



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

Western-Southern Life Assurance Company

NAIC Group Code 0836 (Current Period) NAIC Company Code 92622 (Prior Period) Employer's ID Number 31-1000236

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

Country of Domicile US

Incorporated/Organized December 1, 1980 Commenced Business March 5, 1981

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

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

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

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

Internet Website Address www.WesternSouthernLife.com
Statutory Statement Contact Bradley J. Hunkler 513-629-2980
(Area Code) (Telephone Number) (Extension)
CompAcctGrp@WesternSouthernLife.com 513-629-1871
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OFFICERS

John Finn Barrett (Chairman of Board, President & CEO)
Donald Joseph Wuebbling (Secretary and Counsel)

OTHER OFFICERS

Edward Joseph Babbitt (VP & Sr Counsel)	Troy Dale Brodie (VP)
Keith Walker Brown (VP & Chf Underwriter)	Kim Rehling Chiodi (VP)
Keith Terrill Clark, MD (VP & Medical Director)	Robert John DalSanto (VP)
James Joseph DeLuca (VP)	Bryan Chalmer Dunn (Sr VP & Chf Mkt Off)
Lisa Beth Fangman (VP)	Clint David Gbler (Sr VP & Chf Inf Off)
Stephen Paul Hamilton (VP)	Daniel Wayne Harris (VP)
Noreen Joyce Hayes (Sr VP)	David Todd Henderson (VP & Chief Risk Officer)
Kevin Louis Howard (VP & Assoc Gen Counsel)	Bradley Joseph Hunkler (VP, Chief Accounting Officer)
Robert Scott Kahn (VP)	Philip Earl King (VP & Auditor)
Richard Anthony Krawczeski (VP)	Michael Joseph Laatsch (VP)
Harold Victor Lyons (VP)	Constance Marie Maccarone (Sr VP)
Jill Tripp McGruder (Sr VP)	Jimmy Joe Miller (Sr VP)
Michael Ryland Moser (VP & Chf Compliance Officer)	Nora Eyre Moushey (Sr VP & Chf Actuary)
Jonathan David Niemeyer (Sr VP & General Counsel)	Gene Anthony Patterson (VP)
Keith Malcom Payne (VP)	Douglas Ivan Ross (VP & Chf Tech Off)
Mario Joseph San Marco (VP)	Nicholas Peter Sargen (Sr VP & Chf Inv Off)
Denise Lynn Sparks (VP)	Jeffrey Laurence Stanton# (VP & Assoc Gen Counsel)
Thomas Martin Stapleton (VP)	Richard Kelley Taulbee (VP)
David Eugene Theurich (VP)	James Joseph Vance (VP & Treasurer)
Robert Lewis Walker (Sr VP & Chf Fin Off)	

DIRECTORS OR TRUSTEES

John Finn Barrett
Donald Allen Bliss
James Norman Clark
Jo Ann Davidson
Eugene Peter Ruehlmann
George Victor Voinovich#
George Herbert Walker, III
Thomas Luke Williams

State of Ohio }
County of Hamilton } SS

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

John Finn Barrett
Chairman of Board, President & CEO

Donald Joseph Wuebbling
Secretary and Counsel

Bradley Joseph Hunkler
VP, Chief Accounting Officer

Subscribed and sworn to before me this
3rd day of February, 2012

a. Is this an original filing? Yes (X) No ()

b. If no: 1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	9,880,752,430		9,880,752,430	10,004,546,328
2. Stocks (Schedule D):				
2.1 Preferred stocks	2,121,638		2,121,638	2,537,658
2.2 Common stocks	173,194,334	28,848,445	144,345,889	154,076,643
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	753,520,285		753,520,285	724,579,914
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$, encumbrances)				
4.2 Properties held for the production of income (less \$, encumbrances)	25,323,292		25,323,292	26,133,507
4.3 Properties held for sale (less \$, encumbrances)				
5. Cash (\$ 9,327,761 , Schedule E - Part 1) , cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 151,310,965 , Schedule DA)	160,638,726		160,638,726	393,868,485
6. Contract loans (including \$ premium notes)	44,615,044		44,615,044	45,370,918
7. Derivatives (Schedule DB)	2,920,296		2,920,296	
8. Other invested assets (Schedule BA)	128,269,119		128,269,119	100,138,397
9. Receivables for securities	4,924,891		4,924,891	4,618,810
10. Securities lending reinvested collateral assets (Schedule DL)	27,846,300		27,846,300	28,377,060
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	11,204,126,355	28,848,445	11,175,277,910	11,484,247,720
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	106,674,220		106,674,220	109,295,650
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,437,130		1,437,130	1,130,523
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	20,220,551		20,220,551	20,073,827
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	890,158		890,158	2,511,473
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	32,661,372		32,661,372	34,545,666
19. Guaranty funds receivable or on deposit	3,886,526		3,886,526	9,574,916
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$) and other amounts receivable	248,407	161,254	87,153	138,905
25. Aggregate write-ins for other than invested assets	7,949,214		7,949,214	7,632,692
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	11,378,093,933	29,009,699	11,349,084,234	11,669,151,372
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	45,778,509		45,778,509	56,188,208
28. Total (Line 26 and Line 27)	11,423,872,442	29,009,699	11,394,862,743	11,725,339,580
DETAILS OF WRITE-INS				
1101				
1102				
1103				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501. CSV of Corporate Owned Life Insurance	7,949,214		7,949,214	7,632,692
2502				
2503				
2598. Summary of remaining write-ins for Line 25 from overflow page	7,949,214		7,949,214	7,632,692
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	7,949,214		7,949,214	7,632,692

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 8,977,598,745 (Exhibit 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	8,977,598,745	8,725,764,535
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Column 1) (including \$ Modco Reserve)		
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Column 1) (including \$ Modco Reserve)	908,196,551	1,272,867,622
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10 and 11)	9,743,385	9,892,654
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10 and 11)		
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)		
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Line 4 and Line 14)	372,095	399,115
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on cancelled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public health Service Act		
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ 1,042,061 ceded	1,042,061	1,023,768
9.4 Interest Maintenance Reserve (IMR, Line 6)	13,069,859	4,602,654
10. Commissions to agents due or accrued-life and annuity contracts \$ 1,147,913 , accident and health \$ and deposit-type contract funds \$	1,147,913	1,388,636
11. Commissions and expense allowances payable on reinsurance assumed	5,813,006	5,617,406
12. General expenses due or accrued (Exhibit 2, Line 12, Column 6)		
13. Transfers to Separate Accounts due or accrued (net) (including \$ (256,682) accrued for expense allowances recognized in reserves, net of reinsured allowances)	(2,797,984)	(3,727,377)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Column 5)	5,267,444	13,145,150
15.1 Current federal and foreign income taxes, including \$ 1,007,378 on realized capital gains (losses)	5,763,005	13,373,820
15.2 Net deferred tax liability		
16. Unearned investment income	1,303,263	1,393,171
17. Amounts withheld or retained by company as agent or trustee	759,294	903,852
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated	8,002,067	7,894,078
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		25,000,000
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Column 7)	91,872,305	69,890,642
24.02 Reinsurance in unauthorized companies		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers		
24.04 Payable to parent, subsidiaries and affiliates	10,891,462	5,801,355
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		506,011
24.09 Payable for securities	391,266	14,328,798
24.10 Payable for securities lending	311,858,679	466,147,697
24.11 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	11,930,295	604,353
26. Total liabilities excluding Separate Accounts business (Line 1 to Line 25)	10,362,224,711	10,636,817,940
27. From Separate Accounts statement	45,778,509	56,188,208
28. Total liabilities (Line 26 and Line 27)	10,408,003,220	10,693,006,148
29. Common capital stock	2,500,000	2,500,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1)	761,308,064	761,308,064
34. Aggregate write-ins for special surplus funds	12,565,787	15,082,839
35. Unassigned funds (surplus)	210,485,672	253,442,529
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)	984,359,523	1,029,833,432
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ in Separate Accounts Statement)		
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	986,859,523	1,032,333,432
39. Totals of Lines 28 and 38 (Page 2, Line 28, Column 3)	11,394,862,743	11,725,339,580
DETAILS OF WRITE-INS		
2501. Uncashed drafts and checks pending escheatment to a state	508,214	604,353
2502. Unfunded Commitment Low Income Housing Tax Credit Property	11,422,081	
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	11,930,295	604,353
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Line 3101 through Line 3103 plus Line 3198) (Line 31 above)		
3401. Surplus from additional DTA (SSAP 10R)	12,565,787	15,082,839
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	12,565,787	15,082,839

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Column 1, less Column 11)	887,766,631	1,024,683,568
2. Considerations for supplementary contracts with life contingencies	3,183,959	2,830,641
3. Net investment income (Exhibit of Net Investment Income, Line 17)	603,042,447	602,096,155
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	2,535,887	395,984
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Column 1)		
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	587,866	745,602
8.2 Charges and fees for deposit-type contracts	4,641	4,835
8.3 Aggregate write-ins for miscellaneous income	338,159	1,623,296
9. Totals (Line 1 to Line 8.3)	1,497,459,590	1,632,380,081
10. Death benefits	87,181,330	83,336,304
11. Matured endowments (excluding guaranteed annual pure endowments)	1,828,606	1,854,229
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Column 4 plus Column 8)	230,265,006	198,284,816
13. Disability benefits and benefits under accident and health contracts	2,860,682	2,839,783
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	570,448,024	580,771,260
16. Group conversions	50,804,290	59,835,751
17. Interest and adjustments on contract or deposit-type contract funds	3,321,522	308,591
18. Payments on supplementary contracts with life contingencies	251,834,210	431,643,849
19. Increase in aggregate reserves for life and accident and health contracts		
20. Totals (Line 10 to Line 19)	1,198,543,670	1,358,874,583
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	55,790,502	66,273,240
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 28.2, Column 1)		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	66,400,028	63,974,064
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Column 1 plus Column 2 plus Column 3)	7,242,636	8,914,392
25. Increase in loading on deferred and uncollected premiums	(477,132)	(922,776)
26. Net transfers to or (from) Separate Accounts net of reinsurance	(8,957,587)	(17,478,698)
27. Aggregate write-ins for deductions	13,011,026	11,945,776
28. Totals (Line 20 to Line 27)	1,331,553,143	1,491,580,581
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	165,906,447	140,799,500
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	165,906,447	140,799,500
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	41,944,329	37,887,661
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)	123,962,118	102,911,839
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (4,917,364) (excluding taxes of \$ 5,924,742 transferred to the IMR)	(19,641,635)	(22,311,833)
35. Net Income (Line 33 plus Line 34)	104,320,483	80,600,006
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	1,032,333,432	1,005,040,564
37. Net income (Line 35)	104,320,483	80,600,006
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ (5,914,201)	(13,069,195)	20,380,759
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	(7,798,495)	(6,262,301)
41. Change in nonadmitted assets	(4,427,987)	(1,649,683)
42. Change in liability for reinsurance in unauthorized companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 999999, Column 4)		
44. Change in asset valuation reserve	(21,981,663)	(55,858,752)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Column 2 minus Column 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts statement		
48. Change in surplus notes		
49. Cumulative effects of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders	(100,000,000)	(25,000,000)
53. Aggregate write-ins for gains and losses in surplus	(2,517,052)	15,082,839
54. Net change in capital and surplus for the year (Line 37 through Line 53)	(45,473,909)	27,292,868
55. Capital and surplus, December 31, current year (Line 36 plus Line 54) (Page 3, Line 38)	986,859,523	1,032,333,432
DETAILS OF WRITE-INS		
08.301. Miscellaneous Income	21,638	449,119
08.302. Company Owned Life Insurance	316,521	1,174,177
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)	338,159	1,623,296
2701. Benefits for employees and agents not included elsewhere	11,877,338	10,960,819
2702. Securities lending interest expense	1,133,688	984,957
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)	13,011,026	11,945,776
5301. Change in Surplus from additional DTA (SSAP 10R)	(2,517,052)	15,082,839
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. Totals (Line 5301 through Line 5303 plus Line 5398) (Line 53 above)	(2,517,052)	15,082,839

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	891,002,631	1,029,511,741
2. Net investment income	607,963,983	607,910,369
3. Miscellaneous income	64,488	985,107
4. Total (Line 1 through Line 3)	1,499,031,102	1,638,407,217
5. Benefit and loss related payments	942,349,019	932,221,749
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	(9,226,453)	(18,172,112)
7. Commissions, expenses paid and aggregate write-ins for deductions	143,061,071	157,343,094
8. Dividends paid to policyholders	50,562,521	55,144,683
9. Federal and foreign income taxes paid (recovered) net of \$ 1,007,378 tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	1,126,746,158	1,126,537,414
11. Net cash from operations (Line 4 minus Line 10)	372,284,944	511,869,803
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	2,536,601,903	1,766,026,908
12.2 Stocks	39,470,465	19,253,654
12.3 Mortgage loans	74,386,991	51,683,179
12.4 Real estate	8,000,000	
12.5 Other invested assets	1,197,612	2,575,381
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(5,090)	43,897
12.7 Miscellaneous proceeds	624,969	14,237,887
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	2,660,276,850	1,853,820,906
13. Cost of investments acquired (long-term only):		
13.1 Bonds	2,430,171,212	2,378,789,939
13.2 Stocks	43,941,519	23,343,610
13.3 Mortgage loans	110,455,855	103,006,009
13.4 Real estate	238,732	792,088
13.5 Other invested assets	28,866,296	33,250,391
13.6 Miscellaneous applications	14,259,455	140,183
13.7 Total investments acquired (Line 13.1 through Line 13.6)	2,627,933,069	2,539,322,220
14. Net increase (decrease) in contract loans and premium notes	(755,874)	(1,420,853)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	33,099,655	(684,080,461)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(364,671,071)	75,129,141
16.5 Dividends to stockholders	125,000,000	
16.6 Other cash provided (applied)	(148,943,287)	218,062,207
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(638,614,358)	293,191,348
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)	(233,229,759)	120,980,690
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	393,868,485	272,887,795
19.2 End of year (Line 18 plus Line 19.1)	160,638,726	393,868,485

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

20.001		
20.002		
20.003		
20.004		
20.005		
20.006		
20.007		
20.008		
20.009		
20.010		

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Western-Southern Life Assurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	887,766,631		170,599,553	717,167,078	3,183,959							
2. Considerations for supplementary contracts with life contingencies	3,183,959											
3. Net investment income	603,042,447		78,758,325	430,745,758	3,668,773							89,869,591
4. Amortization of Interest Maintenance Reserve (IMR)	2,535,887		331,191	1,811,352	15,428							377,916
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded												
7. Reserve adjustments on reinsurance ceded												
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	587,866			587,866								
8.2 Charges and fees for deposit-type contracts	4,641			4,641								
8.3 Aggregate write-ins for miscellaneous income	338,159			21,638								316,521
9. Totals (Line 1 to Line 8.3)	1,497,459,590		249,689,069	1,150,338,333	6,868,160							90,564,028
10. Death benefits	87,181,330		87,181,330									
11. Matured endowments (excluding guaranteed annual pure endowments)	1,828,606		1,828,606									
12. Annuity benefits	230,265,006			230,265,006								
13. Disability benefits and benefits under accident and health contracts	2,860,682		2,860,682									
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	570,448,024			38,655,597	531,792,427							
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds	50,804,290		341,764	1,483,284	1,741,905							47,237,337
18. Payments on supplementary contracts with life contingencies	3,321,522			3,321,522								
19. Increase in aggregate reserves for life and accident and health contracts	251,834,210		37,155,324	212,930,125	1,748,761							
20. Totals (Line 10 to Line 19)	1,198,543,670		168,023,303	976,470,842	6,812,188							47,237,337
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	55,790,502		23,876,464	31,914,038								
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses	66,400,028		35,184,559	12,843,304	111,187							18,260,978
24. Insurance taxes, licenses and fees, excluding federal income taxes	7,242,636		5,682,717	1,141,321	6,403							412,195
25. Increase in loading on deferred and uncollected premiums	(477,132)		(477,132)									
26. Net transfers to or (from) Separate Accounts net of reinsurance	(8,957,587)		(8,957,587)									
27. Aggregate write-ins for deductions	13,011,026		3,494,295	1,300,315	17,806							8,198,610
28. Totals (Line 20 to Line 27)	1,331,553,143		235,784,206	1,014,712,233	6,947,584							74,109,120
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	165,906,447		13,904,863	135,626,100	(79,424)							16,454,908
30. Dividends to policyholders												
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	165,906,447		13,904,863	135,626,100	(79,424)							16,454,908
32. Federal income taxes incurred (excluding tax on capital gains)	41,944,329		4,866,702	47,469,135	(27,798)							(10,363,710)
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)	123,962,118		9,038,161	88,156,965	(51,626)							26,818,618
DETAILS OF WRITE-INS												
08.301. Miscellaneous Income		21,638			21,638							
08.302. Company Owned Life Insurance		316,521										316,521
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)		338,159			21,638							316,521
2701. Benefits for employees and agents not included elsewhere		11,877,338		3,494,295	1,300,315	17,806						7,064,922
2702. Securities lending interest expense		1,133,688										1,133,688
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Totals (Line 27/01 through Line 27/03 plus Line 2798) (Line 27 above)		13,011,026		3,494,295	1,300,315	17,806						8,198,610

