$ 312,784 , Schedule E - Part 1) , cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 105,986,796 ,Schedule DA) | 106,299,580 | | 106,299,580 | 173,017,575 |
| 6. Contract loans (including \$ premium notes) | 123,729,598 | | 123,729,598 | 120,340,300 |
| 7. Derivatives (Schedule DB) | | | | |
| 8. Other invested assets (Schedule BA) | 57,819,450 | | 57,819,450 | 55,030,370 |
| 9. Receivables for securities | 1,257,889 | | 1,257,889 | 2,810,394 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | 18,128,393 | | 18,128,393 | 26,241,116 |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Line 1 through Line 11) | 3,232,544,625 | | 3,232,544,625 | 3,232,728,523 |
| 13. Title plants less \$ charged off (for Title insurers only) | | | | |
| 14. Investment income due and accrued | 31,410,124 | | 31,410,124 | 30,187,479 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | | | | |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums) | | | | |
| 15.3 Accrued retrospective premiums | | | | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 12,322,214 | | 12,322,214 | 14,780,684 |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Other amounts receivable under reinsurance contracts | 21,317,347 | | 21,317,347 | 19,293,960 |
| 17. Amounts receivable relating to uninsured plans | | | | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 Net deferred tax asset | 46,248,184 | 23,462,801 | 22,785,383 | 25,013,456 |
| 19. Guaranty funds receivable or on deposit | 19,821 | | 19,821 | 2,033,822 |
| 20. Electronic data processing equipment and software | | | | |
| 21. Furniture and equipment, including health care delivery assets (\$) | | | | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | | |
| 24. Health care (\$) and other amounts receivable | 436,398 | 70,826 | 365,572 | 325,210 |
| 25. Aggregate write-ins for other than invested assets | 1,828,666 | | 1,828,666 | 1,775,159 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) | 3,346,127,379 | 23,533,627 | 3,322,593,752 | 3,326,138,293 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 2,593,480,980 | | 2,593,480,980 | 2,583,572,277 |
| 28. Total (Line 26 and Line 27) | 5,939,608,359 | 23,533,627 | 5,916,074,732 | 5,909,710,570 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) | | | | |
| 2501. CSV of corporate owned life insurance | 1,828,666 | | 1,828,666 | 1,775,159 |
| 2502. | | | | |
| 2503. | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) | 1,828,666 | | 1,828,666 | 1,775,159 |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| 1. Aggregate reserve for life contracts \$. 2,265,096,390 (Exhibit 5, Line 9999999) less \$ included in Line 6.3 (including \$. . . 903,520,577 Modco Reserve) | 2,265,096,390 | 2,173,599,173 |
| 2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Column 1) (including \$ Modco Reserve) | 315,265,773 | 311,200,292 |
| 3. Liability for deposit-type contracts (Exhibit 7, Line 14, Column 1) (including \$ Modco Reserve) | | |
| 4. Contract claims: | | |
| 4.1 Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10 and 11) | 131,000 | 128,000 |
| 4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10 and 11) | | |
| 5. Policyholders' dividends \$ and coupons \$ 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 \$ Modco) | | |
| 6.2 Dividends not yet apportioned (including \$ Modco) | | |
| 6.3 Coupons and similar benefits (including \$ 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 \$ discount; including \$ accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Line 4 and Line 14) | | |
| 9. Contract liabilities not included elsewhere: | | |
| 9.1 Surrender values on cancelled contracts | | |
| 9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public health Service Act | | |
| 9.3 Other amounts payable on reinsurance, including \$. . . 35,433,121 assumed and \$ ceded | 35,433,121 | |
| 9.4 Interest Maintenance Reserve (IMR, Line 6) | 8,094,288 | 6,317,393 |
| 10. Commissions to agents due or accrued-life and annuity contracts \$, accident and health \$ and deposit-type contract funds \$ | 635,312 | 834,337 |
| 11. Commissions and expense allowances payable on reinsurance assumed | | |
| 12. General expenses due or accrued (Exhibit 2, Line 12, Column 6) | 502,729 | 542,399 |
| 13. Transfers to Separate Accounts due or accrued (net) (including \$. . . (40,705,697) accrued for expense allowances recognized in reserves, net of reinsured allowances) | (31,926,712) | 59,521,572 |
| 14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Column 5) | 2,824,340 | 5,826,759 |
| 15.1 Current federal and foreign income taxes, including \$. . . 10,212,833 on realized capital gains (losses) | 1,197,013 | 14,510,474 |
| 15.2 Net deferred tax liability | | |
| 16. Unearned investment income | 71 | 85 |
| 17. Amounts withheld or retained by company as agent or trustee | 27,008 | 20,111 |
| 18. Amounts held for agents' account, including \$ agents' credit balances | | |
| 19. Remittances and items not allocated | 6,545,517 | 7,051,305 |
| 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 \$ and interest thereon \$ | | |
| 23. Dividends to stockholders declared and unpaid | | |
| 24. Miscellaneous liabilities: | | |
| 24.01 Asset valuation reserve (AVR, Line 16, Column 7) | 45,534,405 | 44,701,063 |
| 24.02 Reinsurance in unauthorized companies | | |
| 24.03 Funds held under reinsurance treaties with unauthorized reinsurers | | |
| 24.04 Payable to parent, subsidiaries and affiliates | 1,571,792 | 1,562,912 |
| 24.05 Drafts outstanding | | |
| 24.06 Liability for amounts held under uninsured plans | | |
| 24.07 Funds held under coinsurance | | |
| 24.08 Derivatives | 137,253 | 2,835 |
| 24.09 Payable for securities | 1,165,776 | 1,524,087 |
| 24.10 Payable for securities lending | 123,035,048 | 169,585,476 |
| 24.11 Capital notes \$ and interest thereon \$ | | |
| 25. Aggregate write-ins for liabilities | 123,268 | |
| 26. Total liabilities excluding Separate Accounts business (Line 1 to Line 25) | 2,775,393,392 | 2,796,928,273 |
| 27. From Separate Accounts statement | 2,593,480,980 | 2,583,572,277 |
| 28. Total liabilities (Line 26 and Line 27) | 5,368,874,372 | 5,380,500,550 |
| 29. Common capital stock | 3,000,000 | 3,000,000 |
| 30. Preferred capital stock | | |
| 31. Aggregate write-ins for other than special surplus funds | | |
| 32. Surplus notes | | |
| 33. Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1) | 613,163,872 | 613,163,872 |
| 34. Aggregate write-ins for special surplus funds | 6,961,558 | 7,529,230 |
| 35. Unassigned funds (surplus) | (75,925,070) | (94,483,082) |
| 36. Less treasury stock, at cost: | | |
| 36.1 shares common (value included in Line 29 \$) | | |
| 36.2 shares preferred (value included in Line 30 \$) | | |
| 37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ in Separate Accounts Statement) | 544,200,360 | 526,210,020 |
| 38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) | 547,200,360 | 529,210,020 |
| 39. Totals of Lines 28 and 38 (Page 2, Line 28, Column 3) | 5,916,074,732 | 5,909,710,570 |
| DETAILS OF WRITE-INS | | |
| 2501. Uncashed drafts and checks that are pending escheatment to the state | 123,268 | |
| 2502. | | |
| 2503. | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | |
| 2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) | 123,268 | |
| 3101. | | |
| 3102. | | |
| 3103. | | |
| 3198. Summary of remaining write-ins for Line 31 from overflow page | | |
| 3199. Totals (Line 3101 through Line 3103 plus Line 3198) (Line 31 above) | | |
| 3401. Surplus from additional DTA (SSAP 10R) | 6,961,558 | 7,529,230 |
| 3402. | | |
| 3403. | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | | |
| 3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above) | 6,961,558 | 7,529,230 |

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, Column 1, less Column 11) | 352,191,724 | 389,413,664 |
| 2. Considerations for supplementary contracts with life contingencies | 4,026,926 | 5,737,642 |
| 3. Net investment income (Exhibit of Net Investment Income, Line 17) | 148,473,078 | 143,321,149 |
| 4. Amortization of Interest Maintenance Reserve (IMR, Line 5) | 1,645,204 | 514,117 |
| 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, Column 1) | 1,736,656 | 1,824,446 |
| 7. Reserve adjustments on reinsurance ceded | (130,915,605) | (54,960,912) |
| 8. Miscellaneous Income: | | |
| 8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts | 8,351,760 | 8,128,301 |
| 8.2 Charges and fees for deposit-type contracts | | |
| 8.3 Aggregate write-ins for miscellaneous income | 2,804,253 | 3,361,804 |
| 9. Totals (Line 1 to Line 8.3) | 388,313,996 | 497,340,211 |
| 10. Death benefits | 5,413,882 | 6,946,062 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | | |
| 12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Column 4 plus Column 8) | 94,410,775 | 75,871,509 |
| 13. Disability benefits and benefits under accident and health contracts | | |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | | |
| 15. Surrender benefits and withdrawals for life contracts | 237,972,958 | 255,304,785 |
| 16. Group conversions | | |
| 17. Interest and adjustments on contract or deposit-type contract funds | 14,448,118 | 14,396,742 |
| 18. Payments on supplementary contracts with life contingencies | 2,604,798 | 2,246,720 |
| 19. Increase in aggregate reserves for life and accident and health contracts | 88,946,213 | 155,404,907 |
| 20. Totals (Line 10 to Line 19) | 443,796,744 | 510,170,725 |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1) | 20,252,872 | 22,159,910 |
| 22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Column 1) | 16,765 | 141,074 |
| 23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4) | 17,402,718 | 19,662,668 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Column 1 plus Column 2 plus Column 3) | 881,278 | 1,535,217 |
| 25. Increase in loading on deferred and uncollected premiums | | |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | (129,368,072) | (117,945,158) |
| 27. Aggregate write-ins for deductions | 551,744 | 589,873 |
| 28. Totals (Line 20 to Line 27) | 353,534,049 | 436,314,309 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | 34,779,947 | 61,025,902 |
| 30. Dividends to policyholders | | |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | 34,779,947 | 61,025,902 |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) | 7,620,759 | 15,037,665 |
| 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) | 27,159,188 | 45,988,237 |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 8,649,563 (excluding taxes of \$ 1,563,270 transferred to the IMR) | (1,864,863) | (3,349,977) |
| 35. Net Income (Line 33 plus Line 34) | 25,294,325 | 42,638,260 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 36. Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2) | 529,210,020 | 501,528,261 |
| 37. Net income (Line 35) | 25,294,325 | 42,638,260 |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$ (7,751,321) | 6,143,359 | 46,284,215 |
| 39. Change in net unrealized foreign exchange capital gain (loss) | | |
| 40. Change in net deferred income tax | 2,056,709 | 4,901,860 |
| 41. Change in nonadmitted assets | (11,505,507) | 1,840,234 |
| 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, Column 4) | | (37,702,457) |
| 44. Change in asset valuation reserve | (833,342) | (32,143,944) |
| 45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Column 2 minus Column 1) | | |
| 46. Surplus (contributed to) withdrawn from Separate Accounts during period | | |
| 47. Other changes in surplus in Separate Accounts statement | (2,597,532) | 1,648,365 |
| 48. Change in surplus notes | | |
| 49. Cumulative effects 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 | | |
| 51.2 Transferred to capital (Stock Dividend) | | |
| 51.3 Transferred from capital | | |
| 51.4 Change in surplus as a result of reinsurance | | |
| 52. Dividends to stockholders | | |
| 53. Aggregate write-ins for gains and losses in surplus | (567,672) | 215,226 |
| 54. Net change in capital and surplus for the year (Line 37 through Line 53) | 17,990,340 | 27,681,759 |
| 55. Capital and surplus, December 31, current year (Line 36 plus Line 54) (Page 3, Line 38) | 547,200,360 | 529,210,020 |
| DETAILS OF WRITE-INS | | |
| 08.301. Administrative service fees | 1,538,945 | 1,951,177 |
| 08.302. Other fee income | 1,208,961 | 1,328,500 |
| 08.303. Other income (expense) | 56,347 | 82,127 |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | | |
| 08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above) | 2,804,253 | 3,361,804 |
| 2701. Securities lending interest expense | 651,772 | 630,119 |
| 2702. Experience refund | 60,514 | 54,156 |
| 2703. Bonus interest | 25,345 | 76,992 |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | (185,887) | (171,394) |
| 2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above) | 551,744 | 589,873 |
| 5301. Change in surplus from additional DTA (SSAP 10R) | (567,672) | 215,226 |
| 5302. | | |
| 5303. | | |
| 5398. Summary of remaining write-ins for Line 53 from overflow page | | |
| 5399. Totals (Line 5301 through Line 5303 plus Line 5398) (Line 53 above) | (567,672) | 215,226 |

CASH FLOW

| | 1 | 2 |
|--|--------------|---------------|
| | Current Year | Prior Year |
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | 357,603,387 | 397,653,314 |
| 2. Net investment income | 143,776,117 | 138,242,129 |
| 3. Miscellaneous income | 9,484,545 | 1,165,368 |
| 4. Total (Line 1 through Line 3) | 510,864,049 | 537,060,811 |
| 5. Benefit and loss related payments | 445,320,541 | 446,624,484 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | (37,919,788) | (150,591,651) |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 40,332,490 | 43,748,186 |
| 8. Dividends paid to policyholders | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$ 10,212,833 tax on capital gains (losses) | 31,145,760 | 9,848,617 |
| 10. Total (Line 5 through Line 9) | 478,879,003 | 349,629,636 |
| 11. Net cash from operations (Line 4 minus Line 10) | 31,985,046 | 187,431,175 |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 582,582,475 | 351,291,590 |
| 12.2 Stocks | 112,357,320 | 82,226,168 |
| 12.3 Mortgage loans | 25,181,591 | 9,950,386 |
| 12.4 Real estate | | |
| 12.5 Other invested assets | 19,311,698 | 8,447,797 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 Miscellaneous proceeds | 1,194,194 | 286,092 |
| 12.8 Total investment proceeds (Line 12.1 through Line 12.7) | 740,627,278 | 452,202,033 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 651,148,582 | 603,504,137 |
| 13.2 Stocks | 110,806,016 | 80,175,821 |
| 13.3 Mortgage loans | 9,850,000 | 9,417,742 |
| 13.4 Real estate | | |
| 13.5 Other invested assets | 17,626,743 | 34,785,778 |
| 13.6 Miscellaneous applications | | |
| 13.7 Total investments acquired (Line 13.1 through Line 13.6) | 789,431,341 | 727,883,478 |
| 14. Net increase (decrease) in contract loans and premium notes | 3,389,298 | 3,665,808 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (52,193,361) | (279,347,253) |
| 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 | | |
| 16.3 Borrowed funds | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 4,065,481 | 16,062,464 |
| 16.5 Dividends to stockholders | | |
| 16.6 Other cash provided (applied) | (50,575,161) | 122,223,010 |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | (46,509,680) | 138,285,474 |
| 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) | (66,717,995) | 46,369,396 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 173,017,575 | 126,648,179 |
| 19.2 End of year (Line 18 plus Line 19.1) | 106,299,580 | 173,017,575 |
| Note: Supplemental disclosures of cash flow information for non-cash transactions: | | |
| 20.001 | | |
| 20.002 | | |
| 20.003 | | |
| 20.004 | | |
| 20.005 | | |
| 20.006 | | |
| 20.007 | | |
| 20.008 | | |
| 20.009 | | |
| 20.010 | | |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Integrity Life Insurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 | 2 | Ordinary | | | 6 | Group | | Accident and Health | | | 12 |
|--|---------------|-----------------|----------------|----------------------|-------------------------|------------------------------------|--------------------|-----------|---------------------|-------------------------------|-------|--|
| | | | 3 | 4 | 5 | | 7 | 8 | 9 | 10 | 11 | |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Supplementary Contracts | Credit Life (Group and Individual) | Life Insurance (a) | Annuities | Group | Credit (Group and Individual) | Other | Aggregate of All Other Lines of Business |
| 1. Premiums and annuity considerations for life and accident and health contracts | 352,191,724 | | 493,487 | 351,698,237 | | | | | | | | |
| 2. Considerations for supplementary contracts with life contingencies | 4,026,926 | | | | 4,026,926 | | | | | | | |
| 3. Net investment income | 148,473,078 | | 23,169,940 | 120,155,344 | 3,977,884 | | 845,351 | 324,559 | | | | |
| 4. Amortization of Interest Maintenance Reserve (IMR) | 1,645,204 | | 256,742 | 1,331,421 | 44,078 | | 9,367 | 3,596 | | | | |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | | | | | | | | | | | | |
| 6. Commissions and expense allowances on reinsurance ceded | 1,736,656 | | 185,216 | 1,536,592 | | | 8,555 | 6,293 | | | | |
| 7. Reserve adjustments on reinsurance ceded | (130,915,605) | | (7,210,960) | (122,344,422) | | | (1,174,741) | (185,482) | | | | |
| 8. Miscellaneous Income: | | | | | | | | | | | | |
| 8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts | 8,351,760 | | 1,050,902 | 7,300,858 | | | | | | | | |
| 8.2 Charges and fees for deposit-type contracts | | | | | | | | | | | | |
| 8.3 Aggregate write-ins for miscellaneous income | 2,804,253 | | | 2,804,253 | | | | | | | | |
| 9. Totals (Line 1 to Line 8.3) | 388,313,996 | | 17,945,327 | 362,482,283 | 8,048,888 | | (311,468) | 148,966 | | | | |
| 10. Death benefits | 5,413,882 | | 5,413,882 | | | | | | | | | |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | | | | | | | | | | | | |
| 12. Annuity benefits | 94,410,775 | | | 94,288,708 | | | | 122,067 | | | | |
| 13. Disability benefits and benefits under accident and health contracts | | | | | | | | | | | | |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | | | | | | | | | | | | |
| 15. Surrender benefits and withdrawals for life contracts | 237,972,958 | | 3,058,543 | 233,892,007 | | | 984,714 | 37,694 | | | | |
| 16. Group conversions | | | | | | | | | | | | |
| 17. Interest and adjustments on contract or deposit-type contract funds | 14,448,118 | | | 12,745,861 | 1,702,257 | | | | | | | |
| 18. Payments on supplementary contracts with life contingencies | 2,604,798 | | | | 2,604,798 | | | | | | | |
| 19. Increase in aggregate reserves for life and accident and health contracts | 88,946,213 | | 873,720 | 87,088,423 | 2,425,952 | | (1,423,657) | (18,225) | | | | |
| 20. Totals (Line 10 to Line 19) | 443,796,744 | | 9,346,145 | 428,014,999 | 6,733,007 | | (438,943) | 141,536 | | | | |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) | 20,252,872 | | 655 | 20,252,217 | | | | | | | | |
| 22. Commissions and expense allowances on reinsurance assumed | 16,765 | | 16,765 | | | | | | | | | |
| 23. General insurance expenses | 17,402,718 | | 899,721 | 16,184,527 | 241,898 | | 55,689 | 20,883 | | | | |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes | 881,278 | | 41,963 | 823,119 | 12,303 | | 2,831 | 1,062 | | | | |
| 25. Increase in loading on deferred and uncollected premiums | | | | | | | | | | | | |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | (129,368,072) | | (551,315) | (127,340,136) | | | | | | | | (1,476,621) |
| 27. Aggregate write-ins for deductions | 551,744 | | (58,291) | 585,907 | 18,645 | | 3,962 | 1,521 | | | | |
| 28. Totals (Line 20 to Line 27) | 353,534,049 | | 9,695,643 | 338,520,633 | 7,005,853 | | (376,461) | 165,002 | | | | (1,476,621) |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | 34,779,947 | | 8,249,684 | 23,961,650 | 1,043,035 | | 64,993 | (16,036) | | | | 1,476,621 |
| 30. Dividends to policyholders | | | | | | | | | | | | |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | 34,779,947 | | 8,249,684 | 23,961,650 | 1,043,035 | | 64,993 | (16,036) | | | | 1,476,621 |
| 32. Federal income taxes incurred (excluding tax on capital gains) | 7,620,759 | | 2,887,389 | 8,386,578 | 365,062 | | 22,748 | (5,613) | | | | (4,035,405) |
| 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) | 27,159,188 | | 5,362,295 | 15,575,072 | 677,973 | | 42,245 | (10,423) | | | | 5,512,026 |
| DETAILS OF WRITE-INS | | | | | | | | | | | | |
| 08.301. Administrative service fees | 1,538,945 | | | 1,538,945 | | | | | | | | |
| 08.302. Other fee income | 1,208,961 | | | 1,208,961 | | | | | | | | |
| 08.303. Other income (expense) | 56,347 | | | 56,347 | | | | | | | | |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | | | | | | | | | | | | |
| 08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above) | 2,804,253 | | | 2,804,253 | | | | | | | | |
| 2701. Securities lending interest expense | 651,772 | | 64,449 | 563,195 | 18,645 | | 3,962 | 1,521 | | | | |
| 2702. Experience refund | 60,514 | | 60,514 | | | | | | | | | |
| 2703. Bonus interest | 25,345 | | | 25,345 | | | | | | | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | (185,887) | | (183,254) | (2,633) | | | | | | | | |
| 2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above) | 551,744 | | (58,291) | 585,907 | 18,645 | | 3,962 | 1,521 | | | | |

