



ANNUAL STATEMENT

For the Year Ended December 31, 2011
of the Condition and Affairs of the

Family Heritage Life Insurance Company of America

NAIC Group Code.....0000, 0000 (Current Period) (Prior Period)	NAIC Company Code..... 77968	Employer's ID Number..... 34-1626521
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... August 22, 1989	Commenced Business..... November 17, 1989	
Statutory Home Office	6001 East Royalton Road, Suite 200..... Cleveland OH 44147-3529 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	6001 East Royalton Road, Suite 200..... Cleveland OH 44147-3529 (Street and Number) (City or Town, State and Zip Code)	440-922-5200 (Area Code) (Telephone Number)
Mail Address	P. O. Box 470608..... Cleveland OH 44147-0608 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	6001 East Royalton Road, Suite 200..... Cleveland OH 44147-3529 (Street and Number) (City or Town, State and Zip Code)	440-922-5200 (Area Code) (Telephone Number)
Internet Web Site Address	www.FamilyHeritageLife.com	
Statutory Statement Contact	John A. Wise (Name) acctdept@familyheritagelife.com (E-Mail Address)	440-922-5200 (Area Code) (Telephone Number) (Extension) 440-922-5120 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Howard L. Lewis	President/Chief Executive Officer	2. Ronald L. Sarosy	Treasurer/Chief Financial Officer
3. Edward J. Rocheck	Secretary/Chief Operations Officer	4. Jeffrey S. Morris	Actuary
OTHER			
Jeffrey S. Morris	Senior Vice President	Edward J. Rocheck	Senior Vice President
Henry G. Grendell	Vice President	Douglas B. Kelly	Vice President
Ronald L. Sarosy	Vice President		

DIRECTORS OR TRUSTEES

Henry E. Bedford	Howard L. Lewis	Edward J. Rocheck	Cynthia D. Johnstone
Jeffrey S. Morris			

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

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

(Signature) Howard L. Lewis 1. (Printed Name) President/Chief Executive Officer (Title)	(Signature) Ronald L. Sarosy 2. (Printed Name) Treasurer/Chief Financial Officer (Title)	(Signature) Edward J. Rocheck 3. (Printed Name) Secretary/Chief Operations Officer (Title)
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Subscribed and sworn to before me

This _____ 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

Annual Statement for the year 2011 of the **Family Heritage Life Insurance Company of America**
ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	460,236,713		460,236,713	417,703,247
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....(1,195,474), Sch. E-Part 1), cash equivalents (\$....21,986,008, Sch. E-Part 2) and short-term investments (\$....25,245, Sch. DA).....	20,815,779		20,815,779	7,132,463
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	565,477		565,477	628,443
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	481,617,969	0	481,617,969	425,464,153
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,211,000		1,211,000	1,118,060
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	1,721,342		1,721,342	1,618,154
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	169,224		169,224	142,735
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	74,787		74,787	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	292,825		292,825	292,098
18.2 Net deferred tax asset.....	19,465,467	16,237,467	3,228,000	3,175,000
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	406,960	262,616	144,344	124,601
21. Furniture and equipment, including health care delivery assets (\$.....0).....	69,246	69,246	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	9,763,263	9,763,263	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	514,792,083	26,332,592	488,459,491	431,934,801
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	514,792,083	26,332,592	488,459,491	431,934,801

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Agent Balances.....	9,128,956	9,128,956	0	
2502. Prepaid Expenses.....	593,810	593,810	0	
2503. Other Assets Non-Admitted.....	40,497	40,497	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	9,763,263	9,763,263	0	0

Family Heritage Life Insurance Company of America

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....1,107,560 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	1,107,560	...866,680
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$.....0 Modco Reserve).....	411,996,287	359,321,740
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	26,520	
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	..11,793,199	11,438,469
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....		
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....		
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$....21,142 ceded.....	21,142	..11,156
9.4 Interest Maintenance Reserve (IMR, Line 6).....	132,764	35,331
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	360,000	..365,200
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	4,526,594	..4,174,318
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	1,302,000	..1,119,000
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....		
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	500,652	..524,261
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR Line 16, Col. 7).....	333,000	..320,000
24.02 Reinsurance in unauthorized companies.....		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....		
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....	.505,950	..5,000,000
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	545,641	..427,511
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	433,151,309	..383,603,666
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	433,151,309	..383,603,666
29. Common capital stock.....	2,556,950	..2,556,000
30. Preferred capital stock.....	0	..0
31. Aggregate write-ins for other than special surplus funds.....	0	..0
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	..32,646,050	..3,647,000
34. Aggregate write-ins for special surplus funds.....	0	..0
35. Unassigned funds (surplus).....	..20,105,182	..42,128,135
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	..52,751,232	..45,775,135
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	..55,308,182	..48,331,135
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	..488,459,491	..431,934,801

DETAILS OF WRITE-INS

2501. Unclaimed Property.....	545,641	..427,511
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	..0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	545,641	..427,511
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	..0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	..0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	..0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	..0

Family Heritage Life Insurance Company of America

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11).....	160,990,164	145,867,627
2. Considerations for supplementary contracts with life contingencies.....	23,679,225	20,833,507
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	13,612	3,124
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	556,188	13,479
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	556,188	13,479
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1).....	556,188	13,479
7. Reserve adjustments on reinsurance ceded.....	556,188	13,479
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....	0	47,179
8.2 Charges and fees for deposit-type contracts.....	0	47,179
8.3 Aggregate write-ins for miscellaneous income.....	0	47,179
9. Totals (Lines 1 to 8.3).....	185,239,189	166,764,916
10. Death benefits.....	61,733	15,018
11. Matured endowments (excluding guaranteed annual pure endowments).....	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....	0	0
13. Disability benefits and benefits under accident and health contracts.....	41,505,940	32,199,575
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0	0
15. Surrender benefits and withdrawals for life contracts.....	18,050	13,585
16. Group conversions.....	0	0
17. Interest and adjustments on contract or deposit-type contract funds.....	288	21
18. Payments on supplementary contracts with life contingencies.....	0	0
19. Increase in aggregate reserves for life and accident and health contracts.....	52,915,427	52,454,979
20. Totals (Lines 10 to 19).....	94,501,438	84,683,178
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	39,686,235	36,630,967
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....	0	0
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4).....	20,101,228	18,204,631
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	3,920,931	3,654,119
25. Increase in loading on deferred and uncollected premiums.....	9,393	5,798
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0	0
27. Aggregate write-ins for deductions.....	0	0
28. Totals (Lines 20 to 27).....	158,219,225	143,178,693
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	27,019,964	23,586,223
30. Dividends to policyholders.....	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	27,019,964	23,586,223
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	11,439,129	9,544,710
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).....	15,580,835	14,041,513
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....	0	0
(excluding taxes of \$....59,794 transferred to the IMR).....	0	0
35. Net income (Line 33 plus Line 34).....	15,580,835	14,041,513
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	48,331,135	41,693,736
37. Net income (Line 35).....	15,580,835	14,041,513
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....	0	83,052
39. Change in net unrealized foreign exchange capital gain (loss)	(62,966)	0
40. Change in net deferred income tax.....	1,844,906	14,895,561
41. Change in nonadmitted assets.....	(3,372,729)	(14,292,727)
42. Change in liability for reinsurance in unauthorized companies.....	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4).....	0	0
44. Change in asset valuation reserve	(13,000)	(90,000)
45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1).....	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....	0	0
47. Other changes in surplus in Separate Accounts Statement.....	0	0
48. Change in surplus notes.....	0	0
49. Cumulative effect of changes in accounting principles.....	0	0
50. Capital changes:		
50.1 Paid in.....	950	0
50.2 Transferred from surplus (Stock Dividend).....	0	0
50.3 Transferred to surplus.....	0	0
51. Surplus adjustment:		
51.1 Paid in.....	94,999,050	0
51.2 Transferred to capital (Stock Dividend).....	0	0
51.3 Transferred from capital.....	0	0
51.4 Change in surplus as a result of reinsurance.....	0	0
52. Dividends to stockholders.....	(101,999,999)	(8,000,000)
53. Aggregate write-ins for gains and losses in surplus.....	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53).....	6,977,047	6,637,399
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	55,308,182	48,331,135

DETAILS OF WRITE-INS

08.301. Interest from IRS Refund Payment.....	0	47,179
08.302.	0	0
08.303.	0	0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	0	47,179
2701.	0	0
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
5301. Prior Year Tax Adjustments.....	0	0
5302.	0	0
5303.	0	0
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	160,851,094	145,703,147
2. Net investment income.....	5,850,266	6,509,756
3. Miscellaneous income.....	556,188	60,659
4. Total (Lines 1 through 3).....	167,257,548	152,273,562
5. Benefit and loss related payments.....	41,269,562	30,116,054
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	63,343,483	57,916,374
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	11,500,000	10,220,816
10. Total (Lines 5 through 9).....	116,113,045	98,253,244
11. Net cash from operations (Line 4 minus Line 10).....	51,144,503	54,020,318
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	49,125,007	295,670,497
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		75,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	49,125,007	295,745,497
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	73,467,970	351,433,683
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	4,494,050	(5,000,000)
13.7 Total investments acquired (Lines 13.1 to 13.6).....	77,962,020	346,433,683
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(28,837,013)	(50,688,186)
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.....	95,000,000	
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	101,999,999	8,000,000
16.6 Other cash provided (applied).....	(1,624,175)	
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(8,624,174)	(8,000,000)
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).....	13,683,316	(4,667,868)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	7,132,463	11,800,331
19.2 End of year (Line 18 plus Line 19.1).....	20,815,779	7,132,463

