



**ANNUAL STATEMENT**  
 For the Year Ended December 31, 2012  
 of the Condition and Affairs of the

**OHIO NATIONAL LIFE INSURANCE COMPANY**

NAIC Group Code.....0704, 0704 <small>(Current Period) (Prior Period)</small>	NAIC Company Code..... 67172	Employer's ID Number..... 31-0397080
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... September 9, 1909	Commenced Business.....	October 10, 1910
Statutory Home Office	One Financial Way..... Cincinnati ..... OH ..... US ..... 45242 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small>	
Main Administrative Office	One Financial Way..... Cincinnati ..... OH ..... US..... 45242 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small>	513-794-6100 <small>(Area Code) (Telephone Number)</small>
Mail Address	Post Office Box 237..... Cincinnati ..... OH ..... US ..... 45201 <small>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</small>	
Primary Location of Books and Records	One Financial Way..... Cincinnati ..... OH ..... US ..... 45242 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small>	513-794-6100-6015 <small>(Area Code) (Telephone Number)</small>
Internet Web Site Address	N/A	
Statutory Statement Contact	Amber Dawn Morris <small>(Name)</small> amber_morris@ohionational.com <small>(E-Mail Address)</small>	513-794-6100-6015 <small>(Area Code) (Telephone Number) (Extension)</small> 513-794-4516 <small>(Fax Number)</small>

**OFFICERS**

Name	Title	Name	Title
Gary Thomas Huffman	President, Chairman, & CEO	Therese Susan McDonough	Secretary
Joseph Richard Sander	Treasurer	Ronald John Dolan	Actuary, Vice Chairman, & CRO

**OTHER**

Larry Joel Adams	Senior Vice President & Chief Agency Officer	Thomas Abdo Barefield	Executive Vice President & Chief Marketing Officer - Institutional Sales
Lee Edward Bartels	Senior Vice President	Howard Charles Becker	Executive Vice President & Chief Administrative Officer
Richard Jerome Bodner #	Senior Vice President	Christopher Allen Carlson	Executive Vice President & Chief Investment Officer
Harry Douglas Cooke, III #	Senior Vice President	Anthony Gerard Esposito	Senior Vice President
Paul Gerard #	Senior Vice President	Diane Sue Hagenbuch	Senior Vice President
Kristal Elaine Hambrick	Senior Vice President & Chief Product Officer	Michael Francis Haverkamp	Senior Vice President
Ronald Gene Heibert	Senior Vice President & Chief Corporate Actuary	David Dale Herr, Jr.	Senior Vice President
Stephen Ray Murphy	Senior Vice President	George Barclay Pearson, Jr.	Senior Vice President
Arthur James Roberts	Senior Vice President & CFO	James Clive Smith	Senior Vice President
Barbara Ann Turner	President & COO, ONESCO	Paul Joseph Twilling	Senior Vice President

**DIRECTORS OR TRUSTEES**

Thomas Abdo Barefield	Howard Charles Becker	Jack Elliott Brown	Joseph Alex Campanella
Christopher Allen Carlson	Thomas Gerald Cody	Ronald John Dolan	Victoria Buyniski Gluckman
John Weber Hayden	Gary Thomas Huffman	James Francis Orr	John Russell Phillips
John Michael Schlotman			

State of..... Ohio  
 County of..... Hamilton

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

(Signature) Gary Thomas Huffman	(Signature) Therese Susan McDonough	(Signature) Joseph Richard Sander
(Printed Name) President, Chairman, & CEO	(Printed Name) Secretary	(Printed Name) Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me  
 This \_\_\_\_\_ day of February 2013

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 \_\_\_\_\_

Roxanna S Henry, Notary Public  
 May 11, 2014

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	4,214,962,310	0	4,214,962,310	4,092,479,134
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	16,784,897	0	16,784,897	235,284
2.2 Common stocks.....	502,163,825	0	502,163,825	530,505,508
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	854,363,975	0	854,363,975	887,273,641
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	296,500	0	296,500	296,500
4.3 Properties held for sale (less \$.....0 encumbrances).....	3,153,499	0	3,153,499	3,225,331
5. Cash (\$.....119,443,226, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....254,396,398, Schedule DA).....	373,839,625	0	373,839,625	345,361,180
6. Contract loans (including \$.....0 premium notes).....	267,232,610	0	267,232,610	247,954,877
7. Derivatives (Schedule DB).....	15,556,892	0	15,556,892	13,446,313
8. Other invested assets (Schedule BA).....	109,680,252	0	109,680,252	0
9. Receivables for securities.....	646,499	0	646,499	6,746,263
10. Securities lending reinvested collateral assets (Schedule DL).....	129,277,794	0	129,277,794	175,060,753
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	6,487,958,678	0	6,487,958,678	6,302,584,784
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	50,561,650	0	50,561,650	53,175,251
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	8,415,425	0	8,415,425	7,433,533
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	31,705,706	0	31,705,706	27,813,814
15.3 Accrued retrospective premiums.....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	11,486,371	0	11,486,371	8,601,779
16.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	24,397	0	24,397	7,975
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	14,733,309
18.2 Net deferred tax asset.....	129,387,542	61,571,862	67,815,680	68,790,196
19. Guaranty funds receivable or on deposit.....	1,655,393	0	1,655,393	1,845,125
20. Electronic data processing equipment and software.....	3,672,551	0	3,672,551	3,200,317
21. Furniture and equipment, including health care delivery assets (\$.....0).....	2,595,371	2,595,371	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	52,428,033	0	52,428,033	45,991,791
24. Health care (\$.....0) and other amounts receivable.....	16,058,644	16,058,644	0	0
25. Aggregate write-ins for other than invested assets.....	119,784,903	20,933,394	98,851,509	75,252,948
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	6,915,734,664	101,159,271	6,814,575,393	6,609,430,822
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	14,816,672,037	0	14,816,672,037	11,519,577,343
28. TOTALS (Lines 26 and 27).....	21,732,406,701	101,159,271	21,631,247,430	18,129,008,165

## DETAILS OF WRITE-INS

1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Annuity rider charges receivable.....	80,921,221	0	80,921,221	59,758,957
2502. Keyman insurance.....	10,616,252	0	10,616,252	9,324,303
2503. Fund revenue receivable.....	6,477,443	0	6,477,443	5,382,912
2598. Summary of remaining write-ins for Line 25 from overflow page.....	21,769,987	20,933,394	836,593	786,776
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	119,784,903	20,933,394	98,851,509	75,252,948

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$....4,713,504,185 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	4,713,504,185	4,529,366,373
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	84,190,035	88,209,279
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	603,967,019	595,613,512
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	9,078,209	14,792,795
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	1,088,843	937,883
5. Policyholders' dividends \$....1,638,935 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....	1,638,935	1,249,616
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....	48,016,673	45,398,381
6.2 Dividends not yet apportioned (including \$.....0 Modco).....	0	0
6.3 Coupons and similar benefits (including \$.....0 Modco).....	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6.....	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$....112,571 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	911,824	908,724
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....	0	0
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....	0	0
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded.....	0	0
9.4 Interest Maintenance Reserve (IMR, Line 6).....	53,034,175	56,910,873
10. Commissions to agents due or accrued - life and annuity contracts \$....5,079,478, accident and health \$....692,656 and deposit-type contract funds \$.....0.....	5,772,134	6,139,923
11. Commissions and expense allowances payable on reinsurance assumed.....	0	0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	10,749,567	9,360,805
13. Transfers to Separate Accounts due or accrued (net) (including \$....(240,768,041) accrued for expense allowances recognized in reserves, net of reinsured allowances).....	(240,768,041)	(179,406,770)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	2,710,596	2,520,285
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....	4,219,669	0
15.2 Net deferred tax liability.....	0	0
16. Unearned investment income.....	4,973,679	5,176,674
17. Amounts withheld or retained by company as agent or trustee.....	99,336,277	98,898,914
18. Amounts held for agents' account, including \$....1,980,552 agents' credit balances.....	3,198,078	3,743,759
19. Remittances and items not allocated.....	33,351,248	13,381,898
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0
21. Liability for benefits for employees and agents if not included above.....	0	0
22. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
23. Dividends to stockholders declared and unpaid.....	65,000,000	40,000,000
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR Line 16, Col. 7).....	25,243,899	22,034,427
24.02 Reinsurance in unauthorized and certified (\$.....0) companies.....	0	0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers.....	72,138,183	32,432,423
24.04 Payable to parent, subsidiaries and affiliates.....	15,345,489	128,832,103
24.05 Drafts outstanding.....	0	0
24.06 Liability for amounts held under uninsured plans.....	0	0
24.07 Funds held under coinsurance.....	0	0
24.08 Derivatives.....	14,495,626	13,648,754
24.09 Payable for securities.....	4,313,209	0
24.10 Payable for securities lending.....	129,277,794	175,060,753
24.11 Capital notes \$.....0 and interest thereon \$.....0.....	0	0
25. Aggregate write-ins for liabilities.....	1,472,516	1,703,464
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	5,766,259,821	5,706,914,848
27. From Separate Accounts Statement.....	14,816,672,037	11,519,577,343
28. Total liabilities (Line 26 and 27).....	20,582,931,858	17,226,492,191
29. Common capital stock.....	10,000,000	10,000,000
30. Preferred capital stock.....	0	0
31. Aggregate write-ins for other than special surplus funds.....	0	24,414,958
32. Surplus notes.....	309,240,757	109,164,465
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	183,297,154	183,297,154
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	545,777,664	575,639,397
36. Less treasury stock, at cost:		
36.1 ....0.000 shares common (value included in Line 29 \$.....0).....	0	0
36.2 ....0.000 shares preferred (value included in Line 30 \$.....0).....	0	0
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	1,038,315,575	892,515,974
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	1,048,315,575	902,515,974
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	21,631,247,433	18,129,008,165

## DETAILS OF WRITE-INS

2501. Unclaimed funds.....	1,472,516	1,703,464
2502. ....	0	0
2503. ....	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,472,516	1,703,464
3101. Additional deferred tax asset.....	0	24,414,958
3102. ....	0	0
3103. ....	0	0
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	24,414,958
3401. ....	0	0
3402. ....	0	0
3403. ....	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0