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Western-Southern Life Assurance Company

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	8,725,764,535		1,109,826,982	7,595,419,910	20,517,643			
2. Tabular net premiums or considerations	882,324,153		172,121,330	707,098,148	3,104,675			
3. Present value of disability claims incurred	378,713		378,713		XXX			
4. Tabular interest	330,523,818		58,696,300	270,932,792	894,726			
5. Tabular less actual reserve released	1,793,407		1,966,620	(565,161)	391,948			
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)	(88,411)		(273,175)	184,764				
8. Totals (Line 1 to Line 7)	9,940,696,215		1,342,716,770	8,573,070,453	24,908,992			
9. Tabular cost	124,853,613		124,853,613		XXX			
10. Reserves released by death	11,057,801		11,057,801	XXX	XXX			XXX
11. Reserves released by other terminations (net)	826,630,202		57,376,942	768,746,320	506,940			
12. Annuity, supplementary contract, and disability payments involving life contingencies	10,036,160		2,903,791	4,996,721	2,135,648			
13. Net transfers to or (from) Separate Accounts	(9,480,306)			(9,480,306)				
14. Total deductions (Line 9 to Line 13)	963,097,470		196,192,147	764,262,735	2,642,588			
15. Reserve December 31, current year	8,977,598,745		1,146,524,623	7,808,807,718	22,266,404			

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1. U.S. Government bonds	(a)	3,102,381	3,196,046
1.1 Bonds exempt from U.S. tax	(a)		
1.2 Other bonds (unaffiliated)	(a)	548,822,829	546,949,928
1.3 Bonds of affiliates	(a)		
2.1 Preferred stocks (unaffiliated)	(b)	246,875	246,875
2.11 Preferred stocks of affiliates	(b)		
2.2 Common stocks (unaffiliated)		2,745,745	2,830,481
2.21 Common stocks of affiliates			
3. Mortgage loans	(c)	50,105,537	49,312,825
4. Real estate	(d)	3,149,657	3,154,657
5. Contract loans		3,131,695	3,235,846
6. Cash, cash equivalents and short-term investments	(e)	1,179,733	936,966
7. Derivative instruments	(f)	1,405,023	1,086,223
8. Other invested assets		402,716	408,425
9. Aggregate write-ins for investment income		1,174,785	1,174,785
10. Total gross investment income		615,466,976	612,533,057
11. Investment expenses	(g)	7,637,398	
12. Investment taxes, licenses and fees, excluding federal income taxes	(g)	804,265	
13. Interest expense	(h)		
14. Depreciation on real estate and other invested assets	(i)	1,048,947	
15. Aggregate write-ins for deductions from investment income			
16. Total deductions (Line 11 through Line 15)			9,490,610
17. Net investment income (Line 10 minus Line 16)			603,042,447
DETAILS OF WRITE-INS			
0901. Securities Lending Fee Income		1,119,056	1,119,056
0902. Miscellaneous		55,729	55,729
0903			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		1,174,785	1,174,785
1501			
1502			
1503			
1598. Summary of remaining write-ins for Line 15 from overflow page			
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)			

(a) Includes \$ 23,672,112 accrual of discount less \$ 20,996,800 amortization of premium and less \$ 12,307,405 paid for accrued interest on purchases.
 (b) Includes \$.. accrual of discount less \$.. amortization of premium and less \$.. paid for accrued dividends on purchases.
 (c) Includes \$ 1,219,553 accrual of discount less \$ 58,747 amortization of premium and less \$.. paid for accrued interest on purchases.
 (d) Includes \$.. for company's occupancy of its own buildings; and excludes \$.. interest on encumbrances.
 (e) Includes \$ 15,052 accrual of discount less \$ 139,010 amortization of premium and less \$ 47,499 paid for accrued interest on purchases.

(f) Includes \$.. accrual of discount less \$.. amortization of premium.
 (g) Includes \$.. investment expenses and \$.. investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$.. interest on surplus notes and \$.. interest on capital notes.
 (i) Includes \$ 1,048,947 depreciation on real estate and \$.. depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Cols. 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(212,196)		(212,196)		
1.1 Bonds exempt from U.S. tax	18,295,644	(28,254,104)	(9,958,460)	(9,576,094)	
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates	214,708		214,708		
2.1 Preferred stocks (unaffiliated)	5,711,489	(863,165)	4,848,324	(8,400,880)	
2.11 Preferred stocks of affiliates		(2,287,928)	(2,287,928)	(2,085,680)	
2.2 Common stocks (unaffiliated)		(289,300)	(289,300)		
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans	(15,842)		(15,842)		
6. Cash, cash equivalents and short-term investments	(5,090)		(5,090)		
7. Derivative instruments	74,619		74,619	(211,847)	
8. Other invested assets				1,291,105	
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	24,063,332	(31,694,497)	(7,631,165)	(18,983,396)	
DETAILS OF WRITE-INS					
0901					
0902					
0903					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

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

	1 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	9 Credit (Group and Individual)	10 Other	
FIRST YEAR (other than single)											
1. Uncollected	35,688		35,688								
2. Deferred and accrued	1,956,952		1,956,952								
3. Deferred, accrued and uncollected:											
3.1 Direct	2,022,485		2,022,485								
3.2 Reinsurance assumed	29,845		29,845								
3.3 Reinsurance ceded	29,845		29,845								
3.4 Net (Line 1 plus Line 2)	1,992,640		1,992,640								
4. Advance	16,249		16,249								
5. Line 3.4 minus Line 4	1,976,391		1,976,391								
6. Collected during year:											
6.1 Direct	33,509,722		15,505,366	18,004,356							
6.2 Reinsurance assumed	411,533		411,533								
6.3 Reinsurance ceded	33,098,189		15,093,833	18,004,356							
6.4 Net	35,074,580		17,070,224	18,004,356							
7. Line 5 plus Line 6.4	2,320,967		2,320,967								
8. Prior year (uncollected plus deferred and accrued minus advance)											
9. First year premiums and considerations:											
9.1 Direct	33,147,102		15,142,746	18,004,356							
9.2 Reinsurance assumed	393,489		393,489								
9.3 Reinsurance ceded	32,753,613		14,749,257	18,004,356							
10. Single premiums and considerations:											
10.1 Direct	718,106,429		36,605,903	681,500,526							
10.2 Reinsurance assumed	3,099		3,099								
10.3 Reinsurance ceded	718,103,330		36,605,903	681,497,427							
SINGLE											
RENEWAL											
11. Uncollected	(346,768)		(346,768)								
12. Deferred and accrued	13,825,742		13,825,742								
13. Deferred, accrued and uncollected:											
13.1 Direct	14,491,190		14,491,190								
13.2 Reinsurance assumed	1,012,216		1,012,216								
13.3 Reinsurance ceded	13,478,974		13,478,974								
13.4 Net (Line 11 plus Line 12)	355,845		355,845								
14. Advance	13,123,129		13,123,129								
15. Line 13.4 minus Line 14											
16. Collected during year:											
16.1 Direct	147,329,324		129,664,030	17,665,294							
16.2 Reinsurance assumed	10,749,139		10,749,139								
16.3 Reinsurance ceded	136,580,185		118,914,891	17,665,294							
16.4 Net	149,703,314		132,038,020	17,665,294							
17. Line 15 plus Line 16.4	12,793,626		12,793,626								
18. Prior year (uncollected plus deferred and accrued minus advance)											
19. Renewal premiums and considerations:											
19.1 Direct	147,695,164		130,029,870	17,665,294							
19.2 Reinsurance assumed	10,785,476		10,785,476								
19.3 Reinsurance ceded	136,909,688		119,244,394	17,665,294							
19.4 Net (Line 17 minus Line 18)											
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	898,948,695		181,778,519	717,170,176							
20.2 Reinsurance assumed	11,182,064		11,178,965	3,099							
20.3 Reinsurance ceded											
20.4 Net (Lines 9.4 plus 10.4 plus 19.4)	887,766,631		170,599,554	717,167,077							

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....											
22. All other.....											
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded.....											
23.2 Reinsurance assumed.....											
23.3 Net ceded less assumed.....											
24. Single:											
24.1 Reinsurance ceded.....											
24.2 Reinsurance assumed.....											
24.3 Net ceded less assumed.....											
25. Renewal:											
25.1 Reinsurance ceded.....											
25.2 Reinsurance assumed.....											
25.3 Net ceded less assumed.....											
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....											
26.2 Reinsurance assumed (Page 6, Line 22).....											
26.3 Net ceded less assumed.....											
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	14,274,222		12,917,822	1,356,400							
28. Single.....	29,853,012		776,309	29,076,703							
29. Renewal.....	11,663,268		10,182,333	1,480,935							
30. Deposit-type contract funds.....											
31. Totals (to agree with Page 6, Line 21).....	55,790,502		23,876,464	31,914,038							

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6		
	1	Accident and Health		4				
		2 Cost Containment	3 All Other					
	Life			All Other Lines of Business	Investment	Total		
1. Rent	4,595,062			759,368	215,635	5,570,065		
2. Salaries and wages	21,639,742			6,705,574	2,842,129	31,187,445		
3.11 Contributions for benefit plans for employees	2,171,964			2,331,825	573,011	5,076,800		
3.12 Contributions for benefit plans for agents	7,120,755					7,120,755		
3.21 Payments to employees under non-funded benefit plans								
3.22 Payments to agents under non-funded benefit plans								
3.31 Other employee welfare	159,295			3,562,514	3,058	3,724,867		
3.32 Other agent welfare	145,729					145,729		
4.1 Legal fees and expenses	72,467			49,952		122,419		
4.2 Medical examination fees	780,020			60,164		840,184		
4.3 Inspection report fees	184,488			10,173	250	194,911		
4.4 Fees of public accountants and consulting actuaries	33,798			279,626	2,615	316,039		
4.5 Expense of investigation and settlement of policy claims	218,598			23,649		242,247		
5.1 Traveling expenses	912,844			533,225	59,221	1,505,290		
5.2 Advertising	175,313			1,543,276	394	1,718,983		
5.3 Postage, express, telegraph and telephone	1,427,744							
5.4 Printing and stationery	713,029			286,390	6,515	1,005,934		
5.5 Cost or depreciation of furniture and equipment	122,354			298,199		420,553		
5.6 Rental of equipment	433,069			295,349		728,418		
5.7 Cost or depreciation of EDP equipment and software	1,025,871			346,431		1,372,302		
6.1 Books and periodicals	20,880			56,862	1,389	79,131		
6.2 Bureau and association fees	21,913			96,393	2,101	120,407		
6.3 Insurance, except on real estate	124,286			171,606		295,892		
6.4 Miscellaneous losses	553,746			(48,253)		505,493		
6.5 Collection and bank service charges	753,430			18,533		1,121,683		
6.6 Sundry general expenses	2,615,454			270,949	886,374	3,772,777		
6.7 Group service and administration fees	60,407			7,852		68,974		
6.8 Reimbursements by uninsured plans								
7.1 Agency expense allowance								
7.2 Agents' balances charged off (less \$ recovered)	718,408			1,810		720,218		
7.3 Agency conferences other than local meetings				2,260		2,307,305		
9.1 Real estate expenses				210,469		230,961		
9.2 Investment expenses not included elsewhere				386,781		441,430		
9.3 Aggregate write-ins for expenses	1,338,384			132,207		1,857,372		
10. General expenses incurred	48,139,050			18,260,977	7,637,398	(a) 74,037,425		
11. General expenses unpaid December 31, prior year	4,928,970			343,883	344,553	5,617,406		
12. General expenses unpaid December 31, current year	5,100,598			355,857	356,551	5,813,006		
13. Amounts receivable relating to uninsured plans, prior year								
14. Amounts receivable relating to uninsured plans, current year								
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	47,967,422			18,249,003	7,625,400	73,841,825		
DETAILS OF WRITE-INS								
09.301. Repair and service of office machines and furniture	1,260,821			360,067	6,922	1,627,810		
09.302. Meals for employees	51,472			26,579	7,101	85,152		
09.303. Weekly expense allowance to field representatives	26,091			135	118,184	144,410		
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	1,338,384			386,781	132,207	1,857,372		
09.399. Totals (Line 09.301 through Line 09.303 plus Line 09.398) (Line 9.3 above)								

(a) Includes management fees of \$ 3,536,757 to affiliates and \$ 816,544 to non-affiliates.

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

	Insurance			4	5
	1	2	3		
	Life	Accident and Health	All Other Lines of Business	Investment	Total
1. Real estate taxes				588,524	588,524
2. State insurance department licenses and fees	383,582				383,582
3. State taxes on premiums	3,019,357				3,019,357
4. Other state taxes, including \$ for employee benefits	2,045,329		27,386	11,194	2,083,909
5. U.S. Social Security taxes	4,051,928		500,426	204,547	4,756,901
6. All other taxes	(2,785,372)				(2,785,372)
7. Taxes, licenses and fees incurred	6,714,824		527,812	804,265	8,046,901
8. Taxes, licenses and fees unpaid December 31, prior year	3,899,550				3,899,550
9. Taxes, licenses and fees unpaid December 31, current year	1,280,919			100,000	1,380,919
10. Taxes, licenses and fees paid during year (Line 7 plus Line 8 minus Line 9)	9,333,455		527,812	704,265	10,565,532

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2	3	4	5
	Life	Accident and Health			
1. Applied to pay renewal premiums					
2. Applied to shorten the endowment or premium-paying period					
3. Applied to provide paid-up additions					
4. Applied to provide paid-up annuities					
5. Total Line 1 through Line 4					
6. Paid-in cash					
7. Left on deposit					
8. Aggregate write-ins for dividend or refund options					
9. Total Line 5 through Line 8					
10. Amount due and unpaid					
11. Provision for dividends or refunds payable in the following calendar year					
12. Terminal dividends					
13. Provision for deferred dividend contracts					
14. Amount provisionally held for deferred dividend policies not included in the above					
15. Total Line 10 through Line 14					
16. Total from prior year					
17. Total dividends or refunds (Line 9 plus Line 15 minus Line 16)					
DETAILS OF WRITE-INS					
0801					
0802					
0803					
0898. Summary of remaining write-ins for Line 8 from overflow page					
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)					

