LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

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

Nationwide Life and Annuity Insurance Company

NAIC Group Code 0140 (Current) 0140 (Prior) NAIC Company Code 92657 Employer's ID Number 31-1000740

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

Country of Domicile United States of America

Incorporated/Organized 02/09/1981 Commenced Business 05/06/1981

Statutory Home Office One West Nationwide Blvd. (Street and Number), Columbus , OH 43215-2220 (City or Town, State and Zip Code)

Main Administrative Office One West Nationwide Blvd. (Street and Number)
Columbus , OH 43215-2220 (City or Town, State and Zip Code), 800-882-2822 (Area Code) (Telephone Number)

Mail Address One West Nationwide Blvd., 1-04-701 (Street and Number or P.O. Box), Columbus , OH 43215-2220 (City or Town, State and Zip Code)

Primary Location of Books and Records One West Nationwide Blvd., 1-04-701 (Street and Number)
Columbus , OH 43215-2220 (City or Town, State and Zip Code), 800-882-2822 (Area Code) (Telephone Number)

Internet Website Address www.nationwide.com

Statutory Statement Contact Arlene E. Swanson (Name), 614-249-1545 (Area Code) (Telephone Number)
statacct@nationwide.com (E-mail Address), 877-669-5908 (FAX Number)

OFFICERS

President & COO	Kirt Alan Walker	Sr VP & Treasurer	David Patrick LaPaul
VP - Corp Governance & Secretary	Robert William Horner III	VP - NF Actuary	Steven Andrew Ginnan

OTHER

Anne Louise Arvia Sr VP - NW Retirement Plans	Wesley Kim Austen Sr VP - P&C Comm/Farm Prod Pric	Paul Douglas Ballew Sr VP - Chief Economist
David Alan Bano # Sr VP - Chief Claims Officer	James David Benson # Sr VP - CAO & Corp Controller	Pamela Ann Biesecker Sr VP - Head of Taxation
William Joseph Burke Sr VP - NF Brand Marketing	John Laughlin Carter Sr VP - Dist & Sales	Roger Alan Craig Sr VP - Division Gen Counsel
Robert James Dickson Sr VP - IT Strategic Initiatives	Thomas Williams Dietrich Sr VP - Deputy Gen Counsel	Steven Michael English # Sr VP
Timothy Gerard Frommeyer Sr VP - CFO	Mark Anthony Gaetano Sr VP - CIO Enterprise Applications	Peter Anthony Golato Sr VP - Ind Protection Bus Head
Judith Lynn Greenstein Sr VP - Pres Nationwide Bank	Daniel Gerard Greteman # Sr VP - CIO ACS	Susan Jean Gueli Sr VP - CIO NF Systems
Melissa Doss Gutierrez # Sr VP - PCIO Sales Support	Harry Hansen Hallowell Sr VP	Jennifer Marie Hanley Sr VP, NI Brand Marketing
Patricia Ruth Hatler Exec VP & Chief Legal & Gov Off	Gordon Elliott Hecker Sr VP - Corporate Marketing	Eric Shawn Henderson Sr VP - Ind Invest Bus Head
Terri Lynn Hill Exec VP	Lawrence Allen Hilsheimer Exec VP - Finance	Matthew Eric Jauchius # Exec VP - Chief Market/Strat Officer
Michael Craig Keller Exec VP - Chief Info Officer	Gale Verdell King Exec VP - Chief Human Res Officer	Michael Patrick Leach Sr VP - CFO - P&C
Katherine Marie Liebel # Sr VP - Corp Strategy	Michael William Mahaffey Sr VP, Chief Risk Officer	Robert Phillips McIsaac # Sr VP - Bus Trans Office
Kai Vincent Monahan Sr VP - Internal Audit	Gregory Stephen Moran Sr VP - CIO IT Infrastructure	Sandra Lee Neely Sr VP - Deputy Gen Counsel
Mark Angelo Pizzi Exec VP	Steven Charles Power Sr VP - NF	Robert Joseph Puccio Sr VP - Associate Services
Stephen Scott Rasmussen Chief Executive Officer	Sandra Lynn Rich # Sr VP - Chief Compliance Officer	Jeff Millard Rommel # Sr VP - Field Operations IC
Amy Taylor Shore # Sr VP - Field Operations EC	Michael Scott Spangler Sr VP - Invest Manag Group	Mark Raymond Thresher Exec VP
Guruprasad Chitrapura Vasudeva Sr VP - Enterprise Chief Tech Off		

DIRECTORS OR TRUSTEES

Timothy Gerard Frommeyer	Peter Anthony Golato	Stephen Scott Rasmussen
Mark Raymond Thresher	Kirt Alan Walker	

State of Ohio
County of Franklin 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.

Kirt Alan Walker President & COO	Robert William Horner, III VP - Corp Governance & Secretary	David Patrick LaPaul Sr VP & Treasurer

Subscribed and sworn to before me this 25th day of January 2012

Catherine Winston

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

NOTARIAL SEAL STATE OF OHIO

Catherine B. Winston
Notary Public, State of Ohio
My Commission Expires 07-07-2016

ASSETS

		Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	3,521,403,560		3,521,403,560	3,217,651,960
2.	Stocks (Schedule D):				
	2.1 Preferred stocks				
	2.2 Common stocks	315,532		315,532	816,377
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	485,218,173		485,218,173	549,124,298
	3.2 Other than first liens				
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)				
	4.2 Properties held for the production of income (less $ .... encumbrances)				
	4.3 Properties held for sale (less $ .... encumbrances)				
5.	Cash ($ (1,319,910) , Schedule E - Part 1), cash equivalents ($ .... , Schedule E - Part 2) and short-term investments ($ 32,714,120 , Schedule DA)	31,394,210		31,394,210	69,083,041
6.	Contract loans (including $ .... premium notes)	26,549,878	33,921	26,515,957	23,350,921
7.	Derivatives (Schedule DB)	2,240		2,240	26,291
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities	85,658		85,658	1,404,956
10.	Securities lending reinvested collateral assets (Schedule DL)	18,480,416		18,480,416	98,681,446
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	4,083,449,667	33,921	4,083,415,746	3,960,139,290
13.	Title plants less $ .... charged off (for Title insurers only)				
14.	Investment income due and accrued	47,934,080		47,934,080	43,711,199
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	3,194,480	1,716,452	1,478,028	1,402,068
	15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)	14,120,176		14,120,176	9,123,041
	15.3 Accrued retrospective premiums				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	1,622,911		1,622,911	1,612,878
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts	11,258,377		11,258,377	12,431,784
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon	7,740,764		7,740,764	40,682,344
18.2	Net deferred tax asset	113,090,256	108,944,023	4,146,233	13,299,782
19.	Guaranty funds receivable or on deposit	140,132		140,132	574,134
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	8,738,919		8,738,919	71,512
24.	Health care ($ ....) and other amounts receivable				
25.	Aggregate write-ins for other than invested assets	19,412,274	1,098,588	18,313,686	25,233,132
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,310,702,036	111,792,984	4,198,909,052	4,108,281,164
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	1,158,496,923		1,158,496,923	1,322,963,610
28.	Total (Lines 26 and 27)	5,469,198,959	111,792,984	5,357,405,975	5,431,244,774
	DETAILS OF WRITE-INS				
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501.	Accrued Fees and Other Assets	18,383,619	69,933	18,313,686	25,233,132
2502.	Deferred Software Costs	1,028,655	1,028,655		
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	19,412,274	1,098,588	18,313,686	25,233,132

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts $ 3,609,287,807 (Exh. 5, Line 9999999) less $ included in Line 6.3 (including $ 2,364,425,887 Modco Reserve)	3,609,287,807	3,458,648,800
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including $ Modco Reserve)		
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including $ Modco Reserve)	17,352,334	18,596,478
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	13,934,245	10,650,208
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)		
5. Policyholders' dividends $ 12,403 and coupons $ due and unpaid (Exhibit 4, Line 10)	12,403	11,586
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including $ Modco)	1,091,000	1,069,000
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, Col. 1, sum of lines 4 and 14)	1,046,158	940,574
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled 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 $ 1,458 assumed and $ 4,026,243 ceded	4,027,701	15,605,589
9.4 Interest maintenance reserve (IMR, Line 6)	12,989,061	6,427,769
10. Commissions to agents due or accrued-life and annuity contracts $ 3,739,528 accident and health $ and deposit-type contract funds $	3,739,528	2,584,226
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)		
13. Transfers to Separate Accounts due or accrued (net) (including $ (62,209,924) accrued for expense allowances recognized in reserves, net of reinsured allowances)	(59,216,745)	(52,225,953)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	1,146,409	1,088,034
15.1 Current federal and foreign income taxes including $ on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income	8,117	1,096
17. Amounts withheld or retained by company as agent or trustee	187,398	469,140
18. Amounts held for agents' account, including $ 50,883 agents' credit balances	50,883	51,055
19. Remittances and items not allocated	3,479,344	27,287,495
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money $ and interest thereon $		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	18,535,786	13,841,584
24.02 Reinsurance in unauthorized companies		420,106
24.03 Funds held under reinsurance treaties with unauthorized reinsurers	238,224,146	195,863,133
24.04 Payable to parent, subsidiaries and affiliates	7,770,226	16,645,868
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives	2,655,610	2,813,856
24.09 Payable for securities	469,340	301,529
24.10 Payable for securities lending	18,479,998	98,681,544
24.11 Capital notes $ and interest thereon $		
25. Aggregate write-ins for liabilities	1,183,719	1,295,999
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	3,896,454,468	3,821,068,716
27. From Separate Accounts Statement	1,158,496,923	1,322,963,610
28. Total Liabilities (Lines 26 and 27)	5,054,951,391	5,144,032,326
29. Common capital stock	2,640,000	2,640,000
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, Col. 2 plus Page 4, Line 51.1, Col. 1)	534,624,500	434,624,500
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	(234,809,916)	(150,052,052)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 $)		
36.2 shares preferred (value included in Line 30 $)		
37. Surplus (Total Lines 31+32+33+34+35-36) (including $ in Separate Accounts Statement)	299,814,584	284,572,448
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	302,454,584	287,212,448
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	5,357,405,975	5,431,244,774
DETAILS OF WRITE-INS		
2501. Interest payable on unpaid policies and contract claims	(1,920)	8,461
2502. Reserve for Escheat Funds	935,639	1,037,538
2503. Reserve for Litigation	250,000	250,000
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,183,719	1,295,999
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)		
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)		

SUMMARY OF OPERATIONS

		1 Current Year	2 Prior Year
1.	Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	337,924,147	(48,508,098)
2.	Considerations for supplementary contracts with life contingencies	1,050,623	162,212
3.	Net investment income (Exhibit of Net Investment Income, Line 17)	209,475,638	209,821,469
4.	Amortization of interest maintenance reserve (IMR, Line 5)	2,068,099	1,187,618
5.	Separate Accounts net gain from operations excluding unrealized gains or losses		33,272
6.	Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	31,902,447	127,316,823
7.	Reserve adjustments on reinsurance ceded	(217,365,795)	(200,943,879)
8.	Miscellaneous Income:		
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	47,655,263	14,807,979
	8.2 Charges and fees for deposit-type contracts		
	8.3 Aggregate write-ins for miscellaneous income	15,036,037	16,292,595
9.	Total (Lines 1 to 8.3)	427,746,459	120,169,991
10.	Death benefits	23,789,616	50,093,244
11.	Matured endowments (excluding guaranteed annual pure endowments)	41,509	9,298
12.	Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	189,986,024	217,678,439
13.	Disability benefits and benefits under accident and health contracts	89,102	106,133
14.	Coupons, guaranteed annual pure endowments and similar benefits		
15.	Surrender benefits and withdrawals for life contracts	33,478,649	52,087,880
16.	Group conversions		
17.	Interest and adjustments on contract or deposit-type contract funds	(6,781,720)	1,012,299
18.	Payments on supplementary contracts with life contingencies	1,393,590	1,468,726
19.	Increase in aggregate reserves for life and accident and health contracts	155,552,127	(151,926,774)
20.	Totals (Lines 10 to 19)	397,548,897	170,529,245
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	88,981,603	116,143,859
22.	Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	18,867	19,657
23.	General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4)	98,187,520	97,642,430
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	11,138,013	9,463,121
25.	Increase in loading on deferred and uncollected premiums	2,733,533	6,467,912
26.	Net transfers to or (from) Separate Accounts net of reinsurance	(101,687,402)	(203,323,744)
27.	Aggregate write-ins for deductions		
28.	Totals (Lines 20 to 27)	496,921,031	196,942,480
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(69,174,572)	(76,772,489)
30.	Dividends to policyholders	1,047,336	1,078,504
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(70,221,908)	(77,850,993)
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	(23,756,275)	(45,529,759)
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)	(46,465,633)	(32,321,234)
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ 10,287,519 (excluding taxes of $ 4,646,595 transferred to the IMR)	(14,768,863)	(17,200,503)
35.	Net income (Line 33 plus Line 34)	(61,234,496)	(49,521,737)
	CAPITAL AND SURPLUS ACCOUNT		
36.	Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	287,212,448	213,511,687
37.	Net income (Line 35)	(61,234,496)	(49,521,737)
38.	Change in net unrealized capital gains (losses) less capital gains tax of $ (1,435,296)	(2,781,942)	(65,730,550)
39.	Change in net unrealized foreign exchange capital gain (loss)	273	(389,251)
40.	Change in net deferred income tax	15,877,315	(11,205,250)
41.	Change in nonadmitted assets	(26,441,667)	26,693,440
42.	Change in liability for reinsurance in unauthorized companies	420,106	(420,106)
43.	Change in reserve on account of change in valuation basis, (increase) or decrease (Exh. 5A, Line 9999999, Col. 4)		
44.	Change in asset valuation reserve	(4,694,201)	(2,935,958)
45.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)		
46.	Surplus (contributed to) withdrawn from Separate Accounts during period		23,517
47.	Other changes in surplus in Separate Accounts Statement		89,141
48.	Change in surplus notes		
49.	Cumulative effect of changes in accounting principles		
50.	Capital changes:		
	50.1 Paid in		
	50.2 Transferred from surplus (Stock Dividend)		
	50.3 Transferred to surplus		
51.	Surplus adjustment:		
	51.1 Paid in	100,000,000	
	51.2 Transferred to capital (Stock Dividend)		
	51.3 Transferred from capital		
	51.4 Change in surplus as a result of reinsurance		
52.	Dividends to stockholders		
53.	Aggregate write-ins for gains and losses in surplus	(5,903,252)	177,097,515
54.	Net change in capital and surplus for the year (Lines 37 through 53)	15,242,136	73,700,761
55.	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	302,454,584	287,212,448
	DETAILS OF WRITE-INS		
08.301.	Miscellaneous Income	15,036,037	16,292,595
08.302.			
08.303.			
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page		
08.399.	Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above)	15,036,037	16,292,595
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page		
2799.	Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)		
5301.	Adjustment to initial commission and expense allowance	(5,903,252)	177,097,515
5302.			
5303.			
5398.	Summary of remaining write-ins for Line 53 from overflow page		
5399.	Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)	(5,903,252)	177,097,515

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	331,230,985	(48,402,409)
2. Net investment income	211,570,294	208,623,691
3. Miscellaneous income	92,531,430	159,162,381
4. Total (Lines 1 through 3)	635,332,709	319,383,663
5. Benefit and loss related payments	472,579,569	465,173,068
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	(94,696,610)	(195,539,768)
7. Commissions, expenses paid and aggregate write-ins for deductions	193,442,600	235,541,126
8. Dividends paid to policyholders	1,024,519	1,080,803
9. Federal and foreign income taxes paid (recovered) net of $ 14,934,114 tax on capital gains (losses)	(41,763,741)	(27,504,677)
10. Total (Lines 5 through 9)	530,586,337	478,750,552
11. Net cash from operations (Line 4 minus Line 10)	104,746,372	(159,366,889)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	466,005,513	678,030,483
12.2 Stocks	199,980	181,294
12.3 Mortgage loans	153,004,936	151,615,613
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		76,624
12.7 Miscellaneous proceeds	87,901,458	31,484,346
12.8 Total investment proceeds (Lines 12.1 to 12.7)	707,111,887	861,388,360
13. Cost of investments acquired (long-term only):		
13.1 Bonds	777,797,665	960,893,847
13.2 Stocks	198,648	178,842
13.3 Mortgage loans	88,326,631	51,067,514
13.4 Real estate		
13.5 Other invested assets		70,000,000
13.6 Miscellaneous applications		123,446,273
13.7 Total investments acquired (Lines 13.1 to 13.6)	866,322,944	1,205,586,476
14. Net increase (decrease) in contract loans and premium notes	3,186,799	2,380,992
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(162,397,856)	(346,579,108)
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	100,000,000	
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(1,244,144)	(2,375,090)
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(78,793,204)	417,989,555
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	19,962,652	415,614,465
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(37,688,832)	(90,331,532)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	69,083,041	159,414,573
19.2 End of year (Line 18 plus Line 19.1)	31,394,210	69,083,041

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	337,924,147		329,073,858	7,559,233			61,098	1,227,910	982		1,066	
2. Considerations for supplementary contracts with life contingencies	1,050,623				1,050,623							
3. Net investment income	209,475,638		62,271,149	129,277,193	3,073,139			2,607				14,851,550
4. Amortization of Interest Maintenance Reserve (IMR)	2,068,099		631,747	1,267,226	122,474							46,652
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded	31,902,447		15,401,915	16,491,374				9,158				
7. Reserve adjustments on reinsurance ceded	(217,365,795)		(13,077,251)	(203,440,107)				(848,437)				
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	47,655,263		37,090,724	7,617,740				2,946,799				
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income	15,036,037		14,649,852	267,368				118,817				
9. Totals (Lines 1 to 8.3)	427,746,459		446,041,994	(40,959,973)	4,246,236		61,098	3,456,854	982		1,066	14,898,202
10. Death benefits	23,789,616		23,797,616				(8,000)					
11. Matured endowments (excluding guaranteed annual pure endowments)	41,509		41,509									
12. Annuity benefits	189,986,024			130,972,351				59,013,673				
13. Disability benefits and benefits under accident and health contracts	89,102		86,967						(440)		2,575	
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	33,478,649		33,566,518	(87,869)								
16. Group conversions			(206,167)				206,167					
17. Interest and adjustments on contract or deposit-type contract funds	(6,781,720)		471,362	(44,894)	(7,208,161)		(27)					
18. Payments on supplementary contracts with life contingencies	1,393,590				1,393,590							
19. Increase in aggregate reserves for life and accident and health contracts	155,552,127		246,097,000	(96,160,658)	7,311,886			(1,696,101)				
20. Totals (Lines 10 to 19)	397,548,897		303,854,805	34,678,930	1,497,315		198,140	57,317,572	(440)		2,575	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	88,981,603		80,341,346	8,528,623				111,595	17		22	
22. Commissions and expense allowances on reinsurance assumed	18,867		34	18,833								
23. General insurance expenses	98,187,520		88,124,249	9,599,403	48,311		58,397	357,160				
24. Insurance taxes, licenses and fees, excluding federal income taxes	11,138,013		10,055,240	1,079,245				3,513	15			
25. Increase in loading on deferred and uncollected premiums	2,733,533		2,733,533									
26. Net transfers to or (from) Separate Accounts net of reinsurance	(101,687,402)		58,926,240	(105,495,324)				(55,118,318)				
27. Aggregate write-ins for deductions												
28. Totals (Lines 20 to 27)	496,921,031		544,035,447	(51,590,290)	1,545,626		256,537	2,671,522	(408)		2,597	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(69,174,572)		(97,993,453)	10,630,317	2,700,610		(195,439)	785,332	1,390		(1,531)	14,898,202
30. Dividends to policyholders	1,047,336		1,047,336									
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(70,221,908)		(99,040,789)	10,630,317	2,700,610		(195,439)	785,332	1,390		(1,531)	14,898,202
32. Federal income taxes incurred (excluding tax on capital gains)	(23,756,275)		(26,580,388)	(3,252,909)	857,099		(68,428)	258,270	480		(569)	5,030,170
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)	(46,465,633)		(72,460,401)	13,883,226	1,843,511		(127,011)	527,062	910		(962)	9,868,032
DETAILS OF WRITE-INS												
08.301. Miscellaneous Income	15,036,037		14,649,852	267,368				118,817				
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	15,036,037		14,649,852	267,368				118,817				
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)												

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1	2	Ordinary			6	Group	
			3	4	5		7	8
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	3,458,648,800		860,538,846	2,565,522,714	8,368,788			24,218,452
2. Tabular net premiums or considerations	256,054,800		252,332,780	2,534,828	1,050,623			136,569
3. Present value of disability claims incurred	19,869		19,869		XXX			
4. Tabular interest	121,744,837		33,494,007	87,518,414				732,416
5. Tabular less actual reserve released	253,438		314,496	(228,658)	167,600			
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)	(68,181,859)		99,919,260	(166,947,611)				(1,153,508)
8. Totals (Lines 1 to 7)	3,768,539,885		1,246,619,258	2,488,399,687	9,587,011			23,933,929
9. Tabular cost	81,490,429		81,490,429		XXX			
10. Reserves released by death	6,899,933		6,899,933	XXX	XXX			XXX
11. Reserves released by other terminations (net)	73,446,048		47,834,946	21,833,206				3,777,896
12. Annuity, supplementary contract and disability payments involving life contingencies	4,153,433		54,191	2,702,779	1,393,590			2,873
13. Net transfers to or (from) Separate Accounts	(6,737,767)		2,078,950	(6,483,175)				(2,333,542)
14. Total Deductions (Lines 9 to 13)	159,252,076		138,358,449	18,052,810	1,393,590			1,447,227
15. Reserve December 31, current year	3,609,287,809		1,108,260,809	2,470,346,877	8,193,421			22,486,702