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

20.0001	
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	160,990,164		576,503						1,575,095		158,838,566	
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	23,679,225		64,628						12,146		23,602,451	
4. Amortization of Interest Maintenance Reserve (IMR).....	13,612										13,612	
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	556,188		.569						13,756		541,863	
7. Reserve adjustments on reinsurance ceded.....	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	0											
8.2 Charges and fees for deposit-type contracts.....	0											
8.3 Aggregate write-ins for miscellaneous income.....	0	0	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 to 8.3).....	185,239,189	0	641,700	0	0	0	0	0	1,600,997	0	182,996,492	0
10. Death benefits.....	61,733		61,733									
11. Matured endowments (excluding guaranteed annual pure endowments).....	0											
12. Annuity benefits.....	0											
13. Disability benefits and benefits under accident and health contracts.....	41,505,940									272,237		41,233,703
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	18,050		18,050									
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	.288		.288									
18. Payments on supplementary contracts with life contingencies.....	0											
19. Increase in aggregate reserves for life and accident and health contracts.....	52,915,427		240,880						105,714		52,568,833	
20. Totals (Lines 10 to 19).....	94,501,438	0	320,951	0	0	0	0	0	377,951	0	93,802,536	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	39,686,235		153,962						1,029,596		38,502,677	
22. Commissions and expense allowances on reinsurance assumed.....	0											
23. General insurance expenses.....	20,101,228		144,745							10,265		19,946,218
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	3,920,931		.6,657							2,013		3,912,261
25. Increase in loading on deferred and uncollected premiums.....	9,393		.9,393									
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0											
27. Aggregate write-ins for deductions.....	0	0	0	0	0	0	0	0	0	0	0	0
28. Totals (Lines 20 to 27).....	158,219,225	0	635,708	0	0	0	0	0	1,419,825	0	156,163,692	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	.27,019,964	0	.5,992	0	0	0	0	0	181,172	0	.26,832,800	0
30. Dividends to policyholders.....	0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	.27,019,964	0	.5,992	0	0	0	0	0	181,172	0	.26,832,800	0
32. Federal income taxes incurred (excluding tax on capital gains).....	.11,439,129		.2,550							76,708		.11,359,871
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).....	.15,580,835	0	.3,442	0	0	0	0	0	104,464	0	.15,472,929	0

DETAILS OF WRITE-INS

08.301.	0											
08.302.	0											
08.303.	0											
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	0	0	0	0	0	0	0	0	0	0	0	0
2701.	0											
2702.	0											
2703.	0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0	0	0	0	0	0	0	0	0	0	0

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group				
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities			
Involving Life or Disability Contingencies (Reserves)											
(Net of Reinsurance Ceded)											
1. Reserve December 31, prior year.....	866,680		866,680								
2. Tabular net premiums or considerations.....	332,451		332,451								
3. Present value of disability claims incurred.....	0				XXX						
4. Tabular interest.....	40,684		40,684								
5. Tabular less actual reserve released.....	0										
6. Increase in reserve on account of change in valuation basis.....	0										
7. Other increases (net).....	0										
8. Totals (Lines 1 to 7).....	1,239,815	0	1,239,815	0	0	0	0	0			
9. Tabular cost.....	45,286		45,286		XXX						
10. Reserves released by death.....	230		230	XXX	XXX			XXX			
11. Reserves released by other terminations (net).....	86,739		86,739								
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	0										
13. Net transfers to or (from) Separate Accounts.....	0										
14. Total deductions (Lines 9 to 13).....	132,255	0	132,255	0	0	0	0	0			
15. Reserve December 31, current year.....	1,107,560	0	1,107,560	0	0	0	0	0			

Family Heritage Life Insurance Company of America

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....19,271,781	19,184,459
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....3,522,600	3,702,463
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....10,397	10,796
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....125,000	125,000
9. Aggregate write-ins for investment income.....	.....990,264	990,264
10. Total gross investment income.....	.....23,920,042	24,012,982
11. Investment expenses.....	(g).....333,757	.....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....0	0
15. Aggregate write-ins for deductions from investment income.....	.....	.....
16. Total deductions (Lines 11 through 15).....	.....333,757	.....
17. Net investment income (Line 10 minus Line 16).....	.....23,679,225	.....

DETAILS OF WRITE-INS

0901. Agent Balances.....	.990,257	.990,257
0902. Policy Reinstatement Interest.....	.7	.7
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.990,264	.990,264
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.0	.0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.0	.0

(a) Includes \$....18,223,023 accrual of discount less \$....203,359 amortization of premium and less \$....75,078 paid for accrued interest on purchases.
 (b) Includes \$....0 accrual of discount less \$....0 amortization of premium and less \$....0 paid for accrued dividends on purchases.
 (c) Includes \$....0 accrual of discount less \$....0 amortization of premium and less \$....0 paid for accrued interest on purchases.
 (d) Includes \$....0 for company's occupancy of its own buildings; and excludes \$....0 interest on encumbrances.
 (e) Includes \$....0 accrual of discount less \$....0 amortization of premium and less \$....0 paid for accrued interest on purchases.
 (f) Includes \$....0 accrual of discount less \$....0 amortization of premium.
 (g) Includes \$....0 investment expenses and \$....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
 (h) Includes \$....0 interest on surplus notes and \$....0 interest on capital notes.
 (i) Includes \$....0 depreciation on real estate and \$....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.170,839	.....	.170,839	.....	.....
1.3 Bonds of affiliates.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....0	.....	.....
2.11 Preferred stocks of affiliates.....0	.....	.....
2.2 Common stocks (unaffiliated).....0	.....	.....
2.21 Common stocks of affiliates.....0	.....	.....
3. Mortgage loans.....0	.....	.....
4. Real estate.....0	.....	.....
5. Contract loans.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....0	.....	.....
7. Derivative instruments.....0	.....	.....
8. Other invested assets.....0	(62,966)	.....
9. Aggregate write-ins for capital gains (losses).....	.0	.0	.0	.0	.0
10. Total capital gains (losses).....	.170,839	.0	.170,839	(62,966)	.0

DETAILS OF WRITE-INS

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

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

	1 Total	2 Industrial Life	Ordinary			5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	6 Life Insurance		7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other		
FIRST YEAR (other than single)												
1. Uncollected.....	259,758			2,366					16,455		240,937	
2. Deferred and accrued.....	93,638			93,638								
3. Deferred, accrued and uncollected:												
3.1 Direct.....	359,656			96,004					16,565		247,087	
3.2 Reinsurance assumed.....	0											
3.3 Reinsurance ceded.....	6,260								110		6,150	
3.4 Net (Line 1 + Line 2).....	353,396	0	96,004	0	0		0	0	16,455	0	240,937	
4. Advance.....	0											
5. Line 3.4 - Line 4.....	353,396	0	96,004	0	0		0	0	16,455	0	240,937	
6. Collected during year:												
6.1 Direct.....	35,390,243			166,682					1,440,930		33,782,631	
6.2 Reinsurance assumed.....	0											
6.3 Reinsurance ceded.....	622,705			3,264					15,205		604,236	
6.4 Net.....	34,767,538	0	163,418	0	0		0	0	1,425,725	0	33,178,395	
7. Line 5 + Line 6.4.....	35,120,934	0	259,422	0	0		0	0	1,442,180	0	33,419,332	
8. Prior year (uncollected + deferred and accrued - advance).....	387,125		92,026						4,436		290,663	
9. First year premiums and considerations:												
9.1 Direct.....	35,362,008			170,523					1,453,043		33,738,442	
9.2 Reinsurance assumed.....	0											
9.3 Reinsurance ceded.....	628,199	0	3,127	0	0		0	0	15,299		609,773	
9.4 Net (Line 7 - Line 8).....	34,733,809		167,396	0	0		0	0	1,437,744	0	33,128,669	
SINGLE												
10. Single premiums and considerations:												
10.1 Direct.....	0											
10.2 Reinsurance assumed.....	0											
10.3 Reinsurance ceded.....	0											
10.4 Net.....	0	0	0	0	0	0	0	0	0	0	0	
RENEWAL												
11. Uncollected.....	1,464,647			3,943					3,460		1,457,244	
12. Deferred and accrued.....	202,701			202,701								
13. Deferred, accrued and uncollected:												
13.1 Direct.....	1,669,017			207,922					3,535		1,457,560	
13.2 Reinsurance assumed.....	0											
13.3 Reinsurance ceded.....	1,669			1,278					75		316	
13.4 Net (Line 11 + Line 12).....	1,667,348	0	206,644	0	0		0	0	3,460	0	1,457,244	
14. Advance.....	0											
15. Line 13.4 - Line 14.....	1,667,348		206,644	0	0		0	0	3,460	0	1,457,244	
16. Collected during year:												
16.1 Direct.....	126,117,159			404,773					134,585		125,577,801	
16.2 Reinsurance assumed.....	0											
16.3 Reinsurance ceded.....	33,603			26,069					667		6,867	
16.4 Net.....	126,083,556	0	378,704	0	0		0	0	133,918	0	125,570,934	
17. Line 15 + Line 16.4.....	127,750,904	0	585,348	0	0		0	0	137,378	0	127,028,178	
18. Prior year (uncollected + deferred and accrued - advance).....	1,494,549		176,241						27		1,318,281	
19. Renewal premiums and considerations:												
19.1 Direct.....	126,290,486			435,313					138,093		125,717,080	
19.2 Reinsurance assumed.....	0											
19.3 Reinsurance ceded.....	34,131			26,206					742		7,183	
19.4 Net (Line 17 - Line 18).....	126,256,355	0	409,107	0	0		0	0	137,351	0	125,709,897	
TOTAL												
20. Total premiums and annuity considerations:												
20.1 Direct.....	161,652,494	0	605,836	0	0		0	0	1,591,136	0	159,455,522	
20.2 Reinsurance assumed.....	0	0	0	0	0		0	0	0	0	0	
20.3 Reinsurance ceded.....	662,330	0	29,333	0	0		0	0	16,041	0	616,956	
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	160,990,164	0	576,503	0	0		0	0	1,575,095	0	158,838,566	