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
(Gross) - Life Insurance					
1958 CSO 6% CRVM, 83-86	365,647,321			365,647,321	
1958 CSO 5.5% CRVM, 87-88	54,314,356			54,314,356	
1958 CSO 4.5% CRVM, 82	33,915,431			33,915,431	
1958 CSO/CET 4%, 82-88	22,765,932			22,765,932	
1958 CSO/CET 3%, 85-88	3,433			3,433	
1980 CSO 5.5% CRVM, 89-92	90,517,302			90,517,302	
1980 CSO 5% CRVM, 93-94	29,997,214			29,997,214	
1980 CSO/CET 4.5% CRVM, 95-05	284,259,279			284,259,279	
1980 CSO/CET 4%, 06-08	42,685,691			42,685,691	
1980 CSO/CET 4% CRVM, 88-04	18,355,600			18,355,600	
2001 CSO 4.5% CRVM, 04-05	18,876,561			18,876,561	
2001 CSO 4% CRVM, 06-11 (N.B.)	173,434,894			173,434,894	
0199997 - TOTALS (Gross) - Life Insurance	1,134,773,014			1,134,773,014	
0199998 - Reinsurance ceded - Life Insurance	14,951,470			14,951,470	
0199999 - TOTALS (Net) - Life Insurance	1,119,821,544			1,119,821,544	
(Gross) - Annuities (excluding supplementary contracts with life contingencies)					
83a 8.25%, PROJ SCALE G IMMEDIATE	70,869			70,869	
83a 7.75%, PROJ SCALE G IMMEDIATE	34,943			34,943	
83a 7.55%, PROJ SCALE G IMMEDIATE	1,329,550			1,329,550	
83a 7.40%, PROJ SCALE G IMMEDIATE	17,769			17,769	
83a 7.25%, PROJ SCALE G IMMEDIATE	752,931			752,931	
83a 7.15%, PROJ SCALE G IMMEDIATE	256,744			256,744	
83a 7.05%, PROJ SCALE G IMMEDIATE	115,136			115,136	
83a 6.75%, PROJ SCALE G IMMEDIATE	1,124,837			1,124,837	
83a 6.70%, PROJ SCALE G IMMEDIATE	213,604			213,604	
83a 6.65%, PROJ SCALE G IMMEDIATE	1,076,403			1,076,403	
83a 6.55%, PROJ SCALE G IMMEDIATE	99,579			99,579	
83a 6.50%, PROJ SCALE G IMMEDIATE	42,500			42,500	
83a 6.45%, PROJ SCALE G IMMEDIATE	63,880			63,880	
83a 6.40%, PROJ SCALE G IMMEDIATE	55,796			55,796	
83a 6.35%, PROJ SCALE G IMMEDIATE	385,607			385,607	
83a 6.20%, PROJ SCALE G IMMEDIATE	749,302			749,302	
83a 6.15%, PROJ SCALE G IMMEDIATE	572,912			572,912	
83a 6.00%, PROJ SCALE G IMMEDIATE	18,044			18,044	
83a 5.85%, PROJ SCALE G IMMEDIATE	375,801			375,801	
83a 5.70%, PROJ SCALE G IMMEDIATE	15,316			15,316	
83a 5.65%, PROJ SCALE G IMMEDIATE	12,836			12,836	
2000 IAM Annuity 5.50%	542,478			542,478	
2000 IAM Annuity 5.25%	3,304,876			3,304,876	
2000 IAM Annuity 3.55%	14,247,190			14,247,190	
2000 IAM Annuity 3.15%	88,385			88,385	
2000 IAM Annuity 3.10%	41,848			41,848	
2000 IAM Annuity 6.95%, Projection Scale G	19,880			19,880	
2000 IAM Annuity 6.80%, Projection Scale G	344,211			344,211	
2000 IAM Annuity 6.45%, Projection Scale G	41,101			41,101	
2000 IAM Annuity 6.25%, Projection Scale G	1,468,612			1,468,612	
2000 IAM Annuity 6.00%, Projection Scale G	858,280			858,280	
2000 IAM Annuity 5.95%, Projection Scale G	550,042			550,042	
2000 IAM Annuity 5.75%, Projection Scale G	1,119,616			1,119,616	
2000 IAM Annuity 5.65%, Projection Scale G	28,090			28,090	
2000 IAM Annuity 5.60%, Projection Scale G	78,337			78,337	
2000 IAM Annuity 5.55%, Projection Scale G	491,173			491,173	
2000 IAM Annuity 5.50%, Projection Scale G	2,309,916			2,309,916	
2000 IAM Annuity 5.40%, Projection Scale G	582,333			582,333	
2000 IAM Annuity 5.25%, Projection Scale G	46,566			46,566	
2000 IAM Annuity 5.20%, Projection Scale G	27,927			27,927	
2000 IAM Annuity 5.05%, Projection Scale G	32,903			32,903	
2000 IAM Annuity 5.00%, Projection Scale G	34,396			34,396	
2000 IAM Annuity 4.90%, Projection Scale G	1,546,955			1,546,955	
2000 IAM Annuity 4.60%, Projection Scale G	146,293			146,293	
2000 IAM Annuity 4.40%, Projection Scale G	247,196			247,196	
2000 IAM Annuity 4.30%, Projection Scale G	418,976			418,976	
2000 IAM Annuity 4.25%, Projection Scale G	590,338			590,338	
2000 IAM Annuity 4.20%, Projection Scale G	151,961			151,961	
2000 IAM Annuity 4.05%, Projection Scale G	92,661			92,661	
2000 IAM Annuity 3.95%, Projection Scale G	54,928			54,928	
2000 IAM Annuity 3.75%, Projection Scale G	608,848			608,848	
2000 IAM Annuity 3.50%, Projection Scale G	4,962,794			4,962,794	
2000 IAM Annuity 3.30%, Projection Scale G	73,716			73,716	
2000 IAM Annuity, Generational Improvement [5.50%, 5.75%]	3,454,487			3,454,487	
2000 IAM Annuity, Generational Improvement [5.25%, 5.50%]	23,150			23,150	
2000 IAM Annuity, Generational Improvement [5.00%, 5.25%]	291,476			291,476	
2000 IAM Annuity, Generational Improvement [4.75%, 5.00%]	507,100			507,100	
2000 IAM Annuity, Generational Improvement [4.50%, 4.75%]	683,845			683,845	
2000 IAM Annuity, Generational Improvement [4.25%, 4.50%]	393,194			393,194	
2000 IAM Annuity, Generational Improvement [4.00%, 4.25%]	581,958			581,958	
2000 IAM Annuity, Generational Improvement [3.75%, 4.00%]	382,946			382,946	
2000 IAM Annuity, Generational Improvement [3.50%, 3.75%]	751,099			751,099	
2000 IAM Annuity, Generational Improvement [3.25%, 3.50%]	16,095			16,095	
2000 IAM Annuity, Generational Improvement [3.00%, 3.25%]	664,710			664,710	
2000 IAM Annuity, Generational Improvement [2.75%, 3.00%]	51,582			51,582	
2000 IAM Annuity, Generational Improvement [2.50%, 2.75%]	936,570			936,570	
Deferred 6.25% CARVM: 83a 3%	6,624,764			6,624,764	
Deferred 6.00% CARVM: 83a 3%	82,726,996			82,726,996	
Deferred 5.75% CARVM: 83a 3%	156,655,146			156,655,146	
Deferred 5.50% CARVM: 83a 3%	169,274,693			169,274,693	
Deferred 5.25% CARVM: 83a 3%	203,033,133			203,033,133	
Deferred 5.00% CARVM: 83a 3%	58,310,926			58,310,926	
Deferred 4.00% CARVM: 83a 3%	72,266,599			72,266,599	
Deferred 5.50% CARVM: 2000 IAM 3%	652,389,110			652,389,110	
Deferred 5.25% CARVM: 2000 IAM 3%	53,940,653			53,940,653	
Deferred 5.00% CARVM: 2000 IAM 3%	1,481,083,600			1,481,083,600	
Deferred 4.75% CARVM: 2000 IAM 3%	2,300,868,706			2,300,868,706	
Deferred 4.50% CARVM: 2000 IAM 3%	2,520,104,011			2,520,104,011	
AG 43	315,836			315,836	
0299997 - TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies)	7,808,869,569			7,808,869,569	
0299998 - Reinsurance ceded - Annuities (excluding supplementary contracts with life contingencies)	61,851			61,851	
0299999 - TOTALS (Net) - Annuities (excluding supplementary contracts with life contingencies)	7,808,807,718			7,808,807,718	
(Gross) - Supplementary Contracts with Life Contingencies					
83a 8.25%, PROJ SCALE G	41,536			41,536	
83a 7.75%, PROJ SCALE G	54,416			54,416	
83a 7.25%, PROJ SCALE G	663,182			663,182	
83a 6.75%, PROJ SCALE G	939,248			939,248	
83a 6.70%, PROJ SCALE G	240,916			240,916	
83a 6.20% PROJ SCALE G	101,488			101,488	
2000 IAM Annuity 3.15%, NO PROJ	1,606,272			1,606,272	
2000 IAM Annuity 3.10%, NO PROJ	2,585,136			2,585,136	
2000 IAM Annuity 3.05%, NO PROJ	1,539,341			1,539,341	
(continues)					

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
(Gross) - Supplementary Contracts with Life Contingencies (continued)					
2000 IAM Annuity 6.25%, PROJ. SCALE G	780,185			780,185	
2000 IAM Annuity 6.00%, PROJ. SCALE G	92,625			92,625	
2000 IAM Annuity 5.75%, PROJ. SCALE G	571,782			571,782	
2000 IAM Annuity 5.60%, PROJ. SCALE G	28,951			28,951	
2000 IAM Annuity 5.50%, PROJ. SCALE G	1,332,913			1,332,913	
2000 IAM Annuity 5.40%, PROJ. SCALE G	329,790			329,790	
2000 IAM Annuity 4.90%, PROJ. SCALE G	688,219			688,219	
2000 IAM Annuity 4.25%, PROJ. SCALE G	257,563			257,563	
2000 IAM Annuity 3.75%, PROJ. SCALE G	551,236			551,236	
2000 IAM Annuity 3.50%, PROJ. SCALE G	9,861,606			9,861,606	
0399997 - TOTALS (Gross) - Supplementary Contracts with Life Contingencies	22,266,404			22,266,404	
0399999 - TOTALS (Net) - Supplementary Contracts with Life Contingencies	22,266,404			22,266,404	
(Gross) - Accidental Death Benefits					
1959 ADB and 1958 CSO/CET 2.5%	32,340			32,340	
1959 ADB and 1980 CSO/CET 2.5% (N.B.)	135,958			135,958	
1959 ADB and 1958 CSO [4.5%, 6%]	12,831			12,831	
1959 ADB and 1980 CSO [4%, 5.5%]	7,512			7,512	
1959 ADB and 2001 CSO 4% (N.B.)	3,103			3,103	
0499997 - TOTALS (Gross) - Accidental Death Benefits	191,744			191,744	
0499998 - Reinsurance ceded - Accidental Death Benefits	432			432	
0499999 - TOTALS (Net) - Accidental Death Benefits	191,312			191,312	
(Gross) - Disability - Active Lives					
75% 1930-31 Met. and 1958 CSO 2.5%	109,867			109,867	
75% 1930-31 Met. and 1980 CSO 2.5% (N.B.)	55,948			55,948	
1952 Ben. 5, Period 2 and 1958 CSO [4%, 6%]	6,049			6,049	
1952 Ben. 5, Period 2 and 1980 CSO [4%, 5.5%]	1,859,680			1,859,680	
1952 Ben. 5, Period 2 and 2001 CSO 4% (N.B.)	2,210			2,210	
Special Related to Premium or Face Amount	1,743			1,743	
0599997 - TOTALS (Gross) - Disability - Active Lives	2,035,497			2,035,497	
0599998 - Reinsurance ceded - Disability - Active Lives	9,757			9,757	
0599999 - TOTALS (Net) - Disability - Active Lives	2,025,740			2,025,740	
(Gross) - Disability - Disabled Lives					
52 Intercompany Disability 2.5%	24,446,178			24,446,178	
0699997 - TOTALS (Gross) - Disability - Disabled Lives	24,446,178			24,446,178	
0699999 - TOTALS (Net) - Disability - Disabled Lives	24,446,178			24,446,178	
(Gross) - Miscellaneous Reserves					
Accelerated Death Benefit	39,849			39,849	
0799997 - TOTALS (Gross) - Miscellaneous Reserves	39,849			39,849	
0799999 - TOTALS (Net) - Miscellaneous Reserves	39,849			39,849	
9999999 - TOTALS (Net) - Page 3, Line 1	8,977,598,745			8,977,598,745	

EXHIBIT 5 - INTERROGATORIES

1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes () No (X)

1.2 If not, state which kind is issued.
Non-participating

2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes () No (X)

2.2 If not, state which kind is issued.
Non-participating

3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions. Yes (X) No ()

4. Has the reporting entity any assessment or stipulated premium contracts in force? If so, state: Yes () No (X)

4.1 Amount of insurance? \$

4.2 Amount of reserve? \$

4.3 Basis of reserve:
.....

4.4 Basis of regular assessments:
.....

4.5 Basis of special assessments:
.....

4.6 Assessments collected during the year: \$

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

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

NONE

(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.....	1,272,867,623	1,220,382,362	10,904,269	41,544,794		36,198
2. Deposits received during the year.....	424,525,224	409,960,000	4,188,768	10,286,678		89,778
3. Investment earnings credited to the account.....	47,523,401	45,751,093	483,395	1,286,643		2,270
4. Other net change in reserves.....						
5. Fees and other charges assessed.....						
6. Surrender charges.....						
7. Net surrender or withdrawal payments.....	836,719,697	819,653,841	3,619,159	13,435,846		10,851
8. Other net transfers to or (from) Separate Accounts.....						
9. Balance at the end of current year before reinsurance (Lines 1 plus 2 plus 3 plus 4 minus 5 minus 6 minus 7 minus 8).....	908,196,551	856,439,614	11,957,273	39,682,269		117,395
10. Reinsurance balance at the beginning of the year.....						
11. Net change in reinsurance assumed.....						
12. Net change in reinsurance ceded.....						
13. Reinsurance balance at the end of the year (Line 10 plus Line 11 minus Line 12).....						
14. Net balance at the end of current year after reinsurance (Line 9 plus Line 13).....	908,196,551	856,439,614	11,957,273	39,682,269		117,395

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											
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net											
2. In course of settlement:											
2.1 Resisted	200,000		200,000								
2.11 Direct	200,000		200,000								
2.12 Reinsurance assumed											
2.13 Reinsurance ceded											
2.14 Net	200,000		(b) 200,000	(b)			(b)	(b)			
2.2 Other	7,476,857		7,476,857								
2.21 Direct	7,476,857		7,476,857								
2.22 Reinsurance assumed											
2.23 Reinsurance ceded	390,000		390,000								
2.24 Net	7,086,857		(b) 7,086,857	(b)			(b)	(b)		(b)	(b)
3. Incurred but unreported:											
3.1 Direct	3,182,276		3,182,276								
3.2 Reinsurance assumed											
3.3 Reinsurance ceded	725,748		725,748								
3.4 Net	2,456,528		(b) 2,456,528	(b)			(b)	(b)		(b)	(b)
4. TOTALS	10,859,133		10,859,133								
4.1 Direct	10,859,133		10,859,133								
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	1,115,748		1,115,748								
4.4 Net	9,743,385	(a)	(a) 9,743,385								

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

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

Ordinary Life Insurance \$ 306,728 , Individual Annuities \$, Credit Life (Group and Individual) \$, and Group Life \$

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

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

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

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	334,285,615		100,618,883	230,345,210	3,321,522						
1.2 Reinsurance assumed											
1.3 Reinsurance ceded	10,300,516		10,300,516								
1.4 Net	(d) 323,985,099		90,318,367	230,345,210	3,321,522						
2. Liability December 31, current year from Part 1:											
2.1 Direct	10,859,133		10,859,133								
2.2 Reinsurance assumed											
2.3 Reinsurance ceded	1,115,748		1,115,748								
2.4 Net	9,743,385		9,743,385								
3. Amounts recoverable from reinsurers December 31, current year	890,158		890,158								
4. Liability December 31, prior year:											
4.1 Direct	11,419,683		11,339,478	80,205							
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	1,527,029		1,527,029								
4.4 Net	9,892,654		9,812,449	80,205							
5. Amounts recoverable from reinsurers December 31, prior year	2,511,473		2,511,473								
6. Incurred Benefits:											
6.1 Direct	333,725,065		100,138,538	230,265,005	3,321,522						
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	8,267,920		8,267,920								
6.4 Net	325,457,145		91,870,618	230,265,005	3,321,522						

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

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ 1,828,606 in Line 1.1, \$ 1,828,606 in Line 1.4.
\$ 1,828,606 in Line 6.1 and \$ 1,828,606 in Line 6.4.

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

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

EXHIBIT OF NONADMITTED ASSETS

	1 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)			
2. Stocks (Schedule D):			
2.1 Preferred stocks	28,848,445	21,942,073	(6,906,372)
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivable for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets	28,848,445	21,942,073	(6,906,372)
12. Subtotals, cash and invested assets (Line 1 to Line 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivable from parent, subsidiaries and affiliates	161,254	122,591	(38,663)
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	29,009,699	22,064,664	(6,945,035)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	29,009,699	22,064,664	(6,945,035)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

The Department recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Department has the right to permit other specific practices that deviate from prescribed practices. There are no differences between the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio.