# OHIO NATIONAL LIFE INSURANCE COMPANY

## SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11).....	3,259,840,984	1,948,437,379
2. Considerations for supplementary contracts with life contingencies.....	693,878	0
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	332,818,489	339,547,834
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	7,156,878	6,033,377
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1).....	4,615,007	5,351,601
7. Reserve adjustments on reinsurance ceded.....	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....	171,248,475	148,790,146
8.2 Charges and fees for deposit-type contracts.....	0	0
8.3 Aggregate write-ins for miscellaneous income.....	197,483,461	166,188,786
9. Totals (Lines 1 to 8.3).....	3,973,857,172	2,614,349,123
10. Death benefits.....	54,115,121	55,224,073
11. Matured endowments (excluding guaranteed annual pure endowments).....	1,016,371	885,797
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....	393,822,341	358,275,309
13. Disability benefits and benefits under accident and health contracts.....	8,672,381	8,989,211
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0	0
15. Surrender benefits and withdrawals for life contracts.....	919,520,491	946,423,823
16. Group conversions.....	0	0
17. Interest and adjustments on contract or deposit-type contract funds.....	8,540,683	32,705,982
18. Payments on supplementary contracts with life contingencies.....	555,356	562,987
19. Increase in aggregate reserves for life and accident and health contracts.....	192,092,105	4,693,872
20. Totals (Lines 10 to 19).....	1,578,334,849	1,407,761,054
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	265,761,497	177,050,516
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....	9,655,731	4,509,310
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4).....	82,578,761	75,341,619
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	10,231,303	8,694,848
25. Increase in loading on deferred and uncollected premiums.....	6,747,376	1,987,267
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	1,803,684,096	802,751,321
27. Aggregate write-ins for deductions.....	8,770,992	12,556,328
28. Totals (Lines 20 to 27).....	3,765,764,605	2,490,652,263
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	208,092,567	123,696,860
30. Dividends to policyholders.....	48,284,412	45,536,188
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	159,808,155	78,160,672
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	14,275,853	2,097,219
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).....	145,532,302	76,063,453
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....(1,766,251) (excluding taxes of \$.....1,766,251 transferred to the IMR).....	(37,917,614)	(2,688,556)
35. Net income (Line 33 plus Line 34).....	107,614,688	73,374,897
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	902,515,977	860,700,902
37. Net income (Line 35).....	107,614,688	73,374,897
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....	(37,600,148)	179,089,985
39. Change in net unrealized foreign exchange capital gain (loss).....	(805,256)	(118,443)
40. Change in net deferred income tax.....	13,046,847	28,218,826
41. Change in nonadmitted assets.....	(10,020,541)	(44,123,323)
42. Change in liability for reinsurance in unauthorized and certified companies.....	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4).....	0	0
44. Change in asset valuation reserve.....	(3,209,472)	(1,110,489)
45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1).....	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....	0	811,597
47. Other changes in surplus in Separate Accounts Statement.....	0	(722,939)
48. Change in surplus notes.....	200,076,291	3,734,343
49. Cumulative effect of changes in accounting principles.....	0	0
50. Capital changes:		
50.1 Paid in.....	0	0
50.2 Transferred from surplus (Stock Dividend).....	0	0
50.3 Transferred to surplus.....	0	0
51. Surplus adjustment:		
51.1 Paid in.....	0	0
51.2 Transferred to capital (Stock Dividend).....	0	0
51.3 Transferred from capital.....	0	0
51.4 Change in surplus as a result of reinsurance.....	0	0
52. Dividends to stockholders.....	(125,000,000)	(108,000,000)
53. Aggregate write-ins for gains and losses in surplus.....	1,697,193	(89,339,379)
54. Net change in capital and surplus for the year (Lines 37 through 53).....	145,799,602	41,815,075
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	1,048,315,579	902,515,977
<b>DETAILS OF WRITE-INS</b>		
08.301. Policy charges.....	134,491,625	116,569,169
08.302. Fee income.....	43,015,744	38,358,062
08.303. Rider fees.....	21,162,264	10,468,545
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	(1,186,172)	793,010
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	197,483,461	166,188,786
2701. Reserve adjustment on reinsurance assumed.....	2,073	8,358,595
2702. Health surrender benefits.....	5,578,215	4,197,733
2703. Expenses related to surplus note issuance.....	3,190,704	0
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	8,770,992	12,556,328
5301. Additional deferred tax asset.....	0	1,670,570
5302. Prior period adjustment.....	1,697,193	2,148,138
5303. Voluntary Reserve.....	0	(93,158,087)
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	1,697,193	(89,339,379)

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	3,248,916,802	1,943,897,696
2. Net investment income.....	337,509,593	342,347,542
3. Miscellaneous income.....	373,346,943	320,330,533
4. Total (Lines 1 through 3).....	3,959,773,338	2,606,575,771
5. Benefit and loss related payments.....	1,386,490,126	1,363,726,730
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	1,865,045,367	779,834,313
7. Commissions, expenses paid and aggregate write-ins for deductions.....	386,162,385	278,555,712
8. Dividends paid to policyholders.....	45,276,801	40,731,596
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(2,199,288)	(40,561,038)
10. Total (Lines 5 through 9).....	3,680,775,391	2,422,287,313
11. Net cash from operations (Line 4 minus Line 10).....	278,997,947	184,288,458
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	605,630,569	721,971,588
12.2 Stocks.....	188,400	2,534
12.3 Mortgage loans.....	127,810,540	81,754,126
12.4 Real estate.....	0	131,600
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	(2,607)
12.7 Miscellaneous proceeds.....	56,195,932	91,614,888
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	789,825,441	895,472,129
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	727,194,147	510,493,047
13.2 Stocks.....	32,687,000	39,116,143
13.3 Mortgage loans.....	96,772,750	90,359,000
13.4 Real estate.....	0	153,000
13.5 Other invested assets.....	110,133,333	0
13.6 Miscellaneous applications.....	2,110,579	9,080,547
13.7 Total investments acquired (Lines 13.1 to 13.6).....	968,897,809	649,201,737
14. Net increase (decrease) in contract loans and premium notes.....	19,277,733	8,727,263
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(198,350,101)	237,543,129
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	196,809,296	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(2,683,706)	(265,756,130)
16.5 Dividends to stockholders.....	100,000,000	68,000,000
16.6 Other cash provided (applied).....	(146,294,991)	(78,166,843)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(52,169,401)	(411,922,973)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	28,478,445	9,908,614
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	345,361,180	335,452,566
19.2 End of year (Line 18 plus Line 19.1).....	373,839,626	345,361,180
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>		
20.0001 .....	0	0

## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	3,259,840,983	0	428,620,783	2,677,886,323	0	0	141,627,418	0	0	11,706,459	0	
2. Considerations for supplementary contracts with life contingencies.....	693,878	0	0	693,878	0	0	0	0	0	0	0	
3. Net investment income.....	332,818,488	0	115,935,471	173,550,958	1,065,458	0	339,114	38,842,516	0	5,604,732	(2,519,761)	
4. Amortization of Interest Maintenance Reserve (IMR).....	7,156,878	0	2,474,326	3,703,971	22,739	0	7,237	828,987	0	119,618	0	
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0	0	0	0	0	0	0	0	0	0	0	
6. Commissions and expense allowances on reinsurance ceded.....	4,615,007	0	598,868	2,042,266	0	0	0	0	0	1,973,873	0	
7. Reserve adjustments on reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	171,248,474	0	0	163,233,699	0	0	0	8,014,775	0	0	0	
8.2 Charges and fees for deposit-type contracts.....	0	0	0	0	0	0	0	0	0	0	0	
8.3 Aggregate write-ins for miscellaneous income.....	197,483,462	0	1,886,062	192,650,865	0	0	0	2,946,535	0	0	0	
9. Totals (Lines 1 to 8.3).....	3,973,857,170	0	549,515,510	3,213,068,082	1,782,075	0	346,351	192,260,231	0	19,404,682	(2,519,761)	
10. Death benefits.....	54,115,120	0	53,714,822	0	0	0	400,298	0	0	0	0	
11. Matured endowments (excluding guaranteed annual pure endowments).....	1,016,371	0	1,016,371	0	0	0	0	0	0	0	0	
12. Annuity benefits.....	393,822,342	0	0	383,159,641	0	0	0	10,662,701	0	0	0	
13. Disability benefits and benefits under accident and health contracts.....	8,672,381	0	501,659	0	0	0	14,000	0	0	8,156,722	0	
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0	0	0	0	0	0	0	0	0	0	0	
15. Surrender benefits and withdrawals for life contracts.....	919,520,491	0	58,624,146	677,867,602	0	0	0	183,028,743	0	0	0	
16. Group conversions.....	0	0	0	0	0	0	0	0	0	0	0	
17. Interest and adjustments on contract or deposit-type contract funds.....	8,540,683	0	1,172,496	380,534	585,554	0	0	6,402,099	0	0	0	
18. Payments on supplementary contracts with life contingencies.....	555,356	0	0	555,356	0	0	0	0	0	0	0	
19. Increase in aggregate reserves for life and accident and health contracts.....	192,092,105	0	286,028,287	(88,003,790)	201,475	0	(897,188)	(1,217,436)	0	(4,019,243)	0	
20. Totals (Lines 10 to 19).....	1,578,334,849	0	401,057,781	973,403,987	1,342,385	0	(482,890)	198,876,107	0	4,137,479	0	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	265,761,496	0	48,208,140	211,377,228	0	0	0	4,519,215	0	1,656,913	0	
22. Commissions and expense allowances on reinsurance assumed.....	9,655,731	0	9,097,851	0	0	0	0	0	0	557,880	0	
23. General insurance expenses.....	82,578,762	0	24,058,198	47,338,801	75,653	0	158,817	9,253,593	0	1,693,700	0	
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	10,231,305	0	5,407,411	3,772,318	66,486	0	9,823	682,501	0	292,766	0	
25. Increase in loading on deferred and uncollected premiums.....	6,747,377	0	6,747,377	0	0	0	0	0	0	0	0	
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	1,803,684,097	0	0	1,845,955,820	0	0	0	(42,271,723)	0	0	0	
27. Aggregate write-ins for deductions.....	8,770,992	0	2,215	(142)	0	0	0	0	0	5,578,215	3,190,704	
28. Totals (Lines 20 to 27).....	3,765,764,609	0	494,578,973	3,081,848,012	1,484,524	0	(314,250)	171,059,693	0	13,916,953	3,190,704	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	208,092,561	0	54,936,537	131,220,070	297,551	0	660,601	21,200,538	0	5,487,729	(5,710,465)	
30. Dividends to policyholders.....	48,284,412	0	45,870,536	451	0	0	0	0	0	2,413,425	0	
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	159,808,149	0	9,066,001	131,219,619	297,551	0	660,601	21,200,538	0	3,074,304	(5,710,465)	
32. Federal income taxes incurred (excluding tax on capital gains).....	14,275,852	0	809,877	11,722,005	26,581	0	59,012	1,893,869	0	274,631	(510,123)	
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).....	145,532,297	0	8,256,124	119,497,614	270,970	0	601,589	19,306,669	0	2,799,673	(5,200,342)	

### DETAILS OF WRITE-INS

08.301. Policy Charges.....	134,491,626	0	303	134,270,960	0	0	0	220,363	0	0	0
08.302. Fee Income.....	43,015,744	0	1,895,666	38,376,210	0	0	0	2,743,868	0	0	0
08.303. Rider Fees.....	21,162,264	0	0	21,162,264	0	0	0	0	0	0	0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	(1,186,172)	0	(9,907)	(1,158,569)	0	0	0	(17,696)	0	0	0
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	197,483,462	0	1,886,062	192,650,865	0	0	0	2,946,535	0	0	0
2701. Reserve adjustment on reinsurance assumed.....	2,073	0	2,215	(142)	0	0	0	0	0	0	0
2702. Health surrender benefits.....	5,578,215	0	0	0	0	0	0	0	0	5,578,215	0
2703. Expenses related to surplus note issuance.....	3,190,704	0	0	0	0	0	0	0	0	0	3,190,704
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	8,770,992	0	2,215	(142)	0	0	0	0	0	5,578,215	3,190,704

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

## ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
<b>Involving Life or Disability Contingencies (Reserves)</b>								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year.....	4,529,366,374	.0	1,598,580,567	2,714,655,457	3,633,469	.0	5,664,238	206,832,643
2. Tabular net premiums or considerations.....	3,320,498,761	.0	365,446,845	2,812,919,218	693,878	.0	0	141,438,820
3. Present value of disability claims incurred.....	705,068	.0	705,068	0	XXX	.0	0	0
4. Tabular interest.....	169,907,321	.0	64,626,413	97,380,806	192,395	.0	182,548	7,525,159
5. Tabular less actual reserve released.....	1,442,928	.0	1,022,655	251,319	8,730	.0	0	160,224
6. Increase in reserve on account of change in valuation basis.....	0	.0	0	0	0	.0	0	0
7. Other increases (net).....	(159,516,730)	.0	8,294,684	(168,364,240)	(138,173)	.0	0	690,999
8. Totals (Lines 1 to 7).....	7,862,403,722	.0	2,038,676,232	5,456,842,560	4,390,299	.0	5,846,786	356,647,845
9. Tabular cost.....	84,942,541	.0	84,408,844	0	XXX	.0	533,697	0
10. Reserves released by death.....	20,867,874	.0	20,646,246	XXX	XXX	.0	221,628	XXX
11. Reserves released by other terminations (net).....	783,054,464	.0	57,148,678	542,552,633	0	.0	324,410	183,028,743
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	394,879,357	.0	501,659	383,159,641	555,356	.0	0	10,662,701
13. Net transfers to or (from) Separate Accounts.....	1,865,155,302	.0	0	1,907,437,121	0	.0	0	(42,281,819)
14. Total deductions (Lines 9 to 13).....	3,148,899,538	.0	162,705,427	2,833,149,395	555,356	.0	1,079,735	151,409,625
15. Reserve December 31, current year.....	4,713,504,184	.0	1,875,970,805	2,623,693,165	3,834,943	.0	4,767,051	205,238,220

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....6,151,471	.....4,201,080
1.1 Bonds exempt from U.S. tax.....	(a).....0	.....0
1.2 Other bonds (unaffiliated).....	(a).....234,170,620	.....233,819,800
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....183,606	.....183,605
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....1,702,937	.....1,702,931
2.21 Common stocks of affiliates.....	.....38,872,000	.....38,872,000
3. Mortgage loans.....	(c).....59,903,263	.....59,602,473
4. Real estate.....	(d).....403,615	.....403,615
5. Contract loans.....	.....13,822,258	.....14,039,245
6. Cash, cash equivalents and short-term investments.....	(e).....319,230	.....159,305
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....0	.....0
9. Aggregate write-ins for investment income.....	.....4,846,472	.....4,846,472
10. Total gross investment income.....	.....360,375,472	.....357,830,526
11. Investment expenses.....		(g).....8,239,225
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....188,341
13. Interest expense.....		(h).....16,429,489
14. Depreciation on real estate and other invested assets.....		(i).....71,833
15. Aggregate write-ins for deductions from investment income.....		.....83,147
16. Total deductions (Lines 11 through 15).....		.....25,012,035
17. Net investment income (Line 10 minus Line 16).....		.....332,818,491

## DETAILS OF WRITE-INS

0901. Interest on Surplus Notes - Inter Company.....	.....3,475,694	.....3,475,694
0902. Other Income.....	.....883,837	.....883,837
0903. Income on Securities Lending.....	.....486,941	.....486,941
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....4,846,472	.....4,846,472
1501. Amortization of Discount.....		.....83,147
1502. ....		.....0
1503. ....		.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....83,147

(a) Includes \$.....5,302,475 accrual of discount less \$.....7,377,203 amortization of premium and less \$.....700,472 paid for accrued interest on purchases.