EXHIBIT OF NET INVESTMENT INCOME

			1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a)	1,418,063	1,402,366
1.1	Bonds exempt from U.S. tax	(a)		
1.2	Other bonds (unaffiliated)	(a)	174,519,542	179,157,072
1.3	Bonds of affiliates	(a)		
2.1	Preferred stocks (unaffiliated)	(b)		
2.11	Preferred stocks of affiliates	(b)		
2.2	Common stocks (unaffiliated)			
2.21	Common stocks of affiliates			
3.	Mortgage loans	(c)	32,601,014	32,202,307
4.	Real estate	(d)		
5	Contract loans		1,209,800	1,225,022
6	Cash, cash equivalents and short-term investments	(e)	25,523	25,523
7	Derivative instruments	(f)	232,788	232,788
8.	Other invested assets			
9.	Aggregate write-ins for investment income		137,197	137,197
10.	Total gross investment income		210,143,927	214,382,275
11.	Investment expenses			(g) 4,906,637
12.	Investment taxes, licenses and fees, excluding federal income taxes			(g)
13.	Interest expense			(h)
14.	Depreciation on real estate and other invested assets			(i)
15.	Aggregate write-ins for deductions from investment income			
16.	Total deductions (Lines 11 through 15)			4,906,637
17.	Net investment income (Line 10 minus Line 16)			209,475,638
	DETAILS OF WRITE-INS			
0901.	Securities Lending		49,671	49,671
0902.	Miscellaneous Income		87,526	87,526
0903.				
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)		137,197	137,197
1501.				
1502.				
1503.				
1598.	Summary of remaining write-ins for Line 15 from overflow page			
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)			

(a) Includes $ 8,913,885 accrual of discount less $ 15,224,401 amortization of premium and less $ 5,605,501 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 $ .... accrual of discount less $ .... 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 $ .... accrual of discount less $ .... amortization of premium and less $ .... 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 $ .... depreciation on real estate and $ .... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	4,751,427	(1,163,354)	3,588,073	(5,177,432)	(140,677)
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	(1,516)		(1,516)	(497,997)	
2.21	Common stocks of affiliates					
3.	Mortgage loans	2,892,273	(3,602,337)	(710,064)	1,482,243	
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments	6,268,002	(349,855)	5,918,148	(24,051)	140,951
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	13,910,187	(5,115,546)	8,794,640	(4,217,237)	274
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

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

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected	191,549		191,549								
2. Deferred and accrued	10,405,136		10,405,136								
3. Deferred , accrued and uncollected:											
3.1 Direct	10,596,685		10,596,685								
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net (Line 1 + Line 2)	10,596,685		10,596,685								
4. Advance											
5. Line 3.4 - Line 4	10,596,685		10,596,685								
6. Collected during year:											
6.1 Direct	202,945,800		202,945,800								
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	(453,062)		(453,062)								
6.4 Net	203,398,862		203,398,862								
7. Line 5 + Line 6.4	213,995,547		213,995,547								
8. Prior year (uncollected + deferred and accrued - advance)	8,702,624		8,702,624								
9. First year premiums and considerations:											
9.1 Direct	204,839,862		204,839,862								
9.2 Reinsurance assumed											
9.3 Reinsurance ceded	(453,062)		(453,062)								
9.4 Net (Line 7 - Line 8)	205,292,924		205,292,924								
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	25,749,440		22,890,906	2,858,534							
10.2 Reinsurance assumed											
10.3 Reinsurance ceded	15,049			15,049							
10.4 Net	25,734,391		22,890,906	2,843,485							
RENEWAL											
11. Uncollected	1,212,076		1,212,076								
12. Deferred and accrued	16,130,318		16,130,318								
13. Deferred, accrued and uncollected:											
13.1 Direct	33,561,340		33,561,340								
13.2 Reinsurance assumed											
13.3 Reinsurance ceded	16,218,947		16,218,947								
13.4 Net (Line 11 + Line 12)	17,342,393		17,342,393								
14. Advance	1,046,158		1,046,158								
15. Line 13.4 - Line 14	16,296,235		16,296,235								
16. Collected during year:											
16.1 Direct	332,874,382		189,741,607	141,880,015			1,250,712	982		1,066	
16.2 Reinsurance assumed	24,947		24,947								
16.3 Reinsurance ceded	231,819,559		94,693,588	137,164,267		(61,098)	22,802				
16.4 Net	101,079,770		95,072,966	4,715,748		61,098	1,227,910	982		1,066	
17. Line 15 + Line 16.4	117,376,005		111,369,201	4,715,748		61,098	1,227,910	982		1,066	
18. Prior year (uncollected + deferred and accrued - advance)	10,479,173		10,479,173								
19. Renewal premiums and considerations:											
19.1 Direct	354,910,391		211,777,616	141,880,015			1,250,712	982		1,066	
19.2 Reinsurance assumed	24,947		24,947								
19.3 Reinsurance ceded	248,038,506		110,912,535	137,164,267		(61,098)	22,802				
19.4 Net (Line 17 - Line 18)	106,896,832		100,890,028	4,715,748		61,098	1,227,910	982		1,066	
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	585,499,693		439,508,384	144,738,549			1,250,712	982		1,066	
20.2 Reinsurance assumed	24,947		24,947								
20.3 Reinsurance ceded	247,600,493		110,459,473	137,179,316		(61,098)	22,802				
20.4 Net (Lines 9.4 + 10.4 + 19.4)	337,924,147		329,073,858	7,559,233		61,098	1,227,910	982		1,066	

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

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums	183,763		183,763								
22. All other	758,189		758,189								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	8,396,793			8,396,793							
23.2 Reinsurance assumed											
23.3 Net ceded less assumed	8,396,793			8,396,793							
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed	7,384			7,384							
24.3 Net ceded less assumed	(7,384)			(7,384)							
25. Renewal:											
25.1 Reinsurance ceded	23,505,654		15,401,915	8,094,581			9,158				
25.2 Reinsurance assumed	11,483		34	11,449							
25.3 Net ceded less assumed	23,494,171		15,401,881	8,083,132			9,158				
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	31,902,447		15,401,915	16,491,374			9,158				
26.2 Reinsurance assumed (Page 6, Line 22)	18,867		34	18,833							
26.3 Net ceded less assumed	31,883,580		15,401,881	16,472,541			9,158				
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	76,528,619		76,511,691	16,928							
28. Single	949,431		949,188	225			18				
29. Renewal	11,503,553		2,880,467	8,511,470			111,577	17		22	
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	88,981,603		80,341,346	8,528,623			111,595	17		22	

EXHIBIT 2 - GENERAL EXPENSES

	Insurance 1 Life	Accident and Health 2 Cost Containment	3 All Other	4 All Other Lines of Business	5 Investment	6 Total
1. Rent	3,260,815				60,110	3,320,925
2. Salaries and wages	45,293,557				1,456,530	46,750,087
3.11 Contributions for benefit plans for employees	2,546,195					2,546,195
3.12 Contributions for benefit plans for agents						
3.21 Payments to employees under non-funded benefit plans						
3.22 Payments to agents under non-funded benefit plans						
3.31 Other employee welfare	377,787					377,787
3.32 Other agent welfare						
4.1 Legal fees and expenses	4,317,216				45,639	4,362,855
4.2 Medical examination fees	1,060,801					1,060,801
4.3 Inspection report fees	1,687,087					1,687,087
4.4 Fees of public accountants and consulting actuaries	5,805,958					5,805,958
4.5 Expense of investigation and settlement of policy claims						
5.1 Traveling expenses	3,598,073				27,105	3,625,178
5.2 Advertising	3,982,111					3,982,111
5.3 Postage, express, telegraph and telephone	2,157,872					2,157,872
5.4 Printing and stationery	4,256,088					4,256,088
5.5 Cost or depreciation of furniture and equipment	285,138					285,138
5.6 Rental of equipment	282					282
5.7 Cost or depreciation of EDP equipment and software	2,878,232				189,100	3,067,332
6.1 Books and periodicals	183,689					183,689
6.2 Bureau and association fees	105,086					105,086
6.3 Insurance, except on real estate	227,708					227,708
6.4 Miscellaneous losses	355,664					355,664
6.5 Collection and bank service charges	67,832					67,832
6.6 Sundry general expenses	16,185,443				2,799,172	18,984,615
6.7 Group service and administration fees	(737,965)					(737,965)
6.8 Reimbursements by uninsured plans						
7.1 Agency expense allowance	130,721					130,721
7.2 Agents' balances charged off (less $ .... recovered)	(1,316)					(1,316)
7.3 Agency conferences other than local meetings						
9.1 Real estate expenses	(7,709)					(7,709)
9.2 Investment expenses not included elsewhere	171,155				328,981	500,136
9.3 Aggregate write-ins for expenses						
10. General expenses incurred	98,187,520				4,906,637	(a) 103,094,157
11. General expenses unpaid December 31, prior year						
12. General expenses unpaid December 31, current year						
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)	98,187,520				4,906,637	103,094,157
DETAILS OF WRITE-INS						
09.301.						
09.302.						
09.303.						
09.398. Summary of remaining write-ins for Line 9.3 from overflow page						
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)						

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

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

	Insurance 1 Life	2 Accident and Health	3 All Other Lines of Business	4 Investment	5 Total
1. Real estate taxes					
2. State insurance department licenses and fees	592,725				592,725
3. State taxes on premiums	8,481,225	15			8,481,240
4. Other state taxes, including $ .... for employee benefits	185,134				185,134
5. U.S. Social Security taxes	1,221,370				1,221,370
6. All other taxes	657,544				657,544
7. Taxes, licenses and fees incurred	11,137,998	15			11,138,013
8. Taxes, licenses and fees unpaid December 31, prior year	1,088,034				1,088,034
9. Taxes, licenses and fees unpaid December 31, current year	1,146,409				1,146,409
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	11,079,623	15			11,079,638

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
1. Applied to pay renewal premiums	183,763	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions	758,189	
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4	941,952	
6. Paid in cash	59,381	
7. Left on deposit	23,187	
8. Aggregate write-ins for dividend or refund options		
9. Total Lines 5 through 8	1,024,520	
10. Amount due and unpaid	12,403	
11. Provision for dividends or refunds payable in the following calendar year	1,091,000	
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 through 14	1,103,403	
16. Total from prior year	1,080,586	
17. Total dividends or refunds (Lines 9 + 15 - 16)	1,047,337	
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0100001. 1958 CET 2.50% NET LEVEL 1966 - 1988	5,771		5,771		
0100002. 1958 CET 3.00% NET LEVEL 1966 - 1988	11,704		11,704		
0100003. 1958 CET 3.50% NET LEVEL 1966 - 1988	10,128		10,128		
0100004. 1958 CET 4.00% NET LEVEL 1966 - 1988	12,675		12,675		
0100005. 1958 CSO 2.50% NET LEVEL 1966 - 1988	394,645		394,645		
0100006. 1958 CSO 3.00% CRVM 1966 - 1988	46,021		46,021		
0100007. 1958 CSO 3.00% NET LEVEL 1966 - 1988	29,821		29,821		
0100008. 1958 CSO 3.50% CRVM 1966 - 1988	80,548		80,548		
0100009. 1958 CSO 3.50% NET LEVEL 1966 - 1988	83,082		83,082		
0100010. 1958 CSO 4.00% CRVM 1966 - 1988	43,348		43,348		
0100011. 1958 CSO 4.00% NET LEVEL 1966 - 1988	30,152		30,152		
0100012. 1980 CET 4.00% NET LEVEL 1989 - 2008	220,204		220,204		
0100013. 1980 CET 4.50% NET LEVEL 1989 - 2008	202,678		202,678		
0100014. 1980 CSO 3.00% CRVM 1989 - 2008	216,209,470		216,209,470		
0100015. 1980 CSO 4.00% & 4.50% CRVM 1989 - 2008	14,101,931		14,101,931		
0100016. 1980 CSO 4.00% CRVM 1989 - 2008	24,911,313		24,911,313		
0100017. 1980 CSO 4.00% MOD 1989 - 2008	652,660		652,660		
0100018. 1980 CSO 4.00% MOD STD/NS 1989 - 2008	12,851,980		12,851,980		
0100019. 1980 CSO 4.00% NET LEVEL 1989 - 2008	1,395,614		1,395,614		
0100020. 1980 CSO 4.50% & 5.00% CRVM 1989 - 2008	10,848,574		10,848,574		
0100021. 1980 CSO 4.50% CRVM 1989 - 2008	482,255,893		482,255,893		
0100022. 1980 CSO 4.50% CRVM STD/NS 1989 - 2008	169,228		169,228		
0100023. 1980 CSO 4.50% MOD 1989 - 2008	18,269,307		18,091,011		178,296
0100024. 1980 CSO 4.50% MOD STD/NS 1989 - 2008	3,041,589		3,041,589		
0100025. 1980 CSO 5.00% CRVM 1989 - 2008	7,883		7,883		
0100026. 1980 CSO 5.00% MOD 1989 - 2008	404,549		404,549		
0100027. 1980 CSO 5.00% NET LEVEL 1989 - 2008	3,332,348		3,332,348		
0100028. 1980 CSO 5.50% 200% NET LEVEL 1989 - 2008	3,619,669		3,619,669		
0100029. 1980 CSO 5.50% CRVM 1989 - 2008	11,598		11,598		
0100030. 1980 CSO 6.00% 200% NET LEVEL 1989 - 2008	8,222,012		8,222,012		
0100031. 1980 CSO 6.00% CRVM 1989 - 2008	192		192		
0100032. 2001 CSO 4.00% CRVM NB	1,202,861,031		1,202,861,031		
0199997. Totals (Gross)	2,004,337,618		2,004,159,322		178,296
0199998. Reinsurance ceded	915,009,688		914,831,392		178,296
0199999. Life Insurance: Totals (Net)	1,089,327,930		1,089,327,930		
0200001. 1951 GAM 3.5% (IMM)	13,461	XXX		XXX	13,461
0200002. 1971 IAM 11.25% 1975 - 1982	56,625	XXX	56,625	XXX	
0200003. 1983 IAM 6.5% 94	39,901	XXX	39,901	XXX	
0200004. 1983 IAM 6.75% 96-97	475,893	XXX	475,893	XXX	
0200005. 1983 IAM 7.00% 1993	57,458	XXX	57,458	XXX	
0200006. 1983 IAM 7.25% 1995	114,072	XXX	114,072	XXX	
0200007. 1983 IAM 7.75% 1992	101,316	XXX	101,316	XXX	
0200008. 1983 IAM 8.00% 1987	28,909	XXX	28,909	XXX	
0200009. 1983 IAM 8.25% 1990-1991	651,241	XXX	651,241	XXX	
0200010. 1983 IAM 8.75% 1988-1989	147,633	XXX	147,633	XXX	
0200011. 1983 IAM 9.25% 1986	33,836	XXX	33,836	XXX	
0200012. 1983 INDIVIDUAL ANNUITY 00 6.50% IMMEDIATE	7,842	XXX	7,842	XXX	
0200013. 1983 INDIVIDUAL ANNUITY 00 6.75% IMMEDIATE	140,325	XXX	140,325	XXX	
0200014. 1983 INDIVIDUAL ANNUITY 00 7.00% IMMEDIATE	5,662	XXX	5,662	XXX	
0200015. 1983 INDIVIDUAL ANNUITY 00 7.25% IMMEDIATE	89,666	XXX	89,666	XXX	
0200016. 1983 INDIVIDUAL ANNUITY 00 7.75% IMMEDIATE	49,644	XXX	49,644	XXX	
0200017. 1983 INDIVIDUAL ANNUITY 00 8.25% IMMEDIATE	3,514	XXX	3,514	XXX	
0200018. 1983 INDIVIDUAL ANNUITY 00 11.00% IMMEDIATE	1,345,333	XXX	1,345,333	XXX	
0200019. 2000 -00 5.00% IMMEDIATE	1,524,611	XXX	1,524,611	XXX	
0200020. 2000 -00 5.25% IMMEDIATE	4,524,249	XXX	4,524,249	XXX	
0200021. 2000 -00 5.50% IMMEDIATE	6,139,295	XXX	6,139,295	XXX	
0200022. 2000 -00 6.00% IMMEDIATE	1,653,463	XXX	1,653,463	XXX	
0200023. 2000 -00 6.25% IMMEDIATE	133,006	XXX	133,006	XXX	
0200024. 2000 -00 6.50% IMMEDIATE	282,634	XXX	282,634	XXX	
0200025. 2000 -00 6.75% IMMEDIATE	331,468	XXX	331,468	XXX	
0200026. 2000 -00 7.00% IMMEDIATE	257,178	XXX	257,178	XXX	
0200027. A-2000 6.25% 98-99	359,751	XXX	359,751	XXX	
0200028. A-2000 6.50% 02	56,725	XXX	56,725	XXX	
0200029. A-2000 6.75% 01	348,328	XXX	348,328	XXX	
0200030. A-2000 7.00% 00	828,333	XXX	828,333	XXX	
0200031. DEFERRED ANNUITY -CARVM	2,671,135,947	XXX	2,649,858,572	XXX	21,277,375
0299997. Totals (Gross)	2,690,937,319	XXX	2,669,646,483	XXX	21,290,836
0299998. Reinsurance ceded	203,583,689	XXX	203,129,029	XXX	454,660
0299999. Annuities: Totals (Net)	2,487,353,630	XXX	2,466,517,454	XXX	20,836,176
0300001. 1983 IAM 6.5% 94	42,777		42,777		
0300002. 1983 IAM 6.75% 96-97	323,224		323,224		
0300003. 1983 IAM 7.00% 1993	102,034		102,034		
0300004. 1983 IAM 7.25% 1995	189,150		189,150		
0300005. 1983 IAM 7.75% 1992	115,051		115,051		
0300006. 1983 IAM 8.00% 1987	14,858		14,858		
0300007. 1983 IAM 8.25% 1990-1991	83,114		83,114		
0300008. 1983 IAM 8.75% 1988-1989	140,925		140,925		
0300009. A-2000 5.25% 05-06	2,592,609		2,592,609		
0300010. A-2000 5.50% 04 07-08	2,294,837		2,294,837		
0300011. A-2000 6.0% 03 09 NB	1,105,539		1,105,539		
0300012. A-2000 6.25% 98-99	14,816		14,816		
0300013. A-2000 6.50% 02	402,018		402,018		
0300014. A-2000 6.75% 01	138,301		138,301		
0300015. A-2000 7.00% 00	634,168		634,168		
0399997. Totals (Gross)	8,193,421		8,193,421		
0399998. Reinsurance ceded					
0399999. SCWLC: Totals (Net)	8,193,421		8,193,421		
0400001. 1959 ADB & 1958 CSO 4.00% 1966 - 1988	697		697		
0400002. 1959 ADB & 1980 CSO 4.00% 1989 - 2008	31,539		31,539		
0499997. Totals (Gross)	32,236		32,236		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0499998. Reinsurance ceded					
0499999. Accidental Death Benefits: Totals (Net)	32,236		32,236		
0500001. 1952 DISABILITY & 1958 CSO 4.00% 1966 - 1988	1,279		1,279		
0500002. 1952 DISABILITY & 1980 CSO 4.00% 1989 - 2008	69,918		69,918		
0500003. 1952 DISABILITY & 1980 CSO 4.50% 1989 - 2008	111,798		111,798		
0500004. 1952 DISABILITY & 2001 CSO 4.00% NB	7,072,357		7,072,357		
0500005. 1952 INTERCO DIS BEN 45 PER 2 & 1958 CSO 3.00% 1966 - 1988	382		382		
0500006. 1952 INTERCO DIS BEN 5 PER 2 & 1980 CSO 4.50% 1989 - 2008	120,965		120,965		
0500007. 1952 INTERCO DIS BEN 5 PER 2 1980 CSO 4.50% 82 - NB	2,284		2,284		
0500008. 1980 DISABILITY & 1980 CSO 4.50% 1989 - 2008	33,150		33,150		
0599997. Totals (Gross)	7,412,133		7,412,133		
0599998. Reinsurance ceded	2,155,096		2,155,096		
0599999. Disability-Active Lives: Totals (Net)	5,257,037		5,257,037		
0600001. 1952 DISABILITY & 1980 CSO 4.00% 1989 - 2008	12,782		12,782		
0600002. 1952 DISABILITY & 2001 CSO 4.00% NB	87,383		87,383		
0600003. 1952 INTERCO DIS BEN 5 PER 2 3.50% 1960 - 2008	21,214		21,214		
0600004. 1980 DISABILITY & 1980 CSO 4.50% 1989 - 2008	3,234		3,234		
0600005.	1,060,136		1,060,136		
0699997. Totals (Gross)	1,184,749		1,184,749		
0699998. Reinsurance ceded	364,199		364,199		
0699999. Disability-Disabled Lives: Totals (Net)	820,550		820,550		
0700001. Contingency Reserves	2,393,901		2,393,901		
0700002. New York XS Interest	922,925		922,925		
0700003. Additional Reserves to comply with minimum requirements of Standard Valuation Law	349,763		349,763		
0700004. For excess of valuation net premiums over corresponding gross premiums on respective policies computed according to the standard of valuation required by this state.	18,493,036		18,493,036		
0700005. Reserve for separate account minimum death benefit	6,075,857		4,473,561		1,602,296
0799997. Totals (Gross)	28,235,482		26,633,186		1,602,296
0799998. Reinsurance ceded	9,932,479		9,980,708		(48,229)
0799999. Miscellaneous Reserves: Totals (Net)	18,303,003		16,652,478		1,650,525
9999999. Totals (Net) - Page 3, Line 1	3,609,287,807		3,586,801,106		22,486,701

EXHIBIT 5 - INTERROGATORIES

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

1.2 If not, state which kind is issued.

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

2.2 If not, state which kind is issued.
Non Participating

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

4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes [ ] No [X]
If so, state:
4.1 Amount of insurance? $
4.2 Amount of reserve? $
4.3 Basis of reserve:
N/A
4.4 Basis of regular assessments:
N/A
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.
IUL
declared rate, credited: 2%, charged: 3.9% yr 1-10, 3.25% yr 11+
alternative, credited: 0% (equal to the guar. floor), charged: 8%

AVUL
credited: 3%, charged: 3.9% yr 1-10, 3.25% yr 11+

PVUL
credited: 3%, charged 4.5%

SVUL
credited: 3% yr 1-10, 3.65% yr 11+, charged: 3.9%

SUL
credited: 3%, charged: 6%

CAUL
credited: 3%, charged: 5%

SPUL
credited: 3%, charged: 5%

NLG
credited: 3%, charged: 5%

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:
N/A

7.3 State the amount of reserves established for this business: $

7.4 Identify where the reserves are reported in the blank:
N/A

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

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

NONE

Exhibit 6 - Aggregate Reserves for Accident and Health Contracts

N O N E

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	18,596,478		10,547,101	7,576,771	224,803	247,803
2. Deposits received during the year	2,317,002		1,014,596	1,280,484	23,187	(1,265)
3. Investment earnings credited to the account	764,389		618,957	279,092	(136,684)	3,024
4. Other net change in reserves						
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	4,325,535		2,655,679	1,649,093	15,731	5,032
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8)	17,352,334		9,524,975	7,487,254	95,575	244,530
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 (Lines 10+11-12)						
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	17,352,334		9,524,975	7,487,254	95,575	244,530