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

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

C. Accounting Policy

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at either amortized cost using the interest method or the lower of amortized cost or fair market value.
- (3) Unaffiliated common stocks are stated at fair market value, except for Federal Home Loan Bank (FHLB) stock, which is carried at cost, adjusted for stock dividends, and is restricted. Common stocks of non-life subsidiaries and non-life affiliates in which the Company has an interest of 10% or more are carried on the GAAP equity basis.
- (4) Preferred stocks are stated at either cost or the lower of cost or fair market value.
- (5) Mortgage loans on real estate are stated at the aggregate unpaid principal balance plus unamortized premium less unaccrued discount.
- (6) Loan-backed and structured securities are stated at amortized cost, except those with an initial NAIC designation of 6, which are stated at the lower of amortized cost or fair value. Loan backed and structured securities with an initial NAIC designation of 6 could have a final designation of 1 through 5 as determined by the SVO financial modeling process or the SVO modified filing exempt process. The retrospective adjustment method is used to determine amortized cost for all loan-backed and structured securities, except for those which an other-than-temporary impairment has been recognized, which use the prospective adjustment method to determine amortized cost.
- (7) The Company owns 100% of the capital stock of its non-life insurance subsidiaries, which are stated at GAAP equity.
- (8) The Company owns real estate limited partnerships and limited liability companies. The Company carries these interests based on the underlying GAAP equity of the investee. Undistributed earnings allocated to the Company are reported in the change in net unrealized capital gains or losses. Distributions from earnings of the entity are reported as net investment income when received. Because of the indirect nature of these investments, there is an inherent reduction in transparency and liquidity and increased complexity in valuing the underlying investments. As a result, these investments are actively managed by Company management via detailed evaluation of the investment performance relative to risk.
- (9) The Company has entered into replication transactions. A replication transaction is a derivative transaction entered into in conjunction with a cash instrument to reproduce the credit risk of an otherwise permissible investment. The Company replicates debt securities by combining a AAA rated security as a cash component with a credit default swap which, in effect, converts the high quality asset into a higher yielding debt security. Generally, a premium is received by the Company on a periodic basis and is recognized in investment income. The credit default swap is carried at market value on the balance sheet with changes in market value recorded in surplus. In the event the representative issuer defaults on its debt obligation referenced in the credit default swap contract, a payment equal to the notional amount of the contract less recovery on the defaulted security will be made by the Company and recognized as a capital loss. The Company complies with the specific rules established related to AVR for replication transactions.

The Company has entered into an interest rate swap (the swap) in an effort to mitigate the variability in interest cash flows for certain FHLB funding agreements. The swap allows the Company to seek to modify the interest rate characteristics of the underlying transactions by paying the counterparty a fixed interest rate in exchange for receipt of a floating interest rate based upon the underlying notional amount. No cash was exchanged at the outset of the swap contract and a single net payment is to be exchanged at each due date. The swap qualifies for hedge accounting per SSAP 86, *Accounting for Derivative Instruments and Hedging Activities*, and therefore, is carried in a manner consistent with the hedged item, which is amortized cost. If the swap is terminated prior to maturity, proceeds are exchanged equal to the fair value of the contract and a realized gain or loss would be recognized. To the extent the swap no longer qualifies for hedge accounting, it would be carried at fair value with changes in fair value recorded in capital and surplus.

- (10) Anticipated investment income is not a factor in calculating deficiency reserves.
- (11) The Company had no accident and health contracts on its books during the statement periods.
- (12) The Company does not capitalize assets. Therefore, the Company does not have a capitalization policy.
- (13) The Company has no pharmaceutical rebate receivables on its books during the statement periods.
- (14) The Company monitors investments to determine if there has been an other-than-temporary decline in fair value. Factors management considers for each identified security include the following:
 - the length of time and the extent to which the fair value is below the book/adjusted carry value;
 - the financial condition and near term prospects of the issuer, including specific events that may affect its operations;
 - for equity securities and debt securities with credit related declines in fair value, the Company's intent and ability to hold the security long enough for it to recover its value to book/adjusted carry value;
 - for debt securities with interest related declines in fair value, the Company's intent to sell the security before recovery of its book/adjusted carry value;
 - for loan-backed securities, the Company's intent and ability to hold the security long enough for it to recover its value to book/adjusted carry value;
 - for loan-backed securities, the Company's intent to sell the security before recovery of its book/adjusted carry value.

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

NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

The Company made the following accounting changes in 2011:

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

The Company made the following accounting changes in 2010:

Effective December 31, 2010, the Company adopted Statement of Statutory Accounting Principles No. 91-Revised, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* (SSAP 91R). In accordance with SSAP 91R, the Company changed the method of reporting securities lending transactions. SSAP 91R requires collateral received which may be sold or repledged to be reflected on the balance sheet, along with the obligation to return the collateral. Collateral received which may not be sold or repledged is off balance sheet. For securities lending transactions reported on the balance sheet, the collateral received and the reinvestment of that collateral by an affiliated agent may be reflected with the invested assets on the balance sheet based on the type of investment and an offsetting liability will be recognized for the obligation to return the collateral. The collateral received and the reinvestment of that collateral by an unaffiliated agent must be reflected as a one-line entry on the balance sheet and an offsetting liability will be recognized for the obligation to return the collateral. Prior to the adoption of SSAP 91R, the Company did not reflect collateral reinvested by an unaffiliated agent on the balance sheet. SSAP 91R resulted in an increase in securities lending reinvested collateral assets of \$28,377,060 and an increase in the obligation to return the collateral of \$28,377,060.

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

3. Business Combinations and Goodwill. None.

4. Discontinued Operations. None.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

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

Farm loans	None
City loans	4.62% and 7.50%
Purchase money mortgages	5.00% and 5.00%
Mezzanine loans	10.00% and 10.00%

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

(3) At the issuance of a loan, the percentage of loan to value on any one loan does not exceed 80%. The Company has one mortgage loan when in combination with the mezzanine loan has a loan to value percentage of 89%.

	Current Year	Prior Year
(4) Mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest	\$ -	\$ 8,000,000
a. Total interest due on mortgages with interest more than 180 days past due	\$ -	\$ 899,263
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	\$ -	\$ 352,003
(6) Impaired loans with a related allowance for credit losses	\$ -	\$ -
a. Related allowance for credit losses	\$ -	\$ -
(7) Impaired mortgage loans without an allowance for credit losses	\$ -	\$ 8,000,000
(8) Average recorded investment in impaired mortgage loans	\$ -	\$ 9,237,703
(9) Interest income recognized during the period the loans were impaired	\$ -	\$ 228,818
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired	\$ -	\$ 228,818
(11) Valuation allowance for mortgage loans:		
a. Beginning balance	\$ -	\$ 1,200,000
b. Additions charged to operations	\$ -	\$ -
c. Direct write-downs charged against the allowance	\$ -	\$ 1,200,000
d. Recoveries of amounts previously charged off	\$ -	\$ -
e. Ending balance	\$ -	\$ -

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

B. Debt Restructuring. None.

C. Reverse Mortgages. None.

D. Loan-Backed Securities

- (1) The methods and assumptions used in estimating fair values of loan-backed and structured securities involves analysis of the underlying collateral and calculating present value of the future cash flows utilizing deal-specific assumptions for expected prepayment speeds, expected defaults, and expected default severity discounted at market based expected yields. Specifically, the prepayment assumptions used in the valuation process were from Bloomberg and broker dealer prepayment models or derived from empirical data.
- (2) The Company had no other-than-temporary impairments on loan-backed and structured securities for the years ended December 31, 2011 and 2010 and the six month period ended December 31, 2009, due to the intent to sell the security or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis of the security.
- (3) The following is a list of each loan-backed and structured security with a recognized other-than-temporary impairment, for the years ended December 31, 2011 and 2010 and the six month period ended December 31, 2009, as the present value of future cash flows expected to be collected is less than the amortized cost basis of the securities:

NOTES TO FINANCIAL STATEMENTS

CUSIP	Book/Adj Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Future Cash Flows	Recognized Other-Than- Temporary Impairment	Amortized Cost After Other-Than- Temporary Impairment	Fair Value	Date of Financial Statement Where Reported
For the year ended December 31, 2011:						
021468AG8	\$ 3,954,764	\$ 3,618,335	\$ 336,429	\$ 3,618,335	\$ 2,876,723	12/31/2011
02151FAF6	4,908,497	4,543,100	365,397	4,543,100	4,067,705	12/31/2011
059469AF3	3,568,730	3,263,427	305,303	3,263,427	2,419,987	12/31/2011
05948KXT1	1,368,588	1,317,875	50,713	1,317,875	1,033,749	12/31/2011
059522AX0	6,210,432	6,125,667	84,765	6,125,667	5,131,827	12/31/2011
12543PAQ6	1,342,997	1,046,375	296,622	1,046,375	835,769	12/31/2011
12544VAE9	9,827,697	9,006,518	821,179	9,006,518	8,143,110	12/31/2011
12628KAF9	14,862,286	14,076,022	786,264	14,076,022	9,010,375	12/31/2011
12628LAJ9	9,546,433	9,049,718	496,715	9,049,718	6,018,739	12/31/2011
12667G7H0	7,266,498	6,911,400	355,098	6,911,400	5,789,629	12/31/2011
12668BYF4	5,275,075	4,982,469	292,606	4,982,469	3,880,682	12/31/2011
173100AR9	2,763,476	2,034,787	728,689	2,034,787	1,855,519	12/31/2011
251510FX6	8,405,579	7,993,455	412,124	7,993,455	6,869,535	12/31/2011
45660L3T4	8,714,367	8,003,568	710,799	8,003,568	6,063,035	12/31/2011
45660L6K0	2,857,243	2,647,026	210,217	2,647,026	2,138,725	12/31/2011
46628SAJ2	6,862,503	5,790,799	1,071,704	5,790,799	3,767,993	12/31/2011
525221EC7	8,913,387	8,692,382	221,005	8,692,382	7,043,684	12/31/2011
525221GA9	5,346,377	5,002,035	344,342	5,002,035	3,686,648	12/31/2011
52524PAL6	7,545,587	6,148,435	1,397,152	6,148,435	4,991,851	12/31/2011
61749WAK3	4,195,117	3,826,315	368,802	3,826,315	2,661,559	12/31/2011
51751DAH7	5,999,761	5,767,706	232,055	5,767,706	3,563,791	12/31/2011
61752RAL6	3,398,613	3,149,373	249,240	3,149,373	2,148,446	12/31/2011
743948AL5	25,899	24,266	1,633	24,266	26,447	12/31/2011
74922EAF6	4,730,499	4,367,629	362,870	4,367,629	3,479,342	12/31/2011
75970JAD8	218,656	205,086	13,570	205,086	159,335	12/31/2011
761118MD7	3,988,386	3,850,477	137,909	3,850,477	3,318,983	12/31/2011
949772AU1	2,762,516	1,013,505	1,749,011	1,013,505	958,690	12/31/2011
94984EAN2	1,129,347	856,590	272,757	856,590	759,987	12/31/2011
02150EAN3	3,679,008	3,446,003	233,005	3,446,003	3,231,777	9/30/2011
059522AX0	11,395,894	6,872,513	4,523,381	6,872,513	5,672,734	9/30/2011
1248MGAX2	111,317	101,394	9,923	101,394	63,281	9/30/2011
52524MAV1	7,372,225	7,340,840	31,385	7,340,840	3,804,840	9/30/2011
75970QAD2	219,762	207,038	12,724	207,038	162,760	9/30/2011
76114AAB6	17,127,071	16,080,604	1,046,467	16,080,604	11,682,852	9/30/2011
872225AF4	1,922,007	579,909	1,342,098	579,909	511,364	9/30/2011
059522AX0	13,484,889	12,073,294	1,411,595	12,073,294	10,141,364	6/30/2011
1248MGAX2	126,206	113,315	12,891	113,315	80,587	6/30/2011
12543PAQ6	1,543,993	1,359,877	184,116	1,359,877	1,271,162	6/30/2011
3622MPAP3	5,347,444	3,922,035	1,425,409	3,922,035	3,669,161	6/30/2011
46627MAA5	2,064,922	1,987,518	77,404	1,987,518	1,712,231	6/30/2011
52523KAJ3	8,489,901	6,839,941	1,649,960	6,839,941	3,545,923	6/30/2011
949772AU1	3,762,021	2,797,129	964,892	2,797,129	2,257,810	6/30/2011
94984EAN2	1,280,368	1,073,066	207,302	1,073,066	1,121,215	6/30/2011
Total	\$ 223,916,338	\$ 198,108,816	\$ 25,807,522	\$ 198,108,816	\$ 151,630,926	

For the year ended December 31, 2010:

45660L3H0	\$ 9,550,473	\$ 9,485,847	\$ 64,626	\$ 9,485,847	\$ 7,829,310	12/31/2010
74922EAF6	5,309,746	5,148,937	160,809	5,148,937	4,175,984	12/31/2010
75970JAD8	270,123	244,031	26,092	244,031	213,637	12/31/2010
75970QAD2	240,088	232,744	7,344	232,744	182,065	12/31/2010
872225AF4	3,543,404	2,062,688	1,480,716	2,062,688	1,314,500	12/31/2010
1248MGAX2	160,962	146,652	14,310	146,652	108,027	9/30/2010
75970QAD2	269,996	244,841	25,155	244,841	194,775	9/30/2010
05949ATX8	961,020	776,450	184,570	776,450	776,421	9/30/2010
12544DBB4	2,293,037	785,576	1,507,461	785,576	769,930	9/30/2010
12668BYF4	6,115,301	5,755,547	359,754	5,755,547	4,484,662	9/30/2010
45660L3T4	10,343,891	10,034,491	309,400	10,034,491	8,256,883	9/30/2010
021468AG8	4,740,567	4,373,849	366,718	4,373,849	3,369,045	6/30/2010
02148JAD9	4,841,488	4,532,996	308,492	4,532,996	3,436,405	6/30/2010
02150EAN3	4,400,206	3,840,126	560,080	3,840,126	3,412,810	6/30/2010
12543PAQ6	1,784,460	1,541,866	242,594	1,541,866	1,348,013	6/30/2010
45660L2V0	1,598,107	1,530,926	67,181	1,530,926	1,157,898	6/30/2010
45660L3H0	9,953,669	9,565,530	388,139	9,565,530	7,424,150	6/30/2010
46627MAA5	2,169,057	2,091,979	77,078	2,091,979	1,555,118	6/30/2010
52520QAG9	12,691,105	11,545,008	1,146,097	11,545,008	10,204,319	6/30/2010
61749EAF4	13,051,028	11,925,053	1,125,975	11,925,053	8,080,016	6/30/2010
61749WAK3	5,649,503	5,269,680	379,823	5,269,680	3,554,890	6/30/2010
863579K56	12,796,555	11,782,991	1,013,564	11,782,991	11,416,313	6/30/2010
872225AF4	6,552,383	3,483,780	3,068,603	3,483,780	2,066,680	6/30/2010
93934NAK1	7,318,802	6,692,064	626,738	6,692,064	5,247,160	6/30/2010
949772AU1	4,462,590	3,775,558	687,032	3,775,558	1,998,754	6/30/2010
Total	\$ 131,067,561	\$ 116,869,210	\$ 14,198,351	\$ 116,869,210	\$ 92,577,765	