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	0										
22. All other.....	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded.....	554,045		265					13,593		540,187	
23.2 Reinsurance assumed.....	0										
23.3 Net ceded less assumed.....	554,045	0	265	0	0	0	0	13,593	0	540,187	0
24. Single:											
24.1 Reinsurance ceded.....	0										
24.2 Reinsurance assumed.....	0										
24.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded.....	2,143		304					163		1,676	
25.2 Reinsurance assumed.....	0										
25.3 Net ceded less assumed.....	2,143	0	304	0	0	0	0	163	0	1,676	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	556,188	0	569	0	0	0	0	13,756	0	541,863	0
26.2 Reinsurance assumed (Page 6, Line 22).....	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed.....	556,188	0	569	0	0	0	0	13,756	0	541,863	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	24,925,499		110,235					1,013,475		23,801,789	
28. Single.....	0										
29. Renewal.....	14,760,736		43,727					16,121		14,700,888	
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	39,686,235	0	153,962	0	0	0	0	1,029,596	0	38,502,677	0

Annual Statement for the year 2011 of the **Family Heritage Life Insurance Company of America**
EXHIBIT 2 - GENERAL EXPENSES

	Insurance			5	6		
	1 Life	Accident and Health					
		2 Cost Containment	3 All Other				
1. Rent.....	2,000		.742,412		17,061		
2. Salaries and wages.....	24,000		.8,999,054		206,803		
3.11 Contributions for benefit plans for employees.....	4,000		1,474,073		33,877		
3.12 Contributions for benefit plans for agents.....					0		
3.21 Payments to employees under non-funded benefit plans.....					0		
3.22 Payments to agents under non-funded benefit plans.....					0		
3.31 Other employee welfare.....			.257,811		.257,811		
3.32 Other agent welfare.....					0		
4.1 Legal fees and expenses.....			.212,478		.212,478		
4.2 Medical examination fees.....					0		
4.3 Inspection report fees.....	16,819				16,819		
4.4 Fees of public accountants and consulting actuaries.....			.201,000		.201,000		
4.5 Expense of investigation and settlement of policy claims.....			.122,627		.122,627		
5.1 Traveling expenses.....			.1,024,343		.1,024,343		
5.2 Advertising.....			.13,628		.13,628		
5.3 Postage, express, telegraph and telephone.....	518		.399,421		.399,939		
5.4 Printing and stationery.....			.789,896		.789,896		
5.5 Cost or depreciation of furniture and equipment.....			.51,669		.51,669		
5.6 Rental of equipment.....			.157,886		.157,886		
5.7 Cost or depreciation of EDP equipment and software.....			.435,268		.435,268		
6.1 Books and periodicals.....			.80,036		.21,204		
6.2 Bureau and association fees.....	6,500		.6,650		.101,240		
6.3 Insurance, except on real estate.....			.67,671		.13,150		
6.4 Miscellaneous losses.....					67,671		
6.5 Collection and bank service charges.....	149		.201,591		.54,812		
6.6 Sundry general expenses.....	.94		.76,964		.77,058		
6.7 Group service and administration fees.....					0		
6.8 Reimbursements by uninsured plans.....					0		
7.1 Agency expense allowance.....					0		
7.2 Agents' balances charged off (less \$.....0 recovered).....			-(5,414)		-(5,414)		
7.3 Agency conferences other than local meetings.....			.739,146		.739,146		
9.1 Real estate expenses.....					0		
9.2 Investment expenses not included elsewhere.....					0		
9.3 Aggregate write-ins for expenses.....	90,665	0	.3,908,273	0	0		
10. General expenses Incurred.....	144,745	0	.19,956,483	0	.333,757		
11. General expenses unpaid December 31, prior year.....	11,625		.4,157,193		.5,500		
12. General expenses unpaid December 31, current year.....	9,975		.4,506,419		.10,200		
13. Amounts receivable relating to uninsured plans, prior year.....					0		
14. Amounts receivable relating to uninsured plans, current year.....					0		
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14).....	146,395	0	.19,607,257	0	.329,057		

DETAILS OF WRITE-INS

09.301. Consultant Fees.....			.208,006		.208,006
09.302. Recruiting Expenses.....			.181,699		.181,699
09.303. Donations.....			.110,109		.110,109
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	90,665	0	.3,408,459	0	.0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	90,665	0	.3,908,273	0	.3,998,938

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

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes.....					0
2. State insurance department licenses and fees.....					.419,444
3. State taxes on premiums.....					.2,974,063
4. Other state taxes, including \$.....0 for employee benefits.....					0
5. U.S. Social Security taxes.....					.492,697
6. All other taxes.....					.34,727
7. Taxes, licenses and fees incurred.....	.6,657	.3,914,274	0	0	.3,920,931
8. Taxes, licenses and fees unpaid December 31, prior year.....	3,000	.1,116,000			.1,119,000
9. Taxes, licenses and fees unpaid December 31, current year.....	2,600	.1,299,400			.1,302,000
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	7,057	.3,730,874	0	0	.3,737,931

EXHIBIT 4 - DIVIDENDS OR REFUNDS

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

DETAILS OF WRITE-INS

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

Family Heritage Life Insurance Company of America
EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
Life Insurance:					
0100001. 80 CSO 4.5% NLP IDB 01-06.....	124,234		124,234		
0100002. 01 CSO 4.0% NLP IDB 07-NB.....	294,515		294,515		
0100003. 01 CSO 4.0% CRVM IDB 07-NB.....	409,752		409,752		
0100004. 01 CSO 4.25% CRVM IDB 07-NB.....	277,980		277,980		
0199997. Totals (Gross).....	1,106,481	0	1,106,481	0	0
0199998. Reinsurance ceded.....	31,017		31,017		
0199999. Totals (Net).....	1,075,464	0	1,075,464	0	0
Accidental Death Benefits:					
0400001. 59 ADB 4.5% NLP IDB 01-06.....	5,399		5,399		
0400002. 59 ADB 4.0% NLP IDB.....	17,061		17,061		
0400003. 59 ADB 3.0% ALB NLP IDB.....	9,636		9,636		
0499997. Totals (Gross).....	32,096	0	32,096	0	0
0499999. Totals (Net).....	32,096	0	32,096	0	0
9999999. Totals (Net) - Page 3, Line 1.....	1,107,560	0	1,107,560	0	0

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


 * 7 7 9 6 8 2 0 1 1 3 7 0 0 0 0 0 0 *

4. Has the reporting entity any assessment or stipulated premium contracts in force? If so, state: Yes [] No [X]
 4.1 Amount of insurance: \$.....
 4.2 Amount of reserve: \$.....
 4.3 Basis of reserve: \$.....
 4.4 Basis of regular assessments: \$.....
 4.5 Basis of special assessments: \$.....
 4.6 Assessments collected during year: \$.....

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

6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [] No [X]
 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$.....
 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$.....
 Attach statement of methods employed in their valuation.

7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes [] No [X]
 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: \$.....
 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount: \$.....
 7.3 State the amount of reserves established for this business: \$.....
 7.4 Identify where the reserves are reported in the blank.

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

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

NONE

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	8,252,492	129,493			12,180	8,110,819			
2. Additional contract reserves (a).....	402,365,926				.633	402,365,293			
3. Additional actuarial reserves - Asset/Liability analysis.....	0								
4. Reserve for future contingent benefits.....	0								
5. Reserve for rate credits.....	0								
6. Aggregate write-ins for reserves.....	0	0	0	0	0	0	0	0	0
7. Totals (Gross).....	410,618,418	129,493	0	0	12,813	410,476,112	0	0	0
8. Reinsurance ceded.....	44,562	472			1,716	42,374			
9. Totals (Net).....	410,573,856	129,021	0	0	11,097	410,433,738	0	0	0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	1,422,431	16,751				1,405,680			
11. Additional actuarial reserves - Asset/Liability analysis.....	0								
12. Reserve for future contingent benefits.....	0								
13. Aggregate write-ins for reserves.....	0	0	0	0	0	0	0	0	0
14. Totals (Gross).....	1,422,431	16,751	0	0	0	1,405,680	0	0	0
15. Reinsurance ceded.....	0								
16. Totals (Net).....	1,422,431	16,751	0	0	0	1,405,680	0	0	0
17. TOTALS (Net).....	411,996,287	145,772	0	0	11,097	411,839,418	0	0	0
18. TABULAR FUND INTEREST.....	0								

DETAILS OF WRITE-INS

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

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

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

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

NONE

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

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct.....	1,219,371										1,219,371
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net.....	1,219,371	0	0	0	0	0	0	0	0	0	1,219,371
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	0										
2.12 Reinsurance assumed.....	0										
2.13 Reinsurance ceded.....	0										
2.14 Net.....	0	0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	0
2.2 Other:											
2.21 Direct.....	370,000		50,000								320,000
2.22 Reinsurance assumed.....	0										
2.23 Reinsurance ceded.....	23,480		23,480								
2.24 Net.....	346,520	0	(b).....26,520	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....320,000
3. Incurred but unreported:											
3.1 Direct.....	10,316,245								207,213		10,109,032
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	62,417										62,417
3.4 Net.....	10,253,828	0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	207,213	(b).....0	(b).....10,046,615
4. Totals:											
4.1 Direct.....	11,905,616	0	50,000	0	0	0	0	0	207,213	0	11,648,403
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	85,897	0	23,480	0	0	0	0	0	0	0	62,417
4.4 Net.....	11,819,719	(a).....0	(a).....26,520	0	0	0	(a).....0	0	207,213	0	11,585,986