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct											
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net											
2. In course of settlement:											
2.1 Resisted 2.11 Direct											
2.12 Reinsurance assumed											
2.13 Reinsurance ceded											
2.14 Net			(b)	(b)		(b)	(b)				
2.2 Other 2.21 Direct	22,848,573		22,848,573								
2.22 Reinsurance assumed											
2.23 Reinsurance ceded	11,517,474		11,517,474								
2.24 Net	11,331,099		(b) 11,331,099	(b)		(b)	(b)		(b)	(b)	(b)
3. Incurred but unreported:											
3.1 Direct	2,603,145		2,603,145								
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net	2,603,145		(b) 2,603,145	(b)		(b)	(b)		(b)	(b)	(b)
4. TOTALS 4.1 Direct	25,451,718		25,451,718								
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	11,517,474		11,517,474								
4.4 Net	13,934,244	(a)	(a) 13,934,244				(a)				

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

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

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1. Settlements During the Year:											
1.1 Direct	606,814,233		68,869,999	477,664,346				60,277,753	(440)		2,575
1.2 Reinsurance assumed	34,819			34,819							
1.3 Reinsurance ceded	396,216,806		48,057,057	346,895,668				1,264,081			
1.4 Net	(d) 210,632,246		20,812,942	130,803,497				59,013,672	(440)		2,575
2. Liability December 31, current year from Part 1:											
2.1 Direct	25,451,718		25,451,718								
2.2 Reinsurance assumed											
2.3 Reinsurance ceded	11,517,474		11,517,474								
2.4 Net	13,934,244		13,934,244								
3. Amounts recoverable from reinsurers December 31, current year	1,622,911		1,514,911	100,000			8,000				
4. Liability December 31, prior year:											
4.1 Direct	16,779,727		16,752,935	26,792							
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	6,129,519		6,129,519								
4.4 Net	10,650,208		10,623,416	26,792							
5. Amounts recoverable from reinsurers December 31, prior year	1,612,878		1,317,231	295,647							
6. Incurred Benefits											
6.1 Direct	615,486,224		77,568,782	477,637,554				60,277,753	(440)		2,575
6.2 Reinsurance assumed	34,819			34,819							
6.3 Reinsurance ceded	401,614,794		53,642,692	346,700,021			8,000	1,264,081			
6.4 Net	213,906,249		23,926,090	130,972,352			(8,000)	59,013,672	(440)		2,575

(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 $ 41,509 in Line 1.1, $ 41,509 in Line 1.4.
$ 41,509 in Line 6.1, and $ 41,509 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 NON-ADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
	2.1 Preferred stocks			
	2.2 Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			
	3.2 Other than first liens			
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			
	4.2 Properties held for the production of income			
	4.3 Properties held for sale			
5.	Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6.	Contract loans	33,921	12,158	(21,763)
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities		154,221	154,221
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)	33,921	166,379	132,458
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	1,716,452	1,673,711	(42,741)
	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	108,944,023	82,477,863	(26,466,160)
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.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable			
25.	Aggregate write-ins for other than invested assets	1,098,588	1,033,366	(65,222)
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	111,792,984	85,351,319	(26,441,665)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	Total (Lines 26 and 27)	111,792,984	85,351,319	(26,441,665)
	DETAILS OF WRITE-INS			
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501.	Accrued Fees and Other Assets	69,933	51,035	(18,898)
2502.	Deffered Software Costs	1,028,655	982,331	(46,324)
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,098,588	1,033,366	(65,222)

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of Nationwide Life and Annuity Insurance Company (Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners' (NAIC) and the State of Ohio.

The Ohio Department of Insurance (Department) recognizes only statutory accounting practices (SAP) prescribed or permitted by the Department for determining and reporting the financial condition and results of operations of an insurance company, as well as, determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. The Company has no statutory accounting practices that differ from NAIC SAP.

The amounts in this statement pertain to the entire Company business including, as appropriate, its Separate Account business.

B. Use of Estimates in Preparation of the Financial Statements

In preparing the financial statements in conformity with the Annual Statement Instructions and NAIC SAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. It also requires disclosures 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 significantly from those estimates.

C. Accounting Policies

Life insurance premiums are recognized as revenue over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Policy benefits and claims that are expensed include interest credited to policy account balances and benefits and claims incurred in the period in excess of related policy reserves. 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, which approximates fair value. Short- term investments are recorded on the trade date. Interest income is recognized when earned.

(2) Bonds, excluding loan-backed securities and structured securities, are valued and reported at amortized cost, except those assigned an NAIC designation of "6", which are valued and reported at the lower of amortized cost or fair value. Bond transactions are recorded on the trade date, with the exception of private placement bonds, which are recorded on the funding date. Interest income is recognized when earned. The Company nonadmits investment income due and accrued when amounts are over 90 days past due. Investment income is recorded using the effective-yield method without anticipating the impact of prepayments. Realized gains and losses are determined on a specific identification basis.

To determine the fair value of bonds, independent pricing services are most often utilized. For these bonds, the Company obtains the pricing services' methodologies, inputs and assumptions and classifies the investments accordingly in the fair value hierarchy.

In the event pricing information is not available from an independent pricing service, non-binding broker quotes are utilized to determine the fair value of certain bonds. Broker quotes are considered unobservable inputs, and these bonds are classified accordingly in the fair value hierarchy as only one broker quote is ordinarily obtained, the investment is not traded on an exchange, the pricing is not available to other entities and/or the transaction volume in the same or similar investments has decreased such that generally only one quotation is available. As the brokers often do not provide the necessary transparency into their quotes and methodologies, the Company periodically performs reviews and tests to ensure that quotes are a reasonable estimate of the investments' fair value.

For certain bonds not valued using independent services or broker quotes, a corporate pricing matrix or internally developed pricing model is most often used. The corporate pricing matrix is developed using private spreads for corporate securities with varying weighted average lives and credit quality ratings. The weighted average life and credit quality rating of a particular bond to be priced using the corporate pricing matrix are important inputs into the model and are used to determine a corresponding spread that is added to the appropriate U.S. Treasury yield to create an estimated market yield for that security. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular bond.

Bonds in an unrealized loss position are periodically reviewed to determine if a decline in fair value to below amortized cost is other-than-temporary. Factors considered during this review include timing and amount of expected cash flows, ability of the issuer to meet its obligations, financial condition and future prospects of the issuer, amount and quality of any underlying collateral and current economic and industry conditions that may impact an issuer. Additionally, the Company considers its ability and intent to retain the security for a period of time sufficient to allow for the anticipated recovery in value, the expected recovery of principal and interest and the duration and extent to which the fair value has been less than amortized cost. Bonds in an unrealized loss position for which the Company intends to sell or does not have the intent and ability to hold for a period of time sufficient to recover the amortized cost basis are considered other-than-temporarily impaired and a realized loss is recorded.

(3) Common stocks, other than investments in stocks of subsidiaries and affiliates (see Note (1) C. (7) below), are reported at fair value. Common stock transactions are recorded on the trade date. Dividends are recognized when declared. Realized gains and losses are determined on a specific identification basis. Fair value is determined in a manner consistent with bonds (see Note (1) C. (2) above). Common stocks may experience other-than-temporary impairment based on the prospects for full recovery in value in a reasonable period of time and the Company's ability and intent to hold the stock to recovery.

(4) Preferred stocks redeemable at par value are reported at amortized cost, except of those assigned an NAIC designation of "4" through "6", which are reported at the lower of amortized cost or fair value. Preferred stock transactions are recorded on the

trade date. Interest income is recognized when earned while dividends are recognized when declared. Realized gains and losses are determined on a specific identification basis. Fair value is determined in a manner consistent with bonds (see Note (1) C. (2) above). Preferred stocks may experience other-than-temporary impairment based on the prospects for full recovery in value in a reasonable period of time and the Company's ability and intent to hold the stock to recovery.

(5) Mortgage loans are carried at the unpaid principal balance adjusted for premiums and discounts, less a valuation allowance.

Mortgage loans are considered impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. When management determines that a loan is impaired, a provision for loss is established equal to the difference between the carrying value and either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

In addition to the loan-specific reserves, the Company maintains a non-specific reserve for losses developed based on loan surveillance categories and property type classes and reflects management's best estimate of probable credit losses as of the balance sheet date but not yet attributable to specific loans. Management's periodic evaluation of the adequacy of the non-specific reserve is based on past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect a borrower's ability to repay, the estimated value of the underlying collateral, composition of the loan portfolio, current economic conditions and other relevant factors.

Interest income on performing mortgage loans is recognized over the life of the loan using the effective-yield method. Loans in default or in the process of foreclosure are placed on non-accrual status. Interest received on non-accrual status mortgage loans is included in net investment income in the period received. Loans are considered delinquent when contractual payments are 90 days past due.

(6) Loan-backed and structured securities, which are included in bonds, are valued and reported in a manner consistent with bonds (see Note (1) C. (2) above) but with additional consideration given to the special valuation rules implemented by the NAIC, which are applicable to residential mortgage-backed securities (RMBS) that are not backed by U.S. government agencies (non-agency RMBS), commercial mortgage-backed securities and certain other structured securities. Under these guidelines, an initial and adjusted NAIC rating is determined for each security. The initial NAIC rating, which takes into consideration the security's amortized cost relative to an NAIC-prescribed valuation matrix, is used to determine the valuation and reporting basis (i.e., amortized cost or lower of amortized cost or fair value). The adjusted NAIC rating, which takes into consideration the security's carrying value relative to an NAIC-prescribed valuation matrix, is used to determine capital requirements ascribed to the security. For investments in certain loan-backed and structured securities, the Company recognizes income and amortizes discounts and premiums using the effective-yield method based on prepayment assumptions and the estimated economic life of the securities. When actual prepayments differ significantly from estimated prepayments, the effective-yield is recalculated to reflect actual payments to date and anticipated future payments. Any resulting adjustment is included in net investment income. Prepayment assumptions are generally obtained from third-party vendors (e.g., Bloomberg, Intex) or broker estimates.

The Company periodically reviews loan-backed and structured securities in an unrealized loss position by comparing the present value of cash flows, including estimated prepayments, expected to be collected from the security to the amortized cost basis of the security. If the present value of cash flows expected to be collected, discounted at the security's effective interest rate, is less than the amortized cost basis of the security, the impairment is considered other-than-temporary and a realized loss is recorded.

(7) The investment in the Company's wholly-owned subsidiary, Olentangy Reinsurance, LLC (Olentangy), is carried at the value of its underlying audited statutory surplus, adjusted to exclude the amount of total statutory surplus represented by the surplus notes issued by Olentangy to Nationwide Corporation. As of December 31, 2011, the Company's proportionate share calculation under this method resulted in a negative amount, and therefore, the Company, in accordance with statutory guidance, discontinued its use of this method and reported its investment in Olentangy at zero in Schedule BA.

(8) Refer to Note (1) C. (7) above for accounting for the Company's investment in a limited liability company, which is a wholly-owned subsidiary.

(9) The Company uses derivative instruments to manage exposures and mitigate risks associated with interest rates, equity markets, foreign currency and credit. These derivative instruments primarily include interest rate swaps, credit default swaps, cross-currency swaps, currency contracts and other traditional swap agreements.

Derivative instruments used in hedging transactions considered to be effective hedges are valued and reported in a manner consistent with the hedged items (i.e., hedge accounting). Derivative instruments used in hedging transactions that do not meet or no longer meet the criteria of an effective hedge are accounted for at fair value with changes in fair value recorded in capital and surplus as unrealized gains or losses.

Derivative instruments cash flows and payment accruals are recorded in net realized capital gains/losses or in net investment income.

Fair value of derivative instruments is determined using various valuation techniques relying predominately on observable market inputs. These inputs include interest rate swap curves, credit spreads, interest rates, counterparty credit risk, equity volatility and equity index levels. In some cases, the Company will utilize non-binding broker quotes to determine fair value.

(10) Not Applicable – The Company does not have a premium deficiency reserve.

(11) The Company no longer issues any health policies and due to the small size of the Company's health in force block, the Company no longer holds any liabilities for the health business. Each year's claims are paid from current year premiums.

(12) The Company has not modified its capitalization policy from the prior period.

(13) Not Applicable – The Company does not have any pharmaceutical rebate receivables.

(2) Accounting Changes and Corrections of Errors

A. On December 31, 2011, the Company adopted revisions within Statement of Statutory Accounting Principles (SSAP) No. 43R, *Loan-backed and Structured Securities*. These revisions incorporate the most recent reporting and designation guidance prescribed by the Valuation of Securities Task Force for modeled, modeling-exempt, and all other types of loan-backed and structured securities. The adoption of the revised guidance resulted in an immaterial impact to the financial statements of the Company.

On December 31, 2011, the Company adopted revisions to SSAP No. 5, *Liabilities, Contingencies and Impairments of Assets* (SSAP No. 5R) which require insurance entities to recognize, at inception of a guarantee, a liability for the obligations it has undertaken in issuing the guarantee, even if the likelihood of having to make payments under the guarantee is remote. The revised guidance does not require liability recognition for guarantees made to or on behalf of direct or indirect wholly-owned insurance and non-insurance subsidiaries or for guarantees considered unlimited. The Company also adopted additional revisions related to disclosure requirements of SSAP No. 25, *Accounting for and Disclosures about Transactions with Affiliated and Other Related Parties* to correspond with SSAP No. 5R. The guidance is effective for all guarantees issued or outstanding as of December 31, 2011, and disclosure of all guarantees must be reported annually. The adoption of the revised guidance had no impact to the financial statements of the Company.

On December 31, 2011, the Company adopted a revision to SSAP No. 91R, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, which deleted the weighted-average interest rate disclosure requirement from paragraph 98j. The adoption of this revision had no impact to the financial statements of the Company and resulted in the removal of the applicable disclosure from the financial statement footnotes.

On December 31, 2011, the Company adopted revisions to the definition of preferred stock contained in SSAP No. 32, *Investments in Preferred Stock (excluding investments in preferred stock of subsidiary, controlled, or affiliate entities).* The revised definition defines preferred stock as any class or series of shares the holders of which have any preference, either as to the payment of dividends or distribution of assets on liquidation, over the holder of common stock (as defined in SSAP No. 30, *Investments in Common Stock (excluding investments in common stock of subsidiary, controlled, or affiliate entities)* issued by an entity. Upon adoption of this guidance, the impact to the financial statements of the Company was immaterial.

On December 31, 2011, the Company adopted revisions to SSAP No. 66, *Retrospectively Rated Contracts* (SSAP No. 66). These revisions clarify that medical loss ratio (MLR) rebates required for certain health insurance contracts under the Public Health Service Act qualify as a retrospective rating feature and are therefore subject to the guidance in SSAP No. 66. The revised guidance also requires the disclosure of MLR-related rebate amounts and the impact of reinsurance on the amounts disclosed. Upon adoption of this guidance, the impact to the financial statements of the Company was immaterial.

On January 1, 2011, the Company adopted revisions to SSAP No. 35R, *Guaranty Fund and Other Assessments*. Under the revised guidance, an insurance entity should not recognize a liability associated with a guaranty fund assessment until the event obligating the entity to pay the imposed or probable assessment has occurred. The revisions establish that assets recognized from anticipated recoveries from accrued liability assessments are admitted assets subject to certain limitations and prohibits recognition of recovery assets for paid or accrued assessments that are recoverable through future premium rate structures. The guidance rejects certain GAAP concepts including the option to discount accrued liabilities, a valuation allowance for premium tax offsets and policy surcharges and guidance related to noninsurance entities as these are not applicable to statutory accounting. Additionally, the guidance requires disclosures of the nature of a guaranty fund assessment by type, the assets recognized from paid or accrued premium tax offsets or policy surcharges, including a reconciliation between the prior year and current year Annual Statement, and the impairment information contained in paragraph 14 of SSAP No. 5R when there is at least a reasonable possibility the impairment of an asset from premium tax offsets or policy surcharges may have been incurred. Upon adoption of this guidance, the impact to the financial statements of the Company was immaterial.

On January 1, 2011, the Company adopted changes to the definition of loan-backed and structured securities within SSAP No. 43R, *Loan-backed and Structured Securities*. These changes required certain securities to be reclassified into the loan-backed and structured securities classification and resulted in an immaterial impact to the Company upon adoption. Refer to Note 5 for required disclosures and financial impact.

On January 1, 2011, the Company adopted revisions to SSAP No. 51, *Life Contracts*, SSAP No. 52, *Deposit Type Contracts*, and SSAP No. 61, *Life, Deposit-Type and Accident and Health Reinsurance*, which expanded the breakdown of withdrawal disclosures by characteristic for annuity contracts, deposit-type contracts, and reinsurance contracts under the scope of these three standards. The revised breakdown requires separate disclosure categories for the general account, the separate account with guarantees, the separate account nonguaranteed, and the total. Refer to Note 32 to view the expanded disclosures.

On December 31, 2009, the Company adopted temporary guidance in SSAP No. 10R, *Income Taxes Revised – A Temporary Replacement of SSAP No. 10*, that requires additional disclosures related to tax planning strategies and provides an election for a qualifying life insurance company to increase within its deferred tax asset admissibility calculation the reversal period from one to three years and its limitation from 10% of statutory capital and surplus to 15%. This guidance is effective for interim and annual reporting periods through December 31, 2011, and will be replaced with the adoption of SSAP No. 101, *Income Taxes*. Refer to Note 9 for the required disclosures and financial impact.

Pending Accounting Standards

On January 1, 2012, the Company adopted a new standard, SSAP No. 101, *Income Taxes*, which supersedes SSAP No. 10R, *Income Taxes Revised – A Temporary Replacement of SSAP No. 10*. The standard applies a 'more likely than not' threshold for the recognition of federal and foreign tax loss contingencies and establishes a new framework for determining the admissibility of deferred tax assets (DTA). The framework sets a three year limit on loss carryback provisions, introduces guardrails for determining the realization period and percentage of capital and surplus companies may use to determine DTA admissibility, and establishes parameters around offsetting DTAs against deferred tax liabilities (DTL) as it relates to the admissibility of a DTA. The standard also adopts new disclosure requirements related to tax planning strategies, the amounts and components used to determine admissible DTA amounts, and information about reasonably possible increases in the total liability for any federal or foreign income tax loss contingencies within twelve months of the reporting date. The Company is currently in the process of determining the impact of adoption of this standard.

On January 1, 2012, the Company adopted revisions to SSAP No. 100, *Fair Value Measurements*. These revisions require financial instruments that are disclosed but not reported at fair value to be identified as level 1, 2, or 3 fair value measurements. The revised guidance also requires disclosure of the method used to obtain the fair value for all financial instruments with fair value measurements and the gross presentation of purchases, sales, issues, and settlements within the level 3 rollforward. Since this guidance is limited to changes in disclosure information, there was no impact to the financial statements of the Company upon adoption.

(3) Business Combinations and Goodwill

A. Statutory Purchase Method - Not Applicable.

B. Statutory Merger - Not Applicable.

C. Assumption Reinsurance - Not Applicable.

D. Impairment Loss - Not applicable.

(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:

Residential	Commercial
Not Applicable	4.69% and 6.50%

(2) During 2011, the Company did not reduce interest rates on any outstanding mortgages.

(3) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was 85.2%.

		12/31/2011	12/31/2010
(4)	As of period end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest	$ -	$ -
	Total interest due on mortgages with interest more than 180 days past due	$ -	$ -
(5)	Taxes, assessments, and any amounts advanced and not included in the mortgage loan total	$ -	$ -
(6)	Current period impaired loans with a related allowance for credit losses:		
	Impaired Loans	$ -	$ 23,292,610
	Related allowance for credit losses	$ -	$ 6,695,626
(7)	Impaired mortgage loans without an allowance for credit losses	$ -	$ -
(8)	Average recorded investment in impaired loans	$ -	$ 4,658,522
(9)	Interest income recognized during the period the loans were impaired	$ -	$ 1,319,015
(10)	Amount of interest income recognized on a cash basis during the period the loans were impaired	$ -	$ 1,317,466
(11)	Allowance for credit losses:		
	a. Balance at beginning of period	$ 13,155,251	$ 7,529,596
	b. Additions charged to operations	3,602,337	11,253,778
	c. Direct write-downs charged against the allowances	-	-
	d. Recoveries of amounts previously charged off	(12,271,695)	(5,628,123)
	e. Balance at end of period	$ 4,485,893	$ 13,155,251

(12) The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest received on non-accrual status mortgage loans is included in net investment income in the period received.

B. Debt Restructuring

		12/31/2011	12/31/2010
(1)	The total recorded investment in restructured loans, as of period ended	$ 3,679,987	$ 3,400,000
(2)	The realized capital losses related to these loans	$ 14,841	$ -
(3)	Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings	$ -	$ -

(4) The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest received on non-accrual status mortgage loans is included in net investment income in the period received.

C. Reverse Mortgages - None.

D. Loan-Backed Securities

(1) Prepayment assumptions are generally obtained using a model provided by a third-party vendor.