NOTES TO FINANCIAL STATEMENTS

CUSIP	Book/Adj Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Future Cash Flows	Recognized Other-Than- Temporary Impairment	Amortized Cost After Other-Than- Temporary Impairment	Fair Value	Date of Financial Statement Where Reported
For the six month period ended December 31, 2009:						
059469AF3	\$ 4,084,265	\$ 3,958,294	\$ 125,971	\$ 3,958,294	\$ 2,818,791	12/31/2009
05950NBUI	2,739,165	1,189,390	1,549,775	1,189,390	2,076,039	12/31/2009
059522BB7	2,143,472	849,585	1,293,887	849,585	980,407	12/31/2009
12544DDB4	5,455,935	2,518,168	2,937,767	2,518,168	3,709,016	12/31/2009
12668BYF4	6,431,867	6,121,474	310,393	6,121,474	4,818,219	12/31/2009
225470M67	6,716,545	6,222,148	494,397	6,222,148	4,503,704	12/31/2009
251513AQ0	83,080	65,539	17,541	65,539	56,616	12/31/2009
45660L3T4	12,284,531	12,069,435	215,096	12,069,435	9,599,076	12/31/2009
525221EC7	13,493,738	12,851,796	641,942	12,851,796	9,701,815	12/31/2009
525221GA9	7,818,089	7,447,183	370,906	7,447,183	5,500,339	12/31/2009
52522HAN2	15,293,112	13,592,511	1,700,601	13,592,511	9,605,487	12/31/2009
65538PAF5	3,384,149	3,308,616	75,533	3,308,616	2,376,792	12/31/2009
761118MD7	4,457,494	4,249,793	207,701	4,249,793	2,998,130	12/31/2009
939344AR8	6,423,472	6,013,973	409,499	6,013,973	3,915,805	12/31/2009
93934FEQ1	7,220,961	6,846,507	374,454	6,846,507	6,221,660	12/31/2009
93935WAD6	20,767,486	19,808,212	959,274	19,808,212	14,579,158	12/31/2009
00079CAE9	739,872	729,940	9,932	729,940	575,681	9/30/2009
05950NBUI	3,891,730	2,855,010	1,036,720	2,855,010	2,090,848	9/30/2009
059515BF2	7,677,984	6,748,758	929,226	6,748,758	5,511,967	9/30/2009
059522BB7	2,619,881	2,231,956	387,925	2,231,956	1,589,338	9/30/2009
12543PAQ6	1,956,165	1,778,942	177,223	1,778,942	1,323,375	9/30/2009
12544DDB4	8,191,890	5,540,712	2,651,178	5,540,712	3,663,020	9/30/2009
12668WAU1	3,928,439	3,669,012	259,427	3,669,012	1,292,760	9/30/2009
32056FAG7	1,562,554	373,587	1,188,967	373,587	325,202	9/30/2009
40432BBH1	2,027,358	626,934	1,400,424	626,934	556,456	9/30/2009
52524MAV1	8,616,474	7,581,270	1,035,204	7,581,270	3,177,130	9/30/2009
872225AF4	10,962,696	6,767,200	4,195,496	6,767,200	2,945,943	9/30/2009
Total	\$ 170,972,404	\$ 146,015,945	\$ 24,956,459	\$ 146,015,945	\$ 106,512,774	

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

Unrealized Losses Less Than 12 Months		Unrealized Losses Greater Than or Equal to 12 Months	
Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
\$ (11,439,216)	\$ 219,761,004	\$ (151,744,005)	\$ 705,765,788

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

E. Repurchase Agreements and/or Securities Lending Transactions

At December 31, 2011, the Company has loaned \$304.2 million (fair value) of various debt securities, preferred stocks and common stocks as part of a securities lending program administered by The Bank of New York Mellon. At December 31, 2010, the Company had loaned \$454.3 million (fair value) of various debt securities, preferred stocks and common stocks as part of a securities lending program administered by The Bank of New York Mellon. The Company maintains effective control over all loaned securities and, therefore, continues to report such securities as invested assets in the balance sheets.

(1) The Company requires at the initial transaction that the fair value of the cash collateral received must be equal to 102% of the fair value of the loaned securities. The Company monitors the ratio of the fair value of the collateral to loaned securities to ensure it does not fall below 100%. If the fair value of the collateral falls below 100% of the fair value of the securities loaned, the Company non-admits that portion of the loaned security. At December 31, 2011 and 2010, the Company did not non-admit any portion of the loaned securities.

(2) Not applicable.

(3) a. At December 31, 2011, the collateral for all securities on loan could be requested to be returned on demand by the borrower. At December 31, 2011, the fair value of the total collateral is \$312.2 million, \$283.9 million of which is managed by an affiliated agent and \$28.3 million of which is managed by an unaffiliated agent. At December 31, 2010, the fair value of the total collateral was \$464.4 million, \$435.9 million of which was managed by an affiliated agent and \$28.5 million of which was managed by an unaffiliated agent.

b. The aggregate fair value of the reinvested collateral is \$312.2 million.

c. The Company receives cash collateral in an amount in excess of the fair value of the securities lent. The Company reinvests the cash collateral primarily in investment-grade debt securities and cash equivalents.

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

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

	Amortized Cost	Fair Value
Open	\$ -	\$ -
30 Days or less	168,506,163	168,921,493
31 to 60 Days	-	-
61 to 90 Days	5,000,000	5,000,000
91 to 120 Days	-	-
121 to 180 Days	-	-
181 to 365 Days	24,144,196	24,140,766
1 to 2 Years	-	-
2 to 3 Years	-	-
Greater Than 3 Years	114,190,797	114,169,986
Total Collateral	\$ 311,841,156	\$ 312,232,245

NOTES TO FINANCIAL STATEMENTS

b. At December 31, 2011, all of the collateral held for the securities lending program was invested in tradable securities that could be sold and used to pay for the \$311.9 million in collateral calls that could come due under a worst-case scenario.

F. Real Estate

- (1) The Company did not recognize impairment losses on real estate during the statement periods.
- (2) The Company does not have any real estate assets classified as held-for-sale.
- (3) The Company did not experience changes to a plan of sale in investment in real estate.
- (4) The Company does not engage in retail land sales operations.
- (5) The Company does not hold any real estate investments with participating mortgage loan features.

G. Low Income Housing Tax Credit Property Investments

- (1) There is a range of 9 to 13 years of unexpired tax credits remaining. The required holding period is 18 to 21 years.
- (2) The only reviews are the routine annual regulatory reviews which are in place to ensure each property qualifies for the tax credits.
- (3) The Company's investments in low income housing tax credit properties do not exceed 10% of admitted assets.
- (4) The Company did not recognize any impairment during the statement periods.
- (5) There were no write-downs or reclassifications made during the year due to the forfeiture or ineligibility of tax credits, etc.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in joint ventures, partnerships or limited liability companies during the statement period.

7. Investment Income

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

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

Due and accrued income is excluded from investment income on mortgage loans which are in foreclosure, delinquent more than one year or where collection of interest is uncertain.

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

8. Derivative Instruments

The Company entered into replication transactions. The discussion of accounting policies, risk, and objectives are shown in Note 1C. The net loss recognized in unrealized gains and losses during the reporting period related to replication transactions were \$211,841. The Company has entered into a collateral agreement with the counterparty whereby the Company is required to post assets on the counterparty's behalf. The posted amount is equal to the difference between the net positive fair value of the credit default swap and an agreed upon threshold that is based on the credit rating of the Company. At December 31, 2011, \$300,00 of cash collateral has been posted by the Company.

The Company entered into an interest rate swap (the swap). The discussion of accounting policies, risks and objectives are shown in Note 1C. The notional amount of the swap is \$60,000,000. No net gain or loss has been recognized in unrealized gains or losses as of December 31, 2011 because the swap qualifies for hedge accounting. The Company has entered into a collateral agreement with the counterparty whereby under certain conditions the counterparty is required to post assets on the Company's behalf. The posted amount is equal to the difference between the net positive fair value of the swap and agreed upon thresholds that are based on the credit rating of the counterparty. Inversely, if the net fair value of the swap is negative, then the Company may be required to post assets instead using similar thresholds. At December 31, 2011, no collateral has been posted by the Company or the counterparty.

9. Income Taxes

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

(1) 2011:

- (a) Gross deferred tax assets
- (b) Statutory valuation allowance adjustment
- (c) Adjusted gross deferred tax assets (1a – 1b)
- (d) Deferred tax liabilities
- (e) Net deferred tax assets/(liabilities) (1c – 1d)
- (f) Deferred tax assets nonadmitted
- (g) Net admitted deferred tax assets/(liabilities) (1e – 1f)

	Ordinary	Capital	Total
\$ 71,474,567	\$ 24,626,471	\$ 96,101,038	
71,474,567	24,626,471	96,101,038	
31,160,871	32,278,795	63,439,666	
40,313,696	(7,652,324)	32,661,372	
\$ 40,313,696	\$ (7,652,324)	\$ 32,661,372	

2010:

- (a) Gross deferred tax assets
- (b) Statutory valuation allowance adjustment
- (c) Adjusted gross deferred tax assets (1a – 1b)
- (d) Deferred tax liabilities
- (e) Net deferred tax assets/(liabilities) (1c – 1d)
- (f) Deferred tax assets nonadmitted
- (g) Net admitted deferred tax assets/(liabilities) (1e – 1f)

	Ordinary	Capital	Total
\$ 67,825,551	\$ 34,814,464	\$ 102,640,015	
67,825,551	34,814,464	102,640,015	
31,219,004	36,875,345	68,094,349	
36,606,547	(2,060,881)	34,545,666	
\$ 36,606,547	\$ (2,060,881)	\$ 34,545,666	

Change:

- (a) Gross deferred tax assets
- (b) Statutory valuation allowance adjustment
- (c) Adjusted gross deferred tax assets (1a – 1b)
- (d) Deferred tax liabilities
- (e) Net deferred tax assets/(liabilities) (1c – 1d)
- (f) Deferred tax assets nonadmitted
- (g) Net admitted deferred tax assets/(liabilities) (1e – 1f)

	Ordinary	Capital	Total
\$ 3,649,016	\$ (10,187,993)	\$ (6,538,977)	
3,649,016	(10,187,993)	(6,538,977)	
(58,133)	(4,596,550)	(4,654,683)	
3,707,149	(5,591,443)	(1,884,294)	
\$ 3,707,149	\$ (5,591,443)	\$ (1,884,294)	

- (2) The Company has elected to admit DTAs pursuant to paragraph 10.e. of SSAP No. 10R, *Income Taxes – A Temporary Replacement of SSAP No. 10*. The current period election does not differ from the prior period election.
- (3) The increased amount by tax character, and the change in such, of admitted adjusted gross DTAs as the result of the application of paragraph 10.e. of SSAP No. 10R, *Income Taxes – A Temporary Replacement of SSAP No. 10*:

	Current Year	Prior Year	Change
Increase (decrease) in deferred tax assets admitted from SSAP 10R, para. 10.e.	\$ 12,565,787	\$ 15,082,839	\$ (2,517,052)

NOTES TO FINANCIAL STATEMENTS

(4) <u>2011:</u>	Ordinary	Capital	Total
Admission calculation components SSAP 10R, Paragraphs 10.a, 10.b, and 10.c:			
(a) SSAP 10R, Paragraph 10.a.	\$ 20,095,585	\$ -	\$ 20,095,585
(b) SSAP 10R, Paragraph 10.b. (lesser of para. 10.b.i. and 10.b.ii. below)	-	-	-
(c) SSAP 10R, Paragraph 10.b.i.	-	-	-
(d) SSAP 10R, Paragraph 10.b.ii.			103,335,869
(e) SSAP 10R, Paragraph 10.c.	38,813,195	24,626,471	63,439,666
(f) Total (4a + 4b + 4e)	<u>\$ 58,908,780</u>	<u>\$ 24,626,471</u>	<u>\$ 83,535,251</u>
Admission calculation components SSAP 10R, Paragraph 10.e.:			
(g) SSAP 10R, Paragraph 10.e.i.	\$ 35,939,269	\$ -	\$ 35,939,269
(h) SSAP 10R, Paragraph 10.e.ii. (lesser of para. 10.e.ii.a. and 10.e.ii.b. below)	-	-	-
(i) SSAP 10R, Paragraph 10.e.ii.a.	-	-	-
(j) SSAP 10R, Paragraph 10.e.ii.b.			155,003,803
(k) SSAP 10R, Paragraph 10.e.iii.	35,535,298	24,626,471	60,161,769
(l) Total (4g + 4h + 4k)	<u>\$ 71,474,567</u>	<u>\$ 24,626,471</u>	<u>\$ 96,101,038</u>
Used in SSAP 10R, Paragraph 10.d.			
(m) Total adjusted capital			\$ 1,078,731,828
(n) Authorized control level			\$ 141,705,404
2010:	Ordinary	Capital	Total
Admission calculation components SSAP 10R, Paragraphs 10.a, 10.b, and 10.c:			
(a) SSAP 10R, Paragraph 10.a.	\$ 19,462,827	\$ -	\$ 19,462,827
(b) SSAP 10R, Paragraph 10.b. (lesser of para. 10.b.i. and 10.b.ii. below)	-	-	-
(c) SSAP 10R, Paragraph 10.b.i.	-	-	-
(d) SSAP 10R, Paragraph 10.b.ii.			99,415,791
(e) SSAP 10R, Paragraph 10.c.	33,279,885	34,814,464	68,094,349
(f) Total (4a + 4b + 4e)	<u>\$ 52,742,712</u>	<u>\$ 34,814,464</u>	<u>\$ 87,557,176</u>
Admission calculation components SSAP 10R, Paragraph 10.e.:			
(g) SSAP 10R, Paragraph 10.e.i.	\$ 36,736,863	\$ -	\$ 36,736,863
(h) SSAP 10R, Paragraph 10.e.ii. (lesser of para. 10.e.ii.a. and 10.e.ii.b. below)	-	-	-
(i) SSAP 10R, Paragraph 10.e.ii.a.	-	-	-
(j) SSAP 10R, Paragraph 10.e.ii.b.			149,123,686
(k) SSAP 10R, Paragraph 10.e.iii.	31,088,688	34,814,464	65,903,152
(l) Total (4g + 4h + 4k)	<u>\$ 67,825,551</u>	<u>\$ 34,814,464</u>	<u>\$ 102,640,015</u>
Used in SSAP 10R, Paragraph 10.d.			
(m) Total adjusted capital			\$ 1,102,224,074
(n) Authorized control level			\$ 139,255,124
Change:	Ordinary	Capital	Total
Admission calculation components SSAP 10R, Paragraphs 10.a, 10.b, and 10.c:			
(a) SSAP 10R, Paragraph 10.a.	\$ 632,758	\$ -	\$ 632,758
(b) SSAP 10R, Paragraph 10.b. (lesser of para. 10.b.i. and 10.b.ii. below)	-	-	-
(c) SSAP 10R, Paragraph 10.b.i.	-	-	-
(d) SSAP 10R, Paragraph 10.b.ii.			3,920,078
(e) SSAP 10R, Paragraph 10.c.	5,533,310	(10,187,993)	(4,654,683)
(f) Total (4a + 4b + 4e)	<u>\$ 6,166,068</u>	<u>\$ (10,187,993)</u>	<u>\$ (4,021,925)</u>
Admission calculation components SSAP 10R, Paragraph 10.e.:			
(g) SSAP 10R, Paragraph 10.e.i.	\$ (797,594)	\$ -	\$ (797,594)
(h) SSAP 10R, Paragraph 10.e.ii. (lesser of para. 10.e.ii.a. and 10.e.ii.b. below)	-	-	-
(i) SSAP 10R, Paragraph 10.e.ii.a.	-	-	-
(j) SSAP 10R, Paragraph 10.e.ii.b.			5,880,117
(k) SSAP 10R, Paragraph 10.e.iii.	4,446,610	(10,187,993)	(5,741,383)
(l) Total (4g + 4h + 4k)	<u>\$ 3,649,016</u>	<u>\$ (10,187,993)</u>	<u>\$ (6,538,977)</u>
Used in SSAP 10R, Paragraph 10.d.			
(m) Total adjusted capital			\$ (23,492,246)
(n) Authorized control level			\$ 2,450,280
(5) <u>2011:</u>	Ordinary	Capital	Total
Impact of tax planning strategies:			
(a) Adjusted gross DTAs (% of total adjusted gross DTAs)	0.00%	0.00%	0.00%
(b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0.00%	0.00%	0.00%
2010:	Ordinary	Capital	Total
Impact of tax planning strategies:			
(a) Adjusted gross DTAs (% of total adjusted gross DTAs)	0.00%	0.00%	0.00%
(b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0.00%	0.00%	0.00%
Change:	Ordinary	Capital	Total
Impact of tax planning strategies:			
(a) Adjusted gross DTAs (% of total adjusted gross DTAs)	0.00%	0.00%	0.00%
(b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0.00%	0.00%	0.00%
(6) <u>2011:</u>	Ordinary	Capital	Total
SSAP 10R, Paragraphs 10.a., 10.b., and 10.c.:			
(a) Admitted deferred tax assets	\$ 58,908,780	\$ 24,626,471	\$ 83,535,251
(b) Admitted assets			\$ 11,382,296,956
(c) Adjusted statutory surplus *			\$ 974,293,736
(d) Total adjusted capital from DTAs			\$ 1,066,166,041
Increases due to SSAP 10R, Paragraph 10.e.:			
(e) Admitted deferred tax assets	\$ 12,565,787	\$ -	\$ 12,565,787
(f) Admitted assets			\$ 12,565,787
(g) Statutory surplus			\$ 12,565,787