(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....3,320 paid for accrued dividends on purchases.

(c) Includes \$.....4,073 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.

(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.

(e) Includes \$.....30,499 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.

(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.

(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.

(h) Includes \$.....16,263,972 interest on surplus notes and \$.....0 interest on capital notes.

(i) Includes \$.....71,833 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....0	.....0	.....0	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....0	.....0	.....0	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....7,057,954	.....(6,679,019)	.....378,935	.....2,615,388	.....0
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....49,613	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....(83)	.....0	.....(83)	.....30,030	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....(44,370,230)	.....0
3. Mortgage loans.....	.....0	.....(1,875,949)	.....(1,875,949)	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....0	.....0	.....0	.....0	.....0
7. Derivative instruments.....	.....(32,939,840)	.....0	.....(32,939,840)	.....4,520,663	.....(805,256)
8. Other invested assets.....	.....0	.....0	.....0	.....(453,081)	.....0
9. Aggregate write-ins for capital gains (losses).....	.....(200,497)	.....0	.....(200,497)	.....7,469	.....0
10. Total capital gains (losses).....	.....(26,082,466)	.....(8,554,968)	.....(34,637,434)	.....(37,600,148)	.....(805,256)

## DETAILS OF WRITE-INS

0901. Miscellaneous.....	.....(200,497)	.....0	.....(200,497)	.....0	.....0
0902. Amortization of Goodwill.....	.....0	.....0	.....0	.....7,469	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....(200,497)	.....0	.....(200,497)	.....7,469	.....0

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

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
<b>FIRST YEAR (other than single)</b>											
1. Uncollected.....	1,019,208	0	1,019,132	0	0	0	0	0	0	76	0
2. Deferred and accrued.....	12,274,731	0	12,274,731	0	0	0	0	0	0	0	0
3. Deferred, accrued and uncollected:											
3.1 Direct.....	13,293,939	0	13,293,863	0	0	0	0	0	0	76	0
3.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0
3.4 Net (Line 1 + Line 2).....	13,293,939	0	13,293,863	0	0	0	0	0	0	76	0
4. Advance.....	159,251	0	159,099	0	0	0	0	0	0	152	0
5. Line 3.4 - Line 4.....	13,134,688	0	13,134,764	0	0	0	0	0	0	(76)	0
6. Collected during year:											
6.1 Direct.....	299,230,071	0	41,175,663	258,445,837	0	0	(645,452)	0	0	254,023	0
6.2 Reinsurance assumed.....	539,007	0	531,033	0	0	0	0	0	0	7,974	0
6.3 Reinsurance ceded.....	755,195	0	657,057	0	0	0	0	0	0	98,138	0
6.4 Net.....	299,013,883	0	41,049,639	258,445,837	0	0	(645,452)	0	0	163,859	0
7. Line 5 + Line 6.4.....	312,148,571	0	54,184,403	258,445,837	0	0	(645,452)	0	0	163,783	0
8. Prior year (uncollected + deferred and accrued - advance).....	6,278,506	0	6,278,094	0	0	0	0	0	0	412	0
9. First year premiums and considerations:											
9.1 Direct.....	306,086,253	0	48,032,333	258,445,837	0	0	(645,452)	0	0	253,535	0
9.2 Reinsurance assumed.....	539,007	0	531,033	0	0	0	0	0	0	7,974	0
9.3 Reinsurance ceded.....	755,195	0	657,057	0	0	0	0	0	0	98,138	0
9.4 Net (Line 7 - Line 8).....	305,870,065	0	47,906,309	258,445,837	0	0	(645,452)	0	0	163,371	0
<b>SINGLE</b>											
10. Single premiums and considerations:											
10.1 Direct.....	2,692,203,210	0	60,474,720	2,554,497,499	0	0	77,230,991	0	0	0	0
10.2 Reinsurance assumed.....	122,606,418	0	121,277,717	1,328,701	0	0	0	0	0	0	0
10.3 Reinsurance ceded.....	136,386,267	0	0	136,386,267	0	0	0	0	0	0	0
10.4 Net.....	2,678,423,361	0	181,752,437	2,419,439,933	0	0	77,230,991	0	0	0	0
<b>RENEWAL</b>											
11. Uncollected.....	8,289,057	0	8,109,474	848	0	0	0	0	0	178,735	0
12. Deferred and accrued.....	38,107,837	0	38,107,837	0	0	0	0	0	0	0	0
13. Deferred, accrued and uncollected:											
13.1 Direct.....	44,640,681	0	44,461,098	848	0	0	0	0	0	178,735	0
13.2 Reinsurance assumed.....	1,756,214	0	1,756,214	0	0	0	0	0	0	0	0
13.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0
13.4 Net (Line 11 + Line 12).....	46,396,894	0	46,217,311	848	0	0	0	0	0	178,735	0
14. Advance.....	752,573	0	640,154	0	0	0	0	0	0	112,419	0
15. Line 13.4 - Line 14.....	45,644,321	0	45,577,157	848	0	0	0	0	0	66,316	0
16. Collected during year:											
16.1 Direct.....	261,127,393	0	180,461,811	444	0	0	65,041,879	0	0	15,623,259	0
16.2 Reinsurance assumed.....	49,956,695	0	45,880,679	0	0	0	0	0	0	4,076,016	0
16.3 Reinsurance ceded.....	40,298,410	0	32,214,935	0	0	0	0	0	0	8,083,475	0
16.4 Net.....	270,785,678	0	194,127,555	444	0	0	65,041,879	0	0	11,615,800	0
17. Line 15 + Line 16.4.....	316,429,999	0	239,704,712	1,292	0	0	65,041,879	0	0	11,682,116	0
18. Prior year (uncollected + deferred and accrued - advance).....	40,882,442	0	40,742,675	739	0	0	0	0	0	139,028	0
19. Renewal premiums and considerations:											
19.1 Direct.....	265,705,112	0	185,112,133	553	0	0	65,041,879	0	0	15,550,547	0
19.2 Reinsurance assumed.....	50,140,856	0	46,064,840	0	0	0	0	0	0	4,076,016	0
19.3 Reinsurance ceded.....	40,298,410	0	32,214,935	0	0	0	0	0	0	8,083,475	0
19.4 Net (Line 17 - Line 18).....	275,547,557	0	198,962,037	553	0	0	65,041,879	0	0	11,543,088	0
<b>TOTAL</b>											
20. Total premiums and annuity considerations:											
20.1 Direct.....	3,263,994,575	0	293,619,186	2,812,943,889	0	0	141,627,418	0	0	15,804,082	0
20.2 Reinsurance assumed.....	173,286,281	0	167,873,590	1,328,701	0	0	0	0	0	4,083,990	0
20.3 Reinsurance ceded.....	177,439,872	0	32,871,992	136,386,267	0	0	0	0	0	8,181,613	0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	3,259,840,983	0	428,620,783	2,677,886,323	0	0	141,627,418	0	0	11,706,459	0

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21. To pay renewal premiums.....	7,078,851	0	4,649,543	7	0	0	0	0	0	2,429,301	0
22. All other.....	36,508,086	0	36,507,072	1,014	0	0	0	0	0	0	0
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded.....	574,478	0	510,825	0	0	0	0	0	0	63,653	0
23.2 Reinsurance assumed.....	12,130	0	4,874	0	0	0	0	0	0	7,256	0
23.3 Net ceded less assumed.....	562,348	0	505,951	0	0	0	0	0	0	56,397	0
24. Single:											
24.1 Reinsurance ceded.....	2,038,417	0	0	2,038,417	0	0	0	0	0	0	0
24.2 Reinsurance assumed.....	9,025,578	0	9,025,578	0	0	0	0	0	0	0	0
24.3 Net ceded less assumed.....	(6,987,161)	0	(9,025,578)	2,038,417	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded.....	2,002,113	0	88,043	3,849	0	0	0	0	0	1,910,221	0
25.2 Reinsurance assumed.....	618,023	0	67,399	0	0	0	0	0	0	550,624	0
25.3 Net ceded less assumed.....	1,384,090	0	20,644	3,849	0	0	0	0	0	1,359,597	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	4,615,008	0	598,868	2,042,266	0	0	0	0	0	1,973,874	0
26.2 Reinsurance assumed (Page 6, Line 22).....	9,655,731	0	9,097,851	0	0	0	0	0	0	557,880	0
26.3 Net ceded less assumed.....	(5,040,723)	0	(8,498,983)	2,042,266	0	0	0	0	0	1,415,994	0
<b>COMMISSIONS INCURRED (direct business only)</b>											
27. First year (other than single).....	80,033,736	0	31,730,984	46,235,872	0	0	1,891,015	0	0	175,865	0
28. Single.....	114,292,768	0	0	114,233,976	0	0	58,792	0	0	0	0
29. Renewal.....	71,434,992	0	16,477,156	50,907,380	0	0	2,569,408	0	0	1,481,048	0
30. Deposit-type contract funds.....	0	0	0	0	0	0	0	0	0	0	0
31. Totals (to agree with Page 6, Line 21).....	265,761,496	0	48,208,140	211,377,228	0	0	4,519,215	0	0	1,656,913	0