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

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for

Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....0,

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

are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

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

	1 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.....	41,279,124		110,000						80,680		41,088,444
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	17,914										17,914
1.4 Net.....	(d) 41,261,210	0	110,000	0	0	0	0	0	80,680	0	41,070,530
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	11,905,616		50,000						207,213		11,648,403
2.2 Reinsurance assumed.....	0										
2.3 Reinsurance ceded.....	85,897		23,480								.62,417
2.4 Net.....	11,819,719	0	26,520	0	0	0	0	0	207,213	0	11,585,986
3. Amounts recoverable from reinsurers December 31, current year.....	74,787		74,787								
4. Liability December 31, prior year:											
4.1 Direct.....	11,438,469								15,656		11,422,813
4.2 Reinsurance assumed.....	0										
4.3 Reinsurance ceded.....	0										
4.4 Net.....	11,438,469	0	0	0	0	0	0	0	15,656	0	11,422,813
5. Amounts recoverable from reinsurers December 31, prior year.....	0										
6. Incurred benefits:											
6.1 Direct.....	41,746,271	0	160,000	0	0	0	0	0	272,237	0	41,314,034
6.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded.....	178,598	0	98,267	0	0	0	0	0	0	0	.80,331
6.4 Net.....	41,567,673	0	61,733	0	0	0	0	0	272,237	0	41,233,703

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

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

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

(d) Includes \$.....0 premiums waived under total and permanent disability benefits.

Annual Statement for the year 2011 of the **Family Heritage Life Insurance Company of America**
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	16,237,467	14,445,561	(1,791,906)
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....	262,616	296,321	33,705
21. Furniture and equipment, including health care delivery assets.....	69,246	120,881	51,635
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	9,763,263	8,097,100	(1,666,163)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	26,332,592	22,959,863	(3,372,729)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	26,332,592	22,959,863	(3,372,729)

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Other Assets Non-Admitted.....	40,497	40,497	0
2502. Agent Balances.....	9,128,956	7,603,981	(1,524,975)
2503. Prepaid Expenses.....	593,810	452,622	(141,188)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	9,763,263	8,097,100	(1,666,163)

NOTES TO FINANCIAL STATEMENTS**Note 1 - Summary of Significant Accounting Policies**

This is a statement of the accounting principles and methods applied in preparing these statutory financial statements.

A. Accounting Practices

The Company presents these financial statements on the basis of accounting principles prescribed or permitted by the Ohio Insurance Department. 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.

	<u>12-31-2011</u>	<u>12-31-2010</u>
Net Income - Ohio Basis	\$15,580,835	\$14,041,513
State Prescribe Practices - None	-0-	-0-
State Permitted Practices - None	-0-	-0-
Net Income - NAIC SAP	<u>\$15,580,835</u>	<u>\$14,041,513</u>
 Statutory Surplus - Ohio Basis	 \$55,308,182	 \$48,331,135
State Prescribe Practices - None	-0-	-0-
State Permitted Practices - None	-0-	-0-
Statutory Surplus - NAIC SAP	<u>\$55,308,182</u>	<u>\$48,331,135</u>

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

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

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Health premiums are earned ratably over the terms of the related insurance policies. 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 amortized cost using yield to worst.
3. Liabilities for losses and loss/claim adjustment expenses for accident and health contracts are estimated by the Company's valuation actuary using statistical claim development models and tabular reserves employing mortality/morbidity tables.
4. The Company has a 50% ownership interest in the joint venture which owns the company's home office site. This investment is carried at equity at December 31, 2011.

Note 2 - Accounting Changes and Corrections of Errors

Not applicable

Note 3 - Business Combinations and Goodwill

Not applicable

Note 4 - Discontinued Operations

Not applicable

NOTES TO FINANCIAL STATEMENTS**Note 5 - Investments**

- A. Mortgage Loans - Not applicable
- B. Debt Restructuring - Not applicable
- C. Reverse Mortgages - Not applicable
- D. Loan-Backed Securities - Not applicable
- E. Repurchase Agreements and/or Securities Lending Transactions - Not applicable
- F. Real Estate - Not applicable
- G. Low Income Housing Tax Credits - Not applicable

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investment in joint ventures, partnerships, or limited liability companies that exceeds 10% of its admitted assets. Its current investment in a joint venture is less than 1.0% of admitted assets at December 31, 2011.
- B. There was no impairment to the Company's only investment in a joint venture.

Note 7 - Investment Income

No investment income due or accrued was nonadmitted as December 31, 2011.

Note 8 - Derivative Instruments

Not applicable

Note 9 - Income Taxes

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

1.

	2011			2010			Change		
	1 Ordinary	2 Capital	3 Total	1 Ordinary	2 Capital	3 Total	1 Ordinary	2 Capital	3 Total
a) Gross DTAs	19,733,666	0	19,733,666	17,830,598	0	17,830,598	1,903,068	0	1,903,068
b) Statutory Valuation Allowance	0	0	0	0	0	0	0	0	0
c) Adjusted Gross DTAs (a-b)	19,733,666	0	19,733,666	17,830,598	0	17,830,598	1,903,068	0	1,903,068
d) DTLs	268,199	0	268,199	210,037	0	210,037	58,162	0	58,162
e) Subtotal (Net DTAs) (c-d)	19,465,467	0	19,465,467	17,620,561	0	17,620,561	1,844,906	0	1,844,906
f) DTAs Nonadmitted	16,237,467	0	16,237,467	14,445,561	0	14,445,561	1,791,906	0	1,791,906
g) Net Admitted DTAs (e-f)	3,228,000	0	3,228,000	3,175,000	0	3,175,000	53,000	0	53,000

- 2. The Company has elected not to admit additional DTAs pursuant to SSAP 10R, paragraph 10e for the reporting period ended December 31, 2011. The current period election does not differ from the prior year-end.
- 3. Not Applicable.

NOTES TO FINANCIAL STATEMENTS

4.

	2011			2010			Change		
	1 Ordinary	2 Capital	3 Total	1 Ordinary	2 Capital	3 Total	1 Ordinary	2 Capital	3 Total
Admission Calculation Components - SSAP 10R, paragraphs 10.a, 10.b, and 10.c									
a) Paragraph 10.a	0	0	0	0	0	0	0	0	0
b) Paragraph 10.b (the lesser of 10.b and 10.b.ii below)	3,228,000	0	3,228,000	3,175,000	0	3,175,000	53,000	0	53,000
c) Paragraph 10.b.i	3,228,000	0	3,228,000	3,175,000	0	3,175,000	53,000	0	53,000
d) Paragraph 10.b.ii	XXX	XXX	4,947,988	XXX	XXX	4,074,728	XXX	XXX	873,260
e) Paragraph 10.c	268,199	0	268,199	210,037	0	210,037	58,162	0	58,162
f) Total (a+b+e)	3,496,199	0	3,496,199	3,385,037	0	3,385,037	111,162	0	111,162
Admission Calculation Components - SSAP 10R, paragraph 10.e:									
g) Paragraph 10.e.i	-	-	-	-	-	-	-	-	-
h) Paragraph 10.e.ii (the lesser of 10.e.ii.a and 10.e.ii.b below)	-	-	-	-	-	-	-	-	-
i) Paragraph 10.e.ii.a	-	-	-	-	-	-	-	-	-
j) Paragraph 10.e.ii.b	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
k) Paragraph 10.e.iii	-	-	-	-	-	-	-	-	-
l) Total (g+h+k)	0	0	0	0	0	0	0	0	0
Used in SSAP 10R, Paragraph 10.d									
m) Total Adjusted Capital	XXX	XXX	55,641,182	XXX	XXX	48,851,135	XXX	XXX	6,990,047
n) Authorized Control Level	XXX	XXX	3,351,418	XXX	XXX	3,169,832	XXX	XXX	181,586

5.

	2011			2010			Change		
	1 Ordinary	2 Capital	3 Total	1 Ordinary	2 Capital	3 Total	1 Ordinary	2 Capital	3 Total
Impact on Tax Planning Strategies									
a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	-	-	-	-	-	-	-	-	-
b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	-	-	-	-	-	-	-	-	-

6.

	2011			2010			Change		
	1 Ordinary	2 Capital	3 Total	1 Ordinary	2 Capital	3 Total	1 Ordinary	2 Capital	3 Total
SSAP 10R, Paragraphs 10.a, 10.b and 10.c									
a) Admitted Deferred Tax Assets	3,228,000	0	3,228,000	3,175,000	0	3,175,000	53,000	0	53,000
b) Admitted Assets	XXX	XXX	488,459,491	XXX	XXX	431,934,801	XXX	XXX	56,524,890
c) Adjusted Statutory Surplus*	XXX	XXX	49,479,878	XXX	XXX	40,747,277	XXX	XXX	8,732,801
d) Total Adjusted Capital from DTA	XXX	XXX	3,228,000	XXX	XXX	3,175,000	XXX	XXX	53,000
Increases due to SSAP 10R, paragraph 10.e									
e) Admitted Deferred Tax Assets	-	-	-	-	-	-	-	-	-
f) Admitted Assets	-	-	-	-	-	-	-	-	-
g) Statutory Surplus	-	-	-	-	-	-	-	-	-

* As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No. 10R, Paragraph 10bii.