NOTES TO FINANCIAL STATEMENTS

<u>2010:</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
SSAP 10R, Paragraphs 10.a., 10.b., and 10.c.:			
(a) Admitted deferred tax assets	\$ 52,742,712	\$ 34,814,464	\$ 87,557,176
(b) Admitted assets			\$ 11,710,256,741
(c) Adjusted statutory surplus *			\$ 1,017,250,593
(d) Total adjusted capital from DTAs			\$ 1,087,141,235
Increases due to SSAP 10R, Paragraph 10.e.:			
(e) Admitted deferred tax assets	\$ 15,082,839	\$ -	\$ 15,082,839
(f) Admitted assets			\$ 15,082,839
(g) Statutory surplus			\$ 15,082,839
<u>Change:</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
SSAP 10R, Paragraphs 10.a., 10.b., and 10.c.:			
(a) Admitted deferred tax assets	\$ 6,166,068	\$ (10,187,993)	\$ (4,021,925)
(b) Admitted assets			\$ (327,959,785)
(c) Adjusted statutory surplus *			\$ (42,956,857)
(d) Total adjusted capital from DTAs			\$ (20,975,194)
Increases due to SSAP 10R, Paragraph 10.e.:			
(e) Admitted deferred tax assets	\$ (2,517,052)	\$ -	\$ (2,517,052)
(f) Admitted assets			\$ (2,517,052)
(g) Statutory surplus			\$ (2,517,052)
* As reported on the statutory balance sheet for the most recently filed statement with the Ohio Department of Insurance commissioner adjusted in accordance with SSAP 10R, Paragraph 10.b.ii.			
B. Deferred tax liabilities are not recognized for the following amounts: None.			
C. Current income taxes incurred consist of the following major components:			
(1) Current income tax	<u>Current Year</u>	<u>Prior Year</u>	<u>Change</u>
(a) Federal	\$ 46,078,369	\$ 42,958,712	\$ 3,119,657
(b) Foreign	-	-	-
(c) Subtotal	46,078,369	42,958,712	3,119,657
(d) Federal income tax on net capital gains	1,007,378	7,703,552	(6,696,174)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	(4,134,040)	(5,071,051)	937,011
(g) Federal and foreign income taxes incurred	\$ 42,951,707	\$ 45,591,213	\$ (2,639,506)
(2) Deferred tax assets	<u>Current Year</u>	<u>Prior Year</u>	<u>Change</u>
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ -	\$ -	\$ -
(2) Unearned premium revenue	21,250,316	20,670,475	579,841
(3) Policyholder reserves	10,630,973	8,587,287	2,043,686
(4) Investments	38,091,560	38,137,452	(45,892)
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables – nonadmitted	-	-	-
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other	1,501,718	430,337	1,071,381
(14) Subtotal	71,474,567	67,825,551	3,649,016
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a14 – 2b – 2c)	71,474,567	67,825,551	3,649,016
(e) Capital:			
(1) Investments	24,626,471	34,814,464	(10,187,993)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
(5) Subtotal	24,626,471	34,814,464	(10,187,993)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e5 – 2f – 2g)	24,626,471	34,814,464	(10,187,993)
(i) Admitted deferred tax assets (2d + 2h)	\$ 96,101,038	\$ 102,640,015	\$ (6,538,977)
(3) Deferred tax liabilities	<u>Current Year</u>	<u>Prior Year</u>	<u>Change</u>
(a) Ordinary:			
(1) Investments	\$ 17,448,331	\$ 16,393,787	\$ 1,054,544
(2) Fixed assets	750,762	549,919	200,843
(3) Deferred and uncollected premium	7,215,467	7,062,204	152,263
(4) Policyholder reserves	5,669,872	7,123,146	(1,453,274)
(5) Other	76,439	88,948	(12,509)
(6) Subtotal	31,160,871	31,219,004	(58,133)
(b) Capital:			
(1) Investments	32,278,795	36,875,345	(4,596,550)
(2) Real estate	-	-	-
(3) Other	-	-	-
(4) Subtotal	32,278,795	36,875,345	(4,596,550)
(c) Deferred tax liabilities (3a6 + 3b4)	\$ 63,439,666	\$ 68,094,349	\$ (4,654,683)
(4) Net deferred tax assets (liabilities) (2i – 3c)	\$ 32,661,372	\$ 34,545,666	\$ (1,884,294)

NOTES TO FINANCIAL STATEMENTS

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

	Current Year	Effective Tax Rate	Prior Year	Effective Tax Rate
Provision computed at statutory rate	\$ 58,067,256	35.00%	\$ 49,279,825	35.00%
Dividend received deduction	(85,982)	(0.05)	(10,229)	(0.01)
Tax credits	(5,051,958)	(3.05)	(4,795,113)	(3.41)
Nonadmitted assets	(2,001,156)	(1.21)	823,065	0.58
Other	2,492,949	1.51	6,908,670	4.91
Total statutory income taxes	<u>\$ 53,421,109</u>	<u>32.20%</u>	<u>\$ 52,206,218</u>	<u>37.07%</u>
 Federal and foreign income taxes incurred	 \$ 41,944,329	 25.28%	 \$ 37,887,661	 26.90%
Change in net deferred income taxes*	11,476,780	6.92	14,318,557	10.17
Total statutory income taxes	<u>\$ 53,421,109</u>	<u>32.20%</u>	<u>\$ 52,206,218</u>	<u>37.07%</u>

* Excludes change in net deferred income taxes on realized gains/losses of \$(3,678,285) and \$(8,056,256) for the year ended December 31, 2011 and 2010, respectively.

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

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

2011	\$ 42,038,212
2010	\$ 46,867,761
2009	\$ 30,358,103

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

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

The Western and Southern Life Insurance Company (Western and Southern), parent of the Company, files a consolidated income tax return with its eligible subsidiaries, including the Company. The provision for federal income taxes is allocated to the Company using a separate return method based upon a written tax sharing agreement. Under the agreement, the benefits from losses of subsidiaries are retained by the subsidiary companies. Western and Southern pays all federal income taxes due for all members in the consolidated return. Western and Southern then immediately charges or reimburses, as the case may be, these members an amount consistent with the method described in the tax sharing agreement. At December 31, 2011, the Company has a payable to Western and Southern of \$5.8 million on line 15.1 of page 3.

10. Information Concerning Parent, Subsidiaries and Affiliates

A,B, C&D. The Company has no employees of its own and reimburses Western and Southern for management services and rent. Management services provided by Western and Southern amounted to \$72.8 million and \$75.8 million in 2011 and 2010, respectively. Rent expense was \$5.6 million and \$5.4 million in 2011 and 2010, respectively.

The Company paid a \$75.0 million dividend and a \$25.0 million dividend to its parent, Western and Southern on December 5, 2011 and December 28, 2011. The dividends were in the form of cash.

At December 31, 2010, the Company accrued \$25.0 million for a dividend to be paid in the form of cash to Western and Southern. The dividend was paid on January 3, 2011.

E. The Company had no guarantees or undertakings for the benefit of an affiliate which resulted in a material contingent exposure of the Company's assets or liabilities.

F. The parent company performs certain administrative and special services for the Company to assist with its business operations. These services include tax compliance and reporting, payroll functions, administrative support services, and investment functions. The charges for services are considered reasonable and in accordance with the requirements of applicable insurance law and regulations.

G. All outstanding shares of the Company are owned by The Western and Southern Life Insurance Company, a life insurance company domiciled in the state of Ohio.

H. The Company does not own any shares of an upstream affiliate either directly or through its subsidiaries.

I. The Company does not have an investment in an SCA entity that exceeds 10% of the admitted assets of the insurer.

J. In 2011, the Company recognized a \$2.3 million impairment write down for its investment in its affiliate, W&S Brokerage Service, based on the determination that the Company will be unable to recover the carrying amount of the investment. Fair value is determined based on GAAP equity.

K. Not applicable.

L. Not applicable.

11. Debt

A. The Company has no capital notes outstanding. The Company does not hold any dollar reverse repurchase agreements.

B. FHLB (Federal Home Loan Bank) Agreements treated as debt. None.

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

A. Defined Benefit Plan

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

B. Defined Contribution Plan. None.

C. Multi-employer Plans. Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

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

- (1) The Company has one class of common stock with a par value of \$1 per share. At December 31, 2011, the Company had 10,000,000 shares authorized, 2,500,000 shares issued and 2,500,000 shares outstanding.
- (2) The Company has no preferred stock outstanding.
- (3) The ability of the Company to pay dividends is limited by state insurance laws. Under Ohio insurance laws, the Company may pay dividends, without the approval of the Ohio Director of Insurance, only from earned surplus and those dividends may not exceed (when added to other dividends paid in the preceding 12 months) the greater of (i) 10% of the Company's surplus as of the prior December 31, or (ii) the Company's net income for the twelve month period ending the prior December 31. Dividends are noncumulative.
- (4) The Company paid a \$75.0 million ordinary dividend and a \$25.0 million extraordinary dividend to its parent, Western and Southern on December 5, 2011 and December 28, 2011. The dividends were in the form of cash.

On December 31, 2010, the Company accrued \$25,000,000 for a dividend to be paid in the form of cash to its parent, Western and Southern. The dividend was paid on January 3, 2011.

- (5) Within the limitations of (3) above, there are no restrictions placed on the portion of company profits that may be paid as ordinary dividends to stockholders.
- (6) There were no restrictions placed on the Company's surplus.
- (7) There are no advances of surplus.
- (8) There was no stock held by the Company, including stock of affiliated companies, for special purposes.
- (9) The Company does not hold any special surplus funds.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses: \$(62,173,574)
- (11) There were no surplus debentures or similar item outstanding during the statement periods.
- (12) There have been no restatements of surplus due to quasi-reorganizations.
- (13) Not applicable.

14. Contingencies

- A. Contingent Commitments

The Company has future commitments to joint ventures, limited partnerships and limited liability companies, excluding those related to Low Income Housing Tax Credits, in the amount of \$19,656,206.

The Company has future commitments to joint ventures, limited partnerships and limited liability companies investing in Low Income Housing Tax Credit properties in the amount of \$11,422,081.

- B. Assessments

The Company is not aware of any material assessments.

- C. Gain Contingencies

The Company is not aware of any gain contingencies.

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

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

- E. All Other Contingencies

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

15. Leases

- A. The Company did not have any material lease obligations at December 31, 2011.
- B. The Company is not involved in any contracts in which it acts as a lessor.

16. The Company has entered into replication transactions. The accounting policies associated with replication transactions are described in Note 1C. As of December 31, 2011, the notional amount of the credit default swaps outstanding was \$408.7 million. As of December 31, 2010, the notional amount of the credit default swaps outstanding was \$283.7 million.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

A.

(1) Fair Value Measurements at December 31, 2011

	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds				
U.S. governments	\$ -	\$ -	\$ -	\$ -
Issuer obligation	-	543,778	-	543,778
RMBS	-	-	32,979,902	32,979,902
CMBS	-	-	-	-
Hybrid securities	-	-	-	-
Parent, subsidiaries and affiliates	-	-	-	-
Total bonds	\$ -	\$ 543,778	\$ 32,979,902	\$ 33,523,680
Preferred stock				
Industrial and miscellaneous	\$ -	\$ -	\$ -	\$ -
Parent, subsidiaries and affiliates	-	-	-	-
Total preferred stock	\$ -	\$ -	\$ -	\$ -
Common stock				
Industrial and miscellaneous	\$ 100,287,635	\$ -	\$ -	\$ 100,287,635
Parent, subsidiaries and affiliates	-	-	-	-
Mutual funds	-	-	-	-
Total common stock	\$ 100,287,635	\$ -	\$ -	\$ 100,287,635
Derivative assets				
Interest rate contracts	\$ -	\$ -	\$ -	\$ -
Options, purchased	-	-	-	-
Foreign exchange contracts	-	-	-	-
Credit default swaps	-	-	2,920,299	2,920,299
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total derivative assets	\$ -	\$ -	\$ 2,920,299	\$ 2,920,299
Separate account assets*	\$ 38,774,158	\$ -	\$ -	\$ 38,774,158
Total assets at fair value	\$ 139,061,793	\$ 543,778	\$ 35,900,201	\$ 175,505,772

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
Derivative liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

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

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

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

	Balance at 1/1/2011	Transfers in Level 3	Transfers out of Level 3	Total Gains (Losses) Included in Net Income	Total Gains (Losses) Included in Surplus	Net Purchases, Issuances, Sales and Settlements	Balance at 12/31/2011
RMBS	\$ 29,814,454	\$ 20,315,734	\$ (1,069,111)	\$ (14,874,491)	\$ 6,003,222	\$ (7,209,906)	\$ 32,979,902
Derivative assets	-	2,920,299	-	-	-	-	2,920,299
Derivative liabilities	(506,012)	-	(2,920,299)	74,619	(211,840)	3,563,532	-
Total	\$ 29,308,442	\$ 23,236,033	\$ (3,989,410)	\$ (14,799,872)	\$ 5,791,382	\$ (3,646,374)	\$ 35,900,201

Gross Purchases, Issuances, Sales, and Settlements

	Purchases	Issuances	Sales	Settlements	Net Purchases, Issuances, Sales and Settlements
RMBS	\$ -	\$ -	\$ (2,617,664)	\$ (4,592,242)	\$ (7,209,906)
Derivative liabilities	4,156,569	(243,800)	-	(349,237)	3,563,532
Total	\$ 4,156,569	\$ (243,800)	\$ (2,617,664)	\$ (4,941,479)	\$ (3,646,374)

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

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

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

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

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

Assets held in separate accounts carried at fair value consistent of mutual funds. The fair values of these assets have been determined using the same methodologies as for common stock.

B. Not applicable.

NOTES TO FINANCIAL STATEMENTS

C. Not applicable.

D. Not applicable.

21. Other Items

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

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

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

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

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

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

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

	Actual Cost	Book/Adjusted Carrying Value	Fair Value	Other-Than-Temporary Impairment Losses Recognized
Residential mortgage-backed securities	\$ 91,267,053	\$ 91,625,041	\$ 87,010,478	\$ 49,109
Commercial mortgage-backed securities	-	-	-	-
Collateralized debt obligations	-	-	-	-
Structured securities	-	-	-	-
	\$ 91,267,053	\$ 91,625,041	\$ 87,010,478	\$ 49,109

The percentage of book value of these debt securities that have underlying loans with primarily variable interest rates is 9.28%.

H. Retained Assets

(1) The Company offered retained asset accounts as an optional form of settlement for life insurance policy proceeds in 2011. The retained asset account option provided to beneficiaries was not the default method for satisfying life insurance claims in 2011, as a signature of the beneficiary authorizing the creation of such an account was required for this method of settlement. From 2004 through October, 2011, the Company's retained asset accounts had been established in the beneficiary's name with Fort Washington Savings Company, an affiliated bank of the Company. The assets and liabilities related to these accounts were transferred to Fort Washington Savings Company and were not included on the Company's financial statements.

The Company's retained asset accounts established prior to 2004 and beginning November 1, 2011, are transferred to the parent company, Western and Southern. These accounts are serviced by an unaffiliated bank with the assets and liabilities related to these retained assets accounts remaining on the parent company's financial statements.

The interest rate paid to retained asset account holders during 2011 was 0.5%. This rate did not change during 2011. Accountholders are not charged for routine administrative fees associated with these retained asset accounts; provided, however, that accountholders are responsible for certain fees associated with insufficient funds checks/drafts and stop-payment orders.

(2) Not applicable.

(3) Not applicable.

22. Events Subsequent

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

23. Reinsurance

A. Ceded Reinsurance Report

Section I – General Interrogatories

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

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

NOTES TO FINANCIAL STATEMENTS

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes () No ()

- If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.
- What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement?

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No ()

Section 3 – Ceded Reinsurance Report – Part A

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes () No ()

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

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

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

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

26. Intercompany Pooling Arrangements. None.

27. Structured Settlements. None.

28. Health Care Receivables. None.

29. Participating Policies. None.

30. Premium Deficiency Reserves. None.

31. Reserves for Life Contracts and Annuity Contracts

(1) The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

(2) Policies issued to substandard lives are charged an extra premium plus the regular gross premium for the true age. Mean reserves are based on appropriate multiples of standard rates of mortality.

(3) As Of December 31, 2011, the Company had \$187,073,907 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the state of Ohio. Reserves to cover this insurance totaled \$3,212,800 at year-end and are reported in Exhibit 5, Life Insurance and Annuities sections.