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

| | 1 Total | 2 Industrial Life | Ordinary | | | 6 Credit Life (Group and Individual) | Group | |
|---|----------------|-----------------------------|------------------------|------------------------------|---------------------------------|---|------------------------|----------------|
| | | | 3 Life Insurance | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance | 8 Annuities |
| Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded) | | | | | | | | |
| 1. Reserve December 31, prior year | 2,173,599,173 | | 249,766,698 | 1,881,388,046 | 20,423,203 | | 16,112,920 | 5,908,306 |
| 2. Tabular net premiums or considerations | 351,805,384 | | 510,097 | 347,485,797 | 3,809,490 | | | |
| 3. Present value of disability claims incurred | | | | | X X X | | | |
| 4. Tabular interest | 181,237,877 | | 13,871,154 | 165,131,429 | 1,105,944 | | 864,034 | 265,316 |
| 5. Tabular less actual reserve released | (4,808,445) | | | (4,653,099) | (127,806) | | | (27,540) |
| 6. Increase in reserve on account of change in valuation basis | | | | | | | | |
| 7. Other increases (net) | 25,342 | | | 25,342 | | | | |
| 8. Totals (Line 1 to Line 7) | 2,701,859,331 | | 264,147,949 | 2,389,377,515 | 25,210,831 | | 16,976,954 | 6,146,082 |
| 9. Tabular cost | 1,313,416 | | 1,080,570 | | X X X | | 232,846 | |
| 10. Reserves released by death | 9,043,230 | | 9,025,387 | X X X | X X X | | 17,843 | X X X |
| 11. Reserves released by other terminations (net) | 367,612,213 | | 5,211,525 | 360,077,119 | | | 2,067,567 | 256,002 |
| 12. Annuity, supplementary contract, and disability payments involving life contingencies | 85,953,110 | | | 83,348,312 | 2,604,798 | | | |
| 13. Net transfers to or (from) Separate Accounts | (27,159,028) | | (1,443,699) | (25,715,329) | | | | |
| 14. Total deductions (Line 9 to Line 13) | 436,762,941 | | 13,873,783 | 417,710,102 | 2,604,798 | | 2,318,256 | 256,002 |
| 15. Reserve December 31, current year | 2,265,096,390 | | 250,274,166 | 1,971,667,413 | 22,606,033 | | 14,658,698 | 5,890,080 |

EXHIBIT OF NET INVESTMENT INCOME

| | 1 | 2 |
|---|---|-----------------------|
| | Collected During Year | Earned During Year |
| 1. U. S. Government bonds | (a) 463,034 | 323,254 |
| 1.1 Bonds exempt from U. S. tax | (a) | |
| 1.2 Other bonds (unaffiliated) | (a) 132,347,971 | 133,665,084 |
| 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 | 1,092,549 | 1,171,968 |
| 3. Mortgage loans | (c) 3,604,230 | 3,421,463 |
| 4. Real estate | (d) | |
| 5. Contract loans | | |
| 6. Cash, cash equivalents and short-term investments | 9,271,698 | 9,383,197 |
| 7. Derivative instruments | (e) 441,750 | 441,871 |
| 8. Other invested assets | (f) 2,129 | 2,129 |
| 9. Aggregate write-ins for investment income | 1,897,104 | 1,897,104 |
| 10. Total gross investment income | 659,923 | 659,923 |
| | 149,780,388 | 150,965,993 |
| 11. Investment expenses | | (g) 2,492,915 |
| 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) |
| 15. Aggregate write-ins for deductions from investment income | | |
| 16. Total deductions (Line 11 through Line 15) | | 2,492,915 |
| 17. Net investment income (Line 10 minus Line 16) | | 148,473,078 |
| DETAILS OF WRITE-INS | | |
| 0901. Securities Lending Fee Income | 455,714 | 455,714 |
| 0902. Miscellaneous | 204,209 | 204,209 |
| 0903. | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | | |
| 0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above) | 659,923 | 659,923 |
| 1501. | | |
| 1502. | | |
| 1503. | | |
| 1598. Summary of remaining write-ins for Line 15 from overflow page | | |
| 1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above) | | |
| (a) Includes \$ 7,242,302 accrual of discount less \$ 3,359,557 amortization of premium and less \$ 2,791,723 paid for accrued interest on purchases. | (f) Includes \$ accrual of discount less \$ amortization of premium. | |
| (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases. | (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. | |
| (c) Includes \$ accrual of discount less \$ 407,026 amortization of premium and less \$ paid for accrued interest on purchases. | (h) Includes \$ interest on surplus notes and \$ interest on capital notes. | |
| (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances. | (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets. | |
| (e) Includes \$ 5,336 accrual of discount less \$ 89,146 amortization of premium and less \$ 4,000 paid for accrued interest on purchases. | | |

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | 1 | 2 | 3 | 4 | 5 |
|--|---|-------------------------------|---|---|---|
| | Realized Gain (Loss) on Sales or Maturity | Other Realized Adjustments | Total Realized Capital Gain (Loss) (Cols. 1 + 2) | Change in Unrealized Capital Gain (Loss) | Change in Unrealized Foreign Exchange Capital Gain (Loss) |
| 1. U. S. Government bonds | 229,565 | | 229,565 | | |
| 1.1 Bonds exempt from U. S. tax | | | | | |
| 1.2 Other bonds (unaffiliated) | 4,307,191 | (5,522,805) | (1,215,614) | (1,974,513) | |
| 1.3 Bonds of affiliates | | | | | |
| 2.1 Preferred stocks (unaffiliated) | | | | | |
| 2.11 Preferred stocks of affiliates | | | | | |
| 2.2 Common stocks (unaffiliated) | 17,729,413 | (4,868,619) | 12,860,794 | (15,130,131) | |
| 2.21 Common stocks of affiliates | | | | 20,538,670 | |
| 3. Mortgage loans | | (446,753) | (446,753) | | |
| 4. Real estate | | | | | |
| 5. Contract loans | | | | | |
| 6. Cash, cash equivalents and short-term investments | (8,800) | | (8,800) | | |
| 7. Derivative instruments | (168,007) | | (168,007) | 93,203 | |
| 8. Other invested assets | | | | (5,135,191) | |
| 9. Aggregate write-ins for capital gains (losses) | | | | | |
| 10. Total capital gains (losses) | 22,089,362 | (10,838,177) | 11,251,185 | (1,607,962) | |
| DETAILS OF WRITE-INS | | | | | |
| 0901. | | | | | |
| 0902. | | | | | |
| 0903. | | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | | | | | |
| 0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above) | | | | | |

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

| | 1 | 2 | Ordinary | | 5 | Group | | Accident and Health | | | 11 |
|--|-------------|-----------------|----------------|----------------------|------------------------------------|----------------|-----------|---------------------|-------------------------------|-------|--|
| | | | 3 | 4 | | 6 | 7 | 8 | 9 | 10 | |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Credit Life (Group and Individual) | Life Insurance | Annuities | Group | Credit (Group and Individual) | Other | Aggregate of All Other Lines of Business |
| FIRST YEAR (other than single) | | | | | | | | | | | |
| 1. Uncollected | | | | | | | | | | | |
| 2. Deferred and accrued | | | | | | | | | | | |
| 3. Deferred, accrued and uncollected: | | | | | | | | | | | |
| 3.1 Direct | | | | | | | | | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | | |
| 3.4 Net (Line 1 plus Line 2) | | | | | | | | | | | |
| 4. Advance | | | | | | | | | | | |
| 5. Line 3.4 minus Line 4 | | | | | | | | | | | |
| 6. Collected during year: | | | | | | | | | | | |
| 6.1 Direct | 231,806,550 | | | 231,806,550 | | | | | | | |
| 6.2 Reinsurance assumed | | | | | | | | | | | |
| 6.3 Reinsurance ceded | 120,280 | | | 120,280 | | | | | | | |
| 6.4 Net | 231,686,270 | | | 231,686,270 | | | | | | | |
| 7. Line 5 plus Line 6.4 | 231,686,270 | | | 231,686,270 | | | | | | | |
| 8. Prior year (uncollected plus deferred and accrued minus advance) | | | | | | | | | | | |
| 9. First year premiums and considerations: | | | | | | | | | | | |
| 9.1 Direct | 231,806,550 | | | 231,806,550 | | | | | | | |
| 9.2 Reinsurance assumed | | | | | | | | | | | |
| 9.3 Reinsurance ceded | 120,280 | | | 120,280 | | | | | | | |
| 9.4 Net (Line 7 minus Line 8) | 231,686,270 | | | 231,686,270 | | | | | | | |
| SINGLE | | | | | | | | | | | |
| 10. Single premiums and considerations: | | | | | | | | | | | |
| 10.1 Direct | 102,250,733 | | | 102,250,733 | | | | | | | |
| 10.2 Reinsurance assumed | | | | | | | | | | | |
| 10.3 Reinsurance ceded | | | | | | | | | | | |
| 10.4 Net | 102,250,733 | | | 102,250,733 | | | | | | | |
| RENEWAL | | | | | | | | | | | |
| 11. Uncollected | (744,592) | | | (744,592) | | | | | | | |
| 12. Deferred and accrued | | | | | | | | | | | |
| 13. Deferred, accrued and uncollected: | | | | | | | | | | | |
| 13.1 Direct | | | | | | | | | | | |
| 13.2 Reinsurance assumed | | | | | | | | | | | |
| 13.3 Reinsurance ceded | 744,592 | | | 744,592 | | | | | | | |
| 13.4 Net (Line 11 plus Line 12) | (744,592) | | | (744,592) | | | | | | | |
| 14. Advance | | | | | | | | | | | |
| 15. Line 13.4 minus Line 14 | (744,592) | | | (744,592) | | | | | | | |
| 16. Collected during year: | | | | | | | | | | | |
| 16.1 Direct | 21,826,609 | | 778,953 | 21,047,656 | | | | | | | |
| 16.2 Reinsurance assumed | 119,962 | | 119,962 | | | | | | | | |
| 16.3 Reinsurance ceded | 2,572,111 | | 405,210 | 2,166,901 | | | | | | | |
| 16.4 Net | 19,374,460 | | 493,705 | 18,880,755 | | | | | | | |
| 17. Line 15 plus Line 16.4 | 18,629,868 | | 493,705 | 18,136,163 | | | | | | | |
| 18. Prior year (uncollected plus deferred and accrued minus advance) | 375,147 | | 218 | 374,929 | | | | | | | |
| 19. Renewal premiums and considerations: | | | | | | | | | | | |
| 19.1 Direct | 21,826,609 | | 778,953 | 21,047,656 | | | | | | | |
| 19.2 Reinsurance assumed | 119,962 | | 119,962 | | | | | | | | |
| 19.3 Reinsurance ceded | 3,691,850 | | 405,428 | 3,286,422 | | | | | | | |
| 19.4 Net (Line 17 minus Line 18) | 18,254,721 | | 493,487 | 17,761,234 | | | | | | | |
| TOTAL | | | | | | | | | | | |
| 20. Total premiums and annuity considerations: | | | | | | | | | | | |
| 20.1 Direct | 355,883,892 | | 778,953 | 355,104,939 | | | | | | | |
| 20.2 Reinsurance assumed | 119,962 | | 119,962 | | | | | | | | |
| 20.3 Reinsurance ceded | 3,812,130 | | 405,428 | 3,406,702 | | | | | | | |
| 20.4 Net (Lines 9.4 plus 10.4 plus 19.4) | 352,191,724 | | 493,487 | 351,698,237 | | | | | | | |

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 and Individual) | 10 Other | Aggregate of All Other Lines of Business |
| DIVIDENDS AND COUPONS APPLIED (included in Part 1) | | | | | | | | | | | |
| 21. To pay renewal premiums | | | | | | | | | | | |
| 22. All other | | | | | | | | | | | |
| REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED | | | | | | | | | | | |
| 23. First year (other than single): | | | | | | | | | | | |
| 23.1 Reinsurance ceded | | | | | | | | | | | |
| 23.2 Reinsurance assumed | | | | | | | | | | | |
| 23.3 Net ceded less assumed | | | | | | | | | | | |
| 24. Single: | | | | | | | | | | | |
| 24.1 Reinsurance ceded | | | | | | | | | | | |
| 24.2 Reinsurance assumed | | | | | | | | | | | |
| 24.3 Net ceded less assumed | | | | | | | | | | | |
| 25. Renewal: | | | | | | | | | | | |
| 25.1 Reinsurance ceded | 1,736,656 | | 185,216 | 1,536,592 | | 8,555 | 6,293 | | | | |
| 25.2 Reinsurance assumed | 16,765 | | 16,765 | | | | | | | | |
| 25.3 Net ceded less assumed | 1,719,891 | | 168,451 | 1,536,592 | | 8,555 | 6,293 | | | | |
| 26. Totals: | | | | | | | | | | | |
| 26.1 Reinsurance ceded (Page 6, Line 6) | 1,736,656 | | 185,216 | 1,536,592 | | 8,555 | 6,293 | | | | |
| 26.2 Reinsurance assumed (Page 6, Line 22) | 16,765 | | 16,765 | | | | | | | | |
| 26.3 Net ceded less assumed | 1,719,891 | | 168,451 | 1,536,592 | | 8,555 | 6,293 | | | | |
| COMMISSIONS INCURRED (direct business only) | | | | | | | | | | | |
| 27. First year (other than single) | 4,621,854 | | | 4,621,854 | | | | | | | |
| 28. Single | 11,239,215 | | | 11,239,215 | | | | | | | |
| 29. Renewal | 4,391,804 | | 655 | 4,391,149 | | | | | | | |
| 30. Deposit-type contract funds | | | | | | | | | | | |
| 31. Totals (to agree with Page 6, Line 21) | 20,252,873 | | 655 | 20,252,218 | | | | | | | |

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 | 592,807 | | | | | 592,807 |
| 2. | Salaries and wages | 10,359,678 | | | | 108,097 | 10,467,775 |
| 3.11 | Contributions for benefit plans for employees | 1,226,777 | | | | 3 | 1,226,780 |
| 3.12 | Contributions for benefit plans for agents | | | | | | |
| 3.21 | Payments to employees under non-funded benefit plans | | | | | | |
| 3.22 | Payments to agents under non-funded benefit plans | | | | | | |
| 3.31 | Other employee welfare | 296,584 | | | | 110 | 296,694 |
| 3.32 | Other agent welfare | | | | | | |
| 4.1 | Legal fees and expenses | 104,492 | | | | | 104,492 |
| 4.2 | Medical examination fees | | | | | | |
| 4.3 | Inspection report fees | | | | | | |
| 4.4 | Fees of public accountants and consulting actuaries | 132,663 | | | | | 132,663 |
| 4.5 | Expense of investigation and settlement of policy claims | | | | | | |
| 5.1 | Traveling expenses | 459,647 | | | | 70 | 459,717 |
| 5.2 | Advertising | 672,061 | | | | 21 | 672,082 |
| 5.3 | Postage, express, telegraph and telephone | 332,319 | | | | | 332,319 |
| 5.4 | Printing and stationery | 1,127,751 | | | | | 1,127,751 |
| 5.5 | Cost or depreciation of furniture and equipment | 35,596 | | | | | 35,596 |
| 5.6 | Rental of equipment | 65,763 | | | | | 65,763 |
| 5.7 | Cost or depreciation of EDP equipment and software | 867,353 | | | | | 867,353 |
| 6.1 | Books and periodicals | 49,185 | | | | | 49,185 |
| 6.2 | Bureau and association fees | 76,393 | | | | 46 | 76,439 |
| 6.3 | Insurance, except on real estate | 125,501 | | | | | 125,501 |
| 6.4 | Miscellaneous losses | | | | | | |
| 6.5 | Collection and bank service charges | 101,680 | | | | 101,680 | 203,360 |
| 6.6 | Sundry general expenses | 115,659 | | | | | 115,659 |
| 6.7 | Group service and administration fees | 119,253 | | | | | 119,253 |
| 6.8 | Reimbursements by uninsured plans | | | | | | |
| 7.1 | Agency expense allowance | | | | | | |
| 7.2 | Agents' balances charged off (less \$ recovered) | | | | | | |
| 7.3 | Agency conferences other than local meetings | | | | | | |
| 9.1 | Real estate expenses | | | | | | |
| 9.2 | Investment expenses not included elsewhere | 21,896 | | | | 2,269,561 | 2,291,457 |
| 9.3 | Aggregate write-ins for expenses | 519,660 | | | | 13,405 | 533,065 |
| 10. | General expenses incurred | 17,402,718 | | | | 2,492,993 | (a) 19,895,711 |
| 11. | General expenses unpaid December 31, prior year | 542,399 | | | | | 542,399 |
| 12. | General expenses unpaid December 31, current year | 502,729 | | | | | 502,729 |
| 13. | Amounts receivable relating to uninsured plans, prior year | | | | | | |
| 14. | Amounts receivable relating to uninsured plans, current year | | | | | | |
| 15. | General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14) | 17,442,388 | | | | 2,492,993 | 19,935,381 |
| DETAILS OF WRITE-INS | | | | | | | |
| 09.301. | Data Processing Services | 59,025 | | | | 13,405 | 72,430 |
| 09.302. | Annuity Processing - FAS | 148,495 | | | | | 148,495 |
| 09.303. | Consulting | 202,059 | | | | | 202,059 |
| 09.398. | Summary of remaining write-ins for Line 9.3 from overflow page | 110,081 | | | | | 110,081 |
| 09.399. | Totals (Line 09.301 through Line 09.303 plus Line 09.398) (Line 9.3 above) | 519,660 | | | | 13,405 | 533,065 |

(a) Includes management fees of \$ 7,476,874 to affiliates and \$ to non-affiliates.