## OHIO NATIONAL LIFE INSURANCE COMPANY

### EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	Accident and Health			4 All Other Lines of Business		
	1 Life	2 Cost Containment	3 All Other			
1. Rent.....	3,469,781	17,381	48,524	0	58,249	3,593,935
2. Salaries and wages.....	34,141,966	150,448	489,475	0	2,499,046	37,280,935
3.11 Contributions for benefit plans for employees.....	12,502,175	44,332	160,573	0	192,000	12,899,080
3.12 Contributions for benefit plans for agents.....	1,022,213	0	1,951	0	0	1,024,164
3.21 Payments to employees under non-funded benefit plans.....	0	0	0	0	0	0
3.22 Payments to agents under non-funded benefit plans.....	764,612	0	0	0	0	764,612
3.31 Other employee welfare.....	722,780	4,022	9,301	0	38,328	774,431
3.32 Other agent welfare.....	0	0	0	0	0	0
4.1 Legal fees and expenses.....	52,716	478,952	15	0	17,120	548,803
4.2 Medical examination fees.....	1,042,922	0	36,346	0	0	1,079,268
4.3 Inspection report fees.....	91,210	0	3,640	0	0	94,850
4.4 Fees of public accountants and consulting actuaries.....	2,749,610	575	18,385	0	123,009	2,891,579
4.5 Expense of investigation and settlement of policy claims.....	0	0	0	0	0	0
5.1 Traveling expenses.....	3,509,777	52,524	33,253	0	132,466	3,728,020
5.2 Advertising.....	709,870	0	5,218	0	0	715,088
5.3 Postage, express, telegraph and telephone.....	2,715,635	5,996	31,456	0	141,673	2,894,760
5.4 Printing and stationery.....	1,548,213	1,214	7,936	0	23,537	1,580,900
5.5 Cost or depreciation of furniture and equipment.....	624,863	807	5,513	0	7,297	638,480
5.6 Rental of equipment.....	356,468	257	2,447	0	5,505	364,677
5.7 Cost or depreciation of EDP equipment and software.....	7,384,681	2,344	44,346	0	484,969	7,916,340
6.1 Books and periodicals.....	228,040	5,043	2,544	0	74,059	309,686
6.2 Bureau and association fees.....	383,801	1,672	1,835	0	12,515	399,823
6.3 Insurance, except on real estate.....	726,138	388	7,175	0	0	733,701
6.4 Miscellaneous losses.....	0	0	0	0	0	0
6.5 Collection and bank service charges.....	0	0	0	0	0	0
6.6 Sundry general expenses.....	1,113,238	1,125	7,219	0	42,068	1,163,650
6.7 Group service and administration fees.....	0	0	0	0	0	0
6.8 Reimbursements by uninsured plans.....	0	0	0	0	0	0
7.1 Agency expense allowance.....	2,346,827	0	632	0	0	2,347,459
7.2 Agents' balances charged off (less \$.....0 recovered).....	901,776	0	0	0	0	901,776
7.3 Agency conferences other than local meetings.....	1,187,799	0	3,557	0	0	1,191,356
9.1 Real estate expenses.....	0	0	0	0	1,144,010	1,144,010
9.2 Investment expenses not included elsewhere.....	0	0	0	0	2,251,448	2,251,448
9.3 Aggregate write-ins for expenses.....	587,950	0	5,280	0	991,926	1,585,156
10. General expenses Incurred.....	80,885,061	767,080	926,621	0	8,239,225	(a) 90,817,987
11. General expenses unpaid December 31, prior year.....	8,022,706	39,442	293,022	0	1,005,635	9,360,805
12. General expenses unpaid December 31, current year.....	9,573,867	90,795	109,678	0	975,227	10,749,567
13. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0	0
14. Amounts receivable relating to uninsured plans, current year.....	0	0	0	0	0	0
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14).....	79,333,900	715,727	1,109,965	0	8,269,633	89,429,225

#### DETAILS OF WRITE-INS

09.301. Cafeteria.....	69,344	0	952	0	1,128	71,424
09.302. Correspondence Servicing Participation.....	0	0	0	0	990,798	990,798
09.303. Agency Development Expense.....	435,727	0	3,792	0	0	439,519
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	82,879	0	536	0	0	83,415
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	587,950	0	5,280	0	991,926	1,585,156

(a) Includes management fees of \$.....(29,659,377) to affiliates and \$.....0 to non-affiliates.

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes.....	0	0	0	0	0
2. State insurance department licenses and fees.....	1,370,849	31,444	0	41,057	1,443,350
3. State taxes on premiums.....	4,935,809	201,587	0	0	5,137,396
4. Other state taxes, including \$.....0 for employee benefits.....	39,860	2,472	0	96,253	138,585
5. U.S. Social Security taxes.....	3,591,986	57,263	0	51,031	3,700,280
6. All other taxes.....	32	0	0	0	32
7. Taxes, licenses and fees incurred.....	9,938,536	292,766	0	188,341	10,419,643
8. Taxes, licenses and fees unpaid December 31, prior year.....	2,396,031	63,557	0	60,697	2,520,285
9. Taxes, licenses and fees unpaid December 31, current year.....	2,585,440	76,161	0	48,995	2,710,596
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	9,749,127	280,162	0	200,043	10,229,332

### EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums.....	4,649,550	2,429,301
2. Applied to shorten the endowment or premium-paying period.....	0	0
3. Applied to provide paid-up additions.....	36,501,278	0
4. Applied to provide paid-up annuities.....	6,808	0
5. Total Lines 1 through 4.....	41,157,636	2,429,301
6. Paid-in cash.....	803,370	0
7. Left on deposit.....	886,495	0
8. Aggregate write-ins for dividend or refund options.....	0	0
9. Total Lines 5 through 8.....	42,847,501	2,429,301
10. Amount due and unpaid.....	1,396,503	242,431
11. Provision for dividends or refunds payable in the following calendar year.....	47,108,338	908,335
12. Terminal dividends.....	0	0
13. Provision for deferred dividend contracts.....	0	0
14. Amount provisionally held for deferred dividend contracts not included in Line 13.....	0	0
15. Total Lines 10 through 14.....	48,504,841	1,150,766
16. Total from prior year.....	45,481,355	1,166,642
17. Total dividends or refunds (Lines 9 + 15 - 16).....	45,870,987	2,413,425

#### DETAILS OF WRITE-INS

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

## EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
<b>Life Insurance:</b>					
0100001. 2001 CSO 4% CRVM.....	523,633,647	0	523,633,647	0	0
0100002. 2001 CSO 4% NLP.....	58,192,778	0	58,192,778	0	0
0100003. 2001 CSO 4.5% NLP.....	1,184,880	0	1,184,880	0	0
0100004. 41 CSO 2.25% CRVM.....	21,878,476	0	21,878,476	0	0
0100005. 41 CSO 2.5% CRVM.....	7,686,812	0	7,686,812	0	0
0100006. 41 CSO 2.5% NLP.....	22,984,798	0	22,984,798	0	0
0100007. 41 CSO 2.5% VPT.....	1,405,404	0	1,405,404	0	0
0100008. 42 CSO 2.5% MOD.....	648	0	648	0	0
0100009. 43 CSO 2.5% MOD.....	1,119	0	1,119	0	0
0100010. 44 CSO 2.5% MOD.....	12,071	0	12,071	0	0
0100011. 58 CET 2.5% NLP.....	12,857	0	12,857	0	0
0100012. 58 CET 3% NLP.....	547	0	547	0	0
0100013. 58 CET 3.5% NLP.....	2,234	0	2,234	0	0
0100014. 58 CET 4% NLP.....	79,901	0	79,901	0	0
0100015. 58 CET 4.5% NLP.....	53,599	0	53,599	0	0
0100016. 58 CSO 0% VPT.....	822,376	0	822,376	0	0
0100017. 58 CSO 1.75% CRVM.....	2,152,816	0	2,152,816	0	0
0100018. 58 CSO 2% CRVM.....	27,543,846	0	27,543,846	0	0
0100019. 58 CSO 2% NLP.....	346,219	0	346,219	0	0
0100020. 58 CSO 2.25% CRVM.....	4,725,361	0	4,725,361	0	0
0100021. 58 CSO 2.25% NLP.....	90,168	0	90,168	0	0
0100022. 58 CSO 2.5% CRVM.....	3,820,926	0	3,820,926	0	0
0100023. 58 CSO 2.5% NLP.....	15,659,778	0	15,659,778	0	0
0100024. 58 CSO 2.5% VPT.....	17,805	0	17,805	0	0
0100025. 58 CSO 2.75% NLP.....	1,368,545	0	1,368,545	0	0
0100026. 58 CSO 3% CRVM.....	1,593,937	0	1,593,937	0	0
0100027. 58 CSO 3% NLP.....	3,083,567	0	3,083,567	0	0
0100028. 58 CSO 3.25% NLP.....	60,840,903	0	60,840,903	0	0
0100029. 58 CSO 3.25% VPT.....	97,320	0	97,320	0	0
0100030. 58 CSO 3.5% CRVM.....	31,414,915	0	31,414,915	0	0
0100031. 58 CSO 3.5% NLP.....	1,045,976	0	1,045,976	0	0
0100032. 58 CSO 4% CRVM.....	29,024,669	0	29,024,669	0	0
0100033. 58 CSO 4% NLP.....	1,080,583	0	1,080,583	0	0
0100034. 58 CSO 4.5% CRVM.....	30,523,991	0	30,523,991	0	0
0100035. 58 CSO 4.5% NLP.....	2,894,233	0	2,894,233	0	0
0100036. 80 CET 4% NLP.....	1,112,828	0	1,112,828	0	0
0100037. 80 CET 4.5% NLP.....	22,613	0	22,613	0	0
0100038. 80 CET 5% NLP.....	1,907,628	0	1,907,628	0	0
0100039. 80 CET 6% NLP.....	1,013,314	0	1,013,314	0	0
0100040. 80 CSO 3% CRVM.....	4,491,003	0	4,491,003	0	0
0100041. 80 CSO 4% CRVM.....	190,403,247	0	190,403,247	0	0
0100042. 80 CSO 4% NLP.....	349,652,385	0	349,652,385	0	0
0100043. 80 CSO 4% XXX.....	1,037,210	0	1,037,210	0	0
0100044. 80 CSO 4.25% CRVM.....	4,321,104	0	4,321,104	0	0
0100045. 80 CSO 4.25% NLP.....	32,779	0	32,779	0	0
0100046. 80 CSO 4.5% CRVM.....	326,692,239	0	326,692,239	0	0
0100047. 80 CSO 4.5% NLP.....	39,790,726	0	39,790,726	0	0
0100048. 80 CSO 4.5% XXX.....	2,932,378	0	2,932,378	0	0
0100049. 80 CSO 5% CRVM.....	38,141,021	0	38,141,021	0	0
0100050. 80 CSO 5% NLP.....	5,566,555	0	5,566,555	0	0
0100051. 80 CSO 5.5% CRVM.....	72,375,802	0	72,375,802	0	0
0100052. 80 CSO 5.5% NLP.....	8,200,520	0	8,200,520	0	0
0100053. 80 CSO 6% CRVM.....	16,755,126	0	16,755,126	0	0
0100054. 80 CSO 6% NLP.....	9,178,632	0	9,178,632	0	0
0100055. AE 3% NLP.....	3,992,779	0	3,992,779	0	0
0100056. AE 3% VPT.....	8,323	0	8,323	0	0
0100057. AE 3.5% NLP.....	1,991,316	0	1,991,316	0	0
0100058. AE 3.5% VPT.....	11,064	0	11,064	0	0
0100059. Unearned Premium.....	26,668	0	26,668	0	0
0100060. 1970 Group Disability 3.5% NLP.....	4,767,051	0	0	0	4,767,051
0199997. Totals (Gross).....	1,939,702,016	0	1,934,934,965	0	4,767,051
0199998. Reinsurance ceded.....	74,361,189	0	74,361,189	0	0
0199999. Totals (Net).....	1,865,340,827	0	1,860,573,776	0	4,767,051
<b>Annuities (excluding supplementary contracts with life contingencies):</b>					
0200001. 55 STD 3.5%.....	27,100	XXX	27,100	XXX	0
0200002. 71 GAM 2.5%.....	301,905	XXX	0	XXX	301,905
0200003. 71 GAM 6.0%.....	845,049	XXX	0	XXX	845,049
0200004. 71 GAM 7.5%.....	519,414	XXX	0	XXX	519,414
0200005. 71 GAM 11.25%.....	4,086	XXX	0	XXX	4,086
0200006. 71IAM 2.5%.....	57,991	XXX	57,991	XXX	0
0200007. 71IAM 6.0%.....	4,026,974	XXX	4,026,974	XXX	0
0200008. 71IAM 6.75%.....	8,223	XXX	8,223	XXX	0

## EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200009. 71IAM 7.5%.....	3,825,532	XXX	3,825,532	XXX	0
0200010. 71IAM 11.25%.....	76,700	XXX	76,700	XXX	0
0200011. 83 A 6.25%.....	342,578	XXX	342,578	XXX	0
0200012. 83 A 6.5%.....	640,341	XXX	640,341	XXX	0
0200013. 83 A 6.75%.....	3,976,733	XXX	3,976,733	XXX	0
0200014. 83 A 7%.....	330,125	XXX	330,125	XXX	0
0200015. 83 A 7.25%.....	3,010,207	XXX	3,010,207	XXX	0
0200016. 83 A 7.75%.....	837,508	XXX	837,508	XXX	0
0200017. 83 A 8%.....	280,894	XXX	280,894	XXX	0
0200018. 83 A 8.25%.....	1,543,269	XXX	1,543,269	XXX	0
0200019. 83 A 8.75%.....	1,373,515	XXX	1,373,515	XXX	0
0200020. 83 A 9.25%.....	587,506	XXX	587,506	XXX	0
0200021. 83 A 11%.....	152,138	XXX	152,138	XXX	0
0200022. 83 GAM 6%.....	4,668	XXX	0	XXX	4,668
0200023. 83 GAM 6.25%.....	3,048,151	XXX	0	XXX	3,048,151
0200024. 83 GAM 6.5%.....	411,352	XXX	0	XXX	411,352
0200025. 83 GAM 6.75%.....	1,900,606	XXX	0	XXX	1,900,606
0200026. 83 GAM 7%.....	711,748	XXX	0	XXX	711,748
0200027. 83 GAM 7.25%.....	822,679	XXX	0	XXX	822,679
0200028. 83 GAM 7.75%.....	675,144	XXX	0	XXX	675,144
0200029. 83 GAM 8%.....	222,941	XXX	0	XXX	222,941
0200030. 83 GAM 8.25%.....	1,673,959	XXX	0	XXX	1,673,959
0200031. 83 GAM 8.75%.....	1,174,523	XXX	0	XXX	1,174,523
0200032. 83 GAM 9.25%.....	1,919,627	XXX	0	XXX	1,919,627
0200033. 83 GAM 11%.....	123,004	XXX	0	XXX	123,004
0200034. 94 GAM 4.25%.....	4,835,802	XXX	0	XXX	4,835,802
0200035. 94 GAM 5.00%.....	3,646,812	XXX	0	XXX	3,646,812
0200036. 94 GAM 5.25%.....	16,914,413	XXX	0	XXX	16,914,413
0200037. 94 GAM 5.5%.....	8,602,291	XXX	0	XXX	8,602,291
0200038. 94 GAM 6%.....	3,545,924	XXX	0	XXX	3,545,924
0200039. 94 GAM 6.25%.....	1,300,308	XXX	0	XXX	1,300,308
0200040. 94 GAM 6.5%.....	2,625,606	XXX	0	XXX	2,625,606
0200041. 94 GAM 6.75%.....	4,333,315	XXX	0	XXX	4,333,315
0200042. A2000 0%.....	599,353	XXX	599,353	XXX	0
0200043. A2000 4.25%.....	9,825,869	XXX	9,825,869	XXX	0
0200044. A2000 5.00%.....	12,120,014	XXX	12,120,014	XXX	0
0200045. A2000 5.25%.....	24,053,701	XXX	24,053,701	XXX	0
0200046. A2000 5.5%.....	15,172,583	XXX	15,172,583	XXX	0
0200047. A2000 6%.....	19,151,867	XXX	19,151,867	XXX	0
0200048. A2000 6.25%.....	2,366,888	XXX	2,366,888	XXX	0
0200049. A2000 6.5%.....	2,347,703	XXX	2,347,703	XXX	0
0200050. A2000 6.75%.....	3,320,325	XXX	3,320,325	XXX	0
0200051. NONE 2.5%.....	2,665	XXX	2,665	XXX	0
0200052. NONE 6%.....	167,436	XXX	0	XXX	167,436
0200053. NONE 6.25%.....	2,567,563	XXX	61,968	XXX	2,505,595
0200054. NONE 6.5%.....	2,718,025	XXX	5,182	XXX	2,712,843
0200055. NONE 6.75%.....	86,851	XXX	86,851	XXX	0
0200056. NONE 7%.....	55,129	XXX	55,129	XXX	0
0200057. NONE 7.75%.....	622,120	XXX	0	XXX	622,120
0200058. NONE 8%.....	423,961	XXX	93,808	XXX	330,153
0200059. NONE 8.25%.....	46,085	XXX	0	XXX	46,085
0200060. NONE 8.75%.....	65,785	XXX	33,334	XXX	32,451
0200061. NONE 9.25%.....	38,772	XXX	0	XXX	38,772
0200062. NONE 4.75%.....	11,251	XXX	0	XXX	11,251
0200063. NONE 5.75%.....	3,177,656	XXX	0	XXX	3,177,656
0200064. NONE 8.50%.....	81,827	XXX	0	XXX	81,827
0200065. NONE 7.00%.....	449,995	XXX	0	XXX	449,995
0200066. NONE 7.25%.....	40,608	XXX	0	XXX	40,608
0200067. 3.00% CARVM.....	260,822	XXX	260,822	XXX	0
0200068. 3.75% CARVM.....	199,303,774	XXX	199,303,774	XXX	0
0200069. 4.25% CARVM.....	52,623,423	XXX	52,623,423	XXX	0
0200070. 4.50% CARVM.....	622,577,843	XXX	622,577,843	XXX	0
0200071. 4.75% CARVM.....	695,754,990	XXX	695,754,990	XXX	0
0200072. 5.00% CARVM.....	480,695,470	XXX	480,695,470	XXX	0
0200073. 5.25% CARVM.....	137,207,683	XXX	137,207,683	XXX	0
0200074. 5.50% CARVM.....	629,610,397	XXX	629,610,397	XXX	0
0200075. 5.75% CARVM.....	59,259,834	XXX	59,259,834	XXX	0
0200076. 6.00% CARVM.....	25,369,351	XXX	25,369,351	XXX	0
0200077. 6.25% CARVM.....	33,775,692	XXX	33,775,692	XXX	0
0200078. 6.50% CARVM.....	22,376,486	XXX	22,376,486	XXX	0
0200079. 6.75% CARVM.....	21,354,510	XXX	21,354,510	XXX	0
0200080. 7.00% CARVM.....	10,247,492	XXX	10,247,492	XXX	0
0200081. 7.25% CARVM.....	2,273,971	XXX	2,273,971	XXX	0

## EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200082. 7.50% CARVM.....	4,577,009	XXX	4,577,009	XXX	0
0200083. 8.00% CARVM.....	6,508,212	XXX	6,508,212	XXX	0
0200084. 8.25% CARVM.....	3,763,523	XXX	3,763,523	XXX	0
0200085. 8.50% CARVM.....	936,442	XXX	936,442	XXX	0
0200086. Group Defd @ AV.....	134,858,100	XXX	0	XXX	134,858,100
0200087. AG43 Reserve.....	778,880,576	XXX	778,880,576	XXX	0
0200088. Funds W/H, Var Ann GMDB Re.....	3,170,123	XXX	3,170,123	XXX	0
0200089. GEB Reserve.....	209,118	XXX	209,118	XXX	0
0299997. Totals (Gross).....	4,106,369,534	XXX	3,901,131,315	XXX	205,238,219
0299998. Reinsurance ceded.....	1,372,179,894	XXX	1,372,179,894	XXX	0
0299999. Totals (Net).....	2,734,189,640	XXX	2,528,951,421	XXX	205,238,219
<b>Supplementary Contracts with Life Contingencies:</b>					
0300001. 37 STD 2.5%.....	4,668	0	4,668	0	0
0300002. 55 STD 3.5%.....	29,290	0	29,290	0	0
0300003. 71IAM 2.5%.....	84,895	0	84,895	0	0
0300004. 71IAM 6%.....	38,337	0	38,337	0	0
0300005. 71IAM 7.5%.....	133,499	0	133,499	0	0
0300006. 71IAM 11.25%.....	108,400	0	108,400	0	0
0300007. 83 A 6.25%.....	19,981	0	19,981	0	0
0300008. 83 A 6.5%.....	34,604	0	34,604	0	0
0300009. 83 A 6.75%.....	252,690	0	252,690	0	0
0300010. 83 A 7%.....	83,264	0	83,264	0	0
0300011. 83 A 7.25%.....	104,975	0	104,975	0	0
0300012. 83 A 7.75%.....	110,133	0	110,133	0	0
0300013. 83 A 8%.....	59,317	0	59,317	0	0
0300014. 83 A 8.25%.....	107,844	0	107,844	0	0
0300015. 83 A 8.75%.....	211,522	0	211,522	0	0
0300016. 83 A 9.25%.....	49,640	0	49,640	0	0
0300017. 83 A 11%.....	97,992	0	97,992	0	0
0300018. A2000 4.25%.....	495,576	0	495,576	0	0
0300019. A2000 5.00%.....	327,765	0	327,765	0	0
0300020. A2000 5.25%.....	775,456	0	775,456	0	0
0300021. A2000 5.5%.....	319,318	0	319,318	0	0
0300022. A2000 6%.....	242,789	0	242,789	0	0
0300023. A2000 6.75%.....	38,501	0	38,501	0	0
0300024. NONE 6.5%.....	80,308	0	80,308	0	0
0300025. NONE 6.75%.....	4,964	0	4,964	0	0
0300026. NONE 8.25%.....	5,624	0	5,624	0	0
0300027. NONE 8.75%.....	13,593	0	13,593	0	0
0399997. Totals (Gross).....	3,834,945	0	3,834,945	0	0
0399999. Totals (Net).....	3,834,945	0	3,834,945	0	0
<b>Accidental Death Benefits:</b>					
0400001. Combined with 1941 CSO @ 2 1/2%.....	1,706	0	1,706	0	0
0400002. Combined with 1958 CSO @ 2 1/2%.....	47,699	0	47,699	0	0
0400003. Combined with 1980 CSO @ 2 1/2%.....	51,631	0	51,631	0	0
0499997. Totals (Gross).....	101,036	0	101,036	0	0
0499998. Reinsurance ceded.....	24	0	24	0	0
0499999. Totals (Net).....	101,012	0	101,012	0	0
<b>Disability - Active Lives:</b>					
0500001. 1952 Inter-Co. Ben. 4, Per. 2 & 1941 CSO 2 1/2%.....	634	0	634	0	0
0500002. 1952 Inter-Co. Ben. 5, Per. 2 & 1958 CSO 2 1/2%.....	134,781	0	134,781	0	0
0500003. 1952 Inter-Co. Ben. 5, Per. 2 & 1980 CSO 2 1/2%.....	12,178,971	0	12,178,971	0	0
0599997. Totals (Gross).....	12,314,386	0	12,314,386	0	0
0599998. Reinsurance ceded.....	683,837	0	683,837	0	0
0599999. Totals (Net).....	11,630,549	0	11,630,549	0	0
<b>Disability - Disabled Lives:</b>					
0600001. 1952 Inter-Co. Disability Table 2 1/2%.....	3,456,288	0	3,456,288	0	0
0600002. 52 DIS B5 80 CSO 2.5.....	711,117	0	711,117	0	0
0699997. Totals (Gross).....	4,167,405	0	4,167,405	0	0
0699998. Reinsurance ceded.....	501,937	0	501,937	0	0
0699999. Totals (Net).....	3,665,468	0	3,665,468	0	0
<b>Miscellaneous Reserves:</b>					
0700001. Voluntary Reserve.....	94,741,744	0	94,741,744	0	0
0799997. Totals (Gross).....	94,741,744	0	94,741,744	0	0
0799999. Totals (Net).....	94,741,744	0	94,741,744	0	0
9999999. Totals (Net) - Page 3, Line 1.....	4,713,504,185	0	4,503,498,915	0	210,005,270

**OHIO NATIONAL LIFE INSURANCE COMPANY  
EXHIBIT 5 - INTERROGATORIES**

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes  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
- 2.2 If not, state which kind is issued
- 
3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes  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? If so, state: Yes  No
- 4.1 Amount of insurance: \$.....0
- 4.2 Amount of reserve: \$.....0
- 4.3 Basis of reserve:
- 4.4 Basis of regular assessments:
- 4.5 Basis of special assessments:
- 4.6 Assessments collected during year: \$.....0
5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.
- 
6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes  No
- 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$.....0
- 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: \$.....0  
 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
- 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: \$.....0
- 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:
- 7.3 State the amount of reserves established for this business: \$.....0
- 7.4 Identify where the reserves are reported in the blank.
- 
8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December of the current year? Yes  No
- 8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements. \$.....0
- 8.2 State the amount of reserves established for this business. \$.....0
- 8.3 Identify where the reserves are reported in the blank.
- 
9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? Yes  No
- 9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders. \$.....0
- 9.2 State the amount of reserves established for this business. \$.....0
- 9.3 Identify where the reserves are reported in the blank.