(4) The tabular interest, the tabular less actual reserve released, and the tabular cost have been determined by formula as described in the instructions.

(5) The determination of tabular interest on funds not involving life has been determined by formula as described in the instructions.

(6) The details for other changes: None.

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

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	\$ -	\$ 4,462,524	\$ -	\$ 4,462,524	0.05%
(2) At book value less surrender charge of 5% or more	\$ 3,535,918,089	-	-	\$ 3,535,918,089	40.26%
(3) At fair value	-	-	38,518,001	38,518,001	0.44%
(4) Total with adjustment or at market value (Total of 1 through 3)	\$ 3,535,918,089	\$ 4,462,524	38,518,001	\$ 3,578,898,614	40.75%
(5) At book value without adjustment (minimal or no charge or adjustment)	4,257,810,366	-	-	4,257,810,366	48.48%
B. Not subject to discretionary withdrawal	945,604,069	-	-	945,604,069	10.77%
C. Total (gross)	8,739,332,524	\$ 4,462,524	38,518,001	8,782,313,049	100.00%
D. Reinsurance ceded	61,851	-	-	61,851	
E. Total (net)* (C) - (D)	\$ 8,739,270,673	\$ 4,462,524	38,518,001	\$ 8,782,251,198	

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

NOTES TO FINANCIAL STATEMENTS

F. Life & Accident & Health Annual Statement:

	Amount
1. Exhibit 5, Annuities Section, Total (net)	\$ 7,808,807,718
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	22,266,404
3. Exhibit 7, Exhibit of Deposit-Type Contracts, Line 14, Column 1	908,196,551
4. Subtotal	<u>8,739,270,673</u>
Separate Accounts Annual Statement	
5. Exhibit 3, Line 0299999, Column 2	42,980,525
6. Exhibit 3, Line 0399999, Column 2	-
7. Policyholder dividend and coupon accumulations	-
8. Policyholder premiums	-
9. Guaranteed interest contracts	-
10. Other contract deposit funds	-
11. Subtotal	<u>42,980,525</u>
12. Combined Total	<u><u>\$ 8,782,251,198</u></u>

G. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company has issued funding agreements to the FHLB of Cincinnati in exchange for cash advances in the amount of \$858,000,000. The Company uses these funds in an investment spread strategy, consistent with its other investment spread operations. As such, the Company applies SSAP No. 52 accounting treatment to these funds, consistent with its other deposit-type contracts. It is not part of the Company's strategy to utilize these funds for operations, and any funds obtained from the FHLB of Cincinnati for use in general operations would be accounted for consistent with SSAP No. 15 as borrowed money. The table below indicates the amount of FHLB of Cincinnati stock purchased, collateral pledged, assets and liabilities related to the agreement with FHLB of Cincinnati.

	Current Year	Prior Year
2. FHLB stock purchased/owned as part of the agreement	\$ 43,109,500	\$ 41,848,500
3. Collateral pledged to the FHLB	1,343,809,831	1,443,944,699
4. Borrowing capacity currently available	296,704,976	16,803,959
5. Total reserves related to funding agreement	856,439,614	1,220,382,361
6. Agreement assets and liabilities		
General Account: Assets	904,163,382	1,264,665,035
Liabilities	856,439,614	1,220,382,361
Separate Account: Assets	-	-
Liabilities	-	-

33. Premiums and Annuity Considerations Deferred and Uncollected

Type	Gross	Net of Loading
(1) Industrial	\$ -	\$ -
(2) Ordinary new business	2,022,485	1,138,320
(3) Ordinary renewal	14,491,190	20,519,361
(4) Credit Life	-	-
(5) Group Life	-	-
(6) Group Annuity	-	-
(7) Totals	<u>\$ 16,513,675</u>	<u>\$ 21,657,681</u>

34. Separate Accounts

A. Separate Account Activity

(1) The Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and/or transactions. For the current reporting year, the Company reported assets and liabilities from the following product lines/transactions into a separate account:

- Variable Annuities
- Market Value Adjusted Annuities

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

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

As of December 31, 2011 and 2010, the Company's separate account statement included legally insulated assets of \$45,778,509 and \$56,188,208, respectively. The assets legally insulated from the general account as of December 31, 2011 are attributed to the following products:

Product	Legally Insulated Assets	Separate Account Assets (Not Legally Insulated)
Variable Annuities	\$ 38,774,157	\$ -
Market Value Adjusted Annuities	\$ 7,004,352	\$ -
Total	<u>\$ 45,778,509</u>	<u>\$ -</u>

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

As of December 31, 2011, the Company's general account had a maximum guarantee for separate account liabilities of \$1,158,008. To compensate the general account for the risk taken, the separate accounts have paid risk charges as follows for the past two years:

2011	\$ 3,345
2010	\$ 3,667

As of December 31, 2011, the Company's general account had paid \$0 towards separate account guarantees. The total separate account guarantees paid by the general account for the preceding year ending December 31, 2010 was \$0.

(4) The Company does not engage in securities lending transactions within the separate accounts.

B. General Nature and Characteristics of Separate Account Business

The Company's guaranteed separate accounts consist of non-indexed, guaranteed rate options. The guaranteed rate options were sold as a fixed annuity product and are included in the Nonindexed Guarantee Less than/equal to 4% column of the table below. These options carry a minimum interest guarantee based on the guarantee period selected by the policyholder. The fixed annuity product provides a death benefit equal to the account value.

NOTES TO FINANCIAL STATEMENTS

The Company's nonguaranteed separate accounts consist of variable annuities and are included in the Nonguaranteed Separate Accounts column of the table below. The net investment experience of variable annuities is credited directly to the policyholder and can be positive or negative. Variable annuities include minimum guaranteed death benefits that vary by product and include optional death benefits available on some products. The death benefits include the following: account value, return of premium paid, a death benefit that accumulates at a specified interest rate, a death benefit that is adjusted after 7 years to the current account value, and a death benefit that is adjusted periodically to the current account value. Reserves for the minimum guaranteed death benefit are held in Exhibit 5, Annuities Section, of the Company's general account annual statement.

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

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

		Nonindexed Guarantee Less than/equal to 4%	Nonguaranteed Separate Accounts	Total
(1)	Premiums, considerations or deposits for year ended December 31, 2011	\$ -	\$ 339,006	\$ 339,006
(2)	Reserves at December 31, 2011			
	For accounts with assets at:			
	a. Fair value	\$ -	\$ 38,518,001	\$ 38,518,001
	b. Amortized cost	4,462,524	-	4,462,524
	c. Total reserves	\$ 4,462,524	\$ 38,518,001	\$ 42,980,525
(3)	By withdrawal characteristics:			
	a. Subject to discretionary withdrawal:			
	b. With FV adjustment	\$ 4,462,524	\$ -	\$ 4,462,524
	c. At book value without FV adjustment and with current surrender charge of 5% or more	-	-	-
	d. At fair value	-	38,518,001	38,518,001
	e. At book value without FV adjustment and with current surrender charge less than 5%	-	-	-
	f. Subtotal	4,462,524	38,518,001	42,980,525
	g. Not subject to discretionary withdrawal	-	-	-
	h. Total	\$ 4,462,524	\$ 38,518,001	\$ 42,980,525

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

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

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

(1)	Transfers as reported in the Summary of Operations of the Separate Accounts Statement:		
	a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$ 339,006	
	b. Transfers from Separate Accounts (Page 4, Line 10)	9,360,527	
	c. Net transfers to (from) Separate Accounts (a)-(b)	(9,021,521)	
(2)	Reconciling Adjustments:		
	a. Policy deductions and other expenses (Page 4, Line 9.302)	29,551	
	b. Other account adjustments	34,383	
(3)	Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) = (Page 4, Line 26)		\$ (8,957,587)

35. Loss/Claim Adjustment Expenses. None.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ()

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes (X) No () N/A ()

1.3 State Regulating? Ohio

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007

3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/18/2008

3.4 By what department or departments?
OHIO

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes () No () N/A (X)

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes () No () N/A (X)

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes () No (X)
4.12 renewals? Yes () No (X)

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes (X) No ()
4.22 renewals? Yes (X) No ()

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)

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

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

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

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

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control; %

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

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

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

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

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

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
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Names and location of any affiliates regulated by a federal regulatory services agency.
FORT WASHINGTON SAVINGS CO CINCINNATI, OH OTS
08.4 - Names and location of any affiliates regulated by a federal regulatory services agency.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 Ernst & Young
 1900 Scripps Center, 312 Walnut Street, Cincinnati OH 45202

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

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

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

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

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

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

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

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes (X) No ()

12.11 Name of real estate holding company
 VARIOUS

12.12 Number of parcels involved 6

12.13 Total book/adjusted carrying value \$ 41,052,549

12.2 If yes, provide explanation

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes () No ()

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code. Yes (X) No ()

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

14.2 Has the code of ethics for senior managers been amended? Yes () No (X)

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

Yes () No (X)

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

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

15.2 - American Bankers Association Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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

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

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

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

21.21 Rented from others	\$
21.22 Borrowed from others	\$
21.23 Leased from others	\$
21.24 Other	\$

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

22.2 If answer is yes:

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

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

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

24.3 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)
DESCRIPTION OF PROGRAM IS PROVIDED IN NOTE 5E
.....

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

24.5 If answer to 24.4 is YES, report amount of collateral for conforming programs. \$ 311,841,155

24.6 If answer to 24.4 is NO, report amount of collateral for other programs. \$

24.7 Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes (X) No () N/A ()

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes (X) No () N/A ()

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes (X) No () N/A ()

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3) Yes (X) No ()

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

25.21	Subject to repurchase agreements	\$
25.22	Subject to reverse repurchase agreements	\$
25.23	Subject to dollar repurchase agreements	\$
25.24	Subject to reverse dollar repurchase agreements	\$
25.25	Pledged as collateral	\$
25.26	Placed under option agreements	\$
25.27	Letter stock or securities restricted as to sale	\$
25.28	On deposit with state or other regulatory body	\$
25.29	Other	\$
		\$ 1,343,809,831
		\$ 2,799,512
		\$

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES****INVESTMENT**

25.3 For category (25.27) provide the following:

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

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

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

Yes (X) No ()

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

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

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

Yes (X) No ()

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

\$ 15,443,465

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

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

Yes (X) No ()

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

1 Name of Custodian(s)	2 Custodian's Address
---------------------------	--------------------------

For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook

BANK OF NEW YORK MELLON ONE WALL STREET, NY, NY 12086

FEDERAL HOME LOAN BANK CINCINNATI, OH 45202

28.01 - For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook

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

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

28.02 - For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook

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

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

Identify all that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity

107126 FT. WASHINGTON INVESTMENT ADVISORS 303 BROADWAY, SUITE 1200, CINTI, OH 45202

28.05 - Identify all that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
INVESTMENT

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

Yes () No (X)

29.2 If yes, complete the following schedule:

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

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

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

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES****INVESTMENT**

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	\$ 10,032,063,419	\$ 10,515,014,584	\$ 482,951,165
30.2 Preferred stocks	\$ 2,121,638	\$ 2,500,000	\$ 378,362
30.3 Totals	\$ 10,034,185,057	\$ 10,517,514,584	\$ 483,329,527

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

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

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

Yes () No (X)

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

Yes () No ()

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

.....

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

Yes (X) No ()

32.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES****OTHER**

33.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$ 186,998

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

34.1 Amount of payments for legal expenses, if any? \$ 3,777

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
BAILEY CAVALIERI	\$ 1,609
MORGAN, LEWIS & BOCKIUS LLP	\$ 1,215
.....	\$
.....	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 332

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

1 Name	2 Amount Paid
ACCOCIATION OF OHIO LIFE INSURANCE COMPA	\$ 332
.....	\$
.....	\$
.....	\$

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	\$
2.2	Premium Denominator	\$
2.3	Premium Ratio (Line 2.1 divided by Line 2.2)	\$
2.4	Reserve Numerator	\$
2.5	Reserve Denominator	\$
2.6	Reserve Ratio (Line 2.4 divided by Line 2.5)	\$
3.1	Does this reporting entity have Separate Accounts?	Yes (X) No ()
3.2	If yes, has a Separate Accounts statement been filed with this Department?	Yes (X) No () N/A ()
3.3	What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?	\$
3.4	State the authority under which Separate Accounts are maintained:	.....
	SECTION 3905.15 OHIO REVISED CODE	.....
3.5	Was any of the reporting entity's Separate Accounts business reinsured as of December 31?	Yes () No (X)
3.6	Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?	Yes () No (X)
3.7	If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts, due or accrued (net)"?	\$
4.1	Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)?	Yes (X) No ()
4.2	Net reimbursement of such expenses between reporting entities:	.....
4.21	Paid	\$
4.22	Received	\$
5.1	Does the reporting entity write any guaranteed interest contracts?	Yes () No (X)
5.2	If yes, what amount pertaining to these items is included in:	.....
5.21	Page 3, Line 1	\$
5.22	Page 4, Line 1	\$
6.	For stock reporting entities only:	.....
6.1	Total amount paid in by stockholders as surplus funds since organization of the reporting entity:	\$
7.	Total dividends paid stockholders since organization of the reporting entity:	.....
7.11	Cash	\$
7.12	Stock	\$

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 (X)

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

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

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

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

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

\$

9.1 Does the company have variable annuities with guaranteed benefits?

Yes (X) No ()

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

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Column 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
Maximum Anniversary Value	None	N/A	N/A	..... 1,353,348	..... 18,658	Exhibit 5	100	..... 18,658
6% Roll-Up	None	N/A	N/A	..... 710,417	..... 43,193	Exhibit 5	100	..... 43,193
Return of Premium	None	N/A	N/A	..... 44,653,426	..... 315,836	Exhibit 5	.....	.....

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

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

\$

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

1 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 accounts?

Yes () No (X)

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

\$

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

Yes () No (X)

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

\$

GENERAL INTERROGATORIES (Continued)**Part 2 - LIFE INTERROGATORIES****Line 9.2**

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

NONE

21.2

Line 10.2

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

NONE

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.
 Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2011	2 2010	3 2009	4 2008	5 2007
<u>Life Insurance in Force</u> (Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Column 4)	11,426,140	11,823,132	12,280,007	12,733,274	13,456,542
2. Ordinary-term (Line 21, Column 4, less Line 34, Column 4)	14,598,379	14,826,422	14,759,084	14,446,157	14,368,477
3. Credit life (Line 21, Column 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Line 43 and Line 44, Column 4)					
5. Industrial (Line 21, Column 2)					
6. FEGLI/SGLI (Line 43 and Line 44, Column 4)					
7. Total (Line 21, Column 10)	26,024,519	26,649,554	27,039,091	27,179,431	27,825,019
<u>New Business Issued</u> (Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Column 2)	582,858	533,855	503,901	174,880	83,693
9. Ordinary-term (Line 2, Column 4, less Line 34, Column 2)	1,214,927	1,456,011	1,660,483	1,388,070	1,411,370
10. Credit life (Line 2, Column 6)					
11. Group (Line 2, Column 9)					
12. Industrial (Line 2, Column 2)					
13. Total (Line 2, Column 10)	1,797,785	1,989,866	2,164,384	1,562,950	1,495,063
<u>Premium Income-Lines of Business</u> (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Column 2)					
15.1 Ordinary life insurance (Line 20.4, Column 3)	170,599,554	158,304,024	148,462,714	62,113,162	56,905,165
15.2 Ordinary individual annuities (Line 20.4, Column 4)	717,167,077	866,379,544	1,048,217,926	1,244,724,213	670,726,698
16. Credit life, (group and individual) (Line 20.4, Column 5)					
17.1 Group life insurance (Line 20.4, Column 6)					
17.2 Group annuities (Line 20.4, Column 7)					
18.1 A & H-group (Line 20.4, Column 8)					
18.2 A & H-credit (group and individual) (Line 20.4, Column 9)					
18.3 A & H-other (Line 20.4, Column 10)					
19. Aggregate of all other lines of business (Line 20.4, Column 11)					
20. Total	887,766,631	1,024,683,568	1,196,680,640	1,306,837,375	727,631,863
<u>Balance Sheet</u> (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Column 3)	11,349,084,234	11,669,151,372	10,817,411,827	9,961,665,979	9,185,411,928
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	10,362,224,711	10,636,817,940	9,812,371,263	9,092,984,669	8,491,761,293
23. Aggregate life reserves (Page 3, Line 1)	8,977,598,745	8,725,764,535	8,294,120,686	7,669,755,143	6,908,157,231
24. Aggregate A & H reserves (Page 3, Line 2)					
25. Deposit-type contract funds (Page 3, Line 3)	908,196,551	1,272,867,622	1,197,738,481	1,208,264,186	1,262,195,379
26. Asset valuation reserve (Page 3, Line 24.01)	91,872,305	69,890,642	14,031,890	2,776,926	56,205,939
27. Capital (Page 3, Line 29 and Line 30)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
28. Surplus (Page 3, Line 37)	984,359,523	1,029,833,432	1,002,540,564	866,181,310	691,150,635
<u>Cash Flow (Page 5)</u>					
29. Net cash from operations (Line 11)	372,284,944	511,869,803	767,832,835	744,249,348	(312,670,525)
<u>Risk-Based Capital Analysis</u>					
30. Total adjusted capital	1,078,731,828	1,102,224,074	1,019,072,454	871,458,236	749,856,574
31. Authorized control level risk-based capital	141,705,404	139,255,124	134,543,228	112,164,840	86,366,511
<u>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</u> (Page 2, Column 3) (Line No./Page 2, Line 12, Column 3) x 100.0					
32. Bonds (Line 1)	88.4	87.1	88.3	86.4	85.3
33. Stocks (Line 2.1 and Line 2.2)	1.3	1.4	1.2	4.8	5.2
34. Mortgage loans on real estate (Line 3.1 and Line 3.2)	6.7	6.3	6.3	6.1	4.9
35. Real estate (Line 4.1, Line 4.2 and Line 4.3)	0.2	0.2	0.2		
36. Cash, cash equivalents and short-term investments (Line 5)	1.4	3.4	2.6	1.3	3.3
37. Contract loans (Line 6)	0.4	0.4	0.4	0.5	0.5
38. Derivatives (Page 2, Line 7)			XXX	XXX	XXX
39. Other invested assets (Line 8)	1.1	0.9	0.9	0.8	0.9
40. Receivables for securities (Line 9)				0.1	
41. Securities lending reinvested collateral assets (Line 10)	0.2	0.2	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