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

| | Insurance | | | 4 | 5 |
|-----|---|---------------------|-----------------------------|------------|-----------|
| | 1 | 2 | 3 | | |
| | Life | Accident and Health | All Other Lines of Business | Investment | Total |
| 1. | Real estate taxes | | | | |
| 2. | State insurance department licenses and fees | 747,441 | | | 747,441 |
| 3. | State taxes on premiums | 305,243 | | | 305,243 |
| 4. | Other state taxes, including \$ for employee benefits | 505,269 | | | 505,269 |
| 5. | U. S. Social Security taxes | 284,848 | | | 284,848 |
| 6. | All other taxes | (961,523) | | | (961,523) |
| 7. | Taxes, licenses and fees incurred | 881,278 | | | 881,278 |
| 8. | Taxes, licenses and fees unpaid December 31, prior year | 3,792,937 | | | 3,792,937 |
| 9. | Taxes, licenses and fees unpaid December 31, current year | 2,804,519 | | | 2,804,519 |
| 10. | Taxes, licenses and fees paid during year (Line 7 plus Line 8 minus Line 9) | 1,869,696 | | | 1,869,696 |

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 Line 1 through Line 4 | |
| 6. | Paid-in cash | |
| 7. | Left on deposit | |
| 8. | Aggregate write-ins for dividend or refund options | |
| 9. | Total Line 5 through Line 8 | |
| 10. | Amount due and unpaid | |
| 11. | Provision for dividends or refunds payable in the following calend | |
| 12. | Terminal dividends | |
| 13. | Provision for deferred dividend contracts | |
| 14. | Amount provisionally held for deferred dividend policies not inclu | |
| 15. | Total Line 10 through Line 14 | |
| 16. | Total from prior year | |
| 17. | Total dividends or refunds (Line 9 plus Line 15 minus Line 16) | |
| DETAILS OF WRITE-INS | | |
| 0801. | | |
| 0802. | | |
| 0803. | | |
| 0898. | Summary of remaining write-ins for Line 8 from overflow page | |
| 0899. | Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above) | |

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---------------|------------|---------------|----------------------------------|------------|
| Valuation Standard | Total | Industrial | Ordinary | Credit (Group and Individual) | Group |
| (Gross) - Life Insurance | | | | | |
| 58 CSO/CET 3.5% CRVM 66-74 | 1,401,660 | | 1,401,660 | | |
| 58 CSO/CET 4% CRVM 75-79 | 1,121,803 | | 1,121,803 | | |
| 58 CSO/CET 4.5% CRVM 80-82 | 440,735 | | 440,735 | | |
| 80 CSO/CET 6% CRVM 83-86 | 146,528,186 | | 139,661,886 | | 6,866,300 |
| 80 CSO/CET 5.5% CRVM 87-92 | 111,513,604 | | 103,687,625 | | 7,825,979 |
| 80 CSO/CET 5% CRVM 93-94 | 533,886 | | 533,886 | | |
| 80 CSO/CET 4.5% CRVM 86-91, 95 | 3,446,037 | | 3,446,037 | | |
| 0199997 - TOTALS (Gross) - Life Insurance | 264,985,911 | | 250,293,632 | | 14,692,279 |
| 0199998 - Reinsurance ceded - Life Insurance | 53,439 | | 19,858 | | 33,581 |
| 0199999 - TOTALS (Net) - Life Insurance | 264,932,472 | | 250,273,774 | | 14,658,698 |
| (Gross) - Annuities (excluding supplementary contracts with life contingencies) | | | | | |
| 71IAM 5.50% 80-82 | 9,309,218 | | 9,309,218 | | |
| 71IAM 4.00% 75-79 | 7,729,582 | | 7,729,582 | | |
| 83a 8.75% CARVM, Deferred - 83 | 1,410,620 | | 1,410,620 | | |
| 83a 8.50% CARVM, Deferred - 84-85 | 4,937,583 | | 4,937,583 | | |
| 83a 7.25% CARVM, Deferred - 86, 89 | 15,127,087 | | 15,127,087 | | |
| 83a 7.00% CARVM, Deferred - 88-89 | 53,636,034 | | 53,001,982 | | 634,052 |
| 83a 6.75% CARVM, Deferred - 87, 91 | 38,715,974 | | 38,236,042 | | 479,932 |
| 83a 6.50% CARVM, Deferred - 87, 90 | 55,330,155 | | 53,176,429 | | 2,153,726 |
| 83a 6.25% CARVM, Deferred - 92 | 16,920,275 | | 16,599,518 | | 320,757 |
| 83a 6.00% CARVM, Deferred - 95 | 10,770,525 | | 10,474,328 | | 296,197 |
| 83a 5.75% CARVM, Deferred - 93, 97, 00 | 15,884,064 | | 14,656,202 | | 1,227,862 |
| 83a 5.50% CARVM, Deferred - 94, 96-98, 01-02 | 18,287,469 | | 17,509,915 | | 777,554 |
| 83a 5.25% CARVM, Deferred - 99, 03, 09 | 60,937,317 | | 60,937,317 | | |
| 83a 5.00% CARVM, Deferred - 03, 04, 08 | 3,438,437 | | 3,438,437 | | |
| 83a 4.75% CARVM, Deferred - 04-07, 10 | 5,305,299 | | 5,305,299 | | |
| 83a 4.50% CARVM, Deferred - 05, 11 N.B. | 8,306,940 | | 8,306,940 | | |
| a2000 5.50% CARVM, Deferred - 09 | 469,759 | | 469,759 | | |
| a2000 5.25% CARVM, Deferred - 09 | 1,205,575 | | 1,205,575 | | |
| a2000 5.00% CARVM, Deferred - 04, 07-09 | 194,790,669 | | 194,790,669 | | |
| a2000 4.75% CARVM, Deferred - 05-08, 10 | 374,698,810 | | 374,698,810 | | |
| a2000 4.50% CARVM, Deferred - 06, 10 | 65,306,633 | | 65,306,633 | | |
| a2000 4.25% CARVM, Deferred - 11 N.B. | 41,885,538 | | 41,885,538 | | |
| AG 43 | 2,012,133 | | 2,012,133 | | |
| 83a 8.50% Immediate 86, 88-89 | 185,007 | | 185,007 | | |
| 83a 8.25% Immediate 90-91 | 242,456 | | 242,456 | | |
| 83a 8.00% Immediate 87 | 664,527 | | 664,527 | | |
| 83a 7.50% Immediate 85-92 | 470,679,807 | | 470,679,807 | | |
| 83a 7.00% Immediate 93 | 18,941,381 | | 18,941,381 | | |
| 83a 6.50% Immediate 86, 94 | 3,704,729 | | 3,704,729 | | |
| a2000 6.50% Immediate 02 | 337,768 | | 337,768 | | |
| a2000 6.00% Immediate 03 | 2,527,547 | | 2,527,547 | | |
| a2000 5.50% Immediate 07-08 | 102,613,711 | | 102,613,711 | | |
| a2000 5.25% Immediate 06 | 39,115,320 | | 39,115,320 | | |
| a2000 5.05% Immediate 04 | 11,505,231 | | 11,505,231 | | |
| a2000 5.00% Immediate 09 | 83,663,497 | | 83,663,497 | | |
| a2000 4.95% Immediate 05 | 23,339,250 | | 23,339,250 | | |
| a2000 4.25% Immediate 10 | 130,366,247 | | 130,366,247 | | |
| a2000 3.95% Immediate 11 N.B. | 92,759,944 | | 92,759,944 | | |
| 0299997 - TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies) | 1,987,062,118 | | 1,981,172,038 | | 5,890,080 |
| 0299998 - Reinsurance ceded - Annuities (excluding supplementary contracts with life contingencies) | 9,504,625 | | 9,504,625 | | |
| 0299999 - TOTALS (Net) - Annuities (excluding supplementary contracts with life contingencies) | 1,977,557,493 | | 1,971,667,413 | | 5,890,080 |
| (Gross) - Supplementary Contracts with Life Contingencies | | | | | |
| 83a 8.50% Immediate 88-89 | 655,498 | | 655,498 | | |
| 83a 8.25% Immediate 90-91 | 530,604 | | 530,604 | | |
| 83a 8.00% Immediate 87 | 733,909 | | 733,909 | | |
| 83a 7.75% Immediate 92 | 451,357 | | 451,357 | | |
| 83a 7.25% Immediate 95 | 429,764 | | 429,764 | | |
| 83a 7.00% Immediate 93 | 83,868 | | 83,868 | | |
| 83a 6.75% Immediate 96-97 | 1,767,348 | | 1,767,348 | | |
| 83a 6.50% Immediate 94 | 92,502 | | 92,502 | | |
| a2000 7.00% Immediate 00 | 441,915 | | 441,915 | | |
| a2000 6.75% Immediate 01 | 209,447 | | 209,447 | | |
| a2000 6.50% Immediate 02 | 284,271 | | 284,271 | | |
| a2000 6.25% Immediate 98-99 | 265,907 | | 265,907 | | |
| a2000 6.00% Immediate 03 | 903,025 | | 903,025 | | |
| a2000 4.80% Immediate 07 | 1,877,258 | | 1,877,258 | | |
| a2000 4.70% Immediate 08 | 918,029 | | 918,029 | | |
| a2000 4.60% Immediate 06 | 577,731 | | 577,731 | | |
| a2000 4.50% Immediate 09 | 1,797,891 | | 1,797,891 | | |
| a2000 4.20% Immediate 10 | 5,367,835 | | 5,367,835 | | |
| a2000 4.00% Immediate 04-05 | 1,473,805 | | 1,473,805 | | |
| a2000 3.25% Immediate 11 N.B. | 3,744,069 | | 3,744,069 | | |
| 0399997 - TOTALS (Gross) - Supplementary Contracts with Life Contingencies | 22,606,033 | | 22,606,033 | | |
| 0399999 - TOTALS (Net) - Supplementary Contracts with Life Contingencies | 22,606,033 | | 22,606,033 | | |
| (Gross) - Accidental Death Benefits | | | | | |
| UNEARNED PREMIUM | 21 | | 21 | | |
| 0499997 - TOTALS (Gross) - Accidental Death Benefits | 21 | | 21 | | |
| 0499999 - TOTALS (Net) - Accidental Death Benefits | 21 | | 21 | | |
| (Gross) - Disability - Active Lives | | | | | |
| 58 CSO 52 DB 3% | 371 | | 371 | | |
| 0599997 - TOTALS (Gross) - Disability - Active Lives | 371 | | 371 | | |
| 0599999 - TOTALS (Net) - Disability - Active Lives | 371 | | 371 | | |
| 9999999 - TOTALS (Net) - Page 3, Line 1 | 2,265,096,390 | | 2,244,547,612 | | 20,548,778 |

EXHIBIT 5 - INTERROGATORIES

1.1

Has the reporting entity ever issued both participating and non-participating contracts?

Yes () No (X)

1.2

If not , state which kind is issued.

Non-participating

2.1

Does the reporting entity at present issue both participating and non-participating contracts?

Yes () No (X)

2.2

If not , state which kind is issued.

Non-participating

3.

Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

Yes (X) No ()

4.

Has the reporting entity any assessment or stipulated premium contracts in force?
If so, state:

Yes () No (X)

4.1

Amount of insurance?

\$

4.2

Amount of reserve?

\$

4.3

Basis of reserve:

.....

4.4

Basis of regular assessments:

.....

4.5

Basis of special assessments:

.....

4.6

Assessments collected during the year:

\$

5.

If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5% , not in advance, state the contract loan rate guarantees on any such contracts.

.....

6.

Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis?

Yes (X) No ()

6.1

If so, state the amount of reserve on such contracts on the basis actually held:

\$ 199,435,944

6.2

That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6. 1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:

\$ 239,789,936

Attach statement of methods employed in their valuation.

7.

Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?

Yes () No (X)

7.1

If yes, state the total dollar amount of assets covered by these contracts or agreements:

\$

7.2

Specify the basis (fair value, amortized cost, etc.) for determining the amount.

.....

7.3

State the amount of reserves established for this business:

\$

7.4

Identify where the reserves are reported in the blank.

.....

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

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

NONE

EXHIBIT 6 - AGGREGATES 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 | | | | | | | | | |
| 2. Additional contract reserves (a) | | | | | | | | | |
| 3. Additional actuarial reserves - Asset/Liability analysis | | | | | | | | | |
| 4. Reserve for future contingent benefits | | | | | | | | | |
| 5. Reserve for rate credits | | | | | | | | | |
| 6. Aggregate write-ins for reserves | | | | | | | | | |
| 7. Totals (Gross) | | | | | | | | | |
| 8. Reinsurance ceded | | | | | | | | | |
| 9. Totals (Net) | | | | | | | | | |
| CLAIM RESERVE | | | | | | | | | |
| 10. Present value of amounts not yet due on claims | | | | | | | | | |
| 11. Additional actuarial reserves - Asset/Liability analysis | | | | | | | | | |
| 12. Reserve for future contingent benefits | | | | | | | | | |
| 13. Aggregate write-ins for reserves | | | | | | | | | |
| 14. Totals (Gross) | | | | | | | | | |
| 15. Reinsurance ceded | | | | | | | | | |
| 16. Totals (Net) | | | | | | | | | |
| 17. TOTAL (Net) | | | | | | | | | |
| 18. TABULAR FUND INTEREST | | | | | | | | | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 0601 | | | | | | | | | |
| 0602 | | | | | | | | | |
| 0603 | | | | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | | | | | | | | | |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | | | | | | | | | |
| 1301 | | | | | | | | | |
| 1302 | | | | | | | | | |
| 1303 | | | | | | | | | |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | | | | | | | | | |
| 1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above) | | | | | | | | | |

(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 | 311,200,292 | | 259,296,565 | 49,016,234 | | 2,887,493 |
| 2. Deposits received during the year | 70,056,026 | | 46,433,369 | 15,363,549 | | 8,259,108 |
| 3. Investment earnings credited to the account | 15,479,942 | | 13,793,047 | 1,668,225 | | 18,670 |
| 4. Other net change in reserves | 415,206 | | 252,709 | 162,497 | | |
| 5. Fees and other charges assessed | | | | | | |
| 6. Surrender charges | | | | | | |
| 7. Net surrender or withdrawal payments | 81,885,693 | | 60,339,798 | 13,902,670 | | 7,643,225 |
| 8. Other net transfers to or (from) Separate Accounts | | | | | | |
| 9. Balance at the end of current year before reinsurance (Lines 1 plus 2 plus 3 plus 4 minus 5 minus 6 minus 7 minus 8) | 315,265,773 | | 259,435,892 | 52,307,835 | | 3,522,046 |
| 10. Reinsurance balance at the beginning of the year | | | | | | |
| 11. Net change in reinsurance assumed | | | | | | |
| 12. Net change in reinsurance ceded | | | | | | |
| 13. Reinsurance balance at the end of the year (Line 10 plus Line 11 minus Line 12) | | | | | | |
| 14. Net balance at the end of current year after reinsurance (Line 9 plus Line 13) | 315,265,773 | | 259,435,892 | 52,307,835 | | 3,522,046 |

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

| | | 1 | 2 | Ordinary | | | 6 | Group | | Accident and Health | | |
|-----------------------------|---------------------|---------|-----------------|---------------------|---------------------------|------------------------------|------------------------------------|---------------------|----------------|---------------------|-------------------------------------|-------------|
| | | Total | Industrial Life | 3 Life Insurance | 4 Individual Annuities | 5 Supplementary Contracts | Credit Life (Group and Individual) | 7 Life Insurance | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other |
| 1. Due and unpaid: | | | | | | | | | | | | |
| 1.1 | Direct | | | | | | | | | | | |
| 1.2 | Reinsurance assumed | | | | | | | | | | | |
| 1.3 | Reinsurance ceded | | | | | | | | | | | |
| 1.4 | Net | | | | | | | | | | | |
| 2. In course of settlement: | | | | | | | | | | | | |
| 2.1 | Resisted | | | | | | | | | | | |
| 2.11 | Direct | | | | | | | | | | | |
| 2.12 | Reinsurance assumed | | | | | | | | | | | |
| 2.13 | Reinsurance ceded | | | | | | | | | | | |
| 2.14 | Net | | | (b) | (b) | | (b) | (b) | | | | |
| 2.2 | Other | | | | | | | | | | | |
| 2.21 | Direct | | | | | | | | | | | |
| 2.22 | Reinsurance assumed | | | | | | | | | | | |
| 2.23 | Reinsurance ceded | | | | | | | | | | | |
| 2.24 | Net | | | (b) | (b) | | (b) | (b) | | (b) | (b) | (b) |
| 3. Incurred but unreported: | | | | | | | | | | | | |
| 3.1 | Direct | 395,000 | | 246,000 | 149,000 | | | | | | | |
| 3.2 | Reinsurance assumed | | | | | | | | | | | |
| 3.3 | Reinsurance ceded | 264,000 | | 242,000 | 22,000 | | | | | | | |
| 3.4 | Net | 131,000 | | (b) 4,000 | (b) 127,000 | | (b) | (b) | | (b) | (b) | (b) |
| 4. TOTALS | | | | | | | | | | | | |
| 4.1 | Direct | 395,000 | | 246,000 | 149,000 | | | | | | | |
| 4.2 | Reinsurance assumed | | | | | | | | | | | |
| 4.3 | Reinsurance ceded | 264,000 | | 242,000 | 22,000 | | | | | | | |
| 4.4 | Net | 131,000 | (a) | (a) 4,000 | 127,000 | | | (a) | | | | |

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

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

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS
PART 2 - Incurred During the Year

| | 1 Total | 2 Industrial Life (a) | Ordinary | | | 6 Credit Life (Group and Individual) | Group | | Accident and Health | | |
|--|----------------|------------------------------------|-------------------------------|------------------------------|---------------------------------|---|-------------------------------|----------------|---------------------|---|-------------|
| | | | 3 Life Insurance (b) | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance (c) | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other |
| 1. Settlements during the year: | | | | | | | | | | | |
| 1.1 Direct | 158,518,855 | | 10,796,579 | 144,919,868 | 2,604,798 | | | 197,610 | | | |
| 1.2 Reinsurance assumed | 60,000 | | 60,000 | | | | | | | | |
| 1.3 Reinsurance ceded | 59,237,959 | | 4,842,765 | 54,304,887 | | | | 90,307 | | | |
| 1.4 Net (d) | 99,340,896 | | 6,013,814 | 90,614,981 | 2,604,798 | | | 107,303 | | | |
| 2. Liability December 31, current year from Part 1: | | | | | | | | | | | |
| 2.1 Direct | 395,000 | | 246,000 | 149,000 | | | | | | | |
| 2.2 Reinsurance assumed | | | | | | | | | | | |
| 2.3 Reinsurance ceded | 264,000 | | 242,000 | 22,000 | | | | | | | |
| 2.4 Net | 131,000 | | 4,000 | 127,000 | | | | | | | |
| 3. Amounts recoverable from reinsurers December 31, current year | 12,070,760 | | 1,343,614 | 10,725,391 | | | | 1,755 | | | |
| 4. Liability December 31, prior year: | | | | | | | | | | | |
| 4.1 Direct | 414,000 | | 264,000 | 150,000 | | | | | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | | |
| 4.3 Reinsurance ceded | 286,000 | | 260,000 | 26,000 | | | | | | | |
| 4.4 Net | 128,000 | | 4,000 | 124,000 | | | | | | | |
| 5. Amounts recoverable from reinsurers December 31, prior year | 15,156,319 | | 743,682 | 14,396,118 | | | | 16,519 | | | |
| 6. Incurred Benefits: | | | | | | | | | | | |
| 6.1 Direct | 158,499,855 | | 10,778,579 | 144,918,868 | 2,604,798 | | | 197,610 | | | |
| 6.2 Reinsurance assumed | 60,000 | | 60,000 | | | | | | | | |
| 6.3 Reinsurance ceded | 56,130,400 | | 5,424,697 | 50,630,160 | | | | 75,543 | | | |
| 6.4 Net | 102,429,455 | | 5,413,882 | 94,288,708 | 2,604,798 | | | 122,067 | | | |