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

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

**NONE**

**EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS**

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
<b>ACTIVE LIFE RESERVE</b>									
1. Unearned premium reserves.....	876,930	.0	.0	.0	861,165	15,758	.7	.0	.0
2. Additional contract reserves (a).....	38,525,548	.0	.0	.0	33,273,510	5,252,035	.3	.0	.0
3. Additional actuarial reserves - Asset/Liability analysis.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Reserve for future contingent benefits.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Reserve for rate credits.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Totals (Gross).....	39,402,478	.0	.0	.0	34,134,675	5,267,793	10	.0	.0
8. Reinsurance ceded.....	16,263,105	.0	.0	.0	14,326,266	1,936,839	.0	.0	.0
9. Totals (Net).....	23,139,373	.0	.0	.0	19,808,409	3,330,954	10	.0	.0
<b>CLAIM RESERVE</b>									
10. Present value of amounts not yet due on claims.....	87,718,345	.0	.0	.0	84,291,118	3,426,345	882	.0	.0
11. Additional actuarial reserves - Asset/Liability analysis.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Reserve for future contingent benefits.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Totals (Gross).....	87,718,345	.0	.0	.0	84,291,118	3,426,345	882	.0	.0
15. Reinsurance ceded.....	26,667,681	.0	.0	.0	24,549,573	2,118,108	.0	.0	.0
16. Totals (Net).....	61,050,664	.0	.0	.0	59,741,545	1,308,237	882	.0	.0
17. TOTALS (Net).....	84,190,037	.0	.0	.0	79,549,954	4,639,191	892	.0	.0
18. TABULAR FUND INTEREST.....	3,875,367	.0	.0	.0	3,658,187	217,180	.0	.0	.0

**DETAILS OF WRITE-INS**

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

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

**EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS**

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	595,613,512	365,676,528	166,875,967	13,055,504	46,780,735	3,224,778
2. Deposits received during the year.....	312,852,305	299,050,000	10,698,152	2,217,648	886,505	0
3. Investment earnings credited to the account.....	21,304,971	10,852,306	8,714,096	570,496	1,146,761	21,312
4. Other net change in reserves.....	(10,375,901)	(13,047,785)	3,193,872	15,058	0	(537,047)
5. Fees and other charges assessed.....	11,885	0	11,885	0	0	0
6. Surrender charges.....	0	0	0	0	0	0
7. Net surrender or withdrawal payments.....	315,536,011	267,224,479	40,677,268	3,609,258	4,025,006	0
8. Other net transfers to or (from) Separate Accounts.....	(120,030)	0	(120,030)	0	0	0
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8).....	603,967,020	395,306,570	148,912,964	12,249,448	44,788,995	2,709,043
10. Reinsurance balance at the beginning of the year.....	0	0	0	0	0	0
11. Net change in reinsurance assumed.....	0	0	0	0	0	0
12. Net change in reinsurance ceded.....	0	0	0	0	0	0
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	0	0	0	0	0	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	603,967,020	395,306,570	148,912,964	12,249,448	44,788,995	2,709,043

## EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

### PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct.....	0	0	0	0	0	0	0	0	0	0	0
1.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0
1.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	0	0	0	0	0	0	0	0	0	0	0
2.12 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
2.13 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0
2.14 Net.....	0	0	(b).....0	(b).....0	0	(b).....0	(b).....0	0	0	0	0
2.2 Other:											
2.21 Direct.....	6,668,504	0	3,874,153	1,511,077	0	0	96,000	0	0	0	1,187,274
2.22 Reinsurance assumed.....	2,667,439	0	2,083,411	0	0	0	0	0	0	0	584,028
2.23 Reinsurance ceded.....	2,067,559	0	1,364,520	0	0	0	0	0	0	0	703,039
2.24 Net.....	7,268,384	0	(b).....4,593,044	(b).....1,511,077	0	(b).....0	(b).....96,000	0	(b).....0	(b).....0	(b).....1,068,263
3. Incurred but unreported:											
3.1 Direct.....	1,233,082	0	1,201,987	0	0	0	0	0	0	0	31,095
3.2 Reinsurance assumed.....	1,687,525	0	1,676,102	0	0	0	0	0	0	0	11,423
3.3 Reinsurance ceded.....	21,939	0	0	0	0	0	0	0	0	0	21,939
3.4 Net.....	2,898,668	0	(b).....2,878,089	(b).....0	0	(b).....0	(b).....0	0	(b).....0	(b).....0	(b).....20,579
4. Totals:											
4.1 Direct.....	7,901,586	0	5,076,140	1,511,077	0	0	96,000	0	0	0	1,218,369
4.2 Reinsurance assumed.....	4,354,964	0	3,759,513	0	0	0	0	0	0	0	595,451
4.3 Reinsurance ceded.....	2,089,498	0	1,364,520	0	0	0	0	0	0	0	724,978
4.4 Net.....	10,167,052	(a).....0	(a).....7,471,133	1,511,077	0	0	(a).....96,000	0	0	0	1,088,842

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

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

## EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

### PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct.....	463,318,809	0	35,997,529	411,158,934	555,356	0	346,448	10,662,701	0	0	4,597,841
1.2 Reinsurance assumed.....	74,807,699	0	68,044,972	0	0	0	0	0	0	0	6,762,727
1.3 Reinsurance ceded.....	71,496,720	0	42,700,249	25,512,063	0	0	(14,000)	0	0	0	3,298,408
1.4 Net.....	(d) 466,629,788	0	61,342,252	385,646,871	555,356	0	360,448	10,662,701	0	0	8,062,160
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	7,901,586	0	5,076,140	1,511,077	0	0	96,000	0	0	0	1,218,369
2.2 Reinsurance assumed.....	4,354,964	0	3,759,513	0	0	0	0	0	0	0	595,451
2.3 Reinsurance ceded.....	2,089,498	0	1,364,520	0	0	0	0	0	0	0	724,978
2.4 Net.....	10,167,052	0	7,471,133	1,511,077	0	0	96,000	0	0	0	1,088,842
3. Amounts recoverable from reinsurers December 31, current year.....	11,486,371	0	1,879,686	9,130,305	0	0	0	0	0	0	476,380
4. Liability December 31, prior year:											
4.1 Direct.....	5,023,956	0	3,727,563	276,262	0	0	42,150	0	0	0	977,981
4.2 Reinsurance assumed.....	16,910,904	0	16,259,205	0	0	0	0	0	0	0	651,699
4.3 Reinsurance ceded.....	6,204,182	0	5,512,385	0	0	0	0	0	0	0	691,797
4.4 Net.....	15,730,678	0	14,474,383	276,262	0	0	42,150	0	0	0	937,883
5. Amounts recoverable from reinsurers December 31, prior year.....	8,601,779	0	2,773,597	5,408,260	0	0	0	0	0	0	419,922
6. Incurred benefits:											
6.1 Direct.....	466,196,439	0	37,346,106	412,393,749	555,356	0	400,298	10,662,701	0	0	4,838,229
6.2 Reinsurance assumed.....	62,251,759	0	55,545,280	0	0	0	0	0	0	0	6,706,479
6.3 Reinsurance ceded.....	70,266,628	0	37,658,473	29,234,108	0	0	(14,000)	0	0	0	3,388,047
6.4 Net.....	458,181,570	0	55,232,913	383,159,641	555,356	0	414,298	10,662,701	0	0	8,156,661

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

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....1,016,371 in Line 1.1, \$.....1,016,371 in Line 1.4, \$.....1,016,371 in Line 6.1 and \$.....1,016,371 in line 6.4.

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

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

## EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0
9. Receivables for securities.....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued.....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0
18.2 Net deferred tax asset.....	61,571,862	47,550,499	(14,021,363)
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	2,595,371	2,523,395	(71,976)
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0
24. Health care and other amounts receivable.....	16,058,644	13,526,298	(2,532,346)
25. Aggregate write-ins for other than invested assets.....	20,933,394	24,634,034	3,700,640
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	101,159,271	88,234,226	(12,925,045)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	101,159,271	88,234,226	(12,925,045)

## DETAILS OF WRITE-INS

1101. ....	0	0	0
1102. ....	0	0	0
1103. ....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Overfunded pension asset.....	19,553,022	23,338,163	3,785,141
2502. Prepaid expenses.....	1,255,440	1,164,083	(91,357)
2503. Surplus note issuance cost.....	124,932	131,788	6,856
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	20,933,394	24,634,034	3,700,640

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

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

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

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

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

#### C. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition cost such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to participating policyholders is determined annually by the Company's Board of Directors. The aggregate amount of participating policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the modified scientific method.
- (3) Common Stocks are stated at market except where investments in stocks of wholly owned insurance subsidiaries and affiliates are carried on the equity basis, in accordance with SSAP No. 97.
- (4) Preferred stocks rated NAIC 1-3 are stated at cost. Preferred stocks rated NAIC 4-6 are stated at the lower of cost of market value, in accordance with the guidance provided in SSAP No. 32.
- (5) Conventional Mortgage loans on real estate are stated at unpaid principal balances less unaccrued discount, not to exceed 80% of appraised value. Mortgage loans on real estate insured and guaranteed by U.S. Agencies are stated at unpaid principal balances less unaccrued discount.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment methodology is used for asset-backed, CMO, and Mortgage-backed securities.
- (7) The Company reports the insurance subsidiaries at statutory equity. The non-insurance companies are reported at audited GAAP equity adjusted for statutory invested asset valuation rules.
- (8) The Company has minor ownership interests in joint ventures. The Company carries these interests based on the underlying audited GAAP equity of the investee.
- (9) Derivative instruments and foreign currency holdings are accounted for at fair value with the changes in fair value recorded as unrealized gains or unrealized losses. Upon termination of a derivative or foreign currency holding, the gain or loss shall be recognized in income.  
  
Any gains, losses, and expenses on the GMIB and GLWB Hedge Programs are accounted for under a Funds Withheld (Ceding Company) Reinsurance Arrangement.
- (10) The Company does not utilize the anticipated investment income as a factor in premium deficiency calculation.
- (11) Liabilities for losses for individual accident and health policies.
  - (a) Individual Disability Income policies represent more than 99.9% of the policies and about 100% of the liabilities. Claim Reserves are calculated using the 1985 Commissioner's Individual Disability Table C or the 1971 modification of the 1964 Commissioner's Disability Table with various interest rates depending on the year of the claim.
  - (b) An additional liability is established for any scheduled claim payments that are due but not yet paid as of the statement date. Incurred But Not Reported Reserves are estimated by applying factors to the total amount of monthly income in-force.
  - (c) Claim reserves and liabilities for the very small block (less than 20 policies and less than one-tenth of one percent of net claim liabilities) of major medical and hospital confinement policies still in-force are estimated using average factors per claim.
  - (d) Incurred but not reported reserves for major medical policies are set at an amount equal to the reserve and liability for 1 claim.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) Pharmaceutical Rebates Receivable – Not applicable

**NOTES TO FINANCIAL STATEMENTS****2. Accounting Changes and Corrections of Errors**

The Company's December 31, 2012 financial statements reflect a prior period adjustment relating to the recording of life reserves on certain traditional whole life policies. The reserves related to these policies were overstated. This resulted in understating surplus as of December 31, 2011 by \$8,637,847. The events contributing to the adjustment impact surplus as follows:

Increase in aggregate reserves for life and accident and health contracts (P4, L19, C1)	\$ 8,637,847
Federal and foreign income taxes incurred (excluding taxes on capital gains) (P4, L32, C1)	<u>(3,023,247)</u>
Increase in surplus (P4, L53, C1)	<u><u>\$ 5,614,600</u></u>

The Company's December 31, 2012 financial statements reflect a prior period adjustment relating to the recording of modified coinsurance (MODCO) reserves in the December 31, 2011 financial statements. Agreements relating to these reserves were amended in December 2011 and a portion of the reserves connected to the products covered by the amendment was recorded. This resulted in overstating surplus as of December 31, 2011 by \$1,012,903. The events contributing to the adjustment impact surplus as follows:

Aggregate write-ins for deductions (P4, L27, C1)	\$ (1,558,312)
Federal and foreign income taxes incurred (excluding taxes on capital gains) (P4, L32, C1)	<u>545,409</u>
Decrease in surplus (P4, L53, C1)	<u><u>\$ (1,012,903)</u></u>

The Company's December 31, 2012 financial statements reflect a prior period adjustment relating to the calculation and recording of the deferred tax asset (DTA) reversal factor. The DTA reversal factor that was used was applied inconsistently across the life insurance product lines. Upon applying a consistent factor it was determined that the net DTA as of December 31, 2011 was overstated by \$2,904,504. The events contributing to the adjustment impact surplus as follows:

Net deferred tax asset (P2, L18.2,C3)	\$ (2,904,504)
Decrease in surplus (P4, L53, C1)	<u><u>\$ (2,904,504)</u></u>

The Company's December 31, 2011 financial statements reflect other than temporary impairment errors. These other than temporary impairment errors were caused by the Company recording credit impairments below the current market value of the security. The events contributing to these errors impact surplus as follows:

Increase in Bond Book Value (P4, L34, C1)	\$ 1,367,587
Increase in surplus (P4, L53, C1)	<u><u>\$ 1,367,587</u></u>

The Company's December 31, 2011 financial statements reflect reinsurance errors of overstated assumed surrender benefits on universal life. These errors resulted due to timing in the settlement amounts of surrenders. The events contributing to these errors impact surplus as follows:

Surrender benefits and withdrawals for life contracts (P4, L15, C1)	\$ 1,200,847
Decrease of federal income tax expenses (P4, L32, C1)	<u>(420,296)</u>
Increase in surplus (P4, L53, C1)	<u><u>\$ 780,551</u></u>

**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

- (1) The minimum and maximum lending rates for mortgage loans during 2012 were:

Farm loans N/A  
Residential loans N/A  
Commercial mortgages 4.50% to 6.00%

- (2) During 2012, the Company did not reduce interest rates on outstanding loans.