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
<u>Investments in Parent, Subsidiaries and Affiliates</u>					
44. Affiliated bonds (Schedule D Summary, Line 12, Column 1)				12,950,000	18,950,000
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1)					
46. Affiliated common stocks (Schedule D Summary, Line 24, Column 1)	29,797,198	30,870,807	33,328,116	21,690,796	28,769,482
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
48. Affiliated mortgage loans on real estate					
49. All other affiliated	89,722,800	88,824,879	81,783,555	68,346,441	69,321,774
50. Total of above Line 44 to Line 49	119,519,998	119,695,686	115,111,671	102,987,237	117,041,256
<u>Total Nonadmitted and Admitted Assets</u>					
51. Total nonadmitted assets (Page 2, Line 28, Column 2)	29,009,699	22,064,664	35,497,822	30,500,266	27,767,980
52. Total admitted assets (Page 2, Line 28, Column 3)	11,394,862,743	11,725,339,580	10,884,697,327	10,031,439,457	9,294,093,634
<u>Investment Data</u>					
53. Net investment income (Exhibit of Net Investment Income)	603,042,447	602,096,156	584,333,271	551,015,639	499,760,493
54. Realized capital gains (losses) (Page 4, Line 34, Column 1)	(19,641,635)	(22,311,833)	(149,996,126)	(116,808,112)	(43,006,847)
55. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	(13,069,195)	20,380,759	35,272,001	(32,066,193)	30,999,612
56. Total of above Lines 53, Line 54 and Line 55	570,331,617	600,165,082	469,609,146	402,141,334	487,753,258
<u>Benefits and Reserve Increase</u> (Page 6)					
57. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and Line 15, Column 1 minus Lines 10, 11, 12, 13, 14 and Line 15, Columns 9, 10 and 11)	892,583,648	867,086,392	856,080,421	786,428,930	1,345,853,291
58. Total contract benefits - A and H (Line 13 and Line 14, Columns 9, 10 and 11)					
59. Increase in life reserves - other than group and annuities (Line 19, Columns 2 and 3)	37,155,324	21,894,805	13,821,244	6,505,030	12,821,118
60. Increase in A & H Reserves (Line 19, Columns 9, 10 and 11)					
61. Dividends to policyholders (Line 30, Column 1)					
<u>Operating Percentages</u>					
62. Insurance expense percent (Page 6, Column 1, Line 21, Line 22 and Line 23 less Line 6) / (Page 6, Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00	9.4	11.8	11.5	7.6	5.1
63. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Line 14 and Line 15) / 1/2 (Exhibit of Life Insurance, Column 4, Line 1 and Line 21)] x 100.00	7.9	7.7	7.4	7.1	6.8
64. A & H loss percent (Schedule H, Part 1, Line 5 and Line 6, Column 2)					
65. A & H cost containment percent (Schedule H, Part 1, Line 4, Column 2)					
66. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Column 2)					
<u>A & H Claim Reserve Adequacy</u>					
67. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1, Column 2)					
68. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2)					
69. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Column 2)					
70. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Column 2)					
<u>Net Gains From Operations After Federal Income Taxes by Lines of Business</u> (Page 6, Line 33)					
71. Industrial life (Column 2)					
72. Ordinary-life (Column 3)	9,038,161	13,357,943	19,597,370	(51,303,169)	17,318,436
73. Ordinary-individual annuities (Column 4)	88,156,965	72,445,439	66,586,602	55,625,657	65,921,965
74. Ordinary-supplementary contracts (Column 5)	(51,626)	772,712	1,531,649	1,105,724	1,556,491
75. Credit life (Column 6)					
76. Group life (Column 7)					
77. Group annuities (Column 8)					
78. A & H-group (Column 9)					
79. A & H-credit (Column 10)					
80. A & H-other (Column 11)					
81. Aggregate of all other lines of business (Column 12)	26,818,618	16,335,745	4,891,080	2,257,370	(1,642,656)
82. Total (Column 1)	123,962,118	102,911,839	92,606,701	7,685,582	83,154,236

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

Yes (X) No ()

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group		10 Total Amount of Insurance (a)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of			
	7 Policies	8 Certificates	9 Amount of Insurance (a)							
1. In force end of prior year			293,900	26,649,554					26,649,554	
2. Issued during year			21,642	1,797,785					1,797,785	
3. Reinsurance assumed										
4. Revived during year			425	38,266					38,266	
5. Increased during year (net)										
6. Subtotals, Line 2 to Line 5			22,067	1,836,051					1,836,051	
7. Additions by dividends during year										
8. Aggregate write-ins for increases										
9. Totals (Line 1 and Line 6 to Line 8)			315,967	28,485,605					28,485,605	
Deductions during year:										
10. Death			2,388	94,829			XXX		94,829	
11. Maturity			260	13,012			XXX		13,012	
12. Disability							XXX			
13. Expiry			160	30,268					30,268	
14. Surrender			6,146	358,540					358,540	
15. Lapse			16,764	1,732,683					1,732,683	
16. Conversion			1,802	149,224			XXX	XXX	149,224	
17. Decreased (net)				82,530					82,530	
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. Totals (Line 10 to Line 19)			27,520	2,461,086					2,461,086	
21. In force end of year (Line 9 minus Line 20)			288,447	26,024,519					26,024,519	
22. Reinsurance ceded end of year				7,502,612			XXX	XXX	7,502,612	
23. Line 21 minus Line 22									18,521,907	
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)										
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. Totals (Line 1901 through Line 1903 plus Line 1998) (Line 19 above)										

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

(b) Group \$; Individual \$

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	X X X		X X X	
25. Other paid-up insurance	X X X		4,763	35,385
26. Debit ordinary insurance		X X X	593	2,853

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	8,911	1,152,477	68,481	13,819,870
29. Other term insurance-decreasing	X X X		X X X	287
30. Other term insurance	X X X	62,449	X X X	757,530
31. Totals (Line 27 to Line 30)	8,911	1,214,926	68,481	14,577,687
Reconciliation to Line 2 and Line 21:				
32. Term additions	X X X		X X X	
33. Totals, extended term insurance	X X X		X X X	
34. Totals, whole life and endowment	12,731	582,858	1,579	20,692
35. Totals (Line 31 to Line 34)	21,642	1,797,784	218,387	11,426,140
			288,447	26,024,519

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	1,797,784		26,024,519	
38. Credit Life (Group and Individual)				
39. Group				
40. Totals (Line 36 to Line 39)	1,797,784		26,024,519	

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1	2	3	4
41. Amount of insurance included in Line 2 ceded to other				
42. Number in force end of year if the number under should be counted on a pro-rata basis				
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				
			umber of Certificates	Amount of Insurance (a)
			X X X	X X X

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	777,410
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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.
(47.1) Current Commuted Values
(47.2) Spouse - actual amount; Child-total amount under each policy or rider equals 2 times actual amount

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium			90,676	6,360,261				
49. Disability Income		469		11,763				
50. Extended Benefits		X X X		X X X				
51. Other		68		550				
52. Total	(b)	91,213	(b)	6,372,574	(b)	(b)	(b)	(b)

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

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

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

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	720	2,092		
2. Issued during year	70	243		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Line 1 to Line 4)	790	2,335		
Deductions during year:				
6. Decreased (net)	27	304		
7. Reinsurance ceded				
8. Totals (Line 6 and Line 7)	27	304		
9. In force end of year	763	2,031		
10. Amount on deposit	(a)	3,462,106		(a)
11. Income now payable	763	1,786		
12. Amount of income payable	(a)	10,455,920	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	2,560	220,075		
2. Issued during year	228	16,119		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Line 1 to Line 4)	2,788	236,194		
Deductions during year:				
6. Decreased (net)	225	14,592		
7. Reinsurance ceded				
8. Totals (Line 6 and Line 7)	225	14,592		
9. In force end of year	2,563	221,602		
Income now payable:				
10. Amount of income payable	(a)	8,478,328	XXX	XXX
Deferred fully paid:				
11. Account balance	XXX	(a)	7,213,071,411	XXX
Deferred not fully paid:				
12. Account balance	XXX	(a)	544,707,513	XXX

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year						
2. Issued during year						
3. Reinsurance assumed						
4. Increased during year (net)						XXX
5. Totals (Line 1 to Line 4)						XXX
Deductions during year:						
6. Conversions					XXX	XXX
7. Decreased (net)						XXX
8. Reinsurance ceded						
9. Totals (Line 6 to Line 8)		XXX		XXX		XXX
10. In force end of year	(a)		(a)			(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

			1 Deposit Funds	2 Dividend Accumulations
			Contracts	Contracts
1. In force end of prior year				58
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Line 1 to Line 4)				58
Deductions during year:				
6. Decreased (net)				1
7. Reinsurance ceded				
8. Totals (Line 6 and Line 7)				1
9. In force end of year				57
10. Amount of account balance		(a)		117,395 (a)

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

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only				
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5
		2 Life Insurance Premiums	3 Annuity Considerations			
1. Alabama	AL	L	302,910	9,551,518		9,854,428
2. Alaska	AK	N	33,262	16,275		49,537
3. Arizona	AZ	L	1,146,087	8,242,467		9,388,554
4. Arkansas	AR	L	299,790	12,996,533		13,296,323
5. California	CA	L	4,930,378	14,962,487		19,892,865
6. Colorado	CO	L	386,539	3,545,263		3,931,802
7. Connecticut	CT	L	219,208	2,502,938		2,722,146
8. Delaware	DE	L	81,358	58,869		140,227
9. District of Columbia	DC	L	116,284	97,300		213,584
10. Florida	FL	L	9,374,417	41,277,187		50,651,604
11. Georgia	GA	L	1,485,655	5,146,430		6,632,085
12. Hawaii	HI	L	63,606	68,128,245		68,191,851
13. Idaho	ID	L	52,071	1,837,368		1,889,439
14. Illinois	IL	L	11,124,185	58,219,006		69,343,191
15. Indiana	IN	L	17,230,817	23,421,371		40,652,188
16. Iowa	IA	L	216,153	12,063,526		12,279,679
17. Kansas	KS	L	747,617	4,516,871		5,264,488
18. Kentucky	KY	L	6,756,250	11,986,060		18,742,310
19. Louisiana	LA	L	5,118,707	27,464,646		32,583,353
20. Maine	ME	N	21,572	1,200		22,772
21. Maryland	MD	L	1,354,826	7,073,264		8,428,090
22. Massachusetts	MA	L	100,277	107,415		207,692
23. Michigan	MI	L	9,051,032	56,506,995		65,558,027
24. Minnesota	MN	L	1,292,869	8,008,948		9,301,817
25. Mississippi	MS	L	1,598,201	63,153,918		64,752,119
26. Missouri	MO	L	3,712,622	37,265,220		40,977,842
27. Montana	MT	L	42,972	117,690		160,662
28. Nebraska	NE	L	80,071	3,105,594		3,185,665
29. Nevada	NV	L	220,962	572,821		793,783
30. New Hampshire	NH	N	11,581	275		11,856
31. New Jersey	NJ	L	623,065	3,057,753		3,680,818
32. New Mexico	NM	L	119,172	4,826,495		4,945,667
33. New York	NY	N	144,829	150,924		295,753
34. North Carolina	NC	L	15,101,136	22,846,992		37,948,128
35. North Dakota	ND	L	18,520	169,000		187,520
36. Ohio	OH	L	57,184,867	55,250,934		112,435,801
37. Oklahoma	OK	L	459,979	16,960,121		17,420,100
38. Oregon	OR	L	135,483	977,713		1,113,196
39. Pennsylvania	PA	L	12,718,222	31,488,673		44,206,895
40. Rhode Island	RI	N	9,854	5,480		15,334
41. South Carolina	SC	L	1,408,774	15,804,447		17,213,221
42. South Dakota	SD	L	61,108	353,785		414,893
43. Tennessee	TN	L	2,524,095	2,955,805		5,479,900
44. Texas	TX	L	3,806,136	35,249,866		39,056,002
45. Utah	UT	L	110,925	260,600		371,525
46. Vermont	VT	L	7,639			7,639
47. Virginia	VA	L	1,412,645	14,384,481		15,797,126
48. Washington	WA	L	411,106	693,201		1,104,307
49. West Virginia	WV	L	4,354,320	3,750,702		8,105,022
50. Wisconsin	WI	L	1,010,334	25,885,504		26,895,838
51. Wyoming	WY	L	46,267			46,267
52. American Samoa	AS	N				480
53. Guam	GU	L	480			480
54. Puerto Rico	PR	N	7,918			7,918
55. U.S. Virgin Islands	VI	N	465			465
56. Northern Mariana Islands	MP	N				
57. Canada	CN	N				
58. Aggregate Other Alien	OT	XXX	75,000	150,000		225,000
59. Subtotal		(a) 47	178,924,618	717,170,176		896,094,794
60. Reporting entity contributions for employee benefit plans		XXX				
61. Dividends or refunds applied to purchase paid-up additions and annuities		XXX				
62. Dividends of refunds applied to shorten endowment or premium paying period		XXX				
63. Premium or annuity considerations waived under disability or other contract provisions		XXX	2,850,682			2,850,682
64. Aggregate other amounts not allocable by State		XXX				
65. Totals (Direct Business)		XXX	181,775,300	717,170,176		898,945,476
66. Plus Reinsurance Assumed		XXX				
67. Totals (All Business)		XXX	181,775,300	717,170,176		898,945,476
68. Less Reinsurance Ceded		XXX	11,160,672	3,099		11,163,771
69. Totals (All Business) less Reinsurance Ceded		XXX	170,614,628	717,167,077	(b)	887,781,705
70. Totals (All Business) less Reinsurance Ceded						413,750,215
DETAILS OF WRITE-INS						
5801. Mexico		XXX	8,670	150,000		158,670
5802. Other Foreign		XXX	66,330			66,330
5803.		XXX				
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX				
5899. Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)		XXX	75,000	150,000		225,000
9401.		XXX				
9402.		XXX				
9403.		XXX				
9498. Summary of remaining write-ins for Line 94 from overflow page		XXX				
9499. Total (Line 9401 through Line 9403 plus Line 9498) (Line 94 above)		XXX				

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

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

By state of residence of the policyowner

(a) Insert the number of L responses except for Canada and Other Alien.

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Column 1, Line 1; indicate which;

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

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

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