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

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

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

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

EXHIBIT OF NONADMITTED ASSETS

| | 1 | 2 | 3 |
|---|--|--|--|
| | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) | | | |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | | | |
| 2.2 Common stocks | | | |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | | | |
| 3.2 Other than first liens | | | |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | | | |
| 4.2 Properties held for the production of income | | | |
| 4.3 Properties held for sale | | | |
| 5. Cash (Schedule E-Part 1) , cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) | | | |
| 6. Contract loans | | | |
| 7. Derivatives (Schedule DB) | | | |
| 8. Other invested assets (Schedule BA) | | | |
| 9. Receivable for securities | | | |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | |
| 11. Aggregate write-ins for invested assets | | | |
| 12. Subtotals, cash and invested assets (Line 1 to Line 11) | | | |
| 13. Title plants (for Title insurers only) | | | |
| 14. Investment income due and accrued | | | |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | | | |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | |
| 15.3 Accrued retrospective premiums | | | |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | | | |
| 16.2 Funds held by or deposited with reinsured companies | | | |
| 16.3 Other amounts receivable under reinsurance contracts | | | |
| 17. Amounts receivable relating to uninsured plans | | | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | |
| 18.2 Net deferred tax asset | 23,462,801 | 11,426,698 | (12,036,103) |
| 19. Guaranty funds receivable or on deposit | | | |
| 20. Electronic data processing equipment and software | | | |
| 21. Furniture and equipment, including health care delivery assets | | | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | |
| 23. Receivable from parent, subsidiaries and affiliates | | | |
| 24. Health care and other amounts receivable | 70,826 | 33,753 | (37,073) |
| 25. Aggregate write-ins for other than invested assets | | | |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) | 23,533,627 | 11,460,451 | (12,073,176) |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 28. Total (Line 26 and Line 27) | 23,533,627 | 11,460,451 | (12,073,176) |
| DETAILS OF WRITE-INS | | | |
| 1101. | | | |
| 1102. | | | |
| 1103. | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | |
| 1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) | | | |
| 2501. | | | |
| 2502. | | | |
| 2503. | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) | | | |

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

The Department recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Department has the right to permit other specific practices that deviate from prescribed practices. There are no differences between the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted 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 practices prescribed or permitted by the state of Ohio requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at either amortized cost using the interest method or the lower of amortized cost or fair market value.
- (3) Common stocks of life insurance subsidiaries are carried at statutory equity. Unaffiliated common stocks are stated at fair market value. Common stocks of non-life subsidiaries and non-life affiliates in which the Company has an interest of 10% or more are carried on the GAAP equity basis.
- (4) Preferred stocks are stated at either cost or the lower of cost or fair market value.
- (5) Mortgage loans on real estate are stated at the aggregate unpaid principal balance plus unamortized premium less unaccrued discount.
- (6) Loan-backed and structured securities are stated at amortized cost, except those with an initial NAIC designation of 6, which are stated at the lower of amortized cost or fair value. Loan backed and structured securities with an initial NAIC designation of 6 could have a final designation of 1 through 5 as determined by the SVO financial modeling process or the SVO modified filing exempt process. The retrospective adjustment method is used to determine amortized cost for all loan-backed and structured securities, except for those which an other-than-temporary impairment has been recognized, which use the prospective adjustment method to determine amortized cost.
- (7) The Company owns 100% of the capital stock of National Integrity, which is stated at statutory equity.
- (8) The Company has investments in private equity and limited liability companies. The Company carries these interests based on the underlying GAAP equity of the investee. Undistributed earnings allocated to the Company are reported in the change in net unrealized capital gains or losses. Distributions from earnings of the entity are reported as net investment income when received. Because of the indirect nature of these investments, there is an inherent reduction in transparency and liquidity and increased complexity in valuing the underlying investments. As a result, these investments are actively managed by Company management via detailed evaluation of the investment performance relative to risk.
- (9) The Company does not have any material derivative transactions.
- (10) Anticipated investment income is not a factor in calculating deficiency reserves.
- (11) The Company had no accident and health contracts on its books during the statement periods.
- (12) The Company does not own capitalizable assets. Therefore, the Company does not have a capitalization policy.
- (13) The Company has no pharmaceutical rebate receivables on its books during the statement periods.
- (14) The Company monitors investments to determine if there has been an other-than-temporary decline in fair value. Factors management considers for each identified security include the following:
 - the length of time and the extent to which the fair value is below the book/adjusted carry value;
 - the financial condition and near term prospects of the issuer, including specific events that may affect its operations;
 - for equity securities and debt securities with credit related declines in fair value, the Company's intent and ability to hold the security long enough for it to recover its value to book/adjusted carry value;
 - for debt securities with interest related declines in fair value, the Company's intent to sell the security before recovery of its book/adjusted carry value;
 - for loan-backed securities, the Company's intent and ability to hold the security long enough for it to recover its value to book/adjusted carry value;
 - for loan-backed securities, the Company's intent to sell the security before recovery of its book/adjusted carry value.

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

2. Accounting Changes and Corrections of Errors

The Company made the following accounting changes in 2011:

In October 2010, the NAIC modified the definitions of loan-backed and structured securities included in SSAP No. 43R. The revised definition expands the requirement to include any securitized asset where the underlying cash flows are from all types of asset pools and not just those emanating from either mortgages or securities. Regardless of the underlying collateral, each security structured through a special purpose entity, trust or limited liability company is expected to be reported as a SSAP No. 43R security, not as an issuer obligation under SSAP No. 26, *Bonds, excluding Loan-backed and Structured Securities*. This guidance was effective January 1, 2011. The adoption of this guidance did not have a significant impact on the Company's financial statements.

The Company made the following accounting changes in 2010:

In 2010, the Company changed the valuation rate used to calculate reserves for certain structured settlement contracts. SSAP 51, *Life Contracts*, requires such a change in valuation basis to be recorded directly to surplus rather than as a part of the reserve change recognized in the Summary of Operations. The Company has recorded a decrease of \$37,702,457 to surplus as a result of the change in valuation basis through the Change in Reserve on Account of Change in Valuation Basis line on the Summary of Operations.

Effective December 31, 2010, the Company adopted Statement of Statutory Accounting Principles No. 91-Revised, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* (SSAP 91R). In accordance with SSAP 91R, the Company changed the method of reporting securities lending transactions. SSAP 91R requires collateral received which may be sold or repledged to be reflected on the balance sheet, along with the obligation to return the collateral. Collateral received which may not be sold or repledged is off balance sheet. For securities lending transactions reported on the balance sheet, the collateral received and the reinvestment of that collateral by an affiliated agent may be reflected with the invested assets on the balance sheet based on the type of investment and an offsetting liability will be recognized for the obligation to return the collateral. The collateral received and the reinvestment

NOTES TO FINANCIAL STATEMENTS

of that collateral by an unaffiliated agent must be reflected as a one-line entry on the balance sheet and an offsetting liability will be recognized for the obligation to return the collateral. Prior to the adoption of SSAP 91R, the Company did not reflect collateral reinvested by an unaffiliated agent on the balance sheet. SSAP 91R resulted in an increase in securities lending reinvested collateral assets of \$26,241,116 and an increase in the obligation to return the collateral of \$26,241,116, of which \$15,509,916 is related to the general account liability shown on the securities lending liability line and \$10,731,200 is related to the separate account liability shown on the transfers to separate accounts due or accrued line.

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

3. Business Combinations and Goodwill. None.

4. Discontinued Operations. None.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

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

| | |
|--------------------------|-----------------|
| Farm loans | None |
| City loans | 5.25% and 6.00% |
| Purchase money mortgages | None |
| Mezzanine loans | None |

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

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

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

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

B. Debt Restructuring. None.

C. Reverse Mortgages. None.

D. Loan-Backed Securities

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

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

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

| CUSIP | Book/Adj Carrying Value Amortized Cost Before Current Period OTTI | Present Value of Future Cash Flows | Recognized Other-Than- Temporary Impairment | Amortized Cost After Other-Than- Temporary Impairment | Fair Value | Date of Financial Statement Where Reported |
|---------------------------------------|---|---|--|---|--------------|--|
| For the year ended December 31, 2011: | | | | | | |
| 02151FAF6 | \$ 1,963,399 | \$ 1,817,240 | \$ 146,159 | \$ 1,817,240 | \$ 1,627,082 | 12/31/2011 |
| 05948KXT1 | 1,368,588 | 1,317,875 | 50,713 | 1,317,875 | 1,033,749 | 12/31/2011 |
| 12543PAQ6 | 1,220,907 | 951,250 | 269,657 | 951,250 | 759,790 | 12/31/2011 |
| 12544VAE9 | 3,913,468 | 3,586,468 | 327,000 | 3,586,468 | 3,242,652 | 12/31/2011 |
| 12628KAF9 | 1,449,979 | 1,373,270 | 76,709 | 1,373,270 | 879,061 | 12/31/2011 |
| 12667G7H0 | 1,868,719 | 1,783,587 | 85,132 | 1,783,587 | 1,494,098 | 12/31/2011 |
| 173100AR9 | 2,686,465 | 1,978,082 | 708,383 | 1,978,082 | 1,803,809 | 12/31/2011 |
| 251510FX6 | 790,124 | 751,385 | 38,739 | 751,385 | 645,736 | 12/31/2011 |
| 45660L6K0 | 5,194,987 | 4,812,774 | 382,213 | 4,812,774 | 3,888,592 | 12/31/2011 |

NOTES TO FINANCIAL STATEMENTS

| CUSIP | Book/Adj Carrying Value Amortized Cost Before Current Period OTTI | Present Value of Future Cash Flows | Recognized Other-Than- Temporary Impairment | Amortized Cost After Other-Than- Temporary Impairment | Fair Value | Date of Financial Statement Where Reported |
|-----------|---|---|--|---|---------------|--|
| 46628SAJ2 | 3,812,501 | 3,217,110 | 595,391 | 3,217,110 | 2,093,329 | 12/31/2011 |
| 52524PAL4 | 3,381,397 | 2,755,293 | 626,104 | 2,755,293 | 2,236,994 | 12/31/2011 |
| 74922EAF6 | 728,852 | 671,943 | 56,909 | 671,943 | 535,283 | 12/31/2011 |
| 75970JAD8 | 1,443,132 | 1,353,566 | 89,566 | 1,353,566 | 1,051,612 | 12/31/2011 |
| 97181#LS0 | 529,483 | 175,872 | 353,611 | 175,872 | 175,872 | 12/31/2011 |
| 02150EAN3 | 735,809 | 689,181 | 46,628 | 689,181 | 646,355 | 9/30/2011 |
| 52524MAV1 | 737,223 | 734,084 | 3,139 | 734,084 | 380,484 | 9/30/2011 |
| 61752RAJ1 | 2,765,128 | 2,487,904 | 277,224 | 2,487,904 | 1,732,915 | 9/30/2011 |
| 12543PAQ6 | 1,403,630 | 1,236,252 | 167,378 | 1,236,252 | 1,155,602 | 6/30/2011 |
| 3622MPAP3 | 1,843,946 | 1,352,426 | 491,520 | 1,352,426 | 1,265,228 | 6/30/2011 |
| 52523KAJ3 | 1,809,442 | 1,457,788 | 351,654 | 1,457,788 | 755,738 | 6/30/2011 |
| Total | \$ 39,647,179 | \$ 34,503,350 | \$ 5,143,829 | \$ 34,503,350 | \$ 27,403,981 | |

For the year ended December 31, 2010:

| | | | | | | |
|-----------|---------------|---------------|--------------|---------------|---------------|------------|
| 74922EAF6 | \$ 816,884 | \$ 792,144 | \$ 24,740 | \$ 792,144 | \$ 642,459 | 12/31/2010 |
| 75970JAD8 | 1,782,812 | 1,610,607 | 172,205 | 1,610,607 | 1,410,006 | 12/31/2010 |
| 75970JAJ5 | 2,114,219 | 1,818,487 | 295,732 | 1,818,487 | 1,113,446 | 9/30/2010 |
| 05535DAM6 | 902,600 | 762,003 | 140,597 | 762,003 | 670,104 | 9/30/2010 |
| 02150EAN3 | 880,041 | 768,025 | 112,016 | 768,025 | 682,562 | 6/30/2010 |
| 12543PAQ6 | 1,622,236 | 1,401,696 | 220,540 | 1,401,696 | 1,225,466 | 6/30/2010 |
| 32051GTE5 | 1,235,933 | 1,094,318 | 141,615 | 1,094,318 | 971,219 | 6/30/2010 |
| 52520QAG9 | 4,327,595 | 3,936,783 | 390,812 | 3,936,783 | 3,479,615 | 6/30/2010 |
| 61749EAF4 | 1,864,433 | 1,703,579 | 160,854 | 1,703,579 | 1,154,288 | 6/30/2010 |
| 75970JAJ5 | 2,171,727 | 2,127,197 | 44,530 | 2,127,197 | 1,256,307 | 6/30/2010 |
| 93934NAK1 | 1,829,700 | 1,673,016 | 156,684 | 1,673,016 | 1,311,790 | 6/30/2010 |
| Total | \$ 19,548,180 | \$ 17,687,855 | \$ 1,860,325 | \$ 17,687,855 | \$ 13,917,262 | |

For the six month period ended December 31, 2009:

| | | | | | | |
|-----------|---------------|--------------|--------------|--------------|--------------|------------|
| 05950NBU1 | \$ 1,515,025 | \$ 657,848 | \$ 857,177 | \$ 657,848 | \$ 1,148,252 | 12/31/2009 |
| 52522HAN2 | 1,950,652 | 1,733,739 | 216,913 | 1,733,739 | 1,225,190 | 12/31/2009 |
| 75970JAJ5 | 2,257,749 | 2,180,785 | 76,964 | 2,180,785 | 1,300,725 | 12/31/2009 |
| 93934FEQ1 | 686,403 | 650,809 | 35,594 | 650,809 | 591,413 | 12/31/2009 |
| 05950NBU1 | 2,152,505 | 1,579,098 | 573,407 | 1,579,098 | 1,156,443 | 9/30/2009 |
| 12543PAQ6 | 1,778,332 | 1,617,220 | 161,112 | 1,617,220 | 1,203,068 | 9/30/2009 |
| 32056FAG7 | 302,352 | 72,289 | 230,063 | 72,289 | 62,926 | 9/30/2009 |
| 40432BBH1 | 553,261 | 171,089 | 382,172 | 171,089 | 151,855 | 9/30/2009 |
| 52524MAV1 | 861,647 | 758,127 | 103,520 | 758,127 | 317,713 | 9/30/2009 |
| Total | \$ 12,057,926 | \$ 9,421,004 | \$ 2,636,922 | \$ 9,421,004 | \$ 7,157,585 | |

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

| Unrealized Losses Less Than 12 Months | | Unrealized Losses Greater Than or Equal to 12 Months | |
|---------------------------------------|---------------|--|----------------|
| Unrealized Losses | Fair Value | Unrealized Losses | Fair Value |
| \$ (3,695,527) | \$ 62,153,052 | \$ (30,477,153) | \$ 149,436,189 |

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

E. Repurchase Agreements and/or Securities Lending Transactions

At December 31, 2011, the Company has loaned \$120.0 million and \$69.2 million (fair value) in the general and separate account, respectively, of various debt securities, preferred stocks and common stocks as part of a securities lending program administered by The Bank of New York Mellon. At December 31, 2010, the Company had loaned \$165.3 million and \$114.2 million (fair value) in the general and separate account, respectively, of various debt securities, preferred stocks and common stocks as part of a securities lending program administered by The Bank of New York Mellon. The Company maintains effective control over all loaned securities and, therefore, continues to report such securities as invested assets in the balance sheets.

There is no difference in the policy and procedures for the separate account. In addition, collateral for separate account securities lent is held in the general account with a corresponding payable and receivable between the general and separate accounts. The corresponding payable and receivable is included in the due to/from general account/separate account line on the balance sheets and was \$70.9 million and \$117.1 million at December 31, 2011 and 2010, respectively.

- (1) The Company requires at the initial transaction that the fair value of the cash collateral received must be equal to 102% of the fair value of the loaned securities. The Company monitors the ratio of the fair value of the collateral to loaned securities to ensure it does not fall below 100%. If the fair value of the collateral falls below 100% of the fair value of the securities loaned, the Company non-admits that portion of the loaned security. At December 31, 2011 and 2010, the Company did not non-admit any portion of the loaned securities.
- (2) Not applicable.
- (3) a. At December 31, 2011, the collateral for all securities on loan could be requested to be returned on demand by the borrower. At December 31, 2011, the fair value of the total collateral is \$194.1 million, \$175.7 million of which is managed by an affiliated agent and \$18.4 million of which is managed by an unaffiliated agent. At December 31, 2010, the fair value of the total collateral was \$286.8 million, \$260.3 million of which was managed by an affiliated agent and \$26.5 million of which was managed by an unaffiliated agent.
- b. The aggregate fair value of the reinvested collateral is \$194.1 million.
- c. The Company receives cash collateral in an amount in excess of the fair value of the securities lent. The Company reinvests the cash collateral primarily in investment-grade debt securities and cash equivalents.

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NOTES TO FINANCIAL STATEMENTS

(4) The Company reports all collateral on the balance sheet with an offsetting liability recognized for the obligation to return the collateral. Collateral for the securities lending program is either managed by an affiliated agent of the Company or is managed by the Bank of New York Mellon, an unaffiliated agent. Collateral managed by an affiliated agent is invested primarily in investment-grade debt securities and cash equivalents and is included in the applicable amount on the balance sheets because the funds are available for the general use of the Company. Collateral managed by an unaffiliated agent is invested in cash equivalents and is included in securities lending reinvested collateral assets on the balance sheet at December 31, 2011 and 2010.

(5) a. The aggregate collateral broken out by maturity date is as follows:

| | Amortized Cost | Fair Value |
|----------------------|----------------|----------------|
| Open | \$ - | \$ - |
| 30 Days or less | 111,954,629 | 112,224,178 |
| 31 to 60 Days | - | - |
| 61 to 90 Days | 3,000,000 | 3,000,000 |
| 91 to 120 Days | - | - |
| 121 to 180 Days | 560,151 | 551,157 |
| 181 to 365 Days | 10,659,276 | 10,652,428 |
| 1 to 2 Years | - | - |
| 2 to 3 Years | - | - |
| Greater Than 3 Years | 67,693,500 | 67,693,500 |
| Total Collateral | \$ 193,867,556 | \$ 194,121,263 |

b. At December 31, 2011, all of the collateral held for the securities lending program was invested in tradable securities that could be sold and used to pay for the \$193.9 million in collateral calls that could come due under a worst-case scenario.

F. Real Estate. None.

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

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in joint ventures, partnerships or limited liability companies during the statement period.

7. Investment Income

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

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

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

8. Derivative Instruments

The Company does not have any material derivative transactions.