- (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 mortgages was 75%.

**NOTES TO FINANCIAL STATEMENTS**

	2012	2011
(4) As of year end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest:	\$ -	\$ -
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan totaled:	-	-
(6) Current year impaired loans with a related allowance for credit losses was:	-	-
(7) Impaired mortgage loans without an allowance for credit losses was:	-	-
(8) Average recorded investment in impaired loans:	-	-
(9) Interest income recognized during the period the loans were impaired was:	-	-
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired was:	-	-
(11) Allowance for credit losses:	-	-
a. Balance at beginning of period	-	-
b. Additions charged to operations	-	-
c. Direct write-downs charged against the allowances	-	-
d. Recoveries of amounts previously charged off	-	-
e. Balance at end of period	<u>\$ -</u>	<u>\$ -</u>

(12) The methods for recording cash receipts are 0.2% checks directly to Company, 44.7% ACH and 55.1% wires to company account.

B. Debt Restructuring - NONE

C. Reverse Mortgages - NONE

D. Loan-Backed Securities

- (1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.
- (2) The Company had no other-than-temporary impairments on loan-backed securities due to the intent to sell the security or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis of the security.
- (3) The following table represents each security that recognized other-than-temporary impairment due to the fact that the present value of the cash flows expected to be collected were less than the amortized cost basis of the securities:

CUSIP	Book/Adj Carry Value Amortized Cost Before Current Period OTTI	Projected Cash Flows	Recognized Other- than-temporary Impairment in Current Period	Amortized Cost After Other-than-temporary Impairment	Fair Value at Time of OTTI
For the 3 month period ended September 30, 2009					
67087TCY5	\$ 273,596	\$ -	\$ 273,596	\$ -	\$ -
674135DP0	4,931,531	4,855,879	75,653	4,855,878	2,039,450
674135EM6	867,146	828,060	431,142	436,004	720,961
675748CF2	186,430	-	186,430	-	-
68213KAF2	239,673	-	239,673	-	-
22540VXF4	832,926	660,137	165,506	667,420	144,402
76110HJ75	7,936,209	7,794,518	139,861	7,796,348	5,109,200
8635725B5	1,455,008	1,141,238	309,494	1,145,514	344,708
Total	<u>\$ 16,722,519</u>	<u>\$ 15,279,832</u>	<u>\$ 1,821,355</u>	<u>\$ 14,901,164</u>	<u>\$ 8,358,721</u>

For the 3 month period ended December 31, 2009

02660TBU6	\$ 7,637,139	\$ 7,601,656	\$ 35,483	\$ 7,601,656	\$ 4,914,273
07383GAT3	1,469,458	865,190	604,268	865,190	608,617
073879ED6	4,970,879	4,933,122	37,757	4,933,122	3,261,754
12489WGE8	3,290,198	3,240,825	49,373	3,240,825	1,805,891
12667FY33	6,946,573	6,926,199	20,374	6,926,199	3,570,140
1729732R9	96,974	95,474	1,499	95,474	72,731
21075WBX2	1,028,503	973,648	54,854	973,648	784,634
225458AY4	2,960,468	2,948,717	11,751	2,948,717	2,256,867
45254TPL2	7,662,642	7,545,018	117,624	7,545,018	5,894,080
52520MAE3	2,885,449	2,843,398	42,052	2,843,398	1,611,270
67087TAE1	722,207	687,046	35,161	687,046	431,471
67087TDS7	2,964,616	2,240,261	724,355	2,240,261	939,801
674135EM6	7,331,749	7,124,067	207,682	7,124,067	579,683
68213KAD7	7,331,749	7,124,067	207,682	7,124,067	4,026,880
76110HJ75	7,794,518	7,718,388	76,130	7,718,388	4,919,840
76110WXR2	4,994,245	4,763,985	230,261	4,763,985	2,089,500
86359AK36	2,900,359	2,355,832	544,527	2,355,832	2,266,618
Total	<u>\$ 72,987,727</u>	<u>\$ 69,986,893</u>	<u>\$ 3,000,834</u>	<u>\$ 69,986,893</u>	<u>\$ 40,034,050</u>

**NOTES TO FINANCIAL STATEMENTS**

CUSIP	Book/Adj Carry Value Amortized Cost Before Current Period OTTI	Projected Cash Flows	Recognized Other- than-temporary Impairment in Current Period	Amortized Cost After Other-than-temporary Impairment	Fair Value at Time of OTTI
For the 3 month period ended March 31, 2010					
12489WGE8	\$ 3,240,825	\$ 3,161,000	\$ 79,825	\$ 3,161,000	\$ 2,131,687
12667FY33	6,926,199	6,851,250	74,949	6,851,250	3,985,423
12668AMN2	93,262	91,700	1,562	91,700	65,492
12669GEZ0	4,946,806	4,927,500	19,306	4,927,500	4,212,830
20846QHQ4	2,542,815	1,788,000	754,815	1,788,000	1,355,294
21075WBX2	952,003	926,000	26,003	926,000	800,096
22540VXF4	660,137	641,000	19,137	641,000	135,838
67087TDS7	2,208,046	1,372,000	836,046	1,372,000	1,286,332
674135DP0	4,855,878	4,277,896	577,982	4,277,896	2,940,065
68213KAD7	6,996,283	6,791,000	205,283	6,791,000	6,290,907
76110HJ75	7,718,388	7,659,200	59,188	7,659,200	5,177,898
76110HQ77	5,667,417	5,611,080	56,337	5,611,080	3,258,445
76110WXR2	4,763,985	4,685,000	78,985	4,685,000	1,871,350
86359APD9	12,760,928	12,726,000	34,928	12,726,000	9,328,093
86359BJ85	4,784,548	4,763,950	20,598	4,763,950	3,495,512
Total	<u>\$ 69,117,519</u>	<u>\$ 66,272,576</u>	<u>\$ 2,844,943</u>	<u>\$ 66,272,576</u>	<u>\$ 46,335,261</u>

For the 3 month period ended June 30, 2010

02660TBU6	\$ 7,601,656	\$ 7,588,123	\$ 13,533	\$ 7,588,123	\$ 5,453,213
03215PET2	416,652	389,290	27,362	389,290	194,780
12667FR56	6,893,303	6,681,615	211,688	6,681,615	4,873,540
12668AMN2	91,751	90,074	1,677	90,074	71,183
45254TPL2	7,545,018	7,503,750	41,268	7,503,750	6,339,736
52520MAE3	2,843,398	2,815,668	27,730	2,815,668	1,723,590
64352VGU9	9,824,333	9,756,591	67,742	9,756,591	5,894,100
67087TDS7	1,324,564	508,740	815,824	508,740	1,331,340
7609855B3	3,908,123	3,892,030	16,093	3,892,030	2,805,960
76110HJ75	7,659,200	7,558,440	100,760	7,558,440	5,640,080
8635725B5	934,258	905,750	28,508	905,750	286,842
86359AK36	2,130,884	2,098,130	32,754	2,098,130	2,223,316
92922FLW6	4,977,098	4,962,700	14,398	4,962,700	4,102,010
Total	<u>\$ 56,150,238</u>	<u>\$ 54,750,901</u>	<u>\$ 1,399,337</u>	<u>\$ 54,750,901</u>	<u>\$ 40,939,690</u>

For the 3 month period ended September 30, 2010

02660TBU6	\$ 7,588,123	\$ 6,320,160	\$ 1,267,963	\$ 6,320,160	\$ 5,597,476
20846QHQ4	1,735,754	1,706,619	29,135	1,706,619	1,539,479
22540VXF4	641,000	182,560	458,440	182,560	139,490
67087TAE1	649,910	618,307	31,603	618,307	469,511
674135DP0	4,277,896	4,189,000	88,896	4,189,000	4,072,450
76110HJ75	7,558,440	7,512,000	46,440	7,512,000	5,869,032
76110WXR2	4,685,000	4,165,000	520,000	4,165,000	2,039,050
86359AK36	2,094,158	1,880,550	213,608	1,880,550	2,287,416
Total	<u>\$ 29,230,281</u>	<u>\$ 26,574,196</u>	<u>\$ 2,656,085</u>	<u>\$ 26,574,196</u>	<u>\$ 22,013,904</u>

For the 3 month period ended December 31, 2010

68213KAD7	\$ 6,324,971	\$ 6,141,123	\$ 183,848	\$ 6,141,123	\$ 6,165,214
921796GR3	1,218,861	1,206,733	12,128	1,206,733	1,182,059
140725AE2	814,586	286,914	527,672	286,914	860,026
02660TBU6	6,320,160	6,298,880	21,280	6,298,880	5,439,654
12669EAF3	9,163,208	9,152,076	11,132	9,152,076	8,624,796
21075WBA2	191,206	151,874	39,332	151,874	151,001
21075WCJ2	400,604	388,786	11,818	388,786	356,221
760985B83	3,205,386	3,179,831	25,555	3,179,831	3,088,586
76110G2T7	10,194,457	10,135,630	58,827	10,135,630	10,394,620
86358RWU7	5,443,958	5,379,429	64,529	5,379,429	4,690,505
86359AK36	1,880,550	1,808,202	72,348	1,808,202	2,217,873
Total	<u>\$ 45,157,947</u>	<u>\$ 44,129,478</u>	<u>\$ 1,028,469</u>	<u>\$ 44,129,478</u>	<u>\$ 43,170,555</u>