B. The Company does not have any Deferred Tax Liabilities being unrecognized.

C. Current and deferred income taxes consist of the following major components

1. Current Income Tax

	2011	2010	Change
a) Federal	11,439,129	9,544,710	1,894,419
b) Foreign	0	0	0
c) Subtotal	11,439,129	9,544,710	1,894,419
d) Federal Income tax on net capital gains	59,794	0	59,794
e) Utilization of capital loss carry-forwards	0	0	0
f) Other	0	0	0
g) Federal and Foreign income taxes incurred	11,498,923	9,544,710	1,954,213

NOTES TO FINANCIAL STATEMENTS

2, 3 and 4. Deferred Tax Assets & Liabilities

	2011	2010	Change
<u>Deferred Tax Assets (DTA)</u>			
Ordinary			
DPAC	8,697,812	7,544,550	1,153,262
Bad Debt Allowance	516,250	570,500	(54,250)
Reserves	8,636,064	8,053,546	582,518
Premium Taxes	287,000	257,250	29,750
Stock Options	1,596,540	1,404,752	191,788
Gross Deferred Tax Assets	19,733,666	17,830,598	1,903,068
Statutory Valuation Allowance		0	
Adjusted Gross DTA	19,733,666	17,830,598	1,903,068
<u>Deferred Tax Liabilities (DTL)</u>			
Ordinary			
Deferred & Uncollected Premiums	60,365	51,619	8,746
Prepaid Expenses	207,834	158,418	49,416
Deferred Tax Liabilities	268,199	210,037	58,162
Net Deferred Tax Assets	19,465,467	17,620,561	1,844,906
Non-Admitted Deferred Tax Assets	(16,237,467)	(14,445,561)	(1,791,906)
Net Admitted Deferred Tax Asset	<u>3,228,000</u>	<u>3,175,000</u>	<u>53,000</u>

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

	2011	
	Amounts	Effective Tax Rate
Provisions computed at Statutory Rate	9,516,781	35.0%
Reserves	582,518	2.2
DAC	1,153,426	4.3
Stock option expense	291,015	1.1
Joint Venture	(48,115)	(0.2)
Bad Debt Allowance	(54,250)	(0.2)
Other	4,546	0.0
Totals	11,445,923	42.4%
Federal Income Taxes Incurred	11,439,129	42.3
Realized capital gains (losses) tax	59,794	0.2
Change in net deferred income taxes	(53,000)	(0.2)
Total statutory income taxes	<u>11,445,923</u>	<u>42.4%</u>

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

- At December 31, 2011 the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The following income taxes were incurred in the current and prior years that are available for recoupment in the event of future net losses.

Year	Amount
2011	\$12,156,000
2010	\$10,090,000

- The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code

F. Consolidated Federal Income Tax Return - Not applicable

NOTES TO FINANCIAL STATEMENTS**Note 10 - Information Concerning Parent, Subsidiaries and Affiliates**

Subsidiaries and Affiliates

- A. Southwestern American Financial Corporation ("SAFC") owns 100% of the voting stock of the Company. Family Resources Incorporated ("FRI") owns non-voting stock of the Company
- B. During May of 2011, a related material transaction was made between the Company and FRI as detailed in Note 13.
- C. The Company and SAFC operate under a cost-sharing agreement approved by the State of Ohio. Costs incurred by the Company under this agreement were \$13,253,309 and \$12,148,367 for the years 2011 and 2010, respectively. The Company owed SAFC \$868,327 and \$888,933 at year end 2011 and 2010, respectively. These amounts are generally paid within 45 days of the period's end.
- D. Nothing to report.
- E. There are no guarantees or undertakings for the benefit of affiliated party, other than that disclosed in these Notes.
- F. There are no material management or service contacts and cost-sharing arrangements involving the Company and any related party other than disclosed in these Notes.
- G. SAFC is 81.93% owned by Southwestern/Great American, Inc., a Nashville, TN company.

H., I., J, K. and L. - Not applicable

Note 11 - Debt

A & B - None.

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

- A., B. and C. Defined Benefit Plan - Not applicable

- D. Consolidated/Holding Company Plans

The Company's employees participate in its ultimate controlling entity's profit-sharing plan. The plan is funded currently and can be cancelled at any time. Funds are self-directed by all employees.

- E. Compensated absences/vacation pay is recorded as an accrued liability in salaries and wages general expense.

- F. Impact of Medicare Modernization Act on Postretirement Benefits - Not applicable

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

- 1. The Company's capital is common stock; 2000 shares are authorized: 1,000 shares are Class A stock at \$12,000 per share and another 1,000 shares are Class B Stock at \$1.00 per share. 213 Class A shares (\$12,000 per share par value) and 950 Class B shares (\$1.00 per share par value) are issued and outstanding at 12/31/2011. There are no other classes of capital stock.
- 2. The Company has no preferred stock.
- 3., 4. and 5. Dividends on company stock are paid as declared by its Board of Directors and are subject to regulations of the State of Ohio.

On February 28, 2011, the Company's Board of Directors authorized the issuance of 950 shares of a new class (B) nonvoting common stock to FRI, an unconsolidated affiliate that is a wholly owned consolidated subsidiary of Southwestern/Great American Inc., for \$95 million in order to recapitalize the Company. Upon the approval of the Ohio Department of Insurance, the sale of such nonvoting common stock was executed on May 3, 2011 and the proceeds were used to fund a \$100 million cash dividend declared by the Company of which \$95 million was paid to SAFC on May 3, 2011 and the remainder, \$5 million, was paid to SAFC on May 4, 2011.

On November 28, 2011, the Company submitted a \$1,999,999 extraordinary cash dividend request to the Ohio Department of Insurance. The request was approved on December 22, 2011 and the dividend was paid in full on December 30, 2011.

6. 7. and 8. Not applicable

9. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) is as follows:

2004 - 2011 Unrealized Gain on Joint Venture - \$202,977

10. 11, 12 and 13. - Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 14 - Contingencies

- A. Contingent Commitments - None
- B. Assessments

The Company estimates that insolvencies will result in future guaranty fund assessments against the Company of \$50,000. This amount has been recorded as a liability on December 31, 2011.

- C. Gain Contingencies - None
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits - Not applicable
- E. All Other Contingencies

Various liabilities arise in the normal course of the Company's business and have been recorded. We believe that any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position

Note 15 - Leases

- A. Lessee Leasing Arrangements

The Company leases office space, furniture and equipment under various noncancelable operating leases that expire through 2016. Rental expense for 2011 and 2010 was approximately \$836,000 and \$787,000, respectively.

At December 31, 2011, the minimum aggregate rental commitments are as follows for the five succeeding years:

<u>Year Ended December 31</u>	<u>Operating Leases</u>
2012	\$745,000
2013	680,000
2014	701,000
2015	701,000
2016	234,000
Beyond 2016	234,000

The Company has no sublease or sale-leaseback transactions.

- B. Lessor Leases - Not applicable

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

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

Not applicable

Note 20 - Fair Value Measurements

Not Applicable - the company does not value any assets or liabilities at fair value.

NOTES TO FINANCIAL STATEMENTS**Note 21 - Other Items**

- A. Extraordinary Items - Not applicable
- B. Troubled Debt Restructuring - Not applicable
- C. Other Disclosures
- Assets with book values of \$8,893,659 and \$9,126,761 and maturity values of \$10,025,000 and \$10,325,000 at December 31, 2011 and 2010, respectively, were on deposit with government authorities or trustees as required by law.
- D. Uncollectible premiums receivable - Not applicable
- E. Business Interruption Insurance Recoveries - Not applicable
- F. State Transferable and Non-Transferable Tax Credits - Not applicable
- G. Subprime Mortgage Related Risk Exposure - Not applicable
- H. Retained Assets - Not applicable

Note 22 - Events Subsequent

None

Note 23 - Reinsurance**A. Ceded Reinsurance Report****Section 1 - General Interrogatories**

- A. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by an representative, officer, trustee, or director of the company?
Yes () No (X)
- B. Have any polices 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

- A. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
Yes () No (X)
- B. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts 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)

Section 3 - Ceded Reinsurance Report - Part B

- A. What is the estimated amount of the aggregate reduction in surplus, for agreements, not 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
- B. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in-force or which had existing reserves established by the company as of the effective date of the agreement?
Yes () No (X)

B. Uncollectible Reinsurance - None**C. Commutation of the reinsurance reflected in income and expenses - None**

NOTES TO FINANCIAL STATEMENTS

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves on accident and health contracts for incurred losses and loss adjustment expenses attributable to insured events or prior years developed as anticipated during 2011. See Schedule H - Part 3 and the Five Year Historical Data. Original estimates are increased or decreased as additional information becomes known regarding individual claims. However, no significant trends or unanticipated events were noted in 2011. None of the Company's accident and health contracts are subject to retrospective rating or experience refunds.

Note 26 - Intercompany Pooling Arrangements

Not applicable.

Note 27 - Structured Settlements

Not applicable.

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

As of December 31, 2011 the Company had liabilities of \$0 related to premium deficiency reserves. The Company did consider anticipated investment income when calculating its premium deficiency reserves.

Note 31 - Reserves for Life Contracts and Annuity Contracts

1. The company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
2. The Company does not currently issue substandard policies, and does not have any substandard policies in force.
3. There are no policies where the gross premiums are less than the net premiums.
4. Tabular Interest and Tabular Cost shown on Page 7 have been determined by formula as described in the instructions for Page 7.
5. None
6. None

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

Not applicable.