(2) The following table summarizes other-than-temporary impairments recognized in the period, aggregated by the basis for the other-than-temporary impairment:

	Year ended December 31, 2011		
	Amortized cost basis before other-than-temporary impairment	Other-than-temporary impairment recognized in loss	Fair value
OTTI recognized 1st Quarter			
a. Intent to sell	$ -	$ -	$ -
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
c. Total 1st Quarter	$ -	$ -	$ -
OTTI recognized 2nd Quarter			
d. Intent to sell	$ -	$ -	$ -
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
f. Total 2nd Quarter	$ -	$ -	$ -
OTTI recognized 3rd Quarter			
g. Intent to sell	$ -	$ -	$ -
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
i. Total 3rd Quarter	$ -	$ -	$ -
OTTI recognized 4th Quarter			
j. Intent to sell	$ -	$ -	$ -
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
l. Total 4th Quarter	$ -	$ -	$ -
m. Annual Aggregate Total		$ -	

(3) The following table lists securities for which the Company recognized an other-than-temporary impairment because the present value of the cash flows expected to be collected was less than the amortized cost basis of the security:

As of December 31, 2011

CUSIP	Amortized Cost Before Current Period OTTI	Present value of projected cash flows	Recognized other-than-temporary impairment	Amortized cost after other-than-temporary impairment	Fair value at time of OTTI	Date of Financial Staetment where reported
12668BRZ8	$ 2,472,164	$ 2,423,346	$ 48,818	$ 2,423,346	$ 1,953,744	Q4' 11
74041EAC9	48,358	0	48,358	0	(0)	Q4' 11
02149HAW0	8,745,168	8,379,966	365,203	8,379,966	6,987,843	Q2' 11
74041EAC9	89,817	20,515	69,302	20,515	(0)	Q2' 11
74922PAC8	1,990,284	1,568,611	421,673	1,568,611	1,212,905	Q1' 11
74041EAC9	3,433,552	62,121	3,371,431	62,121	10,892	Q4 '10
74041EAC9	4,178,095	3,419,913	758,182	3,419,913	142,385	Q3 '10
74922PAC8	2,340,926	2,237,051	103,875	2,237,051	1,318,170	Q3 '10
05948KXQ7	3,015,268	2,945,672	69,595	2,945,672	2,274,464	Q1 '10
05948KXS3	2,829,152	2,718,554	110,598	2,718,554	2,149,306	Q1 '10
12667F4S1	18,341,063	17,652,478	688,585	17,652,478	14,241,208	Q1 '10
126694E95	14,425,480	12,301,697	2,123,783	12,301,697	8,252,331	Q1 '10
251510FX6	3,230,288	3,083,434	146,854	3,083,434	2,488,815	Q1 '10
76114HAK1	607,417	578,973	28,444	578,973	466,505	Q1 '10
126694E95	14,981,216	14,835,710	145,506	14,835,710	6,146,155	Q4 '09
05948KXQ7	3043017.2	3023863.88	19,153	3,023,864	2,203,407	Q3 '09
12667F4S1	18508243	18349058.92	159,184	18,349,059	12,815,230	Q3 '09
126694E95	16243227.78	15379466.08	863,762	15,379,466	6,010,962	Q3 '09
74922PAC8	3102671.42	2863719.73	238,952	2,863,720	1,315,039	Q3 '09
02149HAW0	4945858	8861655.67	(3,915,798)	8,861,656	7,081,145	Q3 '09
105667AB5	5066940	5004122.38	62,817	5,004,122	5,564,420	Q3 '09
126673DQ2	1440352.06	2747806.96	(1,307,455)	2,747,807	1,246,651	Q3 '09
12668BRZ8	1085694	2626800	(1,541,106)	2,626,800	2,121,234	Q3 '09
149837AA4	3873077	2574063.35	1,299,014	2,574,063	2,590,923	Q3 '09
251510FX6	2447033	3290471.46	(843,439)	3,290,471	2,349,192	Q3 '09
32051GDS1	3959285.89	3724156	235,130	3,724,156	3,290,909	Q3 '09
76114HAK1	405610	666813.46	(261,203)	666,813	543,976	Q3 '09
Total			$ 3,509,218			

(4) The following table summarizes the estimated fair values and gross unrealized losses, defined as the amount by which the amortized cost exceeds the estimated fair value, based on the amount of time each security has been in an unrealized loss position:

As of December 31, 2011

a. The aggregate amount of unrealized losses:

1. Less than 12 Months	$	(925,187)
2. 12 Months or Longer	$	(45,113,263)

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	$	49,420,092
2. 12 Months or Longer	$	152,970,152

(5) The Company reviews all loan-backed and structured securities in which the fair value of the given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, and the quality of any credit guarantors, to determine the cash flows expected to be received for the security.

If the severity and duration of the security's unrealized loss indicates a risk of an other-than-temporary impairment, then the Company will evaluate if the amortized cost basis of the security will be recovered by comparing the present value of the cash flows expected to be received for the given security with the amortized cost basis of the security. If the present value of cash flows is greater than the amortized cost basis of a security then the security is deemed not to be other-than-temporarily impaired.

E. Repurchase Agreements and/or Securities Lending Transactions

(1) For repurchase agreements, Company policy requires a minimum of 102% of the fair value of securities purchased under repurchase agreements to be maintained as collateral. Cash collateral received is invested in short-term investments and the offsetting collateral liability is included in "Payable to parent, subsidiaries and affiliates" on the balance sheet. There were no open repurchase agreements as of year end.

For securities lending, the Company's securities lending agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral.

(2) As of year end, the Company has no assets pledged as collateral.

(3) As of year end, the Company has not accepted collateral that is permitted by contract or custom to sell or repledge.

a. The Company's securities lending agreement allows the borrower to terminate a loan upon demand. The Company's obligation for cash collateral received was $18,479,998 as of December 31, 2011 and is carried as a "Payable for securities lending" on the balance sheet. The Company does not receive any non-cash collateral for loaned securities as of December 31, 2011.

b. Cash collateral received is reinvested by the agent bank in accordance with the Company's authorized investment policy and included as assets of the Company (Schedule DL). The fair value of reinvested cash collateral is $18,480,416 as of December 31, 2011.

c. Cash collateral provided by approved borrowers is reinvested by the Company's agent bank during the term of the loan and returned to the borrower upon a loan's termination.

(4) The Company did not have any securities lending activities with an affiliated agent.

(5) Collateral Reinvestment – Securities Lending

a. The following table summarizes amortized cost and fair value of reinvested cash collateral as of December 31, 2011:

	Amortized Cost	Fair Value
Under 30 days	$ 18,480,416	$ 18,480,416
31-60 days	-	-
61-90 days	-	-
91-120 days	-	-
121-180 days	-	-
181 days - 1Year	-	-
1-2 Years	-	-
2-3 Years	-	-
>3 Years	-	-
	$ 18,480,416	$ 18,480,416

b. In accordance with the securities lending investment policy, reinvestments of cash collateral cannot exceed 3 years in maturity. Because the borrower or the Company may terminate a securities lending transaction at any time, to the extent loans are terminated in advance of reinvestment collateral maturities, the Company would repay its securities lending payable obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

F. Real Estate – Not Applicable.

G. Low-Income Housing Tax Credits (LIHTC) – Not Applicable.

(6) Joint Ventures, Partnerships, and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships, and Limited Liability Companies that exceed 10% of its total admitted assets.

B. Not Applicable.

(7) Investment Income

A. Accrued Investment Income

The Company nonadmits investment income due and accrued if amounts are over 90 days past due with the exception of mortgage loans in default which are nonadmitted if amounts are over 180 days past due.

B. Amounts Nonadmitted

The total amount of investment income due and accrued nonadmitted was $18,899 as of December 31, 2011.

(8) Derivative Instruments

The Company is exposed to certain risks relating to its ongoing business operations which are managed using derivative instruments. The primary risks managed by using derivative instruments are foreign currency exchange, interest rate and credit risks. The Company uses cross currency swaps and interest rate swaps to hedge these risks. The Company also uses credit default swap contracts to synthetically replicate investment risks and returns.

The Company is exposed to credit-related losses in the event of nonperformance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. Potential losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, and collateral agreements.

The cash requirements of a derivative will vary by contract. In a cross currency swap, notional amounts are typically exchanged in the respective contracted currencies at both settlement date and at expiration. Interest payments are also exchanged in the contracted currencies, timing and amounts. Interest rate swap payments are based of the notional of the contract; the fixed and floating leg payments are netted and exchanged periodically with the appropriate counterparty. In a credit default swap, where protection is sold on a single-name entity, periodic payments are received by the Company in exchange for promised credit protection on a referenced security. If there is a credit even declared by the International Swap Dealers Association on the referenced security, settlement of the credit default swap would be triggered and cash would be paid to the counterparty in the amount of the contract notional less a recovery rate.

Interest rate risk management: The Company uses interest rate contracts, primarily interest rate swaps, to reduce or alter interest rate exposure arising from mismatches between assets and liabilities. In the case of interest rate swaps, the Company enters into a contractual agreement with a counterparty to exchange, at specified intervals, the difference between fixed and variable rates of interest, calculated on a reference notional amount.

Interest rate swaps are used by the Company in association with fixed and variable rate investments to achieve cash flow streams that support certain financial obligations of the Company and to produce desired investment returns. Interest rate swaps are generally used to convert fixed rate cash flow streams to variable rate cash flow streams or vice versa.

Foreign currency risk management: As part of its regular investment activities, the Company may purchase foreign currency denominated investments, generally bonds. These investments and the associated income expose the Company to volatility associated with movements in foreign exchange rates. In an effort to mitigate this risk, the Company uses cross-currency swaps. As foreign exchange rates change, the increase or decrease in the cash flows of the derivative instrument generally offsets the changes in the functional-currency equivalent cash flows of the hedged item.

Credit risk management: The Company enters into credit derivative contracts, primarily credit default swaps, under which the Company buys and sells credit default protection on standardized credit indices, which are established baskets of creditors, or on specific corporate creditors. These derivatives allow the Company to manage or modify its credit risk profile in general or its credit exposure to specific creditors.

Asset replication strategy. The company enters into credit default swaps to synthetically create investments as a less expensive alternative to the cash markets. The structure includes a highly rated cash instrument together with selling protection on a single-name entity. The strategy gains the Company exposure to a risk-free rate of return plus the credit spread return from the credit protection, synthesizing an otherwise permissible investment in a fixed income corporate bond.

Derivative instruments cash flows and payment accruals are recorded in net realized capital gains/losses or in net investment income.

Fair value of derivative instruments is determined using various valuation techniques relying predominately on observable market inputs. These inputs include interest rate swap curves, credit spreads, interest rates, counterparty credit risk, equity volatility and equity index levels. In some cases, the Company will utilize non-binding broker quotes to determine fair value.

Derivative instruments used in hedging transactions considered to be effective hedges are valued and reported in a manner consistent with the hedged items (i.e., hedge accounting). Derivative instruments used in hedging transactions that do not meet or no longer meet the criteria of an effective hedge are accounted for at fair value with changes in fair value recorded in surplus as unrealized gains or losses.

No gain or loss recognized in derivative instruments' unrealized gains or losses during the year were excluded from the assessment of hedge effectiveness. There is also no net gain or loss recognized during the year resulting from derivatives that no longer qualify for hedge accounting. In addition, no amounts of gains or losses were classified in unrealized gains/losses related to cash flow hedges that have been discontinued because it was no longer probable that the original forecasted transaction would occur as anticipated.

The Company is not currently engaged in written covered options used for income generation or derivatives accounted for as cash flow hedges of a forecasted transaction, other than the payment of variable interest on existing financial instruments.

(9) Income Taxes

A. The net deferred tax asset (liability) as of December 31 and the change from prior year are comprised of the following components:

12/31/2011	Ordinary	Capital	Total
(1a) Gross deferred tax assets	$ 99,496,611	$ 28,975,724	$ 128,472,335
(1b) Statutory valuation allowance adjustment	-	-	-
(1c) Adjusted gross deferred tax assets	99,496,611	28,975,724	128,472,335
(2) Total deferred tax assets (liabilities)	(13,566,326)	(120,980)	(13,687,306)
(3) Net deferred tax asset (liability)	85,930,285	28,854,744	114,785,029
(4) Deferred tax assets nonadmitted in accordance with SSAP No. 10R	85,930,285	24,708,511	110,638,796
(5) Net admitted deferred tax asset (liability)	$ -	$ 4,146,233	$ 4,146,233

12/31/2010	Ordinary	Capital	Total
(1a) Gross deferred tax assets	$ 90,947,596	$ 21,066,736	$ 112,014,332
(1b) Statutory valuation allowance adjustment	-	-	-
(1c) Adjusted gross deferred tax assets	90,947,596	21,066,736	112,014,332
(2) Total deferred tax assets (liabilities)	(11,830,265)	(4,406,422)	(16,236,687)
(3) Net deferred tax asset (liability)	79,117,331	16,660,314	95,777,645
(4) Deferred tax assets nonadmitted in accordance with SSAP No. 10R	79,117,331	3,360,532	82,477,863
(5) Net admitted deferred tax asset (liability)	$ -	$ 13,299,782	$ 13,299,782

Change	Ordinary	Capital	Total
(1a) Gross deferred tax assets	$ 8,549,015	$ 7,908,988	$ 16,458,003
(1b) Statutory valuation allowance adjustment	-	-	-
(1c) Adjusted gross deferred tax assets	8,549,015	7,908,988	16,458,003
(2) Total deferred tax assets (liabilities)	(1,736,061)	4,285,442	2,549,381
(3) Net deferred tax asset (liability)	6,812,954	12,194,430	19,007,384
(4) Deferred tax assets nonadmitted in accordance with SSAP No. 10R	6,812,954	21,347,979	28,160,933
(5) Net admitted deferred tax asset (liability)	$ -	$ (9,153,549)	$ (9,153,549)

The change in deferred income taxes reported in surplus before consideration of nonadmitted assets is comprised of the following components:

12/31/2011	Ordinary	Capital	Total
(6) Net deferred tax asset (liability)	$ 84,235,512	$ 28,854,744	$ 113,090,256
(7) Tax effect of unrealized gains and losses	947,434	4,035,242	4,982,676
(8) Prior period adjustment	-	-	-
(9) Net tax effect without unrealized gains and losses	$ 83,288,078	$ 24,819,502	$ 108,107,580

12/31/2010	Ordinary	Capital	Total
(6) Net deferred tax asset (liability)	$ 79,117,331	$ 16,660,314	$ 95,777,645
(7) Tax effect of unrealized gains and losses	988,349	2,559,031	3,547,380
(8) Prior period adjustment	-	-	-
(9) Net tax effect without unrealized gains and losses	$ 78,128,982	$ 14,101,283	$ 92,230,265

Change	Ordinary	Capital	Total
(6) Net deferred tax asset (liability)	$ 5,118,181	$ 12,194,430	$ 17,312,611
(7) Tax effect of unrealized gains and losses	(40,915)	1,476,211	1,435,296
(8) Prior period adjustment	-	-	-
(9) Net tax effect without unrealized gains and losses	$ 5,159,096	$ 10,718,219	$ 15,877,315
(10) Change in deferred income tax			$ 15,877,315

(11) The Company has not elected to admit deferred tax assets pursuant to SSAP No. 10R, paragraph 10e for the years ended December 31, 2011 and 2010.

(12) Admission calculation components

	12/31/2011 Ordinary	Capital	Total
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:			
SSAP No. 10R, Paragraph 10.a	$ -	$ 4,146,233	$ 4,146,233
SSAP No. 10R, Paragraph 10.b (the lesser of paragraph 10.b.i and 10.b.ii below)	-	-	-
SSAP No. 10R, Paragraph 10.b.i.	-	-	-
SSAP No. 10R, Paragraph 10.b.ii.			-
SSAP No. 10R, Paragraph 10.c	13,566,326	120,980	13,687,306
Total	$ 13,566,326	$ 4,267,213	$ 17,833,539
SSAP No. 10R, Paragraph 10.e.:			
SSAP No. 10R, Paragraph 10.e.i	$ -	$ -	$ -
SSAP No. 10R, Paragraph 10.e.ii (the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.a.	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.b.			-
SSAP No. 10R, Paragraph 10.e.iii.	-	-	-
Total	$ -	$ -	$ -
Used in SSAP No. 10R, Paragraph 10.d.			
Total adjusted capital			$ -
Authorized control level			$ -

	12/31/2010 Ordinary	Capital	Total
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:			
SSAP No. 10R, Paragraph 10.a	$ -	$ -	$ -
SSAP No. 10R, Paragraph 10.b (the lesser of paragraph 10.b.i and 10.b.ii below)	-	13,299,782	13,299,782
SSAP No. 10R, Paragraph 10.b.i.	-	13,299,782	13,299,782
SSAP No. 10R, Paragraph 10.b.ii.			15,764,120
SSAP No. 10R, Paragraph 10.c	11,830,265	4,406,422	16,236,687
Total	$ 11,830,265	$ 17,706,204	$ 29,536,469
SSAP No. 10R, Paragraph 10.e.:			
SSAP No. 10R, Paragraph 10.e.i	$ -	$ -	$ -
SSAP No. 10R, Paragraph 10.e.ii (the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.a.	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.b.			-
SSAP No. 10R, Paragraph 10.e.iii.	-	-	-
Total	$ -	$ -	$ -
Used in SSAP No. 10R, Paragraph 10.d.			
Total adjusted capital			$ -
Authorized control level			$ -

	Change Ordinary	Capital	Total
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:			
SSAP No. 10R, Paragraph 10.a	$ -	$ 4,146,233	$ 4,146,233
SSAP No. 10R, Paragraph 10.b (the lesser of paragraph 10.b.i and 10.b.ii below)	-	(13,299,782)	(13,299,782)
SSAP No. 10R, Paragraph 10.b.i.	-	(13,299,782)	(13,299,782)
SSAP No. 10R, Paragraph 10.b.ii.			(15,764,120)
SSAP No. 10R, Paragraph 10.c	1,736,061	(4,285,442)	(2,549,381)
Total	$ 1,736,061	$ (13,438,991)	$ (11,702,930)
SSAP No. 10R, Paragraph 10.e.:			
SSAP No. 10R, Paragraph 10.e.i	$ -	$ -	$ -
SSAP No. 10R, Paragraph 10.e.ii (the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.a.	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.b.			-
SSAP No. 10R, Paragraph 10.e.iii.	-	-	-
Total	$ -	$ -	$ -
Used in SSAP No. 10R, Paragraph 10.d.			
Total adjusted capital			$ -
Authorized control level			$ -

(13) Impact of Tax Planning Strategies

12/31/2011	Ordinary %	Capital %	Total %
Adjusted Gross DTAs	0%	0%	0%
Net Admitted Adjusted Gross DTAs	0%	100%	100%

12/31/2010	Ordinary %	Capital %	Total %
Adjusted Gross DTAs	0%	0%	0%
Net Admitted Adjusted Gross DTAs	0%	100%	100%

Change	Ordinary %	Capital %	Total %
Adjusted Gross DTAs	0%	0%	0%
Net Admitted Adjusted Gross DTAs	0%	0%	0%

(14) Risk-Based Capital Summary

12/31/2011	Ordinary	Capital	Total
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:			
Admitted DTAs	$ -	$ -	$ -
Admitted Assets			-
Adjusted Statutory Surplus			-
Total adjusted capital from DTAs			-
Increases due to SSAP No. 10R, Paragraphs 10.e.:			
Admitted DTAs	$ -	$ -	$ -
Admitted Assets			-
Statutory Surplus			-

12/31/2010	Ordinary	Capital	Total
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:			
Admitted DTAs	$ -	$ -	$ -
Admitted Assets			-
Adjusted Statutory Surplus			-
Total adjusted capital from DTAs			-
Increases due to SSAP No. 10R, Paragraphs 10.e.:			
Admitted DTAs	$ -	$ -	$ -
Admitted Assets			-
Statutory Surplus			-

Change	Ordinary	Capital	Total
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:			
Admitted DTAs	$ -	$ -	$ -
Admitted Assets			-
Adjusted Statutory Surplus			-
Total adjusted capital from DTAs			-
Increases due to SSAP No. 10R, Paragraphs 10.e.:			
Admitted DTAs	$ -	$ -	$ -
Admitted Assets			-
Statutory Surplus			-

B. Deferred tax liabilities are not recognized for the following amounts:

There are no temporary differences for which deferred tax liabilities are not recognized.

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

	12/31/2011	12/31/2010	Change
1. Federal	$ (23,756,275)	$ (45,529,759)	$ 21,773,484
2. Foreign tax	-	-	-
Subtotal	(23,756,275)	(45,529,759)	21,773,484
3. Federal income tax on net capital gains	14,934,114	(1,151,835)	16,085,949
4. Utilization of capital loss carry-forwards	-	-	-
5. Other	-	-	-
6. Federal and foreign income tax incurred	$ (8,822,161)	$ (46,681,594)	$ 37,859,433

Deferred income tax assets and liabilities consist of the following components:

	12/31/2011	12/31/2010	Change
Deferred Tax Assets			
a. Ordinary			
1. Policyholder reserves	$ 46,179,321	$ 39,103,498	$ 7,075,823
2. Investments	23,668	73,623	(49,955)
3. Deferred acquisition costs	49,773,795	49,274,869	498,926
4. Policyholder dividend accrual	381,850	374,150	7,700
5. Fixed assets	166,206	-	166,206
6. Pension accrual	147,747	-	147,747
7. Receivables nonadmitted	6,615	53,977	(47,362)
8. Tax credit carry-forward	-	115,000	(115,000)
9. Other	1,122,636	1,952,479	(829,843)
Subtotal - Ordinary	97,801,838	90,947,596	6,854,242
b. Statutory valuation allowance adjustment	-	-	-
c. Nonadmitted	84,235,512	79,117,331	5,118,181
d. Admitted ordinary deferred tax assets	13,566,326	11,830,265	1,736,061
e. Capital			
1. Investments	28,975,724	9,427,862	19,547,862
2. Net capital loss carry-forward	-	11,638,874	(11,638,874)
Subtotal - Capital	28,975,724	21,066,736	7,908,988
f. Statutory valuation allowance adjustment	-	-	-
g. Nonadmitted	24,708,511	3,360,532	21,347,979
h. Admitted capital deferred tax assets	4,267,213	17,706,204	(13,438,991)
i. Admitted deffered tax assets	$ 17,833,539	$ 29,536,469	$ (11,702,930)
Deferred Tax Liabilities			
a. Ordinary			
1. Investments	$ (8,052,960)	$ (8,012,045)	$ (40,915)
2. Deferred and uncollected premiums	(5,009,104)	(3,250,924)	(1,758,180)
3. Policyholder reserves	(504,262)	(567,296)	63,034
Subtotal - Ordinary	(13,566,326)	(11,830,265)	(1,736,061)
b. Capital			
1. Investments	(120,980)	(4,406,422)	4,285,442
Subtotal - Captial	(120,980)	(4,406,422)	4,285,442
c. Deferred tax liabilities	$ (13,687,306)	$ (16,236,687)	$ 2,549,381
Net deferred tax assets (liabilities)	$ 4,146,233	$ 13,299,782	$ (9,153,549)

D. The Company's income tax incurred and change in deferred differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows:

	12/31/2011	12/31/2010
1. Current income taxes incurred	$ (8,822,161)	$ (46,681,594)
2. Change in deferred income tax (without tax on unrealized gains and losses)	(15,877,315)	11,205,250
3. Total income tax reported	$ (24,699,476)	$ (35,476,344)
4. Income before taxes	$ (70,172,778)	$ (96,203,327)
	35%	35%
5. Expected income tax expense at 35% tax rate	(24,560,472)	(33,671,164)
6. Increase in tax rate reported resulting from:		
a. Dividends received deduction	(1,762,264)	(1,282,951)
b. Nondeductible expenses, meals, penalities, lobbying	177,602	177,292
c. Tax exempt income	(30,990)	-
d. Deferred tax benefit on non-admitted assets	8,574	13,022
e. Change in tax reserves	(262,790)	737,227
f. Initial ceding commission	(2,066,138)	61,984,130
g. Tax credits	(200,000)	(115,000)
h. Tax adjustment for IMR	2,296,452	267,954
i. Tax sharing benefit	1,717,079	(63,575,049)
j. Prior year adjustments	(16,529)	(11,805)
7. Total income tax reported	$ (24,699,476)	$ (35,476,344)

E. Operating loss carryforward

(1) As of December 31, 2011 operating loss or tax credit carryforwards are available as follows:

	Amount	Origination	Expiration
Operating loss carryforwards	$ -	N/A	N/A
Foreign tax credits	$ -	N/A	N/A
Business Credits	$ -	N/A	N/A

(2) The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

2011	$ 14,901,981
2010	$ -
1/2/2009 - 12/31/2009	$ -

F. Consolidated federal income tax return

(1) The company's federal income tax return is consolidated with the following entities:
Nationwide Life Insurance Company (NLIC)
Olentangy Reinsurance, LLC (Olentangy)

(2) The method of allocation among the companies is subject to the resolution approved by the Board of Directors. Allocation is based upon separate return liabilities with offset for losses and credits utilized to reduce current consolidated tax liability. The Company has entered into a tax sharing agreement with its direct parent, NLIC, and its subsidiary, Olentangy, a Vermont special purpose financial captive insurance company. The agreement allocates to the Company the tax benefit of Olentangy's current net operating losses. The Company is only obligated to repay such tax benefit if the reinsurance captive is able to recognize such net operating losses as a carryover deduction on a stand-alone basis.