For the 3 month period ended March 31, 2011 - NONE

For the 3 month period ended June 30, 2011 - NONE

**NOTES TO FINANCIAL STATEMENTS**

CUSIP	Book/Adj Carry Value Amortized Cost Before Current Period OTTI	Projected Cash Flows	Recognized Other- than-temporary Impairment in Current Period	Amortized Cost After Other-than-temporary Impairment	Fair Value at Time of OTTI
For the 3 month period ended September 30, 2011					
22540VZZ8	\$ 6,268,701	\$ 6,139,979	\$ 128,722	\$ 6,139,979	\$ 3,940,453
Total	<u>\$ 6,268,701</u>	<u>\$ 6,139,979</u>	<u>\$ 128,722</u>	<u>\$ 6,139,979</u>	<u>\$ 3,940,453</u>
For the 3 month period ended December 31, 2011					
759950CU0	\$ 5,000,883	\$ 4,759,883	\$ 241,000	\$ 4,759,883	\$ 4,562,900
12668AMN2	90,450	88,856	1,594	88,856	69,225
21075WBX2	771,163	637,654	133,508	637,654	512,833
36157RD93	903,591	881,222	22,369	881,222	829,076
52518RBE5	106,976	104,404	2,571	104,404	73,737
12669GC82	4,479,983	4,471,632	8,352	4,471,632	4,256,609
22540VZZ8	6,004,225	5,754,721	249,504	5,754,721	3,863,616
45254TPL2	7,503,750	7,384,000	119,750	7,384,000	6,627,088
760985B83	3,184,823	3,162,383	22,441	3,162,383	3,045,267
76110HQ77	5,617,420	5,543,319	74,100	5,543,319	4,903,876
76110HRW1	4,972,058	4,954,768	17,290	4,954,768	4,831,735
Total	<u>\$ 38,635,322</u>	<u>\$ 37,742,843</u>	<u>\$ 892,479</u>	<u>\$ 37,742,843</u>	<u>\$ 33,575,962</u>
For the 3 month period ended March 31, 2012					
12668AMN2	\$ 88,932	\$ 81,430	\$ 7,502	\$ 81,430	\$ 75,435
36157RD93	851,631	834,003	17,628	834,003	757,236
12667FY33	6,851,250	6,517,000	334,250	6,517,000	5,617,325
22540VZZ8	5,685,856	5,421,027	264,830	5,421,027	3,904,082
76110HQ77	5,544,894	5,497,575	47,319	5,497,575	5,097,065
Total	<u>\$ 19,022,563</u>	<u>\$ 18,351,035</u>	<u>\$ 671,528</u>	<u>\$ 18,351,035</u>	<u>\$ 15,451,143</u>
For the 3 month period ended June 30, 2012					
73316PHP8	\$ 100,000	\$ 98,138	\$ 1,862	\$ 98,138	\$ 78,700
22540VMK5	1,452,304	1,080,019	372,285	1,080,019	1,080,019
140725AE2	655,320	622,281	33,039	622,281	219,599
12667FR56	6,701,960	6,427,533	274,427	6,427,533	5,987,240
12669GC82	4,272,378	4,219,063	53,314	4,219,063	4,219,063
Total	<u>\$ 13,181,962</u>	<u>\$ 12,447,035</u>	<u>\$ 734,927</u>	<u>\$ 12,447,035</u>	<u>\$ 11,584,622</u>
For the 3 month period ended September 30, 2012					
73316PHP8	\$ 98,306	\$ 96,372	\$ 1,934	\$ 96,372	\$ 82,675
12667FR56	6,432,670	6,421,562	11,108	6,421,562	6,421,562
013104AC8	5,868,313	3,276,875	2,591,438	3,276,875	3,276,875
291701CD0	133,120	-	133,120	-	-
Total	<u>\$ 12,532,409</u>	<u>\$ 9,794,809</u>	<u>\$ 2,737,600</u>	<u>\$ 9,794,809</u>	<u>\$ 9,781,112</u>
For the 3 month period ended December 31, 2012					
294751EV0	6,969,793	6,868,120	101,673	6,868,120	6,868,120
22540VXF4	164,655	149,508	15,147	149,508	128,044
92922FJJ8	1,115,991	1,065,267	50,724	1,065,267	1,055,475
12667FR56	6,428,381	6,216,055	212,326	6,216,055	5,883,325
12667FY33	6,517,000	6,368,922	148,078	6,368,922	6,368,922
178779BV5	381,722	-	381,722	-	-
64352VGU9	9,837,393	9,755,469	81,924	9,755,469	9,264,500
76110HQ77	5,503,646	5,488,088	15,558	5,488,088	5,488,088
86358RWU7	3,639,941	3,620,888	19,053	3,620,888	3,620,888
86359AYL1	10,050,167	9,990,930	59,237	9,990,930	9,990,930
92922FKX5	2,020,769	1,889,301	131,468	1,889,301	1,680,779
Total	<u>\$ 52,629,457</u>	<u>\$ 51,412,547</u>	<u>\$ 1,216,910</u>	<u>\$ 51,412,547</u>	<u>\$ 50,349,071</u>

**NOTES TO FINANCIAL STATEMENTS**

- (4) All impaired securities (fair value is less than cost or amortized cost) for which a other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

- (a) The aggregate amount of unrealized losses

(1) Less than 12 Months	\$ (2,262,454)
(2) 12 Months or Longer	<u>\$ (4,614,573)</u>

- (b) The aggregate related fair value of securities with unrealized losses

(1) Less than 12 Months	\$ 96,106,049
(2) 12 Months or Longer	<u>\$ 45,818,985</u>

**E. Repurchase Agreements and/or Securities Lending Transactions**

- (1) At purchase, the Company requires collateral in the form of securities having a fair value of at least 102% of the securities' purchase price. If at any time the fair value of collateral declines to less than 100% of the securities purchase price, the counterparty is obligated to provide additional collateral to bring the total collateral held by the Company to at least 102% of the securities' purchase price.

- (2) The Company has not pledged any of its assets as collateral.

- (3) Collateral Received

(a) Aggregate Amount of Cash Collateral Received

- (1) Repurchase Agreement - None

(2) Securities Lending

	Fair Value
(a) Open	\$ 129,277,794
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater than 90 days	-
(f) Sub-Total	<u>129,277,794</u>
(g) Securities Received	-
(h) Total Collateral Received	<u>\$ 129,277,794</u>

- (3) Dollar Repurchase Agreement – None

- (b) The aggregate fair value of all securities acquired from the sale, trade or use of the accepted collateral is \$129,277,794.

- (c) Cash collateral received from borrowers on the loaned securities is remitted to US Bank for investment in accordance with the Company's Reinvestment guidelines. Cash collateral, if any, is reinvestment in short-term investments.

- (4) N/A

- (5) Collateral Reinvestment

(a) Aggregate Amount of Cash Collateral Reinvested

- (1) Repurchase Agreement - None

(2) Securities Lending

	(1) Amortized Cost	(2) Fair Value
(a) Open	\$ 129,277,794	\$ 129,277,794
(b) 30 Days or Less	-	-
(c) 31 to 60 Days	-	-
(d) 61 to 90 Days	-	-
(e) 91 to 120 Days	-	-
(f) 121 to 180 Days	-	-
(g) 181 to 365 Days	-	-
(h) 1 to 2 Years	-	-
(i) 2 to 3 Years	-	-
(j) Greater than 3 Years	-	-
(k) Sub-Total	<u>129,277,794</u>	<u>129,277,794</u>
(l) Securities Received	-	-
(m) Total Collateral Reinvested	<u>\$ 129,277,794</u>	<u>\$ 129,277,794</u>

- (3) Dollar Repurchase Agreement – None

- (6) Additional information should be included describing the general categories of information that the investor considered in reaching the conclusion that the impairments are not other-than-temporary.

Cash flow modeling was performed on all of these securities using current and expected market based assumptions, which showed that the investor will receive cash flow the percent of value of which is equal to the adjusted statement value. Therefore, any impairment is considered not other than temporary.

## NOTES TO FINANCIAL STATEMENTS

### F. Real Estate

The Company realized a \$0 loss in 2012 and a loss of \$ 21,400 in 2011. Losses are included in the Summary of Operations on Line 34, Net Realized Capital Gains (Losses).

### G. Investments in low-income housing tax credits (LHITC) – NONE

## 6. Joint Ventures, Partnerships and Limited Liability Companies – NONE

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

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

## 7. Investment Income

A. Due and accrued income was excluded from investment income on the following basis:

Bonds - where collection of interest is uncertain, are placed on non-accrual status.

Due and accrued income was excluded from surplus on the following basis: all investment income due and accrued on bonds in default as to principal and interest.

B. The total amount excluded was \$22,861

## 8. Derivative Instruments

A. As of December 31, 2012, the Company holds \$8,054,126 in over-the-counter, long dated S&P 500 European put options in order to hedge the exposure on its guaranteed principal protection rider (GPP) and guaranteed principal access rider (GPA).

In May of 2009, the Company began hedging its retained risk from Guaranteed Minimum Death Benefit (GMDB) exposures. This risk arises from GMDB included with a base ONcore variable annuity policy and from retained optional GMDB riders purchased in conjunction with a variable annuity. The Company currently employs a delta strategy that involves entering into equity futures.

B. The Company has sold the GPP rider since October 2003 and the GPA rider since May 2004. As a result, it is exposed to the economic risk that benefits provided under the riders' guaranty of principal will exceed contract values due to unfavorable equity market performance. The Company expects that during a period in which stock markets decline, the economic risk of guaranteed benefits will be mitigated by the rise in value of the put options, which it will sell, or exercise at maturity.

For both the GMDB dynamic delta hedge and the GPA/GPP European put based hedge, results, holdings and positions are reviewed by the Investment Management Committee on a monthly basis and the Executive Committee of the Board no less than quarterly.

The Company expects that during a period in which stock markets decline, the economic risk of guaranteed benefits will be mitigated by the rise in value of hedge assets which can be monetized and offset the benefit.

The S&P 500 European put options do not meet the requirements for hedge accounting treatment. The put options have been entered into with counterparties that have a credit rating of AA-/Aa3 or higher.

The futures contracts do not meet the requirements for hedge accounting treatment. Futures contracts are exchange traded.

C. Derivative instruments and foreign currency holdings are accounted for at fair value with the changes in fair value recorded as unrealized gains or unrealized losses. Upon termination of a derivative or foreign currency holding, the gain or loss shall be recognized in income. During 2012, the Company has recognized \$233,917,870 in losses in the statement of operations of which \$200,978,030 is Funds Withheld for the benefit of Sycamore Re (an affiliate), netting to \$32,939,840 which represented as part of the Summary of Operations line 34.

D. N/A - The S&P 500 European put options and futures contracts do not meet the requirements for hedge accounting treatment.

E. N/A - The S&P 500 European put options and futures contracts do not meet the requirements for hedge accounting treatment.

F. N/A - The S&P 500 European put options do not meet the requirements for hedge accounting treatment.

**NOTES TO FINANCIAL STATEMENTS****9. Income Taxes**

A. The components of the net deferred asset/ (liability) at December 31, 2012 and December 31, 2011 are as follows:

1.

		12/31/2012		
		(1)	(2)	(3)
		Ordinary	Capital	(Col 1+2) Total
(a)	Gross Deferred Tax Assets	\$ 162,126,155	\$ 9,672,520	\$ 171,798,675
(b)	Statutory Valuation Allowance Adjustment	-	-	-
(c)	Adjusted Gross Deferred Tax Assets (1a-1b)	162,126,155	9,672,520	171,798,675
(d)	Deferred Tax Assets Nonadmitted	61,571,862	-	61,571,862
(e)	Subtotal Net Deferred Tax Assets (1c - 1d)	100,554,293	9,672,520	110,226,813
(f)	Deferred Tax Liabilities	42,411,133	-	42,411,133
(g)	Net Admitted Deferred Tax Assets/(Net Deferred Liability) (1e-1f)	\$ 58,143,160	\$ 9,672,520	\$ 67,815,680

		12/31/2011		
		(4)	(5)	(6)
		Ordinary	Capital	(Col 4+5) Total
(a)	Gross Deferred Tax Assets	\$ 149,210,771	\$ 11,709,202	\$ 160,919,973
(b)	Statutory Valuation Allowance Adjustment	-	-	-
(c)	Adjusted Gross Deferred Tax Assets (1a-1b)	149,210,771	11,709,202	160,919,973
(d)	Deferred Tax Assets Nonadmitted	47,550,498	-	47,550,498
(e)	Subtotal Net Deferred Tax Assets (1c - 1d)	101,660,273	11,709,202	113,369,475
(f)	Deferred Tax Liabilities	44,579,279	-	44,579,279
(g)	Net Admitted Deferred Tax Assets/(Net Deferred Liability) (1e-1f)	\$ 57,080,994	\$ 11,709,202	\$ 68,790,196

		Change		
		(7)	(8)	(9)
		(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a)	Gross Deferred Tax Assets	\$ 12,915,384	\$ (2,036,682)	\$ 10,878,702
(b)	Statutory Valuation Allowance Adjustment	-	-	-
(c)	Adjusted Gross Deferred Tax Assets (1a-1b)	12,915,384	(2,036,682)	10,878,702
(d)	Deferred Tax Assets Nonadmitted	14,021,364	-	14,021,364
(e)	Subtotal Net Deferred Tax Assets (1c - 1d)	(1,105,980)	(2,036,682)	(3,142,662)
(f)	Deferred Tax Liabilities	(2,168,146)	-	(2,168,146)
(g)	Net Admitted Deferred Tax Assets/(Net Deferred Liability) (1e-1f)	\$ 1,062,166	\$ (2,036,682)	\$ (974,516)

## NOTES