Note 33 - Premiums and Annuity Considerations Deferred and Uncollected

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2011, were as follows

Type	Gross	Net of Loading
1) Industrial	-0-	-0-
2) Ordinary New Business	\$96,004	\$16,161
3) Ordinary Renewal	\$206,644	\$156,311
4) Credit Life	-0-	-0-
5) Group Life	-0-	-0-
6) Group Annuity	-0-	-0-
7) Total	\$302,648	\$172,472

NOTES TO FINANCIAL STATEMENTS**Note 34 - Separate Accounts**

Not applicable

Note 35 - Loss/Claim Adjustment Expenses

	2011
Liability for Future Claim Expenses, Prior Year	620,410
Liability for Future Claim Expenses, Current Year	665,977
Claim Payments - Current Year	41,169,124
Claim Expense Percentage	5.5%
Claim Expenses Paid	2,264,302
Claim Expense Incurred (Paid + Change in Liability)	2,309,869
Claim Payments Current Year for Prior Year Incurals	9,886,652
Claim Expense Percentage	5.5%
Claim Expenses Paid in Current Year for Prior Year Incurals	543,766

The balance in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2011 and December 31, 2010 was \$665,977 and \$620,410 respectively.

The Company incurred \$2,309,869 and paid \$2,264,302 of claim adjustment expenses in the current year, of which \$543,766 of the paid amount was attributable to insured or covered events of prior years.

The Company does not anticipate any salvage or subrogated amounts and therefore no such amounts are reflected in the liability for unpaid claims or losses.

Family Heritage Life Insurance Company of America

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]														
1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]														
1.3 State regulating? <u>Ohio</u>															
2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]														
2.2 If yes, date of change:	<u>03/23/2011</u>														
3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.	<u>12/31/2006</u>														
3.2 State as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.	<u>12/31/2006</u>														
3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).	<u>07/16/2008</u>														
3.4 By what department or departments? <u>Ohio Department of Insurance</u>															
3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/>]														
3.6 Have all of the recommendations within the latest financial examination report been complied with?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]														
4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:															
4.11 sales of new business?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]														
4.12 renewals?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]														
4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:															
4.21 sales of new business?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]														
4.22 renewals?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]														
5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]														
5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">1 Name of Entity</td> <td style="width: 33%; text-align: center;">2 NAIC Co. Code</td> <td style="width: 33%; text-align: center;">3 State of Domicile</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>		1 Name of Entity	2 NAIC Co. Code	3 State of Domicile											
1 Name of Entity	2 NAIC Co. Code	3 State of Domicile													
6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]														
6.2 If yes, give full information:															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Nationality</td> <td style="width: 50%; text-align: center;">2 Type of Entity</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		1 Nationality	2 Type of Entity												
1 Nationality	2 Type of Entity														
7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]														
7.2 If yes,%%														
7.21 State the percentage of foreign control															
7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Nationality</td> <td style="width: 50%; text-align: center;">2 Type of Entity</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		1 Nationality	2 Type of Entity												
1 Nationality	2 Type of Entity														
8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]														
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 14.28%; text-align: center;">1 Affiliate Name</td> <td style="width: 14.28%; text-align: center;">2 Location (City, State)</td> <td style="width: 14.28%; text-align: center;">3 FRB</td> <td style="width: 14.28%; text-align: center;">4 OCC</td> <td style="width: 14.28%; text-align: center;">5 OTS</td> <td style="width: 14.28%; text-align: center;">6 FDIC</td> <td style="width: 14.28%; text-align: center;">7 SEC</td> </tr> <tr> <td> </td> </tr> </table>		1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC							
1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC									
8.3 Is the company affiliated with one or more banks, thrifts or securities firms?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]														
8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 14.28%; text-align: center;">1 Affiliate Name</td> <td style="width: 14.28%; text-align: center;">2 Location (City, State)</td> <td style="width: 14.28%; text-align: center;">3 FRB</td> <td style="width: 14.28%; text-align: center;">4 OCC</td> <td style="width: 14.28%; text-align: center;">5 OTS</td> <td style="width: 14.28%; text-align: center;">6 FDIC</td> <td style="width: 14.28%; text-align: center;">7 SEC</td> </tr> <tr> <td> </td> </tr> </table>		1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC							
1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC									
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? <u>Ernst & Young LLP, 1300 Huntington Building, 925 Euclid Avenue, Cleveland OH 44115</u>															
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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]														
10.2 If the response to 10.1 is yes, provide information related to this exemption:															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Affiliate Name</td> <td style="width: 50%; text-align: center;">2 Location (City, State)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		1 Affiliate Name	2 Location (City, State)												
1 Affiliate Name	2 Location (City, State)														
10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]														
10.4 If the response to 10.3 is yes, provide information related to this exemption:															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Affiliate Name</td> <td style="width: 50%; text-align: center;">2 Location (City, State)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		1 Affiliate Name	2 Location (City, State)												
1 Affiliate Name	2 Location (City, State)														
10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]														
10.6 If the answer to 10.5 is no or n/a, please explain.															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Affiliate Name</td> <td style="width: 50%; text-align: center;">2 Location (City, State)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		1 Affiliate Name	2 Location (City, State)												
1 Affiliate Name	2 Location (City, State)														
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? <u>Jeffrey S. Morris, Officer, Family Heritage Life Insurance Company of America, 6001 East Royalton Road Ste. 200, Broadview Heights OH 44147</u>															
12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]														
12.11 Name of real estate holding company															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Affiliate Name</td> <td style="width: 50%; text-align: center;">2 Location (City, State)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		1 Affiliate Name	2 Location (City, State)												
1 Affiliate Name	2 Location (City, State)														
12.12 Number of parcels involved0														
12.13 Total book/adjusted carrying value	\$.....0														
12.2 If yes, provide explanation.															
As described in the notes to this statement, the company entered into a Joint Venture (50% owned) which owns the corporate home office.															

Annual Statement for the year 2011 of the **Family Heritage Life Insurance Company of America**
GENERAL INTERROGATORIES

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

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

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.

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

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

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

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

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

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

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

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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []

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

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

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

20.11 To directors or other officers	\$.....0
20.12 To stockholders not officers	\$.....0
20.13 Trustees, supreme or grand (Fraternal only)	\$.....0

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

20.21 To directors or other officers	\$.....0
20.22 To stockholders not officers	\$.....0
20.23 Trustees, supreme or grand (Fraternal only)	\$.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

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

21.21 Rented from others	.....
21.22 Borrowed from others	.....
21.23 Leased from others	.....
21.24 Other	.....

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

22.2 If answer is yes:

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

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

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.3)? Yes [X] No []

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

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

24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]

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

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3) Yes [X] No []
 25.2 If yes, state the amount thereof at December 31 of the current year:
 25.21 Subject to repurchase agreements \$.....0
 25.22 Subject to reverse repurchase agreements \$.....0
 25.23 Subject to dollar repurchase agreements \$.....0
 25.24 Subject to reverse dollar repurchase agreements \$.....0
 25.25 Pledged as collateral \$.....0
 25.26 Placed under option agreements \$.....0
 25.27 Letter stock or securities restricted as to sale \$.....0
 25.28 On deposit with state or other regulatory body \$.....8,893,659
 25.29 Other \$.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
 If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
 27.2 If yes, state the amount thereof at December 31 of the current year:
 28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
PNC Bank, National Association	PO Box 5756, Cleveland OH 44101

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]
 28.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

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

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	460,261,958	509,340,217	49,078,259
30.2 Preferred stocks.....			0
30.3 Totals.....	460,261,958	509,340,217	49,078,259

30.4 Describe the sources or methods utilized in determining the fair values:
 Market values are provided by our custodian who uses outside pricing sources.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []
 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []
 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
 32.2 If no, list exceptions:

Family Heritage Life Insurance Company of America**PART 1 - COMMON INTERROGATORIES - OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....13,150

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	2
Name	Amount Paid
MIB	6,500

34.1 Amount of payments for legal expenses, if any? \$.....212,478

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	2
Name	Amount Paid
Calfee, Halter, and Griswold	165,214

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

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

1	2
Name	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:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	0	0
2.2 Premium Denominator.....	160,990,164	145,867,627
2.3 Premium Ratio (2.1/2.2).....	0.0	0.0
2.4 Reserve Numerator.....	20,045,691	18,880,766
2.5 Reserve Denominator.....	424,923,566	371,626,889
2.6 Reserve Ratio (2.4/2.5).....	4.7	5.1

3.1 Does this reporting entity have Separate Accounts? Yes [] No [X]

3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes [] No [] N/A [X]

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

3.4 State the authority under which Separate Accounts are maintained:

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No []

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

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

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 \$.....13,253,309

4.22 Received \$.....0

5.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No [X]

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

5.21 Page 3, Line 1

5.22 Page 4, Line 1

6. For stock reporting entities only:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$.....98,646,050

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

7.11 Cash \$.....134,699,999

7.12 Stock \$.....0

GENERAL INTERROGATORIES**PART 2 - LIFE INTERROGATORIES**

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

Yes [] No [X]

Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

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

Yes [] No []

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

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

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and

8.34 for Col. (1) are:

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

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

9.1 Does the company have variable annuities with guaranteed benefits?

Yes [] No [X]

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

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

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

10.1 Amount of loss reserves established by these annuities during the current year? \$.....0

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

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

11.1 Do you act as a custodian for health savings account? Yes [] No [X]

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

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

Yes [] No [X]