(3) The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

(10) Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

The Company is a wholly-owned subsidiary of NLIC. NLIC is a wholly-owned subsidiary of Nationwide Financial Services, Inc. (NFS), incorporated in the State of Delaware, which in turn, is a wholly-owned subsidiary of Nationwide Corporation (Nationwide Corp.). Nationwide Corp. is a subsidiary of Nationwide Mutual Insurance Company (NMIC) and Nationwide Mutual Fire Insurance Company (NMFIC).

During 2011, the Company received capital contributions from its parent, NLIC of $100,000,000.

During 2010, NLAIC made capital contributions totaling $70,000,000 to form Olentangy as a Vermont-domiciled Special Purpose Financial Captive insurance company for the purpose of ceding certain universal life and term life insurance policies from NLAIC.

On December 31, 2010, the Company entered into a 90% coinsurance agreement with funds withheld with its wholly-owned subsidiary, Olentangy, to cede a block of certain universal life and term life insurance policies. On December 31, 2010, $272,457,716 was paid by Olentangy to the Company as settlement of the initial reinsurance transaction. The Company has recognized $95,360,201 of the initial settlement as commissions and expense allowances on reinsurance ceded, equal to the amount of current federal income tax, in its 2010 Summary of Operations with the remaining $177,097,515 included as an aggregate write-in for gains in surplus, which is being amortized into operations in future periods. Amounts initially ceded to Olentangy under this agreement on December 31, 2010 included premiums of $480,359,836, reserve liabilities of $479,896,328 and loading on deferred and uncollected premiums of $(463,508). Amounts ceded to Olentangy in 2011 include premiums of $56,322,667, benefits and claims of $22,564,771 and net investment earnings on funds withheld assets of $13,294,076. As of December 31, 2011, the Company has $1,955,151 recoverable from Olentangy related to this treaty. In order for NLAIC to record a reinsurance reserve credit for the ceded block, NLAIC is holding assets for the benefit of Olentangy with a book adjusted carrying value of $238,224,146 as of December 31, 2011 ($195,863,133 as of December 31, 2010). Also on December 31, 2010, Olentangy issued a variable funding surplus note in the amount of $272,037,611 to Nationwide Corp. and used the proceeds to establish a trust account for the benefit of NLAIC. Under terms of the variable funding surplus note, Olentangy issued an additional $13,013,874 in surplus notes to Nationwide Corp. during 2011. The trust account had a fair value of $279,987,619 as of December 31, 2011 ($272,037,611 as of December 31, 2010).

Effective December 1, 2010 all of the traditional life insurance business previously ceded to NF Reinsurance, Ltd., an affiliate, was recaptured by the Company. As part of the recapture, the Company received $38,740,282 from NF Reinsurance, Ltd. under the recapture agreement, consisting of $37,104,296 and $1,635,986 for reserves and pending claims, respectively. This traditional life insurance business was subsequently included in the business ceded to Olentangy on December 31, 2010.

During 2011, the Company sold commercial mortgage loans to NMIC with a book value of $7,967,012 ($10,927,371 in 2010) plus accrued interest of $35,212 ($21,416 in 2010). The sales were executed at market value for cash and resulted in realized losses of $1,572,990 ($1,632,181 in 2010).

The Company leases office space from NMIC and certain of its subsidiaries. For the years ended December 31, 2011 and 2010, the Company made lease payments to NMIC and its subsidiaries of approximately $628,000 and $1,144,000, respectively.

The Company and various affiliates entered into agreements with Nationwide Cash Management Company (NCMC), an affiliate, under which NCMC acts as a common agent in handling the purchase and sale of short-term securities for the respective accounts of the participants. Amounts on deposit with NCMC were $32,714,120 and $45,840,524 as of December 31, 2011 and 2010 respectively.

The Company also participates in inter-company repurchase agreements with affiliates whereby the seller transfers securities to the buyer at a stated value. Upon demand or after a stated period, the seller will repurchase the securities from the buyer at the original sales price plus interest. As of December 31, 2011 and 2010, the Company had no outstanding borrowings from affiliated entities under such agreements. During 2011 and 2010, the most the Company had outstanding at any given time was $15,000,000 and $5,500,000, respectively, and the Company incurred interest expense on inter-company repurchase agreements of $1,306 and $98 during 2011 and 2010, respectively. The Company believes that the terms of the repurchase agreements are materially consistent with what the Company could have obtained with unaffiliated parties.

The Company has entered into significant, recurring transactions and agreements with NMIC, other affiliates and subsidiaries as a part of its ongoing operations. These include annuity and life insurance contracts, office space leases and agreements related to reinsurance, cost sharing, administrative services, marketing, intercompany repurchases and cash management services. Measures used to allocate expenses among companies include individual employee estimates of time spent, special cost studies, the number of full-time employees, commission expense and other methods agreed to by the participating companies. In addition, Nationwide Services Company, LLC (NSC), a subsidiary of NMIC, provides data processing, systems development, hardware and software support, telephone, mail and other services to the Company, based on specified rates for units of service consumed. For the years ended December 31, 2011 and 2010, the Company made payments to NMIC and NSC totaling approximately $11,113,000 and $14,305,000, respectively.

Funds of Nationwide Funds Group (NFG), an affiliate, are offered to the Company's customers as investment options in certain of the Company's products. As of December 31, 2011 and 2010, customer allocations to NFG funds were $616,299,240 and $285,203,628, respectively. For the years ended December 31, 2011 and 2010, NFG paid the Company $2,201,913 and $1,396,810, respectively, for the distribution and servicing of these funds.

The Company has an inter-company reinsurance agreement with NLIC whereby certain inforce and subsequently issued fixed individual deferred annuity contracts are assumed on a modified coinsurance basis. Under modified coinsurance agreements, invested assets and liabilities for future policy benefits are retained by the ceding company and net investment earnings on the invested assets are paid to the assuming company. Under terms of this agreement, the investments risk associated with changes in interest rates is borne by NLIC. Risk of asset default is retained by the Company, although a fee is paid by NLIC to the Company for the Company's retention of such risk. The agreement will remain inforce until all contract obligations are settled. The ceding of risk does not discharge the original insurer from its primary obligation to the contract holder. The Company believes that the terms of the modified coinsurance agreement are consistent in all material respects with what the Company could have obtained with unaffiliated parties. Amounts ceded to NLIC in 2011 include premiums and other income of $136,865,792 ($134,953,092 in 2010), net investment income of $116,538,873 ($125,618,364 in 2010) and benefits, claims and other expenses of $360,904,759 ($363,397,234 in 2010). Amounts payable, as of December 31, 2011, related to this contract were $3,175,122 ($3,359,810 payable as of December 31, 2010). The reserve adjustment represents reserve increases related to this fixed block of business, offset by investment earnings on the underlying assets.

The Company has an inter-company reinsurance agreement with NLIC whereby a certain life insurance contract is ceded on a 100% coinsurance basis. Policy reserves ceded under this agreement totaled $142,680,270 and $139,169,533 as of December 31, 2011 and 2010 respectively.

The contractual obligations under the Company's single premium deferred annuity (SPDA) contracts in force and issued before September 1, 1988 are guaranteed by NLIC. Total SPDA contracts affected by this guarantee in force at December 31, 2011 and 2010 were approximately $24,263,000 and $25,334,000, respectively.

(11) Debt

A. Capital Notes – Not Applicable.

B. The Company has no Federal Home Loan Bank agreements structured as debt.

(12) Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-Retirement Benefit Plans

A. Defined Benefit Plan - Not Applicable.

B. Defined Contribution Plans

NMIC sponsors a defined contribution retirement savings plan (401(k)) covering substantially all employees. Employees may make salary deferral contributions of up to 80%. Salary deferrals of up to 6% are subject to a 50% Company match. The Company match is funded on a biweekly basis and the expense of such contributions are allocated to the Company based on employee contributions. The Company's allocated expense for contributions was approximately $804,000 and $962,000 for the years ended December 31, 2011 and 2010, respectively. Individuals are subject to a dollar limit on salary deferrals per IRS Section 402(g) ($16,500 in 2011 and 2010). Other limits also apply. The Company has no legal obligation for benefits under this plan.

C. Multiemployer Plans - Not Applicable.

D. Consolidated/Holding Company Plans

The Company, together with other affiliated companies, participates in a qualified defined benefit pension plan (the Nationwide Retirement Plan or the NRP), several non-qualified defined benefit supplemental executive retirement plans, and postretirement benefit plans (life and health care), all sponsored by NMIC.

The NRP covers all employees of participating employers who have completed at least one year of service and who are at least 21 years of age. Plan assets are invested in a third-party trust and group annuity contracts issued by NLIC. All participants are eligible for benefits based on an account balance feature. Participants hired prior to 2002, who are at least 21 years of age, are eligible for benefits based on the highest average annual salary of a specified number of consecutive years of the last ten years of service (final average pay formula), if such benefits are of greater value than the account balance feature.

Effective January 1, 2010, NMIC eliminated the company-paid early retirement enhancement, which is part of the final average pay formula. This enhancement provided an additional benefit for associates retiring between age 55 and 65. In addition, for participants eligible for the final average pay formula, pay credits under the account balance formula has stopped. Affected associates' benefits cannot be less than the NRP benefit they have accrued as of the date of change.

The Company funds pension costs accrued for direct employees plus an allocation of pension costs accrued for employees of affiliates whose work benefits the Company. In addition, separate non-qualified defined benefit pension plans sponsored by NMIC cover certain executives with at least one year of service. The Company's portion of expense relating to these plans was $267,000 and $611,000 for the years ended December 31, 2011 and 2010, respectively.

In addition to the NRP, the Company and certain affiliated companies participate in life and health care benefit plans sponsored by NMIC for qualifying retirees. Post-retirement life and health care benefits are contributory and generally available to full time employees hired prior to June 1, 2000 (prior to January 1, 1994 for life benefits), who have attained age 55 and have accumulated 15 years of service with the Company. The employee subsidy for the post-retirement death benefit was capped beginning in 2007. Employer subsidies for retiree life insurance ended as of December 31, 2008. No future employer contributions are anticipated for retiree life insurance and settlement accounting was applied during 2008. Post-retirement health care benefit contributions are adjusted annually and contain cost-sharing features such as deductibles and co-insurance. In addition, there are caps on the Company's portion of the per-participant cost of the post-retirement health care benefits. The Company does not receive a Medicare Part D subsidy from the government. The Company's policy is to fund the cost of health care benefits in amounts determined at the discretion of management. Plan assets are invested in a group annuity contract issued by NLIC and a third-party trust.

Effective December 31, 2009, each employee's current subsidy percentage was fixed and no additional service for benefits will be credited to the current plan formula. This modification does not impact former associates receiving Nationwide-sponsored medical benefits prior to January 1, 2010. Additionally, effective January 1, 2010, all non-highly compensated employees (NHCE) as defined by Internal Revenue Code 414 become eligible to receive an annual health care credit up to a maximum of $1,000 per year, not to exceed a maximum lifetime benefit of $25,000. The contribution will be a match of 33% of the NHCE's otherwise unmatched savings account or 401(a) contributions. No contributions will be made by NMIC if the employee does not make eligible contributions.

The Company's portion of (benefit) expense relating to these plans was $(143,000) and $(91,000) for the years ended December 31, 2011 and 2010, respectively.

The Company, together with other affiliated companies, also participates in non-qualified deferred compensation arrangements for certain employees and agents. The employer has no legal obligation for benefits under the plans. Expenses are allocated to the Company based on individual participants.

Total Plan liabilities for non-qualified deferred compensation plans were $246,289,000 and $250,148,000 on December 31, 2011 and 2010, respectively. Total Plan liabilities for non-qualified defined benefit plans were $271,053,000 and $248,782,000 on December 31, 2011 and 2010, respectively. Total expenses related to the non-qualified benefit plans were $17,311,000 for 2011 and $17,103,000 for 2010.

E. Postemployment Benefits and Compensated Absences

The Company has no obligation to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation. The liability for earned but untaken vacation has been accrued.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – Not Applicable.

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

(1) The Company has 66,000 Class A shares issued, authorized and outstanding as of December 31, 2011.

(2) The Company has no preferred stock outstanding.

(3) – (5) The payment of dividends by the Company is subject to restrictions set forth in the insurance laws and regulations of the State of Ohio, its domiciliary state. The State of Ohio insurance laws require Ohio-domiciled life insurance companies to seek prior regulatory approval to pay a dividend or distribution of cash or other property if the fair market value thereof, together with that of other dividends or distributions made in the preceding twelve months, exceeds the greater of (i) 10% of statutory-basis policyholders' surplus as of the prior December 31 or (ii) the statutory-basis net income of the insurer for the prior year. During 2011 and 2010, the Company did not pay any dividends to NLIC. The Company's statutory capital and surplus as of December 31, 2011 was $302,454,584, and statutory net loss for 2011 was $61,234,496. Due to the Company's unassigned deficit as of December 31, 2011, any dividend paid by the Company in 2012 would require regulatory approval.

The State of Ohio insurance laws also require insurers to seek prior regulatory approval for any dividend paid from other than earned surplus. Earned surplus is defined under the State of Ohio insurance laws as the amount equal to an insurer's unassigned funds as set forth in its most recent statutory financial statements, including net unrealized capital gains and losses or revaluation of assets. Additionally, following any dividend, an insurer's policyholder surplus must be reasonable in relation to the insurer's outstanding liabilities and adequate for its financial needs.

(6) Not Applicable.

(7) Not Applicable.

(8) The Company does not hold any stock for special purpose.

(9) The Company does not hold any special surplus funds.

(10) The portion of unassigned funds (surplus) represented or (reduced) by each item below is as follows:

	12/31/2011	12/31/2010
a. Unrealized gains (losses)	$ (79,164,575)	$ (76,382,906)
b. Nonadmitted asset values	$ 111,792,984	$ 85,351,319
c. Asset valuation reserves	$ 18,535,786	$ 13,841,584
d. Reinsurance in unauthorized companies	$ -	$ 420,106

(11) The Company has no surplus debentures or similar obligations.

(12) Quasi –Reorganization - Not Applicable.

(13) Quasi –Reorganization - Not Applicable.

(14) Contingencies

A. Contingent Commitments

As of December 31, 2011, the Company has not guaranteed any obligations which are subject to the revised guidance under SSAP No. 5R.

Commitments to fund fixed rate mortgage loans are agreements to lend to a borrower and are subject to conditions established in the underlying contracts. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a deposit. Commitments extended by the Company are based on management's case-by-case credit evaluation of the borrower and the borrower's loan collateral. The underlying mortgaged property represents the collateral if the commitment is funded. The Company's policy for new mortgage loans is to generally lend no more than 80% of collateral value. Should the commitment be funded, the Company's exposure to credit loss in the event of nonperformance by the borrower is represented by the contractual amounts of these commitments less the net realizable value of the collateral. The contractual amounts also represent the cash requirements for all unfunded commitments.

As of December 31, 2011, the Company had no unfunded commitments related to commercial mortgage loans or for unsettled purchases of private placement securities, including bank loans.

B. Assessments

The increase in the number of insurance companies that are under regulatory supervision has resulted, and is expected to continue to result in increased assessments by state guaranty funds to cover losses to policyholders of insolvent or rehabilitated insurance companies. Those mandatory assessments may be partially recovered through a reduction in future premium taxes in certain states. The Company records an estimate of the amounts it expects to be assessed in future periods as a liability. Separately, the Company records an estimated premium tax recoverable. Changes in the estimated future liability and premium tax recoverable are recognized in current period operations.

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end.	$	573,266
b. Net change in recoverable		(433,134)
c. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end.	$	140,132

C. Gain Contingencies – Not Applicable.

D. Claims Related Extra Contractual Obligation on Bad Faith Losses Stemming from Lawsuits – None.

E. All Other Contingencies

Legal and Regulatory Matters

The Company is a subject to legal and regulatory proceedings in the ordinary course of its business. The Company’s legal and regulatory matters include proceedings specific to the Company and other proceedings generally applicable to business practices in the industries in which the Company operates. The Company’s litigation and regulatory matters are subject to many uncertainties, and given their complexity and scope, their outcomes cannot be predicted. Regulatory proceedings also could affect the outcome of one or more of the Company’s litigations matters. Furthermore, it is often not possible to determine the ultimate outcomes of the pending regulatory investigations and legal proceedings or to provide reasonable ranges of potential losses with any degree of certainty. Some matters, including certain of those referred to below, are in very preliminary stages, and the Company does not have sufficient information to make an assessment of the plaintiffs’ claims for liability or damages. In some of the cases seeking to be certified as class actions, the court has not yet decided whether a class will be certified or (in the event of certification) the size of the class and class period. In many of the cases, the plaintiffs are seeking undefined amounts of damages or other relief, including punitive damages and equitable remedies, which are difficult to quantify and cannot be defined based on the information currently available. The Company believes, however, that based on currently known information, the ultimate outcome of all pending legal and regulatory matters is not likely to have a material adverse effect on the Company’s financial position. Nonetheless, given the large or indeterminate amounts sought in certain of these matters and the inherent unpredictability of litigation, it is possible that such outcomes could materially affect the Company’s financial position or results of operations in a particular quarter or annual period.

The financial services industry has been the subject of increasing scrutiny on a broad range of issues by regulators and legislators. The Company and/or its affiliates have been contacted by, self reported or received subpoenas from state and federal regulatory agencies, including the Securities and Exchange Commission, and other governmental bodies, state securities law regulators and state attorneys general for information relating to, among other things, sales compensation, the allocation of compensation, unsuitable sales or replacement practices, and claims handling and escheatment practices. The Company is cooperating with and responding to regulators in connection with these inquiries and will cooperate with NMIC in responding to these inquiries to the extent that any inquiries encompass NMIC’s operations.

Tax Matters

The Company's federal income tax returns are routinely audited by the IRS. The Company provides for federal income taxes based on amounts the Company believes it ultimately will owe. Inherent in the provision for federal income taxes are estimates regarding the deductibility of certain items and the realization of certain tax credits. In the event the ultimate deductibility of certain items or the realization of certain tax credits differs from estimates, the Company may be required to change the provision for federal income taxes recorded in the statutory financial statements, which could be significant. Management has used best estimates to establish reserves for uncertain tax positions based on current facts and circumstances regarding tax exposure items where the ultimate deductibility is open to interpretation. Management believes its tax reserves reasonably provide for potential assessments that may result from IRS examinations and other tax-related matters for all open tax years.

In July 2009, the IRS completed an audit of the Company's tax years 2003 to 2005 and issued a Revenue Agent's Report (RAR) and 30-Day Letter. The RAR challenged the Company's dividends received deduction which the Company appealed based on the technical merits. In 2011, the Company favorably settled this position through IRS Appeals and as a result recorded previously unrecognized tax benefits.

(15) Leases

The Company does not have any material lease obligations at this time.

(16) Information about Financial Instruments with Off Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

(1) The table below summarizes the face amount of the Company's financial instruments with off balance sheet risk.

	Assets		Liabilities	
	2011	2010	2011	2010
Swaps	$ 3,444,625	$ 6,889,247	$ 9,405,104	$ 14,405,104
Futures	-	-	-	-
Options	-	-	-	-
Total	$ 3,444,625	$ 6,889,247	$ 9,405,104	$ 14,405,104

(2) Notional amounts of derivative financial instruments significantly exceed the credit risk associated with these instruments and represent contractual balances on which calculations of amounts to be exchanged are based. Credit exposure is limited to the sum of the aggregate fair value of positions that have become favorable to the Company, including accrued interest receivable due from counterparties, net of collateral received.

(3) Potential credit losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, collateral agreements and other contract provisions.

(4) Collateral requirements for over-the-counter derivative instruments are controlled by the International Swap Dealers Association and Credit Support Annex documents that are negotiated with each counterparty. Generally, these documents outline each party's rights and obligations for receiving and posting collateral. The documents address such issues as calculating collateral due/owed, delivery and return of collateral, uses and substitution for collateral, distributions and interest rights and remedies for both parties, credit thresholds and eligible collateral (typically cash, debt obligations issued by the United States Treasury, or obligations issued by government agencies). The Company monitors their collateral position on a daily basis, adjusting positions as necessary, and in accordance with the terms of these agreements. For exchange-traded future and option contracts, the broker for the various types of contracts that the Company may employ establishes margin requirements. The margin account is settled daily for changes in contracts outstanding and movements in market values of open contracts. The Company uses cash to cover the margin account requirements.