9. Income Taxes

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

| (1) 2011: | Ordinary | Capital | Total |
|--|-----------------|-----------------|----------------|
| (a) Gross deferred tax assets | \$ 60,596,070 | \$ 6,846,670 | \$ 67,442,740 |
| (b) Statutory valuation allowance adjustment | - | - | - |
| (c) Adjusted gross deferred tax assets (1a – 1b) | 60,596,070 | 6,846,670 | 67,442,740 |
| (d) Deferred tax liabilities | 5,093,065 | 16,101,491 | 21,194,556 |
| (e) Net deferred tax assets/(liabilities) (1c – 1d) | 55,503,005 | (9,254,821) | 46,248,184 |
| (f) Deferred tax assets nonadmitted | 23,462,801 | - | 23,462,801 |
| (g) Net admitted deferred tax assets/(liabilities) (1e – 1f) | \$ 32,040,204 | \$ (9,254,821) | \$ 22,785,383 |
| 2010: | Ordinary | Capital | Total |
| (a) Gross deferred tax assets | \$ 59,453,449 | \$ 5,647,463 | \$ 65,100,912 |
| (b) Statutory valuation allowance adjustment | - | - | - |
| (c) Adjusted gross deferred tax assets (1a – 1b) | 59,453,449 | 5,647,463 | 65,100,912 |
| (d) Deferred tax liabilities | 3,982,613 | 24,678,145 | 28,660,758 |
| (e) Net deferred tax assets/(liabilities) (1c – 1d) | 55,470,836 | (19,030,682) | 36,440,154 |
| (f) Deferred tax assets nonadmitted | 11,426,698 | - | 11,426,698 |
| (g) Net admitted deferred tax assets/(liabilities) (1e – 1f) | \$ 44,044,138 | \$ (19,030,682) | \$ 25,013,456 |
| Change: | Ordinary | Capital | Total |
| (a) Gross deferred tax assets | \$ 1,142,621 | \$ 1,199,207 | \$ 2,341,828 |
| (b) Statutory valuation allowance adjustment | - | - | - |
| (c) Adjusted gross deferred tax assets (1a – 1b) | 1,142,621 | 1,199,207 | 2,341,828 |
| (d) Deferred tax liabilities | 1,110,452 | (8,576,654) | (7,466,202) |
| (e) Net deferred tax assets/(liabilities) (1c – 1d) | 32,169 | 9,775,861 | 9,808,030 |
| (f) Deferred tax assets nonadmitted | 12,036,103 | - | 12,036,103 |
| (g) Net admitted deferred tax assets/(liabilities) (1e – 1f) | \$ (12,003,934) | \$ 9,775,861 | \$ (2,228,073) |

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

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

| | Current Year | Prior Year | Change |
|--|--------------|--------------|--------------|
| Increase (decrease) in deferred tax assets admitted from SSAP 10R, para. 10.e. | \$ 6,961,558 | \$ 7,529,230 | \$ (567,672) |

NOTES TO FINANCIAL STATEMENTS

| | | | |
|--|-----------------|--------------|------------------|
| (4) 2011: | Ordinary | Capital | Total |
| Admission calculation components SSAP 10R, Paragraphs 10.a, 10.b, and 10.c: | | | |
| (a) SSAP 10R, Paragraph 10.a. | \$ 8,977,155 | \$ 6,846,670 | \$ 15,823,825 |
| (b) SSAP 10R, Paragraph 10.b. (lesser of para. 10.b.i. and 10.b.ii. below) | - | - | - |
| (c) SSAP 10R, Paragraph 10.b.i. | - | - | - |
| (d) SSAP 10R, Paragraph 10.b.ii. | | | 51,640,848 |
| (e) SSAP 10R, Paragraph 10.c. | 21,194,556 | - | 21,194,556 |
| (f) Total (4a + 4b + 4e) | \$ 30,171,711 | \$ 6,846,670 | \$ 37,018,381 |
| Admission calculation components SSAP 10R, Paragraph 10.e.: | | | |
| (g) SSAP 10R, Paragraph 10.e.i. | \$ 15,938,713 | \$ 6,846,670 | \$ 22,785,383 |
| (h) SSAP 10R, Paragraph 10.e.ii. (lesser of para. 10.e.ii.a. and 10.e.ii.b. below) | - | - | - |
| (i) SSAP 10R, Paragraph 10.e.ii.a. | - | - | - |
| (j) SSAP 10R, Paragraph 10.e.ii.b. | | | 77,461,272 |
| (k) SSAP 10R, Paragraph 10.e.iii. | 21,194,556 | - | 21,194,556 |
| (l) Total (4g + 4h + 4k) | \$ 37,133,269 | \$ 6,846,670 | \$ 43,979,939 |
| Used in SSAP 10R, Paragraph 10.d. | | | |
| (m) Total adjusted capital | | | \$ 617,067,877 |
| (n) Authorized control level | | | \$ 80,866,557 |
| 2010: | Ordinary | Capital | Total |
| Admission calculation components SSAP 10R, Paragraphs 10.a, 10.b, and 10.c: | | | |
| (a) SSAP 10R, Paragraph 10.a. | \$ 11,836,763 | \$ 5,647,463 | \$ 17,484,226 |
| (b) SSAP 10R, Paragraph 10.b. (lesser of para. 10.b.i. and 10.b.ii. below) | - | - | - |
| (c) SSAP 10R, Paragraph 10.b.i. | - | - | - |
| (d) SSAP 10R, Paragraph 10.b.ii. | | | 49,826,782 |
| (e) SSAP 10R, Paragraph 10.c. | 28,660,758 | - | 28,660,758 |
| (f) Total (4a + 4b + 4e) | \$ 40,497,521 | \$ 5,647,463 | \$ 46,144,984 |
| Admission calculation components SSAP 10R, Paragraph 10.e.: | | | |
| (g) SSAP 10R, Paragraph 10.e.i. | \$ 17,856,769 | \$ 5,647,463 | \$ 23,504,232 |
| (h) SSAP 10R, Paragraph 10.e.ii. (lesser of para. 10.e.ii.a. and 10.e.ii.b. below) | 1,509,224 | - | 1,509,224 |
| (i) SSAP 10R, Paragraph 10.e.ii.a. | 1,509,224 | - | 1,509,224 |
| (j) SSAP 10R, Paragraph 10.e.ii.b. | | | 74,740,173 |
| (k) SSAP 10R, Paragraph 10.e.iii. | 28,660,758 | - | 28,660,758 |
| (l) Total (4g + 4h + 4k) | \$ 48,026,751 | \$ 5,647,463 | \$ 53,674,214 |
| Used in SSAP 10R, Paragraph 10.d. | | | |
| (m) Total adjusted capital | | | \$ 593,522,694 |
| (n) Authorized control level | | | \$ 76,443,574 |
| Change: | Ordinary | Capital | Total |
| Admission calculation components SSAP 10R, Paragraphs 10.a, 10.b, and 10.c: | | | |
| (a) SSAP 10R, Paragraph 10.a. | \$ (2,859,608) | \$ 1,199,207 | \$ (1,660,401) |
| (b) SSAP 10R, Paragraph 10.b. (lesser of para. 10.b.i. and 10.b.ii. below) | - | - | - |
| (c) SSAP 10R, Paragraph 10.b.i. | - | - | - |
| (d) SSAP 10R, Paragraph 10.b.ii. | | | 1,814,066 |
| (e) SSAP 10R, Paragraph 10.c. | (7,466,202) | - | (7,466,202) |
| (f) Total (4a + 4b + 4e) | \$ (10,325,810) | \$ 1,199,207 | \$ (9,126,603) |
| Admission calculation components SSAP 10R, Paragraph 10.e.: | | | |
| (g) SSAP 10R, Paragraph 10.e.i. | \$ (1,918,056) | \$ 1,199,207 | \$ (718,849) |
| (h) SSAP 10R, Paragraph 10.e.ii. (lesser of para. 10.e.ii.a. and 10.e.ii.b. below) | (1,509,224) | - | (1,509,224) |
| (i) SSAP 10R, Paragraph 10.e.ii.a. | (1,509,224) | - | (1,509,224) |
| (j) SSAP 10R, Paragraph 10.e.ii.b. | | | 2,721,099 |
| (k) SSAP 10R, Paragraph 10.e.iii. | (7,466,202) | - | (7,466,202) |
| (l) Total (4g + 4h + 4k) | \$ (10,893,482) | \$ 1,199,207 | \$ (9,694,275) |
| Used in SSAP 10R, Paragraph 10.d. | | | |
| (m) Total adjusted capital | | | \$ 23,545,183 |
| (n) Authorized control level | | | \$ 4,422,983 |
| (5) 2011: | Ordinary | Capital | Total |
| Impact of tax planning strategies: | | | |
| (a) Adjusted gross DTA (% of total adjusted gross DTAs) | 7.41% | 10.15% | 17.56% |
| (b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs) | 11.37% | 15.57% | 26.94% |
| 2010: | Ordinary | Capital | Total |
| Impact of tax planning strategies: | | | |
| (a) Adjusted gross DTA (% of total adjusted gross DTAs) | 10.72% | 8.24% | 18.96% |
| (b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs) | 13.00% | 10.00% | 23.00% |
| Change: | Ordinary | Capital | Total |
| Impact of tax planning strategies: | | | |
| (a) Adjusted gross DTA (% of total adjusted gross DTAs) | (3.31)% | 1.91% | (1.40)% |
| (b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs) | (1.63)% | 5.57% | 3.94% |
| (6) 2011: | Ordinary | Capital | Total |
| SSAP 10R, Paragraphs 10.a., 10.b., and 10.c.: | | | |
| (a) Admitted deferred tax assets | \$ 30,171,711 | \$ 6,846,670 | \$ 37,018,381 |
| (b) Admitted assets | | | \$ 5,909,113,174 |
| (c) Adjusted statutory surplus * | | | \$ 540,238,802 |
| (d) Total adjusted capital from DTAs | | | \$ 610,106,319 |
| Increases due to SSAP 10R, Paragraph 10.e.: | | | |
| (e) Admitted deferred tax assets | \$ 6,961,558 | \$ - | \$ 6,961,558 |
| (f) Admitted assets | | | \$ 6,961,558 |
| (g) Statutory surplus | | | \$ 6,961,558 |

NOTES TO FINANCIAL STATEMENTS

| | | | |
|---|-----------------|--------------|------------------|
| 2010: | Ordinary | Capital | Total |
| SSAP 10R, Paragraphs 10.a., 10.b., and 10.c.: | | | |
| (a) Admitted deferred tax assets | \$ 40,497,521 | \$ 5,647,463 | \$ 46,144,984 |
| (b) Admitted assets | | | \$ 5,902,181,340 |
| (c) Adjusted statutory surplus * | | | \$ 521,680,790 |
| (d) Total adjusted capital from DTAs | | | \$ 585,993,464 |
| Increases due to SSAP 10R, Paragraph 10.e.: | | | |
| (e) Admitted deferred tax assets | \$ 7,529,230 | \$ - | \$ 7,529,230 |
| (f) Admitted assets | | | \$ 7,529,230 |
| (g) Statutory surplus | | | \$ 7,529,230 |
| Change: | Ordinary | Capital | Total |
| SSAP 10R, Paragraphs 10.a., 10.b., and 10.c.: | | | |
| (a) Admitted deferred tax assets | \$ (10,325,810) | \$ 1,199,207 | \$ (9,126,603) |
| (b) Admitted assets | | | \$ 6,931,834 |
| (c) Adjusted statutory surplus * | | | \$ 18,558,012 |
| (d) Total adjusted capital from DTAs | | | \$ 24,112,855 |
| Increases due to SSAP 10R, Paragraph 10.e.: | | | |
| (e) Admitted deferred tax assets | \$ (567,672) | \$ - | \$ (567,672) |
| (f) Admitted assets | | | \$ (567,672) |
| (g) Statutory surplus | | | \$ (567,672) |

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

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

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

| | | | |
|--|---------------|---------------|-----------------|
| (1) Current income tax | Current Year | Prior Year | Change |
| (a) Federal | \$ 7,507,782 | \$ 19,115,247 | \$ (11,607,465) |
| (b) Foreign | - | - | - |
| (c) Subtotal | 7,507,782 | 19,115,247 | (11,607,465) |
| (d) Federal income tax on net capital gains | 10,212,833 | 4,359,145 | 5,853,688 |
| (e) Utilization of capital loss carry-forwards | - | - | - |
| (f) Other | 112,977 | (4,077,582) | 4,190,559 |
| (g) Federal and foreign income taxes incurred | \$ 17,833,592 | \$ 19,396,810 | \$ (1,563,218) |
| (2) Deferred tax assets | Current Year | Prior Year | Change |
| (a) Ordinary: | | | |
| (1) Discounting of unpaid losses | \$ - | \$ - | \$ - |
| (2) Unearned premium revenue | - | - | - |
| (3) Policyholder reserves | 42,132,137 | 39,800,473 | 2,331,664 |
| (4) Investments | 7,035,630 | 7,541,542 | (505,912) |
| (5) Deferred acquisition costs | 8,151,156 | 8,449,848 | (298,692) |
| (6) Policyholder dividends accrual | - | - | - |
| (7) Fixed assets | - | - | - |
| (8) Compensation and benefits accrual | - | - | - |
| (9) Pension accrual | - | - | - |
| (10) Receivables – nonadmitted | - | - | - |
| (11) Net operating loss carry-forward | - | - | - |
| (12) Tax credit carry-forward | 2,344,692 | 2,344,692 | - |
| (13) Other | 932,455 | 1,316,894 | (384,439) |
| (14) Subtotal | 60,596,070 | 59,453,449 | 1,142,621 |
| (b) Statutory valuation allowance adjustment | - | - | - |
| (c) Nonadmitted | 23,462,801 | 11,426,698 | 12,036,103 |
| (d) Admitted ordinary deferred tax assets (2a14 – 2b – 2c) | 37,133,269 | 48,026,751 | (10,893,482) |
| (e) Capital: | | | |
| (1) Investments | 6,846,670 | 5,647,463 | 1,199,207 |
| (2) Net capital loss carry-forward | - | - | - |
| (3) Real estate | - | - | - |
| (4) Other | - | - | - |
| (5) Subtotal | 6,846,670 | 5,647,463 | 1,199,207 |
| (f) Statutory valuation allowance adjustment | - | - | - |
| (g) Nonadmitted | - | - | - |
| (h) Admitted capital deferred tax assets (2e5 – 2f – 2g) | 6,846,670 | 5,647,463 | 1,199,207 |
| (i) Admitted deferred tax assets (2d + 2h) | \$ 43,979,939 | \$ 53,674,214 | \$ (9,694,275) |
| (3) Deferred tax liabilities | Current Year | Prior Year | Change |
| (a) Ordinary: | | | |
| (1) Investments | \$ 3,130,140 | \$ 2,518,882 | \$ 611,258 |
| (2) Fixed assets | - | - | - |
| (3) Deferred and uncollected premium | - | - | - |
| (4) Policyholder reserves | 1,924,672 | 1,463,731 | 460,941 |
| (5) Other | 38,253 | - | 38,253 |
| (6) Subtotal | 5,093,065 | 3,982,613 | 1,110,452 |
| (b) Capital: | | | |
| (1) Investments | 16,101,491 | 24,678,145 | (8,576,654) |
| (2) Real estate | - | - | - |
| (3) Other | - | - | - |
| (4) Subtotal | 16,101,491 | 24,678,145 | (8,576,654) |
| (c) Deferred tax liabilities (3a6 + 3b4) | \$ 21,194,556 | \$ 28,660,758 | \$ (7,466,202) |
| (4) Net deferred tax assets (liabilities) (2i – 3c) | \$ 22,785,383 | \$ 25,013,456 | \$ (2,228,073) |

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NOTES TO FINANCIAL STATEMENTS

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

| | Current Year | Effective Tax Rate | Prior Year | Effective Tax Rate |
|---|---------------|--------------------|---------------|--------------------|
| Provision computed at statutory rate | \$ 12,172,981 | 35.00% | \$ 21,359,064 | 35.00% |
| Dividend received deduction | (770,394) | (2.22) | (276,085) | (0.45) |
| Tax credits | (63,939) | (0.18) | (51,555) | (0.08) |
| Other invested assets | - | 0.00 | (1,545,665) | (2.53) |
| Other | 500,320 | (1.44) | (6,675,553) | (10.95) |
| Total statutory income taxes | \$ 11,838,968 | 34.04% | \$ 12,810,206 | 20.99% |
| Federal and foreign income taxes incurred | \$ 7,620,759 | 21.91% | \$ 15,037,665 | 24.64% |
| Change in net deferred income taxes* | 4,218,209 | 12.13 | (2,227,459) | (3.65) |
| Total statutory income taxes | \$ 11,838,968 | 34.04% | \$ 12,810,206 | 20.99% |

* Excludes change in net deferred income taxes on realized gains/losses of \$(6,274,918) and \$(2,674,401) for the year ended December 31, 2011 and 2010, respectively.

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

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

| | |
|------|---------------|
| 2011 | \$ 17,719,323 |
| 2010 | \$ 25,388,531 |
| 2009 | \$ 38,879 |

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

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

The Western and Southern Life Insurance Company (Western and Southern), parent of the Company, files a consolidated income tax return with its eligible subsidiaries, including the Company. The provision for federal income taxes is allocated to the Company using a separate return method based upon a written tax sharing agreement. Under the agreement, the benefits from losses of subsidiaries are retained by the subsidiary companies. Western and Southern pays all federal income taxes due for all members in the consolidated return. Western and Southern then immediately charges or reimburses, as the case may be, these members an amount consistent with the method described in the tax sharing agreement. At December 31, 2011, the Company has a payable to Western and Southern of \$1.2 million on line 15.1 of page 3.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. At December 31, 2011, Western and Southern, an insurance company domiciled in the state of Ohio, owned all shares of the Company.
- B. Not applicable.
- C. Not applicable.
- D. At December 31, 2011, the Company had amounts of \$3.8 million due to Western and Southern, \$0.6 million due to IFS Financial Services, Inc, and \$0.2 million due from National Integrity. At December 31, 2010, the Company had amounts of \$18.8 million due from Western and Southern and \$0.7 million due to IFS Financial Services, Inc. These amounts are generally settled on a monthly basis.
- E. The Company has not guaranteed any obligation of its affiliates as of December 31, 2011.
- F. Western and Southern performs certain administrative and special services for the Company to assist with its business operations. These services include tax compliance and reporting, payroll functions, administrative support services, and investment functions. The charges for services are considered reasonable and in accordance with the requirements of applicable insurance law and regulations.
- G. See A above.
- H. The Company does not own any shares of an upstream affiliate either directly or through its subsidiaries.
- I. The Company does not have an investment in an SCA entity that exceeds 10% of the admitted assets of the insurer.
- J. The Company did not recognize any impairment write down for its investments in subsidiary, controlled or affiliated companies during the statement periods.
- K. Not applicable.
- L. Not applicable.

11. Debt

- A. The Company has no capital notes outstanding. The Company does not hold any dollar reverse repurchase agreements.
- B. FHLB (Federal Home Loan Bank) Agreements. None.

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

- A. Defined Benefit Plan. Not applicable.
- B. The Company maintains Supplemental Executive Retirement Plans ("SERP") for former executives. The SERP liability as of December 31, 2011 and 2010 was \$347,376 and \$358,508, respectively.
- C. Multi-employer Plans. Not applicable.
- D. Consolidated/Holding Company Plans. None.

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

- (1) The Company has one class of common stock with a par value of \$2 per share. At December 31, 2011, the Company had 1,500,000 shares authorized, 1,500,000 shares issued and 1,500,000 shares outstanding.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Integrity Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

- (2) The Company has no preferred stock outstanding.
- (3) The ability of the Company to pay dividends is limited by state insurance laws. Under Ohio insurance laws, the Company may pay dividends, without the approval of the Ohio Director of Insurance, only from earned surplus and those dividends may not exceed (when added to other dividends paid in the preceding 12 months) the greater of (i) 10% of the Company's surplus as of the prior December 31, or (ii) the Company's net income for the twelve month period ending the prior December 31.
- (4) None.
- (5) The Company was not permitted to pay any dividends during 2011 or 2010 without the approval of the Ohio Insurance Commissioner.
- (6) Unassigned surplus inures to the benefit of the Company's stockholder. At December 31, 2011, the Company had an unassigned deficit.
- (7) There were no advances to surplus that had not been repaid.
- (8) There was no stock held by the Company, including stock of affiliated companies, for special purposes.
- (9) The Company does not hold any special surplus funds.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses are \$69,334,631.
- (11) There were no surplus debentures or similar item outstanding during the statement periods.
- (12) There have been no restatements of surplus due to quasi-reorganizations.
- (13) Not applicable.