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

Family Heritage Life Insurance Company of America

FIVE-YEAR HISTORICAL DATA

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

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

	1 2011	2 2010	3 2009	4 2008	5 2007
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....	48,530	43,501	36,143	30,170	8,791
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....					
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....					
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	48,530	43,501	36,143	30,170	8,791
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	17,865	19,008	20,726	34,385	8,801
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....					
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	17,865	19,008	20,726	34,385	8,801
Premium Income - Lines of Business (Exhibit 1-Part 1)					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	576,503	547,936	560,310	508,864	179,187
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....					
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....					
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....	1,575,095	188,758			
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....	158,838,566	145,130,933	131,389,847	119,475,016	104,458,572
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	160,990,164	145,867,627	131,950,157	119,983,880	104,637,759
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	488,459,491	431,934,801	365,394,066	309,398,565	262,362,285
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	433,151,309	383,603,666	323,700,330	275,373,595	235,272,079
23. Aggregate life reserves (Page 3, Line 1).....	1,107,560	866,680	637,992	386,520	225,648
24. Aggregate A&H reserves (Page 3, Line 2).....	411,996,287	359,321,740	307,095,449	258,753,307	216,397,646
25. Deposit-type contract funds (Page 3, Line 3).....					
26. Asset valuation reserve (Page 3, Line 24.01).....	333,000	320,000	230,000	215,000	190,000
27. Capital (Page 3, Lines 29 & 30).....	2,556,950	2,556,000	2,556,000	2,556,000	2,556,000
28. Surplus (Page 3, Line 37).....	52,751,232	45,775,135	39,137,736	31,468,970	24,534,206
Cash Flow (Page 5)					
29. Net Cash from operations (Line 11).....	51,144,503	54,020,318	47,909,092	37,193,423	31,259,331
Risk-Based Capital Analysis					
30. Total adjusted capital.....	55,641,182	48,651,135	41,923,736	34,239,970	27,280,206
31. Authorized control level risk-based capital.....	3,351,418	3,169,832	2,877,107	2,607,712	2,293,599
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1).....	95.6	98.2	96.6	99.6	98.3
33. Stocks (Lines 2.1 and 2.2).....					
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....					
35. Real estate (Line 4.1, 4.2 and 4.3).....					
36. Cash, cash equivalents and short-term investments (Line 5).....	4.3	1.7	3.3	0.2	1.4
37. Contract loans (Line 6).....					
38. Derivatives (Line 7).....			XXX.....	XXX.....	XXX.....
39. Other invested assets (Line 8).....	0.1	0.1	0.2	0.2	0.3
40. Receivables for securities (Line 9).....					
41. Securities lending reinvested collateral assets (Line 10).....			XXX.....	XXX.....	XXX.....
42. Aggregate write-ins for invested assets (Line 11).....					
43. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0

Family Heritage Life Insurance Company of America

FIVE-YEAR HISTORICAL DATA

(continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12 Col. 1).....	.....	.....	.....	.....	.....
45. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1).....	.....	.....	.....	.....	.....
46. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1).....	.....	.....	.....	.....	.....
47. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....	.....	.....	.....	.....	.....
48. Affiliated mortgage loans on real estate .....	.....	.....	.....	.....	.....
49. All other affiliated.....	.....	.....	.....	.....	.....
50. Total of above Lines 44 to 49.....	0	0	0	0	0
Total Nonadmitted and Admitted Assets					
51. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	26,332,592	22,959,863	8,667,136	8,856,752	8,130,070
52. Total admitted assets (Page 2, Line 28, Col. 3).....	488,459,491	431,934,801	365,394,066	309,398,565	262,362,285
Investment Data					
53. Net investment income (Exhibit of Net Investment Income).....	23,679,225	20,833,507	20,204,776	18,262,023	15,832,275
54. Realized capital gains (losses) (Page 4, Line 34, Column 1).....	.....	.....	.....	1,720	.....
55. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	(62,966)	83,052	72,826	70,426	55,038
56. Total of above Lines 53, 54 and 55.....	23,616,259	20,916,559	20,277,602	18,334,169	15,887,313
Benefits and Reserve Increase (Page 6)					
57. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....	79,783	28,603	27,958	13,309	14,087
58. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	41,505,940	32,199,575	26,427,856	22,710,231	18,674,097
59. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	240,880	228,688	251,472	160,872	48,313
60. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	52,674,547	52,226,291	48,342,142	42,355,661	36,335,674
61. Dividends to policyholders (Line 30, Col 1).....	.....	.....	.....	.....	.....
Operating Percentages					
62. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	36.8	37.6	39.2	41.4	45.2
63. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	27.5	28.8	43.8	66.7	5.5
64. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	58.5	57.9	56.7	54.2	52.7
65. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....	.....	.....	.....	.....	.....
66. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	39.4	40.2	41.7	43.9	47.5
A&H Claim Reserve Adequacy					
67. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	17,821	.....	.....	.....	.....
68. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	15,656	.....	.....	.....	.....
69. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	11,292,002	9,334,033	9,095,097	7,582,425	6,790,290
70. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	12,767,098	10,576,394	9,151,692	8,138,237	7,307,510
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
71. Industrial life (Col. 2).....	.....	.....	.....	.....	.....
72. Ordinary - life (Col. 3).....	3,442	18,177	11,838	(65,375)	(74,749)
73. Ordinary - individual annuities (Col. 4).....	.....	.....	.....	.....	.....
74. Ordinary - supplementary contracts (Col. 5).....	.....	.....	.....	.....	.....
75. Credit life (Col. 6).....	.....	.....	.....	.....	.....
76. Group life (Col. 7).....	.....	.....	.....	.....	.....
77. Group annuities (Col. 8).....	.....	.....	.....	.....	.....
78. A&H - group (Col. 9).....	104,464	107	.....	.....	.....
79. A&H - credit (Col. 10).....	.....	.....	.....	.....	.....
80. A&H - other (Col. 11).....	15,472,929	14,023,229	13,322,486	12,779,675	7,224,167
81. Aggregate of all other lines of business (Col. 12).....	.....	.....	.....	.....	.....
82. Total (Col. 1).....	15,580,835	14,041,513	13,334,324	12,714,300	7,149,418

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

Yes [] No []

If no, please explain:

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group		10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	7 Number of Policies	8 Certificates	
1. In force end of prior year.....			797	43,501					43,501
2. Issued during year.....			323	17,865					17,865
3. Reinsurance assumed.....									0
4. Revived during year.....			1	.75					.75
5. Increased during year (net).....				.25					.25
6. Subtotals, Lines 2 to 5.....	0	0	324	17,965	0	0	0	0	17,965
7. Additions by dividends during year.....	XXX		XXX		XXX		XXX	XXX	0
8. Aggregate write-ins for increases.....	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8).....	0	0	1,121	61,466	0	0	0	0	61,466
Deductions during year:									
10. Death.....			1	.50			XXX		.50
11. Maturity.....							XXX		0
12. Disability.....							XXX		0
13. Expiry.....				100					100
14. Surrender.....			.32	1,887					1,887
15. Lapse.....			180	10,775					10,775
16. Conversion.....							XXX	XXX	0
17. Decreased (net).....			1	124					124
18. Reinsurance.....									0
19. Aggregate write-ins for decreases.....	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19).....	0	0	.214	12,936	0	0	0	0	12,936
21. In force end of year (Line 9 minus Line 20).....	0	0	907	48,530	0	0	0	0	48,530
22. Reinsurance ceded end of year.....	XXX		XXX	19,296	XXX		XXX	XXX	19,296
23. Line 21 minus Line 22.....	XXX	0	XXX	29,234	XXX	(b) 0	XXX	XXX	29,234

DETAILS OF WRITE-INS

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

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

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

Family Heritage Life Insurance Company of America**EXHIBIT OF LIFE INSURANCE (continued)**

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends.....	XXX.....		XXX.....	
25. Other paid-up insurance.....			75	611
26. Debit ordinary insurance.....	XXX.....	XXX.....		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing.....				
28. Term policies-other.....				
29. Other term insurance-decreasing.....	XXX.....		XXX.....	
30. Other term insurance.....	XXX.....		XXX.....	
31. Totals (Lines 27 to 30).....	0	0	0	0
Reconciliation to Lines 2 and 21:				
32. Term additions.....	XXX.....		XXX.....	
33. Totals, extended term insurance.....	XXX.....	XXX.....		
34. Totals, whole life and endowment.....	323	17,865	907	48,530
35. Totals (Lines 31 to 34).....	323	17,865	907	48,530

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.....		17,865		48,530
38. Credit Life (Group and Individual).....				
39. Group.....				
40. Totals (Lines 36 to 39).....	17,865	0	48,530	0

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

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

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a).....	19,885
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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	NONE
47.1	
47.2	

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium.....								
49. Disability Income.....								
50. Extended Benefits.....		XXX.....	XXX.....					
51. Other.....								
52. Total.....	0	(b).....0	0	(b).....0	0	(b).....0	0	(b).....0

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

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

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

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year.....				
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	0	0	0	0
Deductions during year:				
6. Decreased (net).....				
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	0	0	0	0
9. In force end of year.....	0	0	0	0
10. Amount on deposit.....		(a).....		(a).....
11. Income now payable.....				
12. Amount of income payable.....	(a).....	(a).....	(a).....	(a).....

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....				
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	0	0	0	0
Deductions during year:				
6. Decreased (net).....				
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	0	0	0	0
9. In force end of year.....	0	0	0	0
Income now payable:				
10. Amount of income payable.....	(a).....	XXX.....	XXX.....	(a).....
Deferred fully paid:				
11. Account balance.....	XXX.....	(a).....	XXX.....	(a).....
Deferred not fully paid:				
12. Account balance.....	XXX.....	(a).....	XXX.....	(a).....