(17) Sale, Transfer, and Servicing of Financial Assets and Extinguishment of Liabilities

A. Transfers of Receivables Reported as Sales - Not Applicable.

B. Transfer and Servicing of Financial Assets

(1) There were no assets obtained or liabilities incurred in transfers of financial assets where it is not practicable to estimate their fair value.

(2) The Company has entered into a securities lending agreement with an agent bank whereby eligible securities may be loaned to third parties, primarily major brokerage firms. These transactions are used to generate additional income on the securities portfolio. Loaned securities continue to be reported as invested assets and the Company is entitled to receive any payments of interest or dividends paid on loaned securities. The agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral. Cash collateral received from borrowers is reflected as a "Payable for securities lending" on the "Statement of Liabilities, Surplus and Other Funds" while non-cash collateral is recorded off-balance sheet. Cash collateral received is reinvested by the agent bank in accordance with the Company's authorized investment policy and included in "Securities lending reinvested collateral assets" in the "Statement of Assets". If the fair value of the reinvested collateral assets is less than the fair value of the securities loaned, the shortfall is non-admitted. Because the borrower or the Company may terminate a securities lending transaction at any time, if loans are terminated in advance of the reinvested collateral asset maturities, the Company would repay its securities lending obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

The fair value of loaned securities was $18,082,847, as of December 31, 2011. The Company does not hold any non-cash collateral for loaned securities as of December 31, 2011.

Reinvested collateral assets reported on Schedule DL are excluded from other statutory schedules and disclosures.

See Note 5 E. for additional information concerning securities lending.

(3) No servicing assets or liabilities were recognized during the period.

(4) There were no assets securitized during the period.

(5) There were no retained interests since there were no securitized financial assets.

(6) There were no transfers of receivables with recourse.

C. Wash Sales – None.

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

Not Applicable.

(19) Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not Applicable.

(20) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect the Company's view of market assumptions in the absence of observable market information. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. In determining fair value, the Company uses various methods including market, income and cost approaches.

Fair values for the Company's derivative instruments are determined using valuation techniques, primarily pricing models, whose inputs are predominately observable in the market. These inputs include, but are not limited to, interest rate swap curves, credit spreads, interest rates, counterparty credit risk, equity volatility, and equity index levels. In some cases, the Company will utilize non-binding broker quotes as an additional valuation input.

The Company categorizes its assets and liabilities measured and reported at fair value in the statutory statements into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety.

The Copmany categorizes financial assets and liabilities at fair value as follows:

Level 1. Unadjusted quoted prices accessible in active markets and mutual funds where the value per share (unit) is determined and published and is the basis for current transactions for identical assets or liabilities at the measurement date.

Level 2. Unadjusted quoted prices for similar assets or liabilities in active markets or inputs (other than quoted prices) that are observable or that are derived principally from or corroborated by observable market data through correlation or other means.

Level 3. Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate about the assumptions market participants would use at the measurement date in pricing the asset or liability. Consideration is given to the risk inherent in both the method of valuation and the valuation inputs.

The Company periodically reviews its fair value hierarchy classifications for financial assets and liabilities measured and reported at fair value. Changes in observability of significant valuation inputs identified during these reviews may trigger reclassifications. Reclassifications are reported as transfers at the beginning of the period in which the change occurs.

The following table represents assets and liabilities measured and reported at fair value:

	As of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds:				
Industrial & miscellaneous	$ -	$ 9,850,723	$ 202,864	$ 10,053,587
Total bonds	$ -	$ 9,850,723	$ 202,864	$ 10,053,587
Assets at fair value:				
Common stocks	$ 271,006	$ -	$ 44,526	$ 315,532
Derivative assets	-	2,240	-	2,240
Separate account assets[1]	1,158,496,923	-	-	1,158,496,923
Total assets at fair value	$ 1,158,767,929	$ 9,852,963	$ 247,390	$ 1,168,868,282
Liabilities at fair value				
Derivative liabilities	$ -	$ 2,631,322	$ -	$ 2,631,322
Total liabilities at fair value	$ -	$ 2,631,322	$ -	$ 2,631,322

[1]The value of separate account liabilities is set to equal the fair value of separate account assets.

The following table represents assets and liabilities for which the Company used significant unobservable inputs (Level 3) to determine fair value measurements for the twelve months ended December 31, 2011:

		Net Investment Gain/Loss		Activity during the period			
	Balance as of December 31, 2010	In Earnings	Unrealized in Surplus	Purchases, issuances, sales and settlements	Transfers into Level 3	Transfers Out of Level 3	Balance as of December 31, 2011
Assets at fair value							
Bonds:							
Industrial & miscellaneous	$ 289,153	$ -	$ (102,202)	$ 26,805	$ -	$ (10,892)	$ 202,864
Total bonds	$ 289,153	-	(102,202)	26,805	-	(10,892)	$ 202,864
Assets at fair value:							
Common stocks	$ 36,126	$ -	$ 8,400	$ -	$ -	$ -	$ 44,526
Total assets at fair value	$ 325,279	$ -	$ (93,802)	$ 26,805	$ -	$ (10,892)	$ 247,390
Liabilities at fair value							
Derivative liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total liabilities at fair value	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The following table represents assets and liabilities for which the Company used significant unobservable inputs (Level 3) to determine fair value measurements for the three months ended December 31, 2011:

		Net Investment Gain/Loss		Activity during the period			
	Balance as of September 30, 2011	In Earnings	Unrealized in Surplus	Purchases, issuances, sales and settlements	Transfers into Level 3	Transfers Out of Level 3	Balance as of December 31, 2011
Assets at fair value							
Bonds:							
Industrial & miscellaneous	$ 186,982	$ -	$ 15,882	$ -	$ -	$ -	$ 202,864
Total bonds	$ 186,982	-	15,882	-	-	-	$ 202,864
Assets at fair value:							
Common stocks	$ 40,845	$ -	$ 3,681	$ -	$ -	$ -	$ 44,526
Total assets at fair value	$ 227,827	$ -	$ 19,563	$ -	$ -	$ -	$ 247,390
Liabilities at fair value							
Derivative liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total liabilities at fair value	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Transfers: Level 3

Assets and liabilities are included in this roll forward table because their fair value categorizations are deemed to be Level 3 at December 31, 2011, September 30, 2011 and/or December 31, 2010 and (1) they are items consistently reported at fair value (e.g., common stocks, certain derivatives, certain separate account assets), or (2) they are items that are reported at fair value due to the application of “lower of amortized cost or fair value” rules applicable to securities with lower NAIC ratings designations. Transfers out of Level 3 were due to pricing increases on bonds previously carried at fair value now carried at amortized cost under the application of “lower of amortized cost or fair value” rules.

(21) Other Items

A. Extraordinary Items – None.

B. Troubled Debt Restructuring: Debtors – None.

C. Other Disclosures – None.

D. Uncollectible Assets - Not Applicable.

E. Business Interruption Insurance Recoveries - Not Applicable.

F. State Transferable and Non-transferrable Tax Credits – None.

G. Subprime Mortgage Related Risk Exposure

(1) In general, recent market activity has negatively impacted the valuation of securities containing Sub-prime collateral, which are classifications of investments in which the Company invests. The Company evaluates many characteristics when classifying collateral as Sub-prime, including credit quality of the borrower as defined by Fair Isaac Credit Organization (FICO) scores, as well as other factors, such as loan-to-value ratios and type of real estate.

As of December 31, 2011, all of the Company's exposure to investments containing Sub-prime collateral is isolated to the mortgage-backed and asset-backed securities. When making investments in mortgage-backed or asset-backed securities, the Company evaluates the quality of the underlying collateral, the structure of the transaction (which dictates how losses in the underlying collateral will be distributed) and prepayment risks.

The following table identifies the general asset categories exposure to securities containing Sub-prime collateral. This table also identifies the end of period unrealized gain/loss or other than temporary impairments.

	for the period ended December 31, 2011				
	Actual Cost	Book Adjusted Carry Value	Fair Value	Unrealized Gains/ (Losses)	Impairments
Mortgage loans	$ -	$ -	$ -	$ -	$ -
Residential mortgage backed securities	62,250,116	59,932,910	54,514,436	(5,418,474)	-
Commercial mortgage backed securities	-	-	-	-	-
Collateralized debt obligations	-	-	-	-	-
Structured securities	1,704,559	1,701,942	1,699,523	(2,419)	-
Equity investments	-	-	-	-	-
Other invested assets	-	-	-	-	-
Total subprime exposure	$ 63,954,675	$ 61,634,852	$ 56,213,959	$ (5,420,893)	$ -
Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guarantee	$ -	$ -	$ -	$ -	$ -

H. Retained Assets

The Company does not retain beneficiary assets. During a death benefit claim, the beneficiary has the option to receive an interest bearing deposit account with an affiliated banking institution, Nationwide Bank. In the case that the interest-bearing deposit account is selected by the beneficiary, the deposits are Federal Deposit Insurance Corporation insured and the Company has disposed of its policyholder liabilities and related assets. Interest earned by the beneficiary is consistent with interest earned on all other Nationwide Bank interest-bearing checking account deposits. While receipt of a deposit account with Nationwide Bank is an option available to the beneficiary during settlement of a death claim, the default death benefit settlement method is payment to the beneficiary in the form of a check.

(22) Events Subsequent – None.

(23) Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

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

Yes ( ) No (X)

If yes, give full details.

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)

If yes, give full details.

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 or premium or other similar credits?

Yes ( ) No (X)

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the Company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

$0

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in the income statement?
$0

2. Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

If yes, give full details.

Section 3 - Ceded Reinsurance Report-Part B

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

$0

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( ) No (X)

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

B. Uncollectible Reinsurance – None.

C. Commutation of Ceded Reinsurance - Not Applicable.

(24) Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Not Applicable.

B. Not Applicable.

C. Not Applicable.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act – None.

(25) Change in Incurred Losses and Loss Adjustment Expenses - Not Applicable.

(26) Intercompany Pooling Arrangements - Not Applicable.

(27) Structured Settlements - Not Applicable.

(28) Health Care Receivables - Not Applicable.

(29) Participating Policies

For the year ended 2011, the relative percentage of individual and group participating life insurance policies was 0.3% of the total individual and group life insurance in-force. The Company accounts for its policyholder dividends based upon guidance from SSAP No. 51, Life Contracts.

(30) Premium Deficiency Reserves – Not Applicable.

(31) Reserves for Life Contracts and Annuity Contracts

(1) The Company waives deduction of deferred fractional premiums upon death of the insured. The Company returns any portion of final premium paid beyond the month of death for all policies.

(2) The same percentage that is applied to the gross premiums for determining the rate charged the substandard risk, is also applied to the rates in the statutory mortality table at all durations. For example, a life issued at table B, which would normally use 80CSO, would actually use 80CSO with all rates grossed up 50%.

(3) As of December 31, 2011, the Company had $5,265,326 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 the above insurance totaled the gross amount of $18,493,039 at year-end and are reported in Exhibit 5, Miscellaneous Reserves.

(4) The Tabular Interest (Page 7, Part A, Line 4), The Tabular Less Actual Reserve Released (Page 7, Part A, Line 5), and the Tabular Cost (Page 7, Part A, Line 9) have been determined by formulas described in the instructions for Page 7.

(5) The Tabular Interest on Funds not involving life contingencies is calculated using the actual accrued interest on such funds.

(6) There are no other reserve changes for the current year.

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

	(1) General Account	(2a) Separate Account with Guarantees	(2b) Separate Account Non-guaranteed	(3) Total	% of Total
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	$ 10,487,045	$ 162,516	$ -	$ 10,649,561	0.39%
(2) At book value less current surrender charge of 5% or more	516,662,507	-	-	516,662,507	19.02%
(3) At fair value	7,487,253	-	625,056,633	632,543,886	0.28%
(4) Total with adjustment or at fair value (Total of 1 through 3)	534,636,805	162,516	625,056,633	1,159,855,954	19.68%
(5) At book value without adjustment (Minimal or no charge or adjustment)	2,147,317,336	-	-	2,147,317,336	79.05%
B. Not subject to discretionary withdrawal	34,528,932	-	714,682	35,243,614	1.27%
C. Total (gross)	2,716,483,073	162,516	625,771,315	3,342,416,904	100.00%
D. Reinsurance ceded	203,583,688	-	-	203,583,688	
E. Total (net)* (C-D)	$ 2,512,899,385	$ 162,516	$ 625,771,315	$ 3,138,833,216	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities

F. Life & Accident & Health Annual Statement	2011
(1) Exhibit 5, Annuities Section, Total (net)	$ 2,487,353,630
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	8,193,421
(3) Exhibit of Deposit-Type Contracts, Line 14, Column 1	17,352,334
(4) Subtotal	2,512,899,385
Separate Accounts Annual Statement	
(5) Exhibit 3, Line 0299999, Column 2	625,933,831
(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	625,933,831
(12) Total annuity actuarial reserves and deposit fund liabilities	$ 3,138,833,216

G. Federal Home Loan Bank Agreements – Not Applicable.

(33) Premium and Annuity Considerations Deferred and Uncollected

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

Type	Gross	Net of Loading
(1) Industrial	$ -	$ -
(2) Ordinary New Business	10,596,685	2,454,718
(3) Ordinary Renewal	17,342,394	13,143,486
(4) Credit Life	-	-
(5) Group Life	-	-
(6) Group Annuity	-	-
(7) Total	$ 27,939,079	$ 15,598,204

(34) Separate Accounts

A. Separate Account Activity

(1) The Company utilized separate accounts to record and account for assets and liabilities in its variable individual annuities and variable life insurance product lines.

(2) As of December 31, 2011 and 2010 the Copmany's separate account statement included legally insulated assets of $1,158,496,923 and $1,322,963,610, respectively. The assets legally insulated from the general account as of December 31, 2011, attributed to the following product lines:

Product/Transaction	Legally Insulated Assets	Separate Account Assets (Not Legally Insulated)
Individual Annuties	$ 627,617,515	$ -
Life Insurance	530,879,408	-
Total	$ 1,158,496,923	$ -

(3) As of December 31, 2011, the Company's general account had a maximum guarantee for separate account liabilities of $42,418,598 ($35,679,052 as of December 31, 2010). To compensate the general account for the risk taken during 2011, the separate account paid risk charges of $750,296 ($827,569 during 2010). During 2011, the general account of the Company has paid $266,014 ($624,000 during 2010) toward separate account guarantees.

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

B. General Nature and Characteristics of Separate Accounts Business

Most separate accounts held by the Company relate to individual and group variable annuity and variable universal life insurance contracts of a non-guaranteed return nature. The net investment experience of the separate accounts is credited directly to the contract holder and can be positive or negative. The individual variable annuity contracts generally provide an incidental death benefit of the greater of account value or premium paid (net of prior withdrawals). However, many individual variable annuity contracts also provide death benefits equal to (i) the most recent fifth-year anniversary account value, (ii) the highest account value on any previous anniversary, (iii) premiums paid increased 5% or certain combinations of these, all adjusted for prior withdrawals. The death benefit and cash value under the variable universal life policies may vary with the investment performance of the underlying investments in the separate accounts. The assets and liabilities of these separate accounts are carried at fair value. This business has been included in Column 4.

Certain other separate accounts relate to a guaranteed term option (GTO), which provides a guaranteed interest rate that is paid over certain maturity durations ranging from three to ten years, so long as certain conditions are met. If amounts allocated to the GTO are distributed prior to the maturity period, a market value adjustment (MVA) can be assessed. The assets and liabilities of these separate accounts are carried at fair value. This business has been included in Columns 2 and 3.

Another separate account offered by the Company contains a group of Universal Life policies wherein the assets supporting the account values on the underlying policies reside in a Private Placement Separate Account. It provides an annual interest rate guarantee, subject to a minimum guarantee of 3.0%. The interest rate declared each year reflects the anticipated investment experience of the account. This business has been included in Column 2.

Information regarding the Separate Accounts of the Company is as follows:

	(1) Indexed	(2) Nonindexed guarantee less than or equal to 4%	(3) Nonindexed guarantee more than 4%	(4) Non-guaranteed Separate Accounts	Total
(1) Premiums, considerations or deposits for year ended December 31, 2010	$ -	$ -	$ -	$ 82,522,181	$ 82,522,181
Reserves as of December 31, 2010					
(2) For accounts with assets at:					
a. Fair value	$ -	$ 74,957	$ 87,559	$ 1,099,261,693	$ 1,099,424,209
b. Amortized cost	-	-	-	-	-
c. Total reserves	$ -	$ 74,957	$ 87,559	$ 1,099,261,693	$ 1,099,424,209
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal	$ -	$ -	$ -	$ -	$ -
b. With FV adjustment	-	74,957	87,559	-	162,516
c. At book value without FV adjustment and with current surrender charge less than 5%	-	-	-	-	-
d. At fair value	-	-	-	1,098,547,011	1,098,547,011
e. At book value without FV adjustment and with current surrender charge less than 5%	-	-	-	-	-
f. Subtotal	-	74,957	87,559	1,098,547,011	1,098,709,527
g. Not subject to discretionary withdrawal	-	-	-	714,682	714,682
h. Total reserves	$ -	$ 74,957	$ 87,559	$ 1,099,261,693	$ 1,099,424,209

(4) Not Applicable.

C. Reconciliation of Net Transfers To or From Separate Accounts

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement	
a. Transfers to Separate Accounts (SA Page 4, Line 1.4)	$ 82,615,481
b. Transfers from Separate Accounts (SA Page 4, Line 10)	188,143,067
c. Net transfers to (from) separate accounts (a-b)	(105,527,586)
(2) Reconciling Adjustment	
a. Exchange accounts offsetting in the general account	3,629,707
b. Other miscellaneous adjustments not included in the general account	210,477
(3) Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) = (Page 4, Line 26)	$ (101,687,402)

(35) Loss/Claim Adjustment Expenses

The Company no longer issues any health policies and due to the small size of the Company's health insurance business, the Company no longer holds any liabilities for claim adjustment expenses for the health business.

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. 12/31/2011

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/26/2008

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 [ ] No [X]
4.22 renewals? Yes [ ] No [X]

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

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

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

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

6.2 If yes, give full information:

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

7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

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

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

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
Nationwide Asset Management, LLC	Columbus, OH					YES
Nationwide Bank	Columbus, OH		YES			
Nationwide Financial Services, Inc	Columbus, OH					YES
Nationwide Fund Advisors	King of Prussia, PA					YES
Nationwide Fund Distributors, LLC	King of Prussia, PA					YES
Nationwide Investment Advisors, LLC	Columbus, OH					YES
Nationwide Investment Services Corporation	Columbus, OH					YES
Nationwide Securities, LLC	Dublin, OH					YES

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, 191 West Nationwide Blvd., Columbus, OH 43215

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

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

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

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

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
James P. Cleary, Vice President and Appointed Actuary, One Nationwide Plaza, Columbus, OH 43215

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

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If, yes provide explanation:

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

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $
- 20.12 To stockholders not officers $
- 20.13 Trustees, supreme or grand (Fraternal Only) $

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $
- 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 [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 8,720,600

INVESTMENT

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

24.2 If no, give full and complete information relating thereto
Held on Deposit with States and Posted as Collateral for derivatives

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
Nationwide utilizes a third party to administer it's Securities Lending program. Securities are loaned to approved counterparties, who in turn post cash collatteral to Nationwide. The amount of cash collateral received is calculated as a percentage of the market value of the security being lent. The cash is subsequently reinvested based upon a Nationwide approved Investment Policy. The collateral received by Nationwide and the corresponding payable to the counterparties are recorded on the balance sheet. As of December 31, 2011 Nationwide had lent securities of $18,082,847 to approved counterparties and received collateral amounts of $18,479,998.

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

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. $ 18,480,416

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

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

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [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	$ 1,078,095
25.26 Placed under option agreements	$
25.27 Letter stock or other securities restricted as to sale	$
25.28 On deposit with state or other regulatory body	$ 4,640,566
25.29 Other	$

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon	1 Wall Street, New York, NY 10286

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Members of the investment staff designated by the Chief Investment Officer as detailed in the Corporate Resolution	One Nationwide Plaza, Columbus, OH 43215

GENERAL INTERROGATORIES

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	3,521,403,564	3,756,398,525	234,994,961
30.2 Preferred stocks			
30.3 Totals	3,521,403,564	3,756,398,525	234,994,961

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

For fixed maturity and marketable equity securities for which market quotations generally are available, Nationwide generally uses independent pricing services to assist in determining the fair value measurement. For certain fixed maturity securities not priced by independent services (generally private placement securities without quoted market prices), an internally developed pricing model or corporate pricing matrix is most often used. The corporate pricing matrix is developed by obtaining private spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings. The weighted average life and bond rating of a particular fixed maturity security to be priced using the corporate matrix are important inputs into the model and are used to determine a corresponding spread that is added to the U.S. Treasury yield to create an estimated market yield for that bond. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular fixed maturity security. Nationwide also utilized broker quotes to assist in pricing securities or to validate modeled prices.

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

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

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:

Nationwide relies on broker valuations only when an approved third party vendor evaluation is not available. Any exceptions are approved by Risk Management and the Middle Office and reviewed by the Investments Pricing Committee. The brokers used to value securities are deemed to be main market makers for each individual security and therefore have in depth knowledge of the particular issue.