14. Contingencies

- A. Contingent Commitments
The Company has future commitments to joint ventures, limited partnerships and limited liability companies in the amount of \$33,324,740.
- B. Assessments
The Company is not aware of any material assessments.
- C. Gain Contingencies
The Company is not aware of any gain contingencies.
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits
The Company does not have any material extra contractual obligations or bad faith losses stemming from lawsuits.
- E. All Other Contingencies
Various lawsuits against the Company have arisen in the ordinary course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. Leases

- A. The Company did not have any material lease obligations at December 31, 2011.
- B. The Company is not involved in any material lessor leasing arrangements.

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

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

- A. Transfers of Receivables Reported as Sales. None.
- B.
 - (1) Not applicable.
 - (2) See Note 5E for information regarding securities lending.
 - (3) Not applicable.
 - (4) Not applicable.
 - (5) Not applicable.
 - (6) Not applicable.
- C. The Company did not have any wash sales for securities with a NAIC designation of 3 or below, or unrated.

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

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

20. Fair Value Measurements

- A.
 - (1) Fair Value Measurements at December 31, 2011

| | Level 1 | | Level 2 | | Level 3 | | Total |
|-------------------------------------|---------|---|---------|---|---------|-----------|--------------|
| Assets at fair value | | | | | | | |
| Bonds | | | | | | | |
| U.S. governments | \$ | - | \$ | - | \$ | - | \$ - |
| Issue obligation | | - | | - | | - | - |
| RMBS | | - | | - | | 8,238,426 | 8,238,426 |
| CMBS | | - | | - | | 27,090 | 27,090 |
| Hybrid securities | | - | | - | | - | - |
| Parent, subsidiaries and affiliates | | - | | - | | - | - |
| Total bonds | \$ | - | \$ | - | \$ | 8,265,516 | \$ 8,265,516 |
| Preferred stock | | | | | | | |
| Industrial and miscellaneous | \$ | - | \$ | - | \$ | - | \$ - |
| Parent, subsidiaries and affiliates | | - | | - | | - | - |
| Total preferred stock | \$ | - | \$ | - | \$ | - | \$ - |

NOTES TO FINANCIAL STATEMENTS

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|----------------|---------|---------------|----------------|
| Common stock | | | | |
| Industrial and miscellaneous | \$ 156,815,103 | \$ - | \$ - | \$ 156,815,103 |
| Parent, subsidiaries and affiliates | - | - | - | - |
| Mutual funds | - | - | - | - |
| Total common stock | \$ 156,815,103 | \$ - | \$ - | \$ 156,815,103 |
| Derivative assets | | | | |
| Interest rate contracts | \$ - | \$ - | \$ - | \$ - |
| Options, purchased | - | - | - | - |
| Foreign exchange contracts | - | - | - | - |
| Credit contracts | - | - | - | - |
| Credit default swaps | - | - | - | - |
| Commodity futures contracts | - | - | - | - |
| Commodity forward contracts | - | - | - | - |
| Total derivative assets | \$ - | \$ - | \$ - | \$ - |
| Separate account assets* | \$ 540,221,364 | \$ - | \$ 6,025,895 | \$ 546,247,259 |
| Total assets at fair value | \$ 697,036,467 | \$ - | \$ 14,291,411 | \$ 711,327,878 |

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------|---------|---------|--------------|--------------|
| Liabilities at fair value | | | | |
| Derivative liabilities | \$ - | \$ - | \$ (137,252) | \$ (137,252) |
| Total liabilities at fair value | \$ - | \$ - | \$ (137,252) | \$ (137,252) |

* Separate account assets measured at fair value in this table do not include assets backing market value adjusted annuities, which are held at amortized cost.

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

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

| | Balance at 1/1/2011 | Transfers in Level 3 | Transfers out of Level 3 | Total Gains (Losses) Included in Net Income | Total Gains (Losses) Included in Surplus | Net Purchases, Issuances, Sales and Settlements | Balance at 12/31/2011 |
|-------------------------|------------------------|-------------------------|--------------------------------|--|---|---|--------------------------|
| RMBS | \$ 5,944,632 | \$ 5,101,507 | \$ (956,469) | \$ (2,473,878) | \$ 1,032,451 | \$ (409,818) | \$ 8,238,425 |
| CMBS | - | 27,090 | - | - | - | - | 27,090 |
| Separate account assets | 675,142 | 5,907,885 | (177) | (610,044) | 291,556 | (238,466) | 6,025,896 |
| Derivative liabilities | (2,835) | - | - | 49,138 | 93,203 | (276,758) | (137,252) |
| Total | \$ 6,616,939 | \$ 11,036,482 | \$ (956,646) | \$ (3,034,784) | \$ 1,417,210 | \$ (925,042) | \$ 14,154,159 |

Gross Purchases, Issuances, Sales, and Settlements

| | Purchases | Issuances | Sales | Settlements | Net Purchases, Issuances, Sales, and Settlements |
|-------------------------|-----------|--------------|-------------|--------------|--|
| RMBS | \$ - | \$ - | \$ (37,337) | \$ (372,481) | \$ (409,818) |
| Separate account assets | - | (27,800) | - | (210,666) | (238,466) |
| Derivative liabilities | - | (409,290) | - | 132,532 | (276,758) |
| Total | \$ - | \$ (437,090) | \$ (37,337) | \$ (450,615) | \$ (925,042) |

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

- (4) As of December 31, 2011, investments in Level 3 include NAIC rated 6 residential mortgage-backed securities representing subordinated tranches in securitization trusts containing residential mortgage loans originated during the period of 2005 to 2007. These securities are currently rated below investment grade. To measure fair value, the Company used an internal fair value model to estimate future cash flows and then discounts the expected future cash flows using the current market rates applicable to the coupon rate, credit risk, and weighted-average-life of the investments. The internal fair value model uses both market-based data and data specific to the underlying loans of each security in determining assumptions for default probabilities, loss severities and prepayment speeds to determine the estimated future cash flows for each security.

The fair values of credit default swaps and options in Level 3 have been determined using valuation models incorporating significant unobservable inputs, including projected discounted cash flows, applicable swap curves and implied volatilities.

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

Assets held in separate accounts carried at fair value include mutual funds, RMBS (with an initial NAIC rating of 6) and credit default swaps. The fair values of these assets have been determined using the same aforementioned methodologies as for common stock, RMBS and credit default swaps, respectively.

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

21. Other Items

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Integrity Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

G. Subprime Mortgage Related Risk Exposure

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

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

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

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

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

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

| Integrity General Account | Actual Cost | Book/Adjusted Carrying Value | Fair Value | Other-Than-Temporary Impairment Losses Recognized |
|--|---------------|------------------------------|---------------|---|
| Residential mortgage-backed securities | \$ 18,549,596 | \$ 18,484,729 | \$ 22,404,536 | \$ 89,565 |
| Commercial mortgage-backed securities | - | - | - | - |
| Collateralized debt obligations | - | - | - | - |
| Structured securities | - | - | - | - |
| | \$ 18,549,596 | \$ 18,484,729 | \$ 22,404,536 | \$ 89,565 |

The percentage of book value of these debt securities that have underlying loans with primarily variable interest rates is 13.87%.

| Integrity Separate Account | Actual Cost | Book/Adjusted Carrying Value | Fair Value | Other-Than-Temporary Impairment Losses Recognized |
|--|---------------|------------------------------|---------------|---|
| Residential mortgage-backed securities | \$ 16,199,582 | \$ 16,109,689 | \$ 13,954,190 | \$ 84,825 |
| Commercial mortgage-backed securities | - | - | - | - |
| Collateralized debt obligations | - | - | - | - |
| Structured securities | - | - | - | - |
| | \$ 16,199,582 | \$ 16,109,689 | \$ 13,954,190 | \$ 84,825 |

The percentage of book value of these debt securities that have underlying loans with primarily variable interest rates is 0.33%.

H. Retained Assets

- (1) The Company does not use retained asset accounts as an optional form of settlement for life insurance policy proceeds.
- (2) Not applicable.
- (3) Not applicable.

22. Events Subsequent

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

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

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

Section 2 - Ceded Reinsurance Report - Part A

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Integrity Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

Section 3 - Ceded Reinsurance Report - Part B

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

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

- B. The Company had no uncollectible reinsurance balances written off through income or expense during the year.
- C. The Company had no commutation of reinsurance reflected in income or expense during the year.

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

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

26. Intercompany Pooling Arrangements. None.

27. Structured Settlements. None.

28. Health Care Receivables. None.

29. Participating Policies. None.

30. Premium Deficiency Reserves. None.

31. Reserves for Life Contracts and Annuity Contracts

- (1) The Company waives deduction of deferred fractional premiums upon death of the insured and does not return any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) Policies issued to substandard lives are charged an extra premium plus the regular gross premium for the true age. Mean reserves are based on appropriate multiples of standard rates of mortality.
- (3) As of December 31, 2011, the Company had no insurance in force for which the gross premiums are less than the net premiums.
- (4) The tabular interest, the tabular less actual reserve released, and the tabular cost have been determined by a combination of basic data and formulas as described in the instructions.
- (5) The determination of tabular interest on funds not involving life contingencies was derived from basic data.
- (6) The details for other changes: None.

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

| | | General Account | Separate Account with Guarantees | Separate Account Nonguaranteed | Total | % of Total |
|-----|---|------------------|----------------------------------|--------------------------------|------------------|------------|
| A. | Subject to discretionary withdrawal: | | | | | |
| (1) | With fair value adjustment | \$ 2,012,133 | \$ 1,700,782,291 | \$ - | \$ 1,702,794,424 | 35.41% |
| (2) | At book value less surrender charge of 5% or more | 377,372,885 | 258,124,481 | - | 635,497,366 | 13.22% |
| (3) | At fair value | - | - | 524,496,442 | 524,496,442 | 10.91% |
| (4) | Total with adjustment or at market value (Total of 1 through 3) | 379,385,018 | 1,958,906,772 | 524,496,442 | 2,862,788,232 | 59.54% |
| (5) | At book value without adjustment (minimal or no charge or adjustment) | 627,702,716 | - | - | 627,702,716 | 13.05% |
| B. | Not subject to discretionary withdrawal | 1,317,846,190 | - | - | 1,317,846,190 | 27.41% |
| C. | Total (gross) | 2,324,933,924 | 1,958,906,772 | 524,496,442 | 4,808,337,138 | 100.00% |
| D. | Reinsurance ceded | 9,504,625 | - | - | 9,504,625 | |
| E. | Total (net)* (C) - (D) | \$ 2,315,429,299 | \$ 1,958,906,772 | \$ 524,496,442 | \$ 4,798,832,513 | |

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

| | | |
|------------------------------------|---|------------------|
| F. | Life & Accident & Health Annual Statement: | Amount |
| 1. | Exhibit 5, Annuities Section, Total (net) | \$ 1,977,557,493 |
| 2. | Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net) | 22,606,033 |
| 3. | Exhibit 7, Exhibit of Deposit-Type Contracts, Line 14, Column 1 | 315,265,773 |
| 4. | Subtotal | 2,315,429,299 |
| Separate Accounts Annual Statement | | |
| 5. | Exhibit 3, Line 0299999, Column 2 | 2,483,403,214 |
| 6. | Exhibit 3, Line 0399999, Column 2 | - |
| 7. | Policyholder dividend and coupon accumulations | - |
| 8. | Policyholder premiums | - |
| 9. | Guaranteed interest contracts | - |
| 10. | Other contract deposit funds | - |
| 11. | Subtotal | 2,483,403,214 |
| 12. | Combined Total | \$ 4,798,832,513 |

G. FHLB (Federal Home Loan Bank) Agreements: None.

33. Premiums and Annuity Considerations Deferred and Uncollected. None.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Integrity Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

34. Separate Accounts

A. Separate Account Activity

- (1) The Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and/or transactions. For 2011, the Company reported assets and liabilities from the following product lines/transactions into a separate account:
- Variable Life Insurance
 - Variable Annuities
 - Market Value Adjusted Annuities

In accordance with the Ohio Department of Insurance procedures for approving items within the separate accounts, the separate account classification of Variable Life Insurance contracts, Variable Annuity contracts and Market Value Adjusted Annuity contracts are supported by Ohio Revised Code §3907.15.

- (2) In accordance with the products recorded within the separate accounts, all separate account assets are considered legally insulated from the general account. The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account.

As of December 31, 2011 and 2010, the Company's separate account statement included legally insulated assets of \$2,593,480,980 and \$2,583,572,281, respectively. The assets legally insulated from the general account as of December 31, 2011 are attributed to the following products:

| Product | Legally Insulated Assets | Separate Account Assets (Not Legally Insulated) |
|---------------------------------|--------------------------|--|
| Variable Life Insurance | \$ 7,207,076 | \$ - |
| Variable Annuities | \$ 533,014,288 | \$ - |
| Market Value Adjusted Annuities | \$ 2,053,259,616 | \$ - |
| Total | \$ 2,593,480,980 | \$ - |

- (3) In accordance with the products recorded within the separate accounts, some separate account liabilities are guaranteed by the general account. In accordance with the guarantees provided, if the investment proceeds are insufficient to cover the rate of return guaranteed for the product, the policyholder proceeds will be remitted by the general account.

As of December 31, 2011, the Company's general account had a maximum guarantee for separate account liabilities of \$53,563,335. To compensate the general account for the risk taken, the separate accounts have paid risk charges as follows for the past two years:

| | |
|------|------------|
| 2011 | \$ 402,438 |
| 2010 | \$ 368,976 |

As of December 31, 2011, the Company's general account had paid \$608,930 towards separate account guarantees. The total separate account guarantees paid by the general account for the preceding year ending December 31, 2010 was \$1,608,685.

- (4) The Company engages in securities lending transactions within the separate account. The Company has loaned \$63,836,415 (book/adjusted carrying value) of various debt securities within the separate account as part of the securities lending program administered by The Bank of New York Mellon. The loaned securities are attributable to the Market Value Adjusted Annuity contracts. In accordance with such transactions conducted from the separate account, the Company follows the same policies and procedures as the general account.

B. General Nature and Characteristics of Separate Account Business:

The Company's guaranteed separate accounts consist of non-indexed guaranteed rate and systematic transfer options. The guaranteed rate options are sold as fixed annuity products or as an investment option within the Company's variable annuity products and are included in the Separate Accounts with Guarantees columns of the table below. The systematic transfer options are dollar cost averaging accounts offered within the Company's variable annuity products and are included in the Separate Accounts with Guarantees columns of the table below. The guaranteed rate and systematic transfer options carry a minimum interest guarantee based on the guarantee period selected by the policyholder. The fixed annuity products currently offered provide a death benefit equal to the account value, with one product offering an optional death benefit ranging from 25% to 40% of the gain in the contract. The fixed investment options currently offered within the Company's variable annuity products provide the death benefits listed below for variable annuities.

The Company's nonguaranteed separate accounts consist of variable annuities and are included in the Nonguaranteed Separate Accounts column of the table below. The net investment experience of variable annuities is credited directly to the policyholder and can be positive or negative. Variable annuities include minimum guaranteed death benefits that vary by product and include optional death benefits available on some products. The death benefits currently offered by the company include the following: account value, return of premium paid, a death benefit that is adjusted after 7 years to the current account value, a death benefit that is adjusted periodically to the current account value, and an additional death benefit ranging from 25% to 40% of the gain in the contract. Some variable annuities also provide a minimum guaranteed withdrawal benefit or minimum guaranteed accumulation benefit. Reserves for minimum guaranteed benefits are held in Exhibit 5, Annuities Section, of the Company's general account annual statement.

The Company's nonguaranteed separate accounts also include a small amount of Flexible Premium Variable Life Insurance (FPVLI). The net investment experience of FPVLI sub accounts is credited directly to the policyholder and can be positive or negative.

Assets held in the separate account supporting variable annuities and variable life insurance are carried at fair value. Assets held in the separate account supporting market value adjusted annuities are carried at the general account basis.

Information regarding the separate accounts of the Company as of and for the year ended December 31, 2011 is as follows:

| Separate Accounts with Guarantees | | | | |
|---|--|---|------------------------------------|------------------|
| | Nonindexed Guarantee Less than/equal to 4% | Nonindexed Guarantee More than 4% | Nonguaranteed Separate Accounts | Total |
| | | | | |
| (1) Premiums, considerations or deposits for year ended December 31, 2011 | \$ 122,454,587 | \$ 29,746,652 | \$ 50,032,630 | \$ 202,233,869 |
| Reserves at December 31, 2011 | | | | |
| (2) For accounts with assets at: | | | | |
| a. Fair value | \$ - | \$ - | \$ 531,703,518 | \$ 531,703,518 |
| b. Amortized cost | 822,119,635 | 1,136,787,137 | - | 1,958,906,772 |
| c. Total reserves* | \$ 822,119,635 | \$ 1,136,787,137 | \$ 531,703,518 | \$ 2,490,610,290 |
| (3) By withdrawal characteristics: | | | | |
| a. Subject to discretionary withdrawal: | | | | |
| b. With FV adjustment | \$ 720,184,107 | \$ 980,598,184 | \$ - | \$ 1,700,782,291 |
| c. At book value without FV adjustment and with current surrender charge of 5% or more | 101,935,528 | 156,188,953 | - | 258,124,481 |
| d. At fair value | - | - | 531,703,518 | 531,703,518 |
| e. At book value without FV adjustments and with current surrender charges less than 5% | - | - | - | - |
| f. Subtotal | 822,119,635 | 1,136,787,137 | 531,703,518 | 2,490,610,290 |
| g. Not subject to discretionary withdrawal | - | - | - | - |
| h. Total | \$ 822,119,635 | \$ 1,136,787,137 | \$ 531,703,518 | \$ 2,490,610,290 |

* Line 2(c) should equal line 3(h)

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Integrity Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

(4) Reserves for Asset Default Risk in Lieu of AVR: None.

C. Reconciliation of Net Transfers To (From) Separate Accounts

| | |
|--|------------------|
| (1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement: | |
| a. Transfers to Separate Accounts (Page 4, Line 1.4) | \$ 202,233,869 |
| b. Transfers from Separate Accounts (Page 4, Line 10) | 329,520,326 |
| c. Net transfers to (from) Separate Accounts (a)-(b) | (127,286,457) |
| (2) Reconciling Adjustments: | |
| a. Policy deductions and other expenses (Page 4, Line 9.302) | 922,859 |
| b. Bonus account value (included in Page 4, Line 1.1) | (25,342) |
| c. Other changes in surplus in Separate Account Statement | (2,597,532) |
| d. Other account adjustments | (381,600) |
| (3) Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c)+(2)=(Page 4, Line 26) | \$ (129,368,072) |

35. Loss/Claim Adjustment Expenses. None.

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: | ..... |
| 3.1 | State as of what date the latest financial examination of the reporting entity was made or is being made. | 12/31/2007 |
| 3.2 | State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. | 12/31/2007 |
| 3.3 | State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). | 12/18/2008 |
| 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: | |
| | 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: | |
| | 4.21 sales of new business? | Yes (X) No () |
| | 4.22 renewals? | Yes (X) No () |

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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 entity, the NAIC company code, and state of domicile for any entity that has ceased to exist as a result of the merger or consolidation.