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in force	3 Policies	4 Premiums in force	5 Policies	6 Premiums in force
1. In force end of prior year.....	709	690,327			207,205	153,323,273
2. Issued during year.....	2,509	2,405,416			48,816	41,648,914
3. Reinsurance assumed.....						
4. Increased during year (net).....		XXX.....		XXX.....		XXX.....
5. Total (Lines 1 to 4).....	3,218	XXX.....	0	XXX.....	256,021	XXX.....
Deductions during year:						
6. Conversions.....		XXX.....	XXX.....	XXX.....	XXX.....	XXX.....
7. Decreased (net).....	656	XXX.....		XXX.....	35,726	XXX.....
8. Reinsurance ceded.....		XXX.....		XXX.....		XXX.....
9. Totals (Lines 6 to 8).....	656	XXX.....	0	XXX.....	35,726	XXX.....
10. In force end of year.....	2,562	(a).....2,485,754	0	(a).....	220,295	(a).....166,554,089

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

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

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

Family Heritage Life Insurance Company of America

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	Active Status	1		Direct Business Only				
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Mem- bership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts	
		2	3					
1. Alabama.....	AL.....	10,489		2,668,051		2,678,540		
2. Alaska.....	AK.....			40,014		40,014		
3. Arizona.....	AZ.....	7,643		3,725,411		3,733,054		
4. Arkansas.....	AR.....	44,215		5,976,235		6,020,450		
5. California.....	CA.....	24,723		2,669,444		2,694,167		
6. Colorado.....	CO.....	7,596		4,282,207		4,289,803		
7. Connecticut.....	CT.....			9,872		9,872		
8. Delaware.....	DE.....	529		195,396		195,925		
9. District of Columbia.....	DC.....			17,067		17,067		
10. Florida.....	FL.....	9,999		2,047,241		2,057,240		
11. Georgia.....	GA.....	17,981		6,626,641		6,644,622		
12. Hawaii.....	HI.....			9,886		9,886		
13. Idaho.....	ID.....	770		576,615		577,385		
14. Illinois.....	IL.....	16,738		10,038,883		10,055,621		
15. Indiana.....	IN.....	2,964		8,299,268		8,302,232		
16. Iowa.....	IA.....	322		1,048,151		1,048,473		
17. Kansas.....	KS.....	4,678		4,289,564		4,294,242		
18. Kentucky.....	KY.....	27,798		4,844,897		4,872,695		
19. Louisiana.....	LA.....	2,797		3,680,928		3,683,725		
20. Maine.....	ME.....			237,953		237,953		
21. Maryland.....	MD.....	1,974		1,201,702		1,203,676		
22. Massachusetts.....	MA.....	1,201		20,340		21,541		
23. Michigan.....	MI.....	1,687		945,407		947,094		
24. Minnesota.....	MN.....	313		2,916,681		2,916,994		
25. Mississippi.....	MS.....	677		770,142		770,819		
26. Missouri.....	MO.....	12,878		2,755,427		2,768,305		
27. Montana.....	MT.....	2,949		1,760,528		1,763,477		
28. Nebraska.....	NE.....	10,378		5,732,381		5,742,759		
29. Nevada.....	NV.....	958		669,023		669,981		
30. New Hampshire.....	NH.....	3,605		187,746		191,351		
31. New Jersey.....	NJ.....			18,081		18,081		
32. New Mexico.....	NM.....	6,218		1,543,245		1,549,463		
33. New York.....	NY.....					0		
34. North Carolina.....	NC.....	42,975		6,009,253		6,052,228		
35. North Dakota.....	ND.....	2,236		1,039,050		1,041,286		
36. Ohio.....	OH.....	41,393		15,736,203		15,777,596		
37. Oklahoma.....	OK.....	1,131		2,385,455		2,386,586		
38. Oregon.....	OR.....	2,363		417,173		419,536		
39. Pennsylvania.....	PA.....	5,460		1,729,957		1,735,417		
40. Rhode Island.....	RI.....			8,853		8,853		
41. South Carolina.....	SC.....	7,662		1,087,149		1,094,811		
42. South Dakota.....	SD.....	10,014		3,137,583		3,147,597		
43. Tennessee.....	TN.....	14,316		3,847,560		3,861,876		
44. Texas.....	TX.....	156,617		33,079,886		33,236,503		
45. Utah.....	UT.....			2,918,232		2,918,232		
46. Vermont.....	VT.....	8,991		56,971		65,962		
47. Virginia.....	VA.....	13,256		3,495,717		3,508,973		
48. Washington.....	WA.....	28,387		1,973,572		2,001,959		
49. West Virginia.....	WV.....	11,011		1,357,018		1,368,029		
50. Wisconsin.....	WI.....	3,563		1,063,510		1,067,073		
51. Wyoming.....	WY.....			1,775,744		1,775,744		
52. American Samoa.....	AS.....					0		
53. Guam.....	GU.....					0		
54. Puerto Rico.....	PR.....			12,635		12,635		
55. US Virgin Islands.....	VI.....					0		
56. Northern Mariana Islands.....	MP.....					0		
57. Canada.....	CN.....					0		
58. Aggregate Other Alien.....	OT.....	0	0	0	0	0	0	
59. Subtotal.....	(a).....	571,455	0	160,935,948	0	161,507,403	0	
60. Reporting entity contributions for employee benefit plans.....	XXX.....					0		
61. Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX.....					0		
62. Dividends or refunds applied to shorten endowment or premium paying period.....	XXX.....					0		
63. Premium or annuity considerations waived under disability or other contract provisions.....	XXX.....					0		
64. Aggregate other amounts not allocable by State.....	XXX.....	0	0	0	0	0	0	
65. Totals (Direct Business).....	XXX.....	571,455	0	160,935,948	0	161,507,403	0	
66. Plus reinsurance assumed.....	XXX.....					0		
67. Totals (All Business).....	XXX.....	571,455	0	160,935,948	0	161,507,403	0	
68. Less reinsurance ceded.....	XXX.....	29,333		626,976		656,309		
69. Totals (All Business) less reinsurance ceded.....	XXX.....	542,122	0	(b).....160,308,972	0	160,851,094	0	

DETAILS OF WRITE-INS

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

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

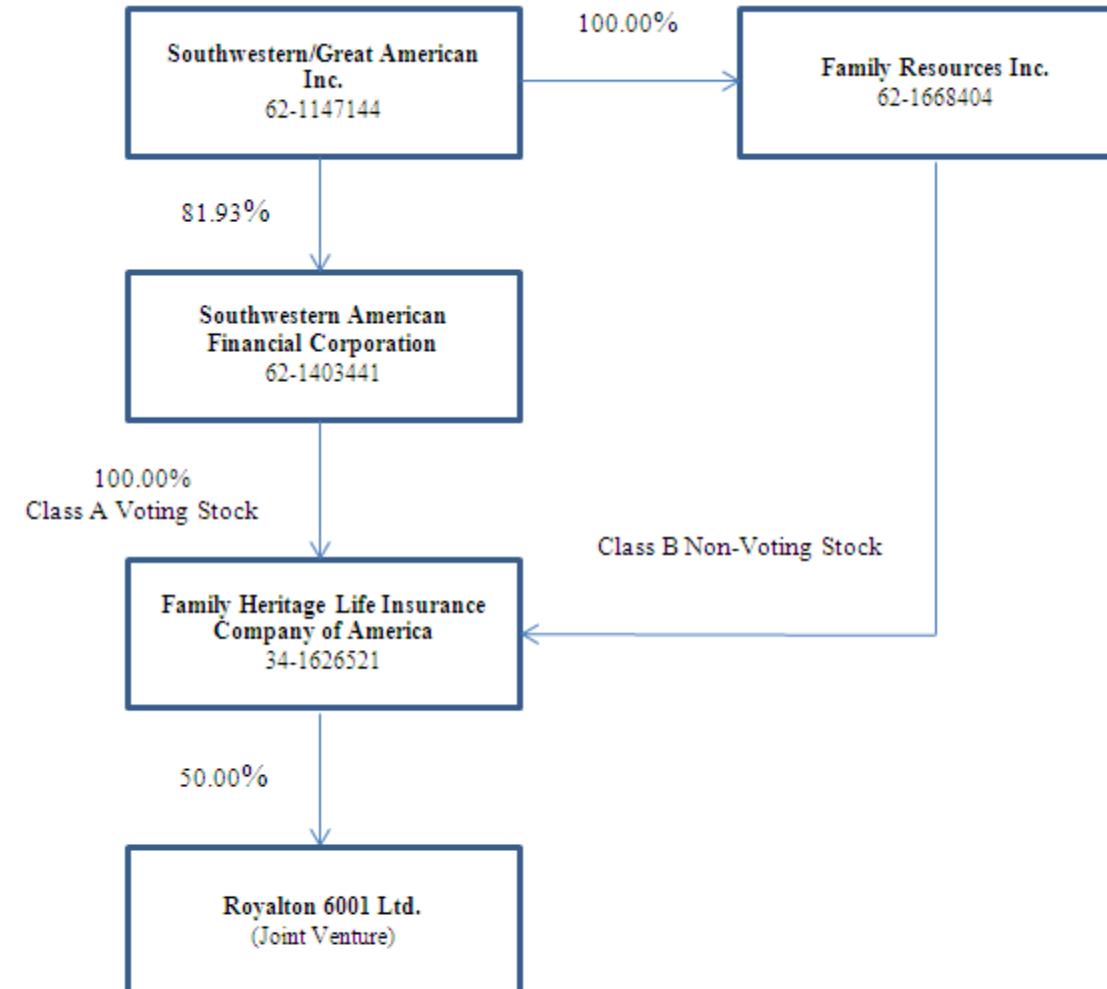
Explanation of basis of allocation by states, etc., of premiums and annuity considerations.

Allocation based on the residence of the policyholder

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

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

PART 1 – ORGANIZATIONAL CHART



Note – percentages reflect voting stock ownership/control

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