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

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 24,904

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

1 Name	2 Amount Paid
American Council Of Life Insurers	22,210

34.1 Amount of payments for legal expenses, if any? $ 348,895

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
BAKER & McKENZIE LLP	127,962

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

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

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

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $
1.31 Reason for excluding:

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

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $

1.6 Individual policies:

Most current three years:
1.61 Total premium earned $
1.62 Total incurred claims $
1.63 Number of covered lives

All years prior to most current three years
1.64 Total premium earned $
1.65 Total incurred claims $
1.66 Number of covered lives

1.7 Group policies:

Most current three years:
1.71 Total premium earned $
1.72 Total incurred claims $
1.73 Number of covered lives

All years prior to most current three years
1.74 Total premium earned $
1.75 Total incurred claims $
1.76 Number of covered lives

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator		
2.2	Premium Denominator	337,924,147	(48,508,098)
2.3	Premium Ratio (2.1/2.2)	0.000	0.000
2.4	Reserve Numerator		
2.5	Reserve Denominator	3,604,919,049	3,455,703,227
2.6	Reserve Ratio (2.4/2.5)	0.000	0.000

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? $ 62,209,924

3.4 State the authority under which Separate Accounts are maintained:
Ohio

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

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

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

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [X] No [ ]

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid $ 102,655,865
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 lines 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: $ 490,600,000

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

7.11 Cash $ 41,038,000
7.12 Stock $

GENERAL INTERROGATORIES

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

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

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

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

8.4 If reinsurance assumed included amounts with attachment points below $1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for 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 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 following 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 Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
Ratchet	None	N/A	-	188,167,621	2,015,195	Exhibit 5G	51% GMDB	214,486
Ratchet	Ratchet 7 Year Wait	0 yrs	2,574,088		24,405	Exhibit 5G	51% GMDB	324
		Total	2,574,088	2,574,088	24,405			324
Ratchet	Rollup 7 Year	0 yrs	3,838,052		62,467	Exhibit 5G	51% GMDB	(6,637)
		Total	3,838,052	3,838,052	62,467			(6,637)
Reset	None	N/A	-	352,833,958	2,594,875	Exhibit 5G	48% GMDB	(6,512)
Reset	Ratchet 7 Year Wait	0 yrs	144,601		1,156	Exhibit 5G	48% GMDB	
		Total	144,601	144,601	1,156			
Reset	Rollup 7 Year	0 yrs	1,914,735		24,141	Exhibit 5G	48% GMDB	(16,294)
		Total	1,914,735	1,914,735	24,141			(16,294)
Rollup	None	N/A	-	36,752,198	797,554	Exhibit 5G	93% GMDB	428,526
ROP	None	N/A	-	95,167,975	453,174	Exhibit 5G	50% GMDB	(2)
ROP	Ratchet 7 Year Wait	0 yrs	5,687,299		20,940	Exhibit 5G	50% GMDB	
		Total	5,687,299	5,687,299	20,940			
ROP	Rollup 7 Year	0 yrs	10,725,731		80,549	Exhibit 5G	50% GMDB	(17,983)
		Total	10,725,731	10,725,731	80,549			(17,983)
None	None	N/A	-	323,075	1,399	Exhibit 5G	0%GMDB	
Total			24,884,506	698,129,332	6,075,856	Exhibit 5G		595,908

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 funds administered as of the reporting date. $

FIVE-YEAR HISTORICAL DATA

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

		1 2011	2 2010	3 2009	4 2008	5 2007
	Life Insurance in Force					
	(Exhibit of Life Insurance)					
1.	Ordinary - whole life and endowment (Line 34, Col. 4)	20,453,120	17,127,230	13,483,866	10,700,721	9,139,077
2.	Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	42,052,108	37,833,810	34,383,575	29,014,398	22,747,039
3.	Credit life (Line 21, Col. 6)					
4.	Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	203	211	170	411	
5.	Industrial (Line 21, Col. 2)					
6.	FEGLI/SGLI (Lines 43 & 44, Col. 4)					
7.	Total (Line 21, Col. 10)	62,505,431	54,961,251	47,867,611	39,715,530	31,886,116
	New Business Issued					
	(Exhibit of Life Insurance)					
8.	Ordinary - whole life and endowment (Line 34, Col. 2)	4,434,586	4,748,869	3,605,400	2,665,054	1,785,554
9.	Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)	7,288,486	6,299,593	8,211,745	8,483,849	8,418,948
10.	Credit life (Line 2, Col. 6)					
11.	Group (Line 2, Col. 9)					
12.	Industrial (Line 2, Col. 2)					
13.	Total (Line 2, Col. 10)	11,723,072	11,048,462	11,817,145	11,148,903	10,204,502
	Premium Income - Lines of Business					
	(Exhibit 1 - Part 1)					
14.	Industrial life (Line 20.4, Col. 2)					
15.1	Ordinary-life insurance (Line 20.4, Col. 3)	329,073,858	(57,247,196)	283,802,743	203,286,888	156,626,224
15.2	Ordinary-individual annuities (Line 20.4, Col. 4)	7,559,233	5,290,886	7,374,608	11,240,170	21,111,534
16	Credit life (group and individual) (Line 20.4, Col. 5)					
17.1	Group life insurance (Line 20.4, Col. 6)	61,098			282,882	
17.2	Group annuities (Line 20.4, Col. 7)	1,227,910	3,446,866	1,345,112	3,568,846	3,564,377
18.1	A & H-group (Line 20.4, Col. 8)	982	102	192	102	269
18.2	A & H-credit (group and individual) (Line 20.4, Col. 9)					
18.3	A & H-other (Line 20.4, Col. 10)	1,066	1,244	1,394	1,730	1,958
19.	Aggregate of all other lines of business (Line 20.4,Col. 11)					
20.	Total	337,924,147	(48,508,098)	292,524,049	218,380,618	181,304,362
	Balance Sheet (Pages 2 & 3)					
21.	Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	4,198,909,052	4,108,281,164	3,880,966,141	3,601,665,556	3,861,237,583
22.	Total liabilities excluding Separate Accounts business (Page 3, Line 26)	3,896,454,468	3,821,068,716	3,667,982,030	3,479,415,035	3,605,429,542
23.	Aggregate life reserves (Page 3, Line 1)	3,609,287,807	3,458,648,800	3,569,235,071	3,407,927,309	3,525,053,290
24.	Aggregate A & H reserves (Page 3, Line 2)					
25.	Deposit-type contract funds (Page 3, Line 3)	17,352,334	18,596,478	20,971,568	22,312,311	24,127,851
26.	Asset valuation reserve (Page 3, Line 24.01)	18,535,786	13,841,584	10,905,627	9,486,541	31,871,615
27.	Capital (Page 3, Lines 29 and 30)	2,640,000	2,640,000	2,640,000	2,640,000	2,640,000
28.	Surplus (Page 3, Line 37)	299,814,584	284,572,448	210,871,687	120,032,208	253,893,720
	Cash Flow (Page 5)					
29.	Net Cash from Operations (Line 11)	104,746,372	(159,366,889)	152,973,846	(129,901,622)	(1,070,756,663)
	Risk-Based Capital Analysis					
30.	Total adjusted capital	323,484,916	303,253,804	224,940,314	132,710,899	288,971,035
31.	Authorized control level risk - based capital	37,998,321	37,677,745	31,194,123	30,436,266	27,349,160
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
	(Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32.	Bonds (Line 1)	86.2	81.3	77.5	72.9	75.3
33.	Stocks (Lines 2.1 and 2.2)	0.0	0.0	0.1	0.2	0.2
34.	Mortgage loans on real estate(Lines 3.1 and 3.2)	11.9	13.9	17.5	21.7	23.7
35.	Real estate (Lines 4.1, 4.2 and 4.3)					
36.	Cash, cash equivalents and short-term investments (Line 5)	0.8	1.7	4.2	4.4	0.8
37.	Contract loans (Line 6)	0.6	0.6	0.6	0.6	0.1
38.	Derivatives (Page 2, Line 7)	0.0	0.0	XXX	XXX	XXX
39.	Other invested assets (Line 8)					
40.	Receivables for securities (Line 9)	0.0	0.0	0.2	0.1	0.0
41.	Securities lending reinvested collateral assets (Line 10)	0.5	2.5	XXX	XXX	XXX
42.	Aggregate write-ins for invested assets (Line 11)			0.0	0.2	(0.2)
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
	Investments in Parent, Subsidiaries and Affiliates					
44.	Affiliated bonds (Schedule D Summary, Line 12, Col. 1)					
45.	Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1)					
46.	Affiliated common stocks (Schedule D Summary Line 24, Col. 1),					
47.	Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)					
48.	Affiliated mortgage loans on real estate	14,139,205	9,630,363	9,818,237		
49.	All other affiliated					
50.	Total of above Lines 44 to 49	14,139,205	9,630,363	9,818,237		
	Total Nonadmitted and Admitted Assets					
51.	Total nonadmitted assets (Page 2, Line 28, Col. 2)	111,792,984	85,351,319	112,044,759	115,533,035	79,559,266
52.	Total admitted assets (Page 2, Line 28, Col. 3)	5,357,405,975	5,431,244,774	5,243,361,034	4,879,190,498	6,103,537,935
	Investment Data					
53.	Net investment income (Exhibit of Net Investment Income)	209,475,638	209,821,469	202,613,816	202,292,965	243,089,685
54.	Realized capital gains (losses) (Page 4, Line 34, Column 1)	(14,768,863)	(16,399,134)	(49,480,348)	(91,570,221)	(22,398,102)
55.	Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	(2,781,942)	(63,969,800)	(16,214,465)	1,820,665	379,174
56.	Total of above Lines 53, 54 and 55	191,924,833	129,452,535	136,919,003	112,543,409	221,070,757
	Benefits and Reserve Increases (Page 6)					
57.	Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11,12, 13, 14 and 15 Cols. 9, 10 and 11)	247,382,765	319,971,969	278,536,913	418,680,350	595,277,889
58.	Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	2,135	3,025	2,719	3,768	1,800
59.	Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3)	246,097,000	(57,418,408)	224,764,474	149,967,999	100,266,651
60.	Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)					
61.	Dividends to policyholders (Line 30, Col. 1)	1,047,336	1,078,504	1,039,181	1,108,644	1,144,151
	Operating Percentages					
62.	Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0	46.0	(178.3)	46.7	48.9	45.8
63.	Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0	6.3	7.2	8.1	7.5	7.9
64.	A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2)	104.2	224.7	171.4	205.7	
65.	A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2)					
66.	A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2)	2.6	3.1	(62.0)	2.8	
	A & H Claim Reserve Adequacy					
67.	Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2)	(440)				
68.	Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2)					
69.	Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	2,575	3,025	1,800	1,800	1,800
70.	Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)					
	Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
71.	Industrial life (Col. 2)					
72.	Ordinary - life (Col. 3)	(72,460,401)	(45,841,810)	(35,581,595)	(32,751,204)	(22,036,084)
73.	Ordinary - individual annuities (Col. 4)	13,883,226	421,645	11,883,822	6,655,114	15,201,557
74.	Ordinary-supplementary contracts (Col. 5)	1,843,511	1,388,098	54,148	339,546	567,919
75.	Credit life (Col. 6)					
76.	Group life (Col. 7)	(127,011)	(249,740)	15,824	164,722	
77.	Group annuities (Col. 8)	527,062	540,329	983,993	(363,974)	1,395,898
78.	A & H-group (Col. 9)	910	120	758	3,314	2,111
79.	A & H-credit (Col. 10)					
80.	A & H-other (Col. 11)	(962)	(856)	(885)	1,284	1,406
81.	Aggregate of all other lines of business (Col. 12)	9,868,032	11,420,985	26,695,167	17,112,566	16,427,934
82.	Total (Col. 1)	(46,465,633)	(32,321,229)	4,051,232	(8,838,632)	11,560,741

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

If no, please explain:

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10
	1	2	3	4	5	6	Number of 7	Number of 8	9	
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	Policies	Certificates	Amount of Insurance (a)	Total Amount of Insurance (a)
1. In force end of prior year			176,273	54,961,040			1	29	211	54,961,251
2. Issued during year			59,444	11,723,072						11,723,072
3. Reinsurance assumed										
4. Revived during year										
5. Increased during year (net)				(114,330)						(114,330)
6. Subtotals, Lines 2 to 5			59,444	11,608,742						11,608,742
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		
8. Aggregate write-ins for increases										
9. Totals (Lines 1 and 6 to 8)			235,717	66,569,782			1	29	211	66,569,993
Deductions during year:										
10. Death			568	87,444			XXX			87,444
11. Maturity			10	63			XXX			63
12. Disability							XXX			
13. Expiry			370	14,392						14,392
14. Surrender			9,291	1,687,616						1,687,616
15. Lapse			13,099	2,039,229						2,039,229
16. Conversion			332	122,990			XXX	XXX	XXX	122,990
17. Decreased (net)			659	112,820				1	8	112,828
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. Totals (Lines 10 to 19)			24,329	4,064,554				1	8	4,064,562
21. In force end of year (Line 9 minus Line 20)			211,388	62,505,228			1	28	203	62,505,431
22. Reinsurance ceded end of year	XXX		XXX	36,481,766	XXX		XXX	XXX	203	36,481,969
23. Line 21 minus Line 22	XXX		XXX	26,023,462	XXX	(b)	XXX	XXX		26,023,462
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page.										
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above)										
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page.										
1999. TOTALS (Lines 1901 thru 1903 plus 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	XXX		XXX	87,035
25. Other paid-up insurance			931	20,735
26. Debit ordinary insurance	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
Term Insurance Excluding Extended Term Insurance	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	28,390	7,023,867	121,575	40,736,059
29. Other term insurance - decreasing	XXX		XXX	
30. Other term insurance	XXX	264,619	XXX	1,297,611
31. Totals (Lines 27 to 30)	28,390	7,288,486	121,575	42,033,670
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX		XXX	
33. Totals, extended term insurance	XXX	XXX	663	18,438
34. Totals, whole life and endowment	31,054	4,434,586	89,150	20,453,120
35. Totals (Lines 31 to 34)	59,444	11,723,072	211,388	62,505,228

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	11,723,072		62,306,899	198,328
38. Credit Life (Group and Individual)				
39. Group			203	
40. Totals (Lines 36 to 39)	11,723,072		62,307,102	198,328

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis		XXX		XXX
43. Federal Employees' Group Life Insurance included in Line 21				
44. Servicemen's Group Life Insurance included in Line 21				
45. Group Permanent Insurance included in Line 21			28	203

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	62,267

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 60% initial face

47.2 3000 term per unit of child rider prior to 1983

POLICIES WITH DISABILITY PROVISIONS

	Industrial		Ordinary		Credit		Group	
Disability Provisions	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 Certifi-cates	8 Amount of Insurance (a)
48. Waiver of Premium			20,034	1,021,255				
49. Disability Income								
50. Extended Benefits			XXX	XXX				
51. Other								
52. Total		(b)	20,034	(b) 1,021,255		(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 & 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	297	230		
2. Issued during year	11	18		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	308	248		
Deductions during year:				
6. Decreased (net)	16	15		
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	16	15		
9. In force end of year	292	233		
10. Amount on deposit		(a) 13,279		(a)
11. Income now payable	292	232		
12. Amount of income payable	(a) 1,409,765	(a) 1,665,601	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	694	79,056	47	3,142
2. Issued during year	43	2,441		4
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Lines 1 to 4)	737	81,497	47	3,146
Deductions during year:				
6. Decreased (net)	57	8,151	4	491
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	57	8,151	4	491
9. In force end of year	680	73,346	43	2,655
Income now payable:				
10. Amount of income payable	(a) 4,881,486	XXX	XXX	(a) 3,369
Deferred fully paid:				
11. Account balance	XXX	(a) 3,164,725,360	XXX	(a) 177,183,317
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	2	102			7	1,066
2. Issued during year						
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Totals (Lines 1 to 4)	2	XXX		XXX	7	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)		XXX		XXX		XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Lines 6 to 8)		XXX		XXX		XXX
10. In force end of year	2	(a) 982		(a)	7	(a) 1,066

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds Contracts	2 Dividend Accumulations Contracts
1. In force end of prior year	50	112
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)	31	
5. Totals (Lines 1 to 4)	81	112
Deductions During Year:		
6. Decreased (net)		10
7. Reinsurance ceded		
8. Totals (Lines 6 and 7)		10
9. In force end of year	81	102
10. Amount of account balance	(a) 244,530	(a) 95,575

(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

	1	Direct Business Only					
		Life Contracts		4	5	6	7
		2	3				
States, Etc.	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1. Alabama AL	L	3,822,907			348,872	4,171,779	
2. Alaska AK	L	397,196				397,196	
3. Arizona AZ	L	11,843,810	424,139		2,430,554	14,698,503	
4. Arkansas AR	L	3,487,397			228,110	3,715,508	
5. California CA	L	48,291,202	263,668		5,614,342	54,169,211	
6. Colorado CO	L	8,163,571	130,804		690,127	8,984,501	
7. Connecticut CT	L	5,260,293			480,013	5,740,306	
8. Delaware DE	L	7,525,745			1,030,133	8,555,878	
9. District of Columbia DC	L	1,541,599			2,200	1,543,799	
10. Florida FL	L	24,654,012		735	3,635,605	28,290,352	
11. Georgia GA	L	12,758,549			972,035	13,730,584	
12. Hawaii HI	L	3,371,999			28,419,559	31,791,559	
13. Idaho ID	L	1,547,966			108,697	1,656,664	
14. Illinois IL	L	14,590,988	243,068		10,971,819	25,805,874	
15. Indiana IN	L	3,984,302	99,767		1,733,338	5,817,407	
16. Iowa IA	L	1,853,216			239,941	2,093,156	
17. Kansas KS	L	1,899,694			545,508	2,445,202	
18. Kentucky KY	L	6,522,846			1,396,777	7,919,623	
19. Louisiana LA	L	3,491,831			2,830,355	6,322,186	
20. Maine ME	L	684,667				684,667	
21. Maryland MD	L	14,191,698		52	2,285,587	16,477,336	
22. Massachusetts MA	L	6,048,854	136,668		1,270,340	7,455,862	
23. Michigan MI	L	20,554,048	90,469		6,846,770	27,491,286	
24. Minnesota MN	L	5,220,643			797,983	6,018,626	
25. Mississippi MS	L	2,896,595			1,040,919	3,937,514	
26. Missouri MO	L	4,677,830			2,554,687	7,232,516	
27. Montana MT	L	1,053,302			109,173	1,162,475	
28. Nebraska NE	L	2,681,729			90,013	2,771,743	
29. Nevada NV	L	2,527,098			104,236	2,631,334	
30. New Hampshire NH	L	1,196,231			14,656	1,210,888	
31. New Jersey NJ	L	15,551,491			1,502,238	17,053,730	
32. New Mexico NM	L	553,412			355,139	908,550	
33. New York NY	N	686,663			80,955	767,618	
34. North Carolina NC	L	24,557,932			5,165,676	29,723,608	
35. North Dakota ND	L	582,318			154,020	736,338	
36. Ohio OH	L	34,524,022	49,979		10,770,078	45,344,079	
37. Oklahoma OK	L	2,274,027	309,231		772,220	3,355,478	
38. Oregon OR	L	3,906,476			4,754,416	8,660,892	
39. Pennsylvania PA	L	41,634,987	139,819	330	10,310,926	52,086,062	
40. Rhode Island RI	L	1,897,026			4,200	1,901,226	
41. South Carolina SC	L	7,357,799			1,104,644	8,462,443	
42. South Dakota SD	L	1,155,327			750,130	1,905,457	
43. Tennessee TN	L	7,188,193	167,450	880	9,525,175	16,881,698	
44. Texas TX	L	27,164,578	372,313		4,875,310	32,412,202	
45. Utah UT	L	3,631,522			2,404,970	6,036,492	
46. Vermont VT	L	895,047			26,564	921,611	
47. Virginia VA	L	15,697,881	259,465	50	1,129,762	17,087,160	
48. Washington WA	L	6,987,119	142,933		5,386,848	12,516,900	
49. West Virginia WV	L	4,709,196	28,761		297,403	5,035,360	
50. Wisconsin WI	L	2,723,929			1,806,709	4,530,637	
51. Wyoming WY	L	1,204,393			74,794	1,279,187	
52. American Samoa AS	N	11,908				11,908	
53. Guam GU	N	308				308	
54. Puerto Rico PR	N	1,439			5,084,971	5,086,410	
55. U.S. Virgin Islands VI	N	44,925				44,925	
56. Northern Mariana Islands MP	N	197				197	
57. Canada CN	N	10,011				10,011	
58. Aggregate Other Alien OT	XXX	232,196			1,233	233,429	
59. Subtotal	(a) 50	431,926,139	2,858,534	2,048	143,130,728	577,917,449	
90. Reporting entity contributions for employee benefits plans	XXX						
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX	758,189				758,189	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX	142,447				142,447	
94. Aggregate or other amounts not allocable by State	XXX						
95. Totals (Direct Business)	XXX	432,826,775	2,858,534	2,048	143,130,728	578,818,085	
96. Plus reinsurance assumed	XXX	24,947				24,947	
97 Totals (All Business)	XXX	432,851,722	2,858,534	2,048	143,130,728	578,843,032	
98. Less reinsurance ceded	XXX	111,427,890	15,049		137,187,070	248,630,009	
99. Totals (All Business) less Reinsurance Ceded	XXX	321,423,832	2,843,485	(b) 2,048	5,943,658	330,213,023	
DETAILS OF WRITE-INS							
5801. Alien: 001	XXX	232,196			1,233	233,429	
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX						
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX	232,196			1,233	233,429	
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX						
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX						