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

05.2 - State the entities that ceased to exist as a result of the merger or consolidation

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes () No (X)

6.2 If yes, give full information:
.....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes () No (X)

7.2 If yes, 7.21 State the percentage of foreign control;%

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

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

07.22 - Nationality(s) of the foreign person(s) or entity(s); or the nationality of its manager or attorney-in-fact and identify the type of entity(s)

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No (X)

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes (X) No ()

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

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

Names and location of any affiliates regulated by a federal regulatory services agency.
FORT WASHINGTON SAVINGS CO CINCINNATI, OH OTS
08.4 - Names and location of any affiliates regulated by a federal regulatory services agency.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

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
312 WALNUT STREET, CINCINNATI, OH 45202

10.1

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

Yes () No (X)

10.2

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

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Model 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 domiciliary state insurance laws?

Yes (X) No () N/A ()

10.6

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

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Nora Moushey, 400 Broadway, Cincinnati OH, 45202
Officer of the reporting entity

12.1

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

Yes () No (X)

12.11

Name of real estate holding company
.....
.....

12.12

Number of parcels involved

.....

12.13

Total book/adjusted carrying value

\$

12.2

If yes, provide explanation
.....
.....

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

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

13.2

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

Yes () No ()

13.3

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

Yes () No ()

13.4

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

Yes () No () N/A (X)

14.1

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

Yes (X) No ()

14.11

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

14.2

Has the code of ethics for senior managers been amended?

Yes () No (X)

14.21

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

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes () No (X)

14.31

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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes () No (X)

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

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

15.2 - American Bankers Association 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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

BOARD OF DIRECTORS

16.

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

Yes (X) No ()
17.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes (X) No ()
18.

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

Yes (X) No ()

FINANCIAL

19.

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

Yes () No (X)
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts , exclusive of policy loans):

20.11

To directors or other officers

\$

20.12

To stockholders not officers

\$

20.13

Trustees, supreme or grand (Fraternal only)

\$
- 20.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts , exclusive of policy loans):

20.21

To directors or other officers

\$

20.22

To stockholders not officers

\$

20.23

Trustees, supreme or grand (Fraternal only)

\$
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes () No (X)
- 21.2

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

21.21

Rented from others

\$

21.22

Borrowed from others

\$

21.23

Leased from others

\$

21.24

Other

\$
- 22.1

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

Yes () No (X)
- 22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$

22.22

Amount paid as expenses

\$

22.23

Other amounts paid

\$
- 23.1

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

Yes () No (X)
- 23.2

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

\$

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.1

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

Yes (X) No ()

24.2

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

24.3

For the 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 16 where this information is also provided)
DESCRIPTION OF PROGRAM IS PROVIDED IN NOTE 5E
.....

24.4

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

Yes (X) No () N/A ()

24.5

If answer to 24. 4 is YES , report amount of collateral for conforming programs .

\$ 193,867,556

24.6

If answer to 24. 4 is NO , report amount of collateral for other programs .

\$

24.7

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

Yes (X) No () N/A ()

24.8

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

Yes (X) No () N/A ()

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 (X) 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 (X) No ()

25.2

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

25.21

Subject to repurchase agreements

\$

25.22

Subject to reverse repurchase agreements

\$

25.23

Subject to dollar repurchase agreements

\$

25.24

Subject to reverse dollar repurchase agreements

\$

25.25

Pledged as collateral

\$

25.26

Placed under option agreements

\$

25.27

Letter stock or securities restricted as to sale

\$

25.28

On deposit with state or other regulatory body

\$ 5,439,196

25.29

Other

\$

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
INVESTMENT

25.3 For category (25.27) provide the following:

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

25.3 - For category (25.27 Letter stock or securities restricted as to sale)

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

Yes (X) No ()

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

Yes () No (X) N/A ()

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

Yes () No (X)

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

\$

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
INVESTMENT

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III General Examination Considerations, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()

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

| <div>1</div> <div>Name of Custodian(s)</div> | <div>2</div> <div>Custodian's Address</div> |
|--|---|
|--|---|

For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook
BANK OF NEW YORK MELLON ONE WALL STREET, NY, NY 10286
28.01 - For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook

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:

| <div>1</div> <div>Name(s)</div> | <div>2</div> <div>Location(s)</div> | <div>3</div> <div>Complete Explanation(s)</div> |
|---------------------------------|-------------------------------------|---|
|---------------------------------|-------------------------------------|---|

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes () No (X)

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

| <div>1</div> <div>Old Custodian</div> | <div>2</div> <div>New Custodian</div> | <div>3</div> <div>Date of Change</div> | <div>4</div> <div>Reason</div> |
|---------------------------------------|---------------------------------------|--|--------------------------------|
|---------------------------------------|---------------------------------------|--|--------------------------------|

28.05 Identify all investment advisors, broker/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:

| <div>1</div> <div>Central Registration Depository Number(s)</div> | <div>2</div> <div>Name</div> | <div>3</div> <div>Address</div> |
|---|------------------------------|---------------------------------|
|---|------------------------------|---------------------------------|

Identify all that have access to the investment accounts, handle securities and have authority to make investements on behalf of the reporting entity
107126 FT. WASHINGTON INVESTMENT ADVISORS ... 303 BROADWAY, SUITE 1200, CINTI, OH 45202
112245 MILLIMAN 1301 FIFTH AVE, SUITE 3800, SEATTLE, WA 98101-2605
28.05 - Identify all that have access to the investment accounts, handle securities and have authority to make investements on behalf of the reporting entity

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
INVESTMENT

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes () No (X)

29.2 If yes, complete the following schedule:

| ¹ CUSIP Number | ² Name of Mutual Fund | ³ Book/Adjusted Carrying Value |
|------------------------------|-------------------------------------|--|
|------------------------------|-------------------------------------|--|

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

| ¹ Name of Mutual Fund (from question 29.2) | ² Name of Significant Holding of the Mutual Fund | ³ Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding | ⁴ Date of Valuation |
|---|---|--|-----------------------------------|
|---|---|--|-----------------------------------|

29.3 - For each mutual fund listed in 29.2

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
INVESTMENT

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 | \$ 2,557,615,534 | \$ 2,749,166,332 | \$ 191,550,798 |
| 30.2 Preferred stocks | \$ | \$ | \$ |
| 30.3 Totals | \$ 2,557,615,534 | \$ 2,749,166,332 | \$ 191,550,798 |

30.4 Describe the sources or methods utilized in determining the fair values:
Fair values were generally obtained from IDC, Princeton Financial Spread Pricing Module and/or an internal pricing committee/internal pricing models.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes () No (X)

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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
.....
.....

32.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

32.2 If no, list exceptions:
.....
.....

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
OTHER

33.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$ 146,643

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 |
|-----------|------------------|
| | \$ |
| | \$ |
| | \$ |
| | \$ |

34.1 Amount of payments for legal expenses, if any? \$ 25,639

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 |
|--------------------------------------|------------------|
| HOWARD & HOWARD ATTORNEYS PLLC | \$ 13,528 |
| MORGAN, LEWIS & BOCKIUS LLP | \$ 9,783 |
| | \$ |
| | \$ |

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

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

| 1 Name | 2 Amount Paid |
|-----------|------------------|
| | \$ |
| | \$ |
| | \$ |
| | \$ |

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1

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

Yes () No (X)

1.2

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

\$

1.3

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

\$

1.31

Reason for excluding:

.....
.....

1.4

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

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

1.62

Total incurred claims

\$

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

\$

1.65

Total incurred claims

\$

1.66

Number of covered lives

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

1.72

Total incurred claims

\$

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

\$

1.75

Total incurred claims

\$

1.76

Number of covered lives

.....

2.

Health Test

2.1

Premium Numerator

\$

2.2

Premium Denominator

\$ 352,191,724

2.3

Premium Ratio (Line 2.1 divided by Line 2.2)

\$

2.4

Reserve Numerator

\$

2.5

Reserve Denominator

\$ 2,265,227,390

2.6

Reserve Ratio (Line 2.4 divided by Line 2.5)

\$ 2,173,727,173

3.1

Does this reporting entity have Separate Accounts?

Yes (X) No ()

3.2

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

Yes (X) No () N/A ()

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?

\$ 40,705,697

3.4

State the authority under which Separate Accounts are maintained:

SECTION 3905, 15 OHIO REVISED CODE
.....

3.5

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

Yes (X) No ()

3.6

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

Yes () No (X)

3.7

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

\$

4.1

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

Yes (X) No ()

4.2

Net reimbursement of such expenses between reporting entities:

4.21

Paid

\$ 23,145,982

4.22

Received

\$

5.1

Does the reporting entity write any guaranteed interest contracts?

Yes () No (X)

5.2

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

5.21

Page 3, Line 1

\$

5.22

Page 4, Line 1

\$

6.

For stock reporting entities only:

6.1

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

\$ 613,163,872

7.

Total dividends paid stockholders since organization of the reporting entity:

7.11

Cash

\$ 53,550,000

7.12

Stock

\$

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

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

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

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

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

\$

9.1 Does the company have variable annuities with guaranteed benefits?

Yes (X) No ()

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

| Type | | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|------------------------------|-----------------------------|--------------------------------------|---------------------------------|----------------------------|------------------------|----------------------|-------------------------------|
| 1 | 2 | Waiting Period Remaining | Account Value Related to Column 3 | Total Related Account Values | Gross Amount of Reserve | Location of Reserve | Portion Reinsured | Reinsurance Reserve Credit |
| Guaranteed Death Benefit | Guaranteed Living Benefit | | | | | | | |
| Greater of AV (7) , 5% Roll-up, ROP, AV | None | | | | | | | |
| Greater of AV (7) , 7% Roll-up, ROP, AV | None | | | | | | | |
| Greater of AV (7) , ROP, AV | None | N/A | N/A | 135,719,538 | 399,542 | Exhibit 5 | None | ..... |

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

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

\$

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

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

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

Yes () No (X)

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

\$

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.

\$

GENERAL INTERROGATORIES (Continued)

Part 2 - LIFE INTERROGATORIES

Line 9.2

| Type | | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|-----------------------------------|--|--------------------------------------|---------------------------------|----------------------------|------------------------|----------------------|-------------------------------|
| 1 Guaranteed Death Benefit | 2 Guaranteed Living Benefit | Waiting Period Remaining | Account Value Related to Column 3 | Total Related Account Values | Gross Amount of Reserve | Location of Reserve | Portion Reinsured | Reinsurance Reserve Credit |
| To be completed for each type of guaranteed benefit. | | | | | | | | |
| Greater of MVA (76) , ROP , AV | | N/A | N/A | 57,525,123 | (21,737) | Exhibit 5 | None | |
| Greater of MVA (81) , 5% Roll-Up , ROP , AV | | N/A | N/A | 3,736,239 | 12,595 | Exhibit 5 | None | |
| Greater of MVA (81) , ROP , AV | | N/A | N/A | 181,842,112 | (140,840) | Exhibit 5 | None | |
| Greater of MVA , (81) ROP , AV Reins | | N/A | N/A | 98,849,528 | 833,417 | Exhibit 5 | 92.5% | 672,476 |
| Greater of MVA , ROP , AV Reins | | N/A | N/A | 57,832,058 | 1,215,382 | Exhibit 5 | 92.5% | 1,010,319 |
| Greater of ROP , AV | | N/A | N/A | 24,816,631 | (117,294) | Exhibit 5 | None | |
| | | GMAB-ROP (Agg) ,ROP+15% (MOD) orROP+25% (Con) , 10 yr wait | N/A | 5,134,918 | 326,978 | Exhibit 5 | None | |
| | | GMWB-Greater of Bonus or Step-up | N/A | 63,268,265 | (722,527) | Exhibit 5 | None | |
| 9.2 - To be completed for each type of guaranteed benefit. | | | | | | | | |

Line 10.2

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

NONE

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, Column 4) | 458,530 | 478,779 | 500,000 | 527,915 | 550,747 |
| 2. Ordinary-term (Line 21, Column 4, less Line 34, Column 4) | 8,391 | 8,595 | 9,069 | 10,465 | 11,062 |
| 3. Credit life (Line 21, Column 6) | | | | | |
| 4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Line 43 and Line 44, Column 4) | 26,845 | 29,844 | 33,929 | 42,058 | 45,420 |
| 5. Industrial (Line 21, Column 2) | | | | | |
| 6. FEGLI/SGLI (Line 43 and Line 44, Column 4) | | | | | |
| 7. Total (Line 21, Column 10) | 493,766 | 517,218 | 542,998 | 580,438 | 607,229 |
| New Business Issued (Exhibit of Life Insurance) | | | | | |
| 8. Ordinary-whole life and endowment (Line 34, Column 2) | | | | | |
| 9. Ordinary-term (Line 2, Column 4, less Line 34, Column 2) | | | | | |
| 10. Credit life (Line 2, Column 6) | | | | | |
| 11. Group (Line 2, Column 9) | | | | | |
| 12. Industrial (Line 2, Column 2) | | | | | |
| 13. Total (Line 2, Column 10) | | | | | |
| Premium Income-Lines of Business (Exhibit 1 - Part 1) | | | | | |
| 14. Industrial life (Line 20.4, Column 2) | | | | | |
| 15.1 Ordinary life insurance (Line 20.4, Column 3) | 493,487 | 555,166 | 637,373 | 646,671 | 198,638 |
| 15.2 Ordinary individual annuities (Line 20.4, Column 4) | 351,698,237 | 388,858,498 | 553,408,274 | 749,133,822 | 550,513,231 |
| 16. Credit life, (group and individual) (Line 20.4, Column 5) | | | | | |
| 17.1 Group life insurance (Line 20.4, Column 6) | | | | | |
| 17.2 Group annuities (Line 20.4, Column 7) | | | | | |
| 18.1 A & H-group (Line 20.4, Column 8) | | | | | |
| 18.2 A & H-credit (group and individual) (Line 20.4, Column 9) | | | | | |
| 18.3 A & H-other (Line 20.4, Column 10) | | | | | |
| 19. Aggregate of all other lines of business (Line 20.4, Column 11) | | | | | |
| 20. Total | 352,191,724 | 389,413,664 | 554,045,647 | 749,780,493 | 550,711,869 |
| Balance Sheet (Pages 2 and 3) | | | | | |
| 21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Column 3) | 3,322,593,752 | 3,326,138,293 | 2,927,899,431 | 2,519,644,026 | 2,191,517,466 |
| 22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) | 2,775,393,392 | 2,796,928,273 | 2,426,371,170 | 2,144,222,298 | 1,836,176,128 |
| 23. Aggregate life reserves (Page 3, Line 1) | 2,265,096,390 | 2,173,599,173 | 1,980,804,012 | 1,723,034,346 | 1,647,448,135 |
| 24. Aggregate A & H reserves (Page 3, Line 2) | | | | | |
| 25. Deposit-type contract funds (Page 3, Line 3) | 315,265,773 | 311,200,292 | 295,137,828 | 257,550,721 | 41,567,763 |
| 26. Asset valuation reserve (Page 3, Line 24.01) | 45,534,405 | 44,701,063 | 12,557,119 | 7,676,517 | 50,340,741 |
| 27. Capital (Page 3, Line 29 and Line 30) | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| 28. Surplus (Page 3, Line 37) | 544,200,360 | 526,210,020 | 498,528,261 | 372,421,728 | 352,341,338 |
| Cash Flow (Page 5) | | | | | |
| 29. Net cash from operations (Line 11) | 31,985,046 | 187,431,175 | 241,460,386 | 148,732,336 | 135,834,423 |
| Risk-Based Capital Analysis | | | | | |
| 30. Total adjusted capital | 617,067,877 | 593,522,694 | 519,986,875 | 383,788,495 | 422,843,647 |
| 31. Authorized control level risk-based capital | 80,866,557 | 76,443,574 | 76,322,583 | 62,026,369 | 47,393,295 |
| Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Line No. / Page 2, Line 12, Column 3) x 100.0 | | | | | |
| 32. Bonds (Line 1) | 75.8 | 73.6 | 74.6 | 71.3 | 68.9 |
| 33. Stocks (Line 2.1 and Line 2.2) | 13.3 | 12.8 | 12.4 | 12.0 | 13.8 |
| 34. Mortgage loans on real estate (Line 3.1 and Line 3.2) | 1.4 | 1.9 | 2.2 | 2.6 | 3.0 |
| 35. Real estate (Line 4.1, Line 4.2 and Line 4.3) | | | | | |
| 36. Cash, cash equivalents and short-term investments (Line 5) | 3.3 | 5.4 | 4.5 | 4.6 | 3.6 |
| 37. Contract loans (Line 6) | 3.8 | 3.7 | 4.1 | 4.8 | 5.5 |
| 38. Derivatives (Page 2, Line 7) | | | X X X | X X X | X X X |
| 39. Other invested assets (Line 8) | 1.8 | 1.7 | 1.9 | 4.6 | 5.1 |
| 40. Receivables for securities (Line 9) | | 0.1 | 0.3 | 0.1 | 0.2 |
| 41. Securities lending reinvested collateral assets (Line 10) | 0.6 | 0.8 | X X X | X X X | X X X |
| 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 |

FIVE-YEAR HISTORICAL DATA
(Continued)

| | 1 2011 | 2 2010 | 3 2009 | 4 2008 | 5 2007 |
|--|---------------|---------------|---------------|---------------|---------------|
| <u>Investments in Parent, Subsidiaries and Affiliates</u> | | | | | |
| 44. Affiliated bonds (Schedule D Summary, Line 12, Column 1) | | | | | |
| 45. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1) | | | | | |
| 46. Affiliated common stocks (Schedule D Summary, Line 24, Column 1) | 272,523,777 | 251,985,107 | 225,589,932 | 184,547,788 | 142,135,064 |
| 47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10) | | | | | |
| 48. Affiliated mortgage loans on real estate | | | | | |
| 49. All other affiliated | | | | | |
| 50. Total of above Line 44 to Line 49 | 272,523,777 | 251,985,107 | 225,589,932 | 184,547,788 | 142,135,064 |
| <u>Total Nonadmitted and Admitted Assets</u> | | | | | |
| 51. Total nonadmitted assets (Page 2, Line 28, Column 2) | 23,533,627 | 11,460,451 | 13,515,910 | 22,203,298 | 19,960,426 |
| 52. Total admitted assets (Page 2, Line 28, Column 3) | 5,916,074,732 | 5,909,710,570 | 5,414,032,351 | 4,850,847,649 | 4,692,411,949 |
| <u>Investment Data</u> | | | | | |
| 53. Net investment income (Exhibit of Net Investment Income) | 148,473,078 | 143,321,149 | 135,467,757 | 123,911,968 | 103,599,481 |
| 54. Realized capital gains (losses) (Page 4, Line 34, Column 1) | (1,864,863) | (3,349,977) | (9,098,714) | (15,751,838) | 20,992,182 |
| 55. Unrealized capital gains (losses) (Page 4, Line 38, Column 1) | 6,143,359 | 46,284,215 | 21,646,747 | (81,802,347) | (1,437,643) |
| 56. Total of above Lines 53, Line 54 and Line 55 | 152,751,574 | 186,255,387 | 148,015,790 | 26,357,783 | 123,154,020 |
| <u>Benefits and Reserve Increase</u> (Page 6) | | | | | |
| 57. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and Line 15, Column 1 minus Lines 10, 11, 12, 13, 14 and Line 15, Columns 9, 10 and 11) | 337,797,615 | 338,122,356 | 362,072,340 | 388,720,647 | 429,968,771 |
| 58. Total contract benefits - A and H (Line 13 and Line 14, Columns 9, 10 and 11) | | | | | |
| 59. Increase in life reserves - other than group and annuities (Line 19, Columns 2 and 3) | 873,720 | (1,188) | (5,014,598) | (4,367,666) | (652,262) |
| 60. Increase in A & H Reserves (Line 19, Columns 9, 10 and 11) | | | | | |
| 61. Dividends to policyholders (Line 30, Column 1) | | | | | |
| <u>Operating Percentages</u> | | | | | |
| 62. Insurance expense percent (Page 6, Column 1, Line 21, Line 22 and Line 23 less Line 6) / (Page 6, Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00 | 10.2 | 10.3 | 8.4 | 7.2 | 8.1 |
| 63. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Line 14 and Line 15) / 1/2 (Exhibit of Life Insurance, Column 4, Line 1 and Line 21)] x 100.00 | 3.2 | 3.0 | 3.4 | 2.3 | 3.2 |
| 64. A & H loss percent (Schedule H, Part 1, Line 5 and Line 6, Column 2) | | | | | |
| 65. A & H cost containment percent (Schedule H, Part 1, Line 4, Column 2) | | | | | |
| 66. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Column 2) | | | | | |
| <u>A & H Claim Reserve Adequacy</u> | | | | | |
| 67. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1, Column 2) | | | | | |
| 68. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2) | | | | | |
| 69. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Column 2) | | | | | |
| 70. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Column 2) | | | | | |
| <u>Net Gains From Operations After Federal Income</u> <u>Taxes by Lines of Business</u> (Page 6, Line 33) | | | | | |
| 71. Industrial life (Column 2) | | | | | |
| 72. Ordinary-life (Column 3) | 5,362,295 | 4,443,712 | 4,097,776 | 8,867,708 | 11,561,459 |
| 73. Ordinary-individual annuities (Column 4) | 15,575,072 | 36,104,889 | 5,016,840 | 2,891,563 | (1,305,108) |
| 74. Ordinary-supplementary contracts (Column 5) | 677,973 | 391,962 | 459,434 | 69,156 | (561) |
| 75. Credit life (Column 6) | | | | | |
| 76. Group life (Column 7) | 42,245 | (42,789) | (5,348) | 273,388 | 25,303 |
| 77. Group annuities (Column 8) | (10,423) | (1,102,706) | (916,535) | (1,321,370) | (767,342) |
| 78. A & H-group (Column 9) | | | | | |
| 79. A & H-credit (Column 10) | | | | | |
| 80. A & H-other (Column 11) | | | | | |
| 81. Aggregate of all other lines of business (Column 12) | 5,512,026 | 6,193,169 | (11,949,998) | (22,438,425) | |
| 82. Total (Column 1) | 27,159,188 | 45,988,237 | (3,297,831) | (11,657,980) | 9,513,751 |

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?
If no, please explain:

Yes () No ()

EXHIBIT OF LIFE INSURANCE

| | Industrial | | Ordinary | | Credit Life (Group and Individual) | | Group | | | 10 |
|---|--------------------------------|---|--------------------------------|---|--|---|-------------------|-----------------------|---|---|
| | 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) | Total Amount of Insurance (a) |
| | | | | | | | 7 Policies | 8 Certificates | | |
| 1. In force end of prior year | | | 5,960 | 487,374 | | | 20 | 145 | 29,844 | 517,218 |
| 2. Issued during year | | | | | | | | | | |
| 3. Reinsurance assumed | | | | | | | | | | |
| 4. Revived during year | | | | | | | | | | |
| 5. Increased during year (net) | | | | 5,043 | | | | | | 5,043 |
| 6. Subtotals, Line 2 to Line 5 | | | | 5,043 | | | | | | 5,043 |
| 7. Additions by dividends during year | X X X | | X X X | | X X X | | X X X | X X X | | |
| 8. Aggregate write-ins for increases | | | | | | | | | | |
| 9. Totals (Line 1 and Line 6 to Line 8) | | | 5,960 | 492,417 | | | 20 | 145 | 29,844 | 522,261 |
| Deductions during year: | | | | | | | | | | |
| 10. Death | | | 85 | 10,166 | | | X X X | 1 | 17 | 10,183 |
| 11. Maturity | | | | | | | X X X | | | |
| 12. Disability | | | | | | | X X X | | | |
| 13. Expiry | | | | 205 | | | | | | 205 |
| 14. Surrender | | | 140 | 10,266 | | | | 13 | 1,969 | 12,235 |
| 15. Lapse | | | 32 | 4,859 | | | | | | 4,859 |
| 16. Conversion | | | | | | | X X X | X X X | X X X | |
| 17. Decreased (net) | | | 28 | | | | | | 1,013 | 1,013 |
| 18. Reinsurance | | | | | | | | | | |
| 19. Aggregate write-ins for decreases | | | | | | | | | | |
| 20. Totals (Line 10 to Line 19) | | | 285 | 25,496 | | | | 14 | 2,999 | 28,495 |
| 21. In force end of year (Line 9 minus Line 20) | | | 5,675 | 466,921 | | | 20 | 131 | 26,845 | 493,766 |
| 22. Reinsurance ceded end of year | X X X | | X X X | 215,786 | X X X | | X X X | X X X | 16,978 | 232,764 |
| 23. Line 21 minus Line 22 | X X X | | X X X | 251,135 | X X X | (b) | X X X | X X X | 9,867 | 261,002 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0801. | | | | | | | | | | |
| 0802. | | | | | | | | | | |
| 0803. | | | | | | | | | | |
| 0898. Summary of remaining write-ins for Line 8 from overflow page | | | | | | | | | | |
| 0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above) | | | | | | | | | | |
| 1901. | | | | | | | | | | |
| 1902. | | | | | | | | | | |
| 1903. | | | | | | | | | | |
| 1998. Summary of remaining write-ins for Line 19 from overflow page | | | | | | | | | | |
| 1999. Totals (Line 1901 through Line 1903 plus Line 1998) (Line 19 above) | | | | | | | | | | |

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000) .
(b) Group \$; Individual \$

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 | X X X | | X X X | |
| 25. Other paid-up insurance | | | 3,839 | 356,057 |
| 26. Debit ordinary insurance | X X X | X X X | | |

ADDITIONAL INFORMATION ON ORDINARY 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) |
| Term Insurance Excluding Extended Term Insurance | | | | |
| 27. Term policies-decreasing | | | | |
| 28. Term policies-other | | | 138 | 8,121 |
| 29. Other term insurance-decreasing | X X X | | X X X | |
| 30. Other term insurance | X X X | | X X X | |
| 31. Totals (Line 27 to Line 30) | | | 138 | 8,121 |
| Reconciliation to Line 2 and Line 21: | | | | |
| 32. Term additions | X X X | | X X X | |
| 33. Totals, extended term insurance | X X X | X X X | 31 | 270 |
| 34. Totals, whole life and endowment | | | 5,506 | 458,530 |
| 35. Totals (Line 31 to Line 34) | | | 5,675 | 466,921 |

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 | | | 466,921 | |
| 38. Credit Life (Group and Individual) | | | | |
| 39. Group | | | 26,845 | |
| 40. Totals (Line 36 to Line 39) | | | 493,766 | |

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 | X X X | | X X X | |
| 42. Number in force end of year if the number under shared groups is counted on a pro-rata basis | | X X X | 131 | X X X |
| 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 | | | 131 | 26,845 |

ADDITIONAL ACCIDENTAL DEATH BENEFITS

| | |
|---|-----|
| 46. Amount of additional accidental death benefits in force end of year under ordinary policies (a) | 325 |
|---|-----|

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

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

NONE

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 | | | 493 | 825 | | | | |
| 49. Disability Income | | | 259 | 405 | | | | |
| 50. Extended Benefits | | | X X X | X X X | | | | |
| 51. Other | | | | | | | | |
| 52. Total | | (b) | 752 | (b) 1,230 | | (b) | | (b) |

(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 AND 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 | 385 | 3,296 | | |
| 2. Issued during year | 33 | 460 | | |
| 3. Reinsurance assumed | | | | |
| 4. Increased during year (net) | | | | |
| 5. Total (Line 1 to Line 4) | 418 | 3,756 | | |
| Deductions during year: | | | | |
| 6. Decreased (net) | 21 | 493 | | |
| 7. Reinsurance ceded | | | | |
| 8. Totals (Line 6 and Line 7) | 21 | 493 | | |
| 9. In force end of year | 397 | 3,263 | | |
| 10. Amount on deposit | (a) | | | (a) |
| 11. Income now payable | 397 | 3,263 | | |
| 12. Amount of income payable | (a) 2,545,177 | (a) 12,361,407 | (a) | (a) |

ANNUITIES

| | Ordinary | | Group | |
|--------------------------------|-----------------|-------------------|----------------|-------------------|
| | 1 Immediate | 2 Deferred | 3 Contracts | 4 Certificates |
| 1. In force end of prior year | 8,001 | 60,302 | 4 | 135 |
| 2. Issued during year | 1,154 | 3,188 | | |
| 3. Reinsurance assumed | | | | |
| 4. Increased during year (net) | | | | |
| 5. Totals (Line 1 to Line 4) | 9,155 | 63,490 | 4 | 135 |
| Deductions during year: | | | | |
| 6. Decreased (net) | 301 | 4,240 | | 7 |
| 7. Reinsurance ceded | | | | |
| 8. Totals (Line 6 and Line 7) | 301 | 4,240 | | 7 |
| 9. In force end of year | 8,854 | 59,250 | 4 | 128 |
| Income now payable: | | | | |
| 10. Amount of income payable | (a) 107,470,357 | X X X | X X X | (a) |
| Deferred fully paid: | | | | |
| 11. Account balance | X X X | (a) 1,904,810,567 | X X X | (a) 5,890,080 |
| Deferred not fully paid: | | | | |
| 12. Account balance | X X X | (a) 1,635,262,168 | X X X | (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 | | | | | | |
| 2. Issued during year | | | | | | |
| 3. Reinsurance assumed | | | | | | |
| 4. Increased during year (net) | | | | | | X X X |
| 5. Totals (Line 1 to Line 4) | | | | | | X X X |
| Deductions during year: | | | | | | |
| 6. Conversions | | | | | X X X | X X X |
| 7. Decreased (net) | | | | | | X X X |
| 8. Reinsurance ceded | | | | | | X X X |
| 9. Totals (Line 6 to Line 8) | | X X X | | X X X | | X X X |
| 10. In force end of year | | (a) | | (a) | | (a) |

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

| | 1 Deposit Funds | 2 Dividend Accumulations |
|--------------------------------|--------------------|-----------------------------|
| | Contracts | Contracts |
| 1. In force end of prior year | 130 | |
| 2. Issued during year | 169 | |
| 3. Reinsurance assumed | | |
| 4. Increased during year (net) | | |
| 5. Totals (Line 1 to Line 4) | 299 | |
| Deductions during year: | | |
| 6. Decreased (net) | 172 | |
| 7. Reinsurance ceded | | |
| 8. Totals (Line 6 and Line 7) | 172 | |
| 9. In force end of year | 127 | |
| 10. Amount of account balance | (a) 3,522,046 | (a) |

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

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

| States , Etc. | | | 1 | Direct Business Only | | | | | |
|--|-----|-------|---------|---------------------------------|--------------------------------|--|------------------------------|--------------------------------------|--------------------------------|
| | | | | Life Contracts | | 4 Accident and Health Insurance Premiums , Including Policy , Membership and Other Fees | 5 Other Considerations | 6 Total Columns 2 through 5 | 7 Deposit-Type Contracts |
| | | | | 2 Life Insurance Premiums | 3 Annuity Considerations | | | | |
| 1. Alabama | AL | L | 21,108 | 2,464,651 | | | 2,485,759 | 2,529,191 | |
| 2. Alaska | AK | L | 1,751 | | | | 1,751 | | |
| 3. Arizona | AZ | L | 16,056 | 10,021,446 | | | 10,037,502 | 171,372 | |
| 4. Arkansas | AR | L | 5,713 | 1,357,882 | | | 1,363,595 | 349,487 | |
| 5. California | CA | L | 22,432 | 21,259,374 | | | 21,281,806 | 1,326,793 | |
| 6. Colorado | CO | L | 9,661 | 8,341,111 | | | 8,350,772 | 620,786 | |
| 7. Connecticut | CT | L | 100 | 12,384,324 | | | 12,384,424 | 123,631 | |
| 8. Delaware | DE | L | 3,868 | 1,462,152 | | | 1,466,020 | 264,607 | |
| 9. District of Columbia | DC | L | | 264,863 | | | 264,863 | | |
| 10. Florida | FL | L | 25,332 | 31,643,832 | | | 31,669,164 | 3,945,206 | |
| 11. Georgia | GA | L | 28,500 | 2,900,253 | | | 2,928,753 | 979,554 | |
| 12. Hawaii | HI | L | 88 | 4,609,842 | | | 4,609,930 | 663,658 | |
| 13. Idaho | ID | L | 150 | 1,055,516 | | | 1,055,666 | 445,096 | |
| 14. Illinois | IL | L | 50,658 | 16,570,067 | | | 16,620,725 | 2,012,259 | |
| 15. Indiana | IN | L | 10,124 | 11,036,736 | | | 11,046,860 | 1,754,347 | |
| 16. Iowa | IA | L | 56,692 | 3,544,554 | | | 3,601,246 | 126,799 | |
| 17. Kansas | KS | L | 7,673 | 1,890,863 | | | 1,898,536 | 300,000 | |
| 18. Kentucky | KY | L | 2,077 | 4,636,970 | | | 4,639,047 | 1,035,314 | |
| 19. Louisiana | LA | L | | 4,501,108 | | | 4,501,108 | 440,185 | |
| 20. Maine | ME | N | 542 | 1,840 | | | 2,382 | | |
| 21. Maryland | MD | L | 42,804 | 3,981,967 | | | 4,024,771 | 978,203 | |
| 22. Massachusetts | MA | L | 349 | 7,428,266 | | | 7,428,615 | 538,048 | |
| 23. Michigan | MI | L | 2,046 | 16,642,243 | | | 16,644,289 | 923,399 | |
| 24. Minnesota | MN | L | 51,517 | 11,739,293 | | | 11,790,810 | 273,423 | |
| 25. Mississippi | MS | L | 11,220 | 6,883,769 | | | 6,894,989 | 660,520 | |
| 26. Missouri | MO | L | 17,866 | 7,660,750 | | | 7,678,616 | 635,902 | |
| 27. Montana | MT | L | 252 | 193,758 | | | 194,010 | | |
| 28. Nebraska | NE | L | 2,323 | 2,823,303 | | | 2,825,626 | 1,162,507 | |
| 29. Nevada | NV | L | 771 | 3,935,662 | | | 3,936,433 | | |
| 30. New Hampshire | NH | N | | 313,690 | | | 313,690 | | |
| 31. New Jersey | NJ | L | 2,291 | 20,035,985 | | | 20,038,276 | 2,089,150 | |
| 32. New Mexico | NM | L | 45,217 | 846,906 | | | 892,123 | 26,451 | |
| 33. New York | NY | N | 1,745 | 2,632,619 | | | 2,634,364 | | |
| 34. North Carolina | NC | L | 178 | 10,412,234 | | | 10,412,412 | 1,299,501 | |
| 35. North Dakota | ND | L | | 43,849 | | | 43,849 | 50,000 | |
| 36. Ohio | OH | L | 178,147 | 30,635,326 | | | 30,813,473 | 1,512,532 | |
| 37. Oklahoma | OK | L | 17,003 | 1,717,889 | | | 1,734,892 | 198,623 | |
| 38. Oregon | OR | L | 6,207 | 4,162,052 | | | 4,168,259 | 789,179 | |
| 39. Pennsylvania | PA | L | 36,769 | 33,157,863 | | | 33,194,632 | 6,141,759 | |
| 40. Rhode Island | RI | L | | 1,449,702 | | | 1,449,702 | 905,617 | |
| 41. South Carolina | SC | L | 36,776 | 2,081,852 | | | 2,118,628 | 634,413 | |
| 42. South Dakota | SD | L | 5,070 | 449,314 | | | 454,384 | | |
| 43. Tennessee | TN | L | 7,491 | 4,558,918 | | | 4,566,409 | 1,094,507 | |
| 44. Texas | TX | L | 26,059 | 27,900,846 | | | 27,926,905 | 5,504,525 | |
| 45. Utah | UT | L | | 423,420 | | | 423,420 | 51,447 | |
| 46. Vermont | VT | N | | 76,576 | | | 76,576 | | |
| 47. Virginia | VA | L | 3,284 | 4,269,290 | | | 4,272,574 | 434,248 | |
| 48. Washington | WA | L | 9,400 | 1,574,045 | | | 1,583,445 | 380,000 | |
| 49. West Virginia | WV | L | 6,207 | 564,248 | | | 570,455 | 266,701 | |
| 50. Wisconsin | WI | L | 5,436 | 6,358,722 | | | 6,364,158 | 2,563,445 | |
| 51. Wyoming | WY | L | | 66,224 | | | 66,224 | | |
| 52. American Samoa | AS | N | | | | | | | |
| 53. Guam | GU | N | | | | | | | |
| 54. Puerto Rico | PR | N | | | | | | | |
| 55. U. S. Virgin Islands | VI | N | | | | | | | |
| 56. Northern Mariana Islands | MP | N | | | | | | | |
| 57. Canada | CN | N | | 136,974 | | | 136,974 | | |
| 58. Aggregate Other Alien | OT | X X X | | | | | | | |
| 59. Subtotal | (a) | 47 | 778,953 | 355,104,939 | | | 355,883,892 | 46,202,385 | |
| 90. Reporting entity contributions for employee benefit plans | | X X X | | | | | | | |
| 91. Dividends or refunds applied to purchase paid-up additions and annuities | | X X X | | | | | | | |
| 92. Dividends of refunds applied to shorten endowment or premium paying period | | X X X | | | | | | | |
| 93. Premium or annuity considerations waived under disability or other contract provisions | | X X X | | | | | | | |
| 94. Aggregate other amounts not allocable by State | | X X X | | | | | | | |
| 95. Totals (Direct Business) | | X X X | 778,953 | 355,104,939 | | | 355,883,892 | 46,202,385 | |
| 96. Plus Reinsurance Assumed | | X X X | 119,962 | | | | 119,962 | | |
| 97. Totals (All Business) | | X X X | 898,915 | 355,104,939 | | | 356,003,854 | 46,202,385 | |
| 98. Less Reinsurance Ceded | | X X X | 405,428 | 3,406,702 | | | 3,812,130 | | |
| 99. Totals (All Business) less Reinsurance Ceded | | X X X | 493,487 | 351,698,237 | (b) | | 352,191,724 | 46,202,385 | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 5801. | | X X X | | | | | | | |
| 5802. | | X X X | | | | | | | |
| 5803. | | X X X | | | | | | | |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | | X X X | | | | | | | |
| 5899. Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above) | | X X X | | | | | | | |
| 9401. | | X X X | | | | | | | |
| 9402. | | X X X | | | | | | | |
| 9403. | | X X X | | | | | | | |
| 9498. Summary of remaining write-ins for Line 94 from overflow page | | X X X | | | | | | | |
| 9499. Total (Line 9401 through Line 9403 plus Line 9498) (Line 94 above) | | X X X | | | | | | | |

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

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

BY STATE OF RESIDENCE OF THE POLICYOWNER

(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;

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Integrity Life Insurance Company
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

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

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