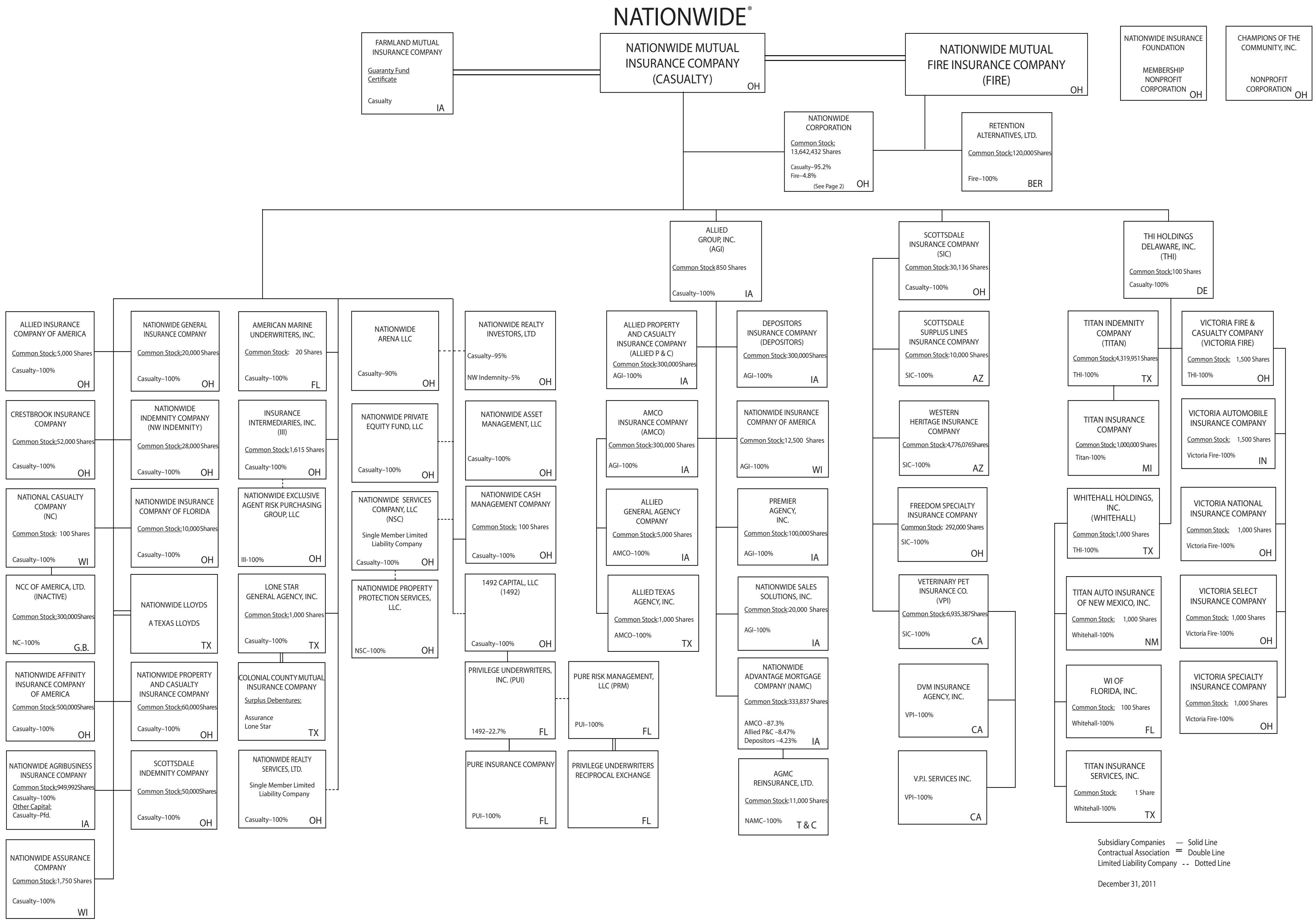
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

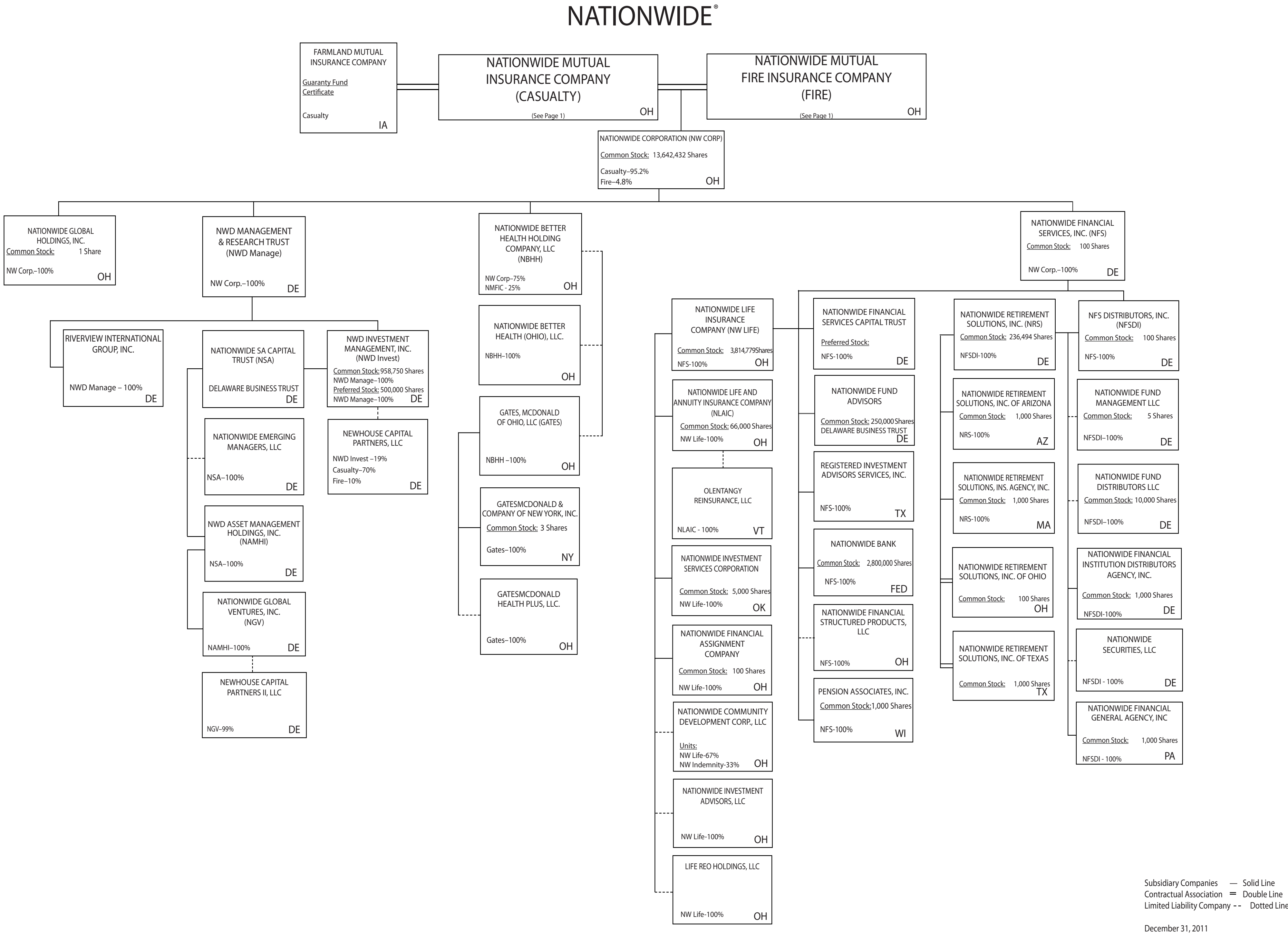
Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Premium income and annuity consideration is assigned to States based on the addresses on the Company's records. All of the Company's Group business are billed to individual certificate holders, and the premiums are assigned to the address of the individual certificate holders.

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

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


NATIONWIDE®
FARMLAND MUTUAL INSURANCE COMPANY
Guaranty Fund Certificate
Casualty
IA
NATIONWIDE MUTUAL INSURANCE COMPANY (CASUALTY)
OH
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY (FIRE)
OH
NATIONWIDE INSURANCE FOUNDATION
MEMBERSHIP NONPROFIT CORPORATION
OH
CHAMPIONS OF THE COMMUNITY, INC.
NONPROFIT CORPORATION
OH
NATIONWIDE CORPORATION
Common Stock: 13,642,432 Shares
Casualty–95.2%
Fire–4.8%
(See Page 2)
OH
RETENTION ALTERNATIVES, LTD.
Common Stock:120,000Shares
Fire–100%
BER
ALLIED GROUP, INC. (AGI)
Common Stock 850 Shares
Casualty–100%
IA
SCOTTSDALE INSURANCE COMPANY (SIC)
Common Stock:30,136 Shares
Casualty–100%
OH
THI HOLDINGS DELAWARE, INC. (THI)
Common Stock:100 Shares
Casualty–100%
DE
ALLIED INSURANCE COMPANY OF AMERICA
Common Stock:5,000 Shares
Casualty–100%
OH
CRESTBROOK INSURANCE COMPANY
Common Stock:52,000 Shares
Casualty–100%
OH
NATIONAL CASUALTY COMPANY (NC)
Common Stock: 100 Shares
Casualty–100%
WI
NCC OF AMERICA, LTD. (INACTIVE)
Common Stock:300,000Shares
NC–100%
G.B.
NATIONWIDE AFFINITY INSURANCE COMPANY OF AMERICA
Common Stock:500,000Shares
Casualty–100%
OH
NATIONWIDE AGRIBUSINESS INSURANCE COMPANY
Common Stock:949,992Shares
Casualty–100%
Other Capital:
Casualty–Pfd.
IA
NATIONWIDE ASSURANCE COMPANY
Common Stock:1,750 Shares
Casualty–100%
WI
NATIONWIDE GENERAL INSURANCE COMPANY
Common Stock:20,000 Shares
Casualty–100%
OH
NATIONWIDE INDEMNITY COMPANY (NW INDEMNITY)
Common Stock:28,000 Shares
Casualty–100%
OH
NATIONWIDE INSURANCE COMPANY OF FLORIDA
Common Stock:10,000 Shares
Casualty–100%
OH
NATIONWIDE LLOYDS
A TEXAS LLOYDS
TX
NATIONWIDE PROPERTY AND CASUALTY INSURANCE COMPANY
Common Stock:60,000 Shares
Casualty–100%
OH
SCOTTSDALE INDEMNITY COMPANY
Common Stock:50,000 Shares
Casualty–100%
OH
AMERICAN MARINE UNDERWRITERS, INC.
Common Stock: 20 Shares
Casualty–100%
FL
INSURANCE INTERMEDIARIES, INC. (III)
Common Stock:1,615 Shares
Casualty–100%
OH
NATIONWIDE EXCLUSIVE AGENT RISK PURCHASING GROUP, LLC
III-100%
OH
LONE STAR GENERAL AGENCY, INC.
Common Stock:1,000 Shares
Casualty–100%
TX
COLONIAL COUNTY MUTUAL INSURANCE COMPANY
Surplus Debentures:
Assurance
Lone Star
TX
NATIONWIDE REALTY SERVICES, LTD.
Single Member Limited Liability Company
Casualty–100%
OH
NATIONWIDE ARENA LLC
Casualty–90%
OH
NATIONWIDE PRIVATE EQUITY FUND, LLC
Casualty–100%
OH
NATIONWIDE SERVICES COMPANY, LLC (NSC)
Single Member Limited Liability Company
Casualty–100%
OH
NATIONWIDE PROPERTY PROTECTION SERVICES, LLC.
NSC–100%
OH
NATIONWIDE REALTY INVESTORS, LTD
Casualty–95%
NW Indemnity–5%
OH
NATIONWIDE ASSET MANAGEMENT, LLC
Casualty–100%
OH
NATIONWIDE CASH MANAGEMENT COMPANY
Common Stock: 100 Shares
Casualty–100%
OH
1492 CAPITAL, LLC (1492)
Casualty–100%
OH
PRIVILEGE UNDERWRITERS, INC. (PUI)
1492–22.7%
FL
PURE RISK MANAGEMENT, LLC (PRM)
PUI–100%
FL
PURE INSURANCE COMPANY
PUI–100%
FL
PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE
FL
ALLIED PROPERTY AND CASUALTY INSURANCE COMPANY (ALLIED P & C)
Common Stock:300,000Shares
AGI–100%
IA
AMCO INSURANCE COMPANY (AMCO)
Common Stock:300,000 Shares
AGI–100%
IA
ALLIED GENERAL AGENCY COMPANY
Common Stock:5,000 Shares
AMCO–100%
IA
ALLIED TEXAS AGENCY, INC.
Common Stock:1,000 Shares
AMCO–100%
TX
DEPOSITORS INSURANCE COMPANY (DEPOSITORS)
Common Stock:300,000Shares
AGI–100%
IA
NATIONWIDE INSURANCE COMPANY OF AMERICA
Common Stock:12,500 Shares
AGI–100%
WI
PREMIER AGENCY, INC.
Common Stock:100,000Shares
AGI–100%
IA
NATIONWIDE SALES SOLUTIONS, INC.
Common Stock:20,000 Shares
AGI–100%
IA
NATIONWIDE ADVANTAGE MORTGAGE COMPANY (NAMC)
Common Stock:333,837 Shares
AMCO –87.3%
Allied P&C –8.47%
Depositors –4.23%
IA
AGMC REINSURANCE, LTD.
Common Stock:11,000 Shares
NAMC–100%
T & C
SCOTTSDALE SURPLUS LINES INSURANCE COMPANY
Common Stock:10,000 Shares
SIC–100%
AZ
WESTERN HERITAGE INSURANCE COMPANY
Common Stock:4,776,076Shares
SIC–100%
AZ
FREEDOM SPECIALTY INSURANCE COMPANY
Common Stock: 292,000 Shares
SIC–100%
OH
VETERINARY PET INSURANCE CO. (VPI)
Common Stock:6,935,387Shares
SIC–100%
CA
DVM INSURANCE AGENCY, INC.
VPI–100%
CA
V.P.I. SERVICES INC.
VPI–100%
CA
TITAN INDEMNITY COMPANY (TITAN)
Common Stock:4,319,951 Shares
THI-100%
TX
TITAN INSURANCE COMPANY
Common Stock:1,000,000 Shares
Titan-100%
MI
WHITEHALL HOLDINGS, INC. (WHITEHALL)
Common Stock:1,000 Shares
THI-100%
TX
TITAN AUTO INSURANCE OF NEW MEXICO, INC.
Common Stock: 1,000 Shares
Whitehall-100%
NM
WI OF FLORIDA, INC.
Common Stock: 100 Shares
Whitehall-100%
FL
TITAN INSURANCE SERVICES, INC.
Common Stock: 1 Share
Whitehall-100%
TX
VICTORIA FIRE & CASUALTY COMPANY (VICTORIA FIRE)
Common Stock: 1,500 Shares
THI-100%
OH
VICTORIA AUTOMOBILE INSURANCE COMPANY
Common Stock: 1,500 Shares
Victoria Fire-100%
IN
VICTORIA NATIONAL INSURANCE COMPANY
Common Stock: 1,000 Shares
Victoria Fire-100%
OH
VICTORIA SELECT INSURANCE COMPANY
Common Stock: 1,000 Shares
Victoria Fire-100%
OH
VICTORIA SPECIALTY INSURANCE COMPANY
Common Stock: 1,000 Shares
Victoria Fire-100%
OH
Subsidiary Companies — Solid Line
Contractual Association = Double Line
Limited Liability Company -- Dotted Line
December 31, 2011


NATIONWIDE®
FARMLAND MUTUAL INSURANCE COMPANY Guaranty Fund Certificate Casualty IA
NATIONWIDE MUTUAL INSURANCE COMPANY (CASUALTY) (See Page 1) OH
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY (FIRE) (See Page 1) OH
NATIONWIDE CORPORATION (NW CORP) Common Stock: 13,642,432 Shares Casualty–95.2% Fire–4.8% OH
NATIONWIDE GLOBAL HOLDINGS, INC. Common Stock: 1 Share NW Corp.–100% OH
NWD MANAGEMENT & RESEARCH TRUST (NWD Manage) NW Corp.–100% DE
NATIONWIDE BETTER HEALTH HOLDING COMPANY, LLC (NBHH) NW Corp–75% NMFIC - 25% OH
NATIONWIDE FINANCIAL SERVICES, INC. (NFS) Common Stock: 100 Shares NW Corp.–100% DE
RIVERVIEW INTERNATIONAL GROUP, INC. NWD Manage – 100% DE
NATIONWIDE SA CAPITAL TRUST (NSA) DELAWARE BUSINESS TRUST DE
NWD INVESTMENT MANAGEMENT, INC. (NWD Invest) Common Stock: 958,750 Shares NWD Manage–100% Preferred Stock: 500,000 Shares NWD Manage–100% DE
NEWHOUSE CAPITAL PARTNERS, LLC NWD Invest –19% Casualty–70% Fire–10% DE
NATIONWIDE EMERGING MANAGERS, LLC NSA–100% DE
NWD ASSET MANAGEMENT HOLDINGS, INC. (NAMHI) NSA–100% DE
NATIONWIDE GLOBAL VENTURES, INC. (NGV) NAMHI–100% DE
NEWHOUSE CAPITAL PARTNERS II, LLC NGV–99% DE
NATIONWIDE BETTER HEALTH (OHIO), LLC. NBHH–100% OH
GATES, MCDONALD OF OHIO, LLC (GATES) NBHH –100% OH
GATESMCDONALD & COMPANY OF NEW YORK, INC. Common Stock: 3 Shares Gates–100% NY
GATESMCDONALD HEALTH PLUS, LLC. Gates–100% OH
NATIONWIDE LIFE INSURANCE COMPANY (NW LIFE) Common Stock: 3,814,779Shares NFS-100% OH
NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY (NLAIC) Common Stock: 66,000 Shares NW Life-100% OH
OLENTANGY REINSURANCE, LLC NLAIC - 100% VT
NATIONWIDE INVESTMENT SERVICES CORPORATION Common Stock: 5,000 Shares NW Life-100% OK
NATIONWIDE FINANCIAL ASSIGNMENT COMPANY Common Stock: 100 Shares NW Life-100% OH
NATIONWIDE COMMUNITY DEVELOPMENT CORP., LLC Units: NW Life-67% NW Indemnity-33% OH
NATIONWIDE INVESTMENT ADVISORS, LLC NW Life-100% OH
LIFE REO HOLDINGS, LLC NW Life-100% OH
NATIONWIDE FINANCIAL SERVICES CAPITAL TRUST Preferred Stock: NFS-100% DE
NATIONWIDE FUND ADVISORS Common Stock: 250,000 Shares DELAWARE BUSINESS TRUST DE
REGISTERED INVESTMENT ADVISORS SERVICES, INC. NFS-100% TX
NATIONWIDE BANK Common Stock: 2,800,000 Shares NFS-100% FED
NATIONWIDE FINANCIAL STRUCTURED PRODUCTS, LLC NFS-100% OH
PENSION ASSOCIATES, INC. Common Stock: 1,000 Shares NFS-100% WI
NATIONWIDE RETIREMENT SOLUTIONS, INC. (NRS) Common Stock: 236,494 Shares NFSDI-100% DE
NATIONWIDE RETIREMENT SOLUTIONS, INC. OF ARIZONA Common Stock: 1,000 Shares NRS-100% AZ
NATIONWIDE RETIREMENT SOLUTIONS, INS. AGENCY, INC. Common Stock: 1,000 Shares NRS-100% MA
NATIONWIDE RETIREMENT SOLUTIONS, INC. OF OHIO Common Stock: 100 Shares OH
NATIONWIDE RETIREMENT SOLUTIONS, INC. OF TEXAS Common Stock: 1,000 Shares TX
NFS DISTRIBUTORS, INC. (NFSDI) Common Stock: 100 Shares NFS-100% DE
NATIONWIDE FUND MANAGEMENT LLC Common Stock: 5 Shares NFSDI–100% DE
NATIONWIDE FUND DISTRIBUTORS LLC Common Stock: 10,000 Shares NFSDI–100% DE
NATIONWIDE FINANCIAL INSTITUTION DISTRIBUTORS AGENCY, INC. Common Stock: 1,000 Shares NFSDI-100% DE
NATIONWIDE SECURITIES, LLC NFSDI - 100% DE
NATIONWIDE FINANCIAL GENERAL AGENCY, INC Common Stock: 1,000 Shares NFSDI - 100% PA
Subsidiary Companies — Solid Line
Contractual Association = Double Line
Limited Liability Company -- Dotted Line
December 31, 2011

NATIONWIDE INSURANCE COMPANIES

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Name of Company
0140	Nationwide	42579	IA	42-1201931	Allied Property and Casualty Insurance Company
0140	Nationwide	19100	IA	42-6054959	AMCO Insurance Company
0140	Nationwide	10127	OH	27-0114983	Allied Insurance Company of America
0140	Nationwide	22209	OH	75-6013587	Freedom Specialty Insurance Company
0140	Nationwide	29262	TX	74-1061659	Colonial County Mutual Insurance Company
0140	Nationwide	18961	OH	68-0066866	Crestbrook Insurance Company
0140	Nationwide	42587	IA	42-1207150	Depositors Insurance Company
0140	Nationwide	13838	IA	42-0618271	Farmland Mutual Insurance Company
0140	Nationwide	11991	WI	38-0865250	National Casualty Company
0140	Nationwide	26093	OH	48-0470690	Nationwide Affinity Insurance Company of America
0140	Nationwide	28223	IA	42-1015537	Nationwide Agribusiness Insurance Company
0140	Nationwide	10723	WI	95-0639970	Nationwide Assurance Company
0140	Nationwide	23760	OH	31-4425763	Nationwide General Insurance Company
0140	Nationwide	10070	OH	31-1399201	Nationwide Indemnity Company
0140	Nationwide	25453	WI	95-2130882	Nationwide Insurance Company of America
0140	Nationwide	10948	OH	31-1613686	Nationwide Insurance Company of Florida
0140	Nationwide	92657	OH	31-1000740	Nationwide Life and Annuity Insurance Company
0140	Nationwide	66869	OH	31-4156830	Nationwide Life Insurance Company
0140	Nationwide	42110	TX	75-1780981	Nationwide Lloyds
0140	Nationwide	23779	OH	31-4177110	Nationwide Mutual Fire Insurance Company
0140	Nationwide	23787	OH	31-4177100	Nationwide Mutual Insurance Company
0140	Nationwide	37877	OH	31-0970750	Nationwide Property & Casualty Insurance Company
0140	Nationwide	15580	OH	31-1117969	Scottsdale Indemnity Company
0140	Nationwide	41297	OH	31-1024978	Scottsdale Insurance Company
0140	Nationwide	10672	AZ	86-0835870	Scottsdale Surplus Lines Insurance Company
0140	Nationwide	13242	TX	74-2286759	Titan Indemnity Company
0140	Nationwide	36269	MI	86-0619597	Titan Insurance Company
0140	Nationwide	42285	CA	95-3750113	Veterinary Pet Insurance Company
0140	Nationwide	10644	IN	34-1785903	Victoria Automobile Insurance Company
0140	Nationwide	42889	OH	34-1394913	Victoria Fire & Casualty Company
0140	Nationwide	10778	OH	34-1842604	Victoria National Insurance Company
0140	Nationwide	10105	OH	34-1777972	Victoria Select Insurance Company
0140	Nationwide	10777	OH	34-1842602	Victoria Specialty Insurance Company
0140	Nationwide	37150	AZ	86-0561941	Western Heritage Insurance Company
0140	Nationwide	13999	VT	27-1712056	Olentangy Reinsurance, LLC
4664	PURE	13204	FL	26-3109178	PURE Insurance Company
4664	PURE	12873	FL	20-8287105	Privilege Underwriters Reciprocal Exchange

OVERFLOW PAGE FOR WRITE-INS

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

ANNUAL STATEMENT BLANK (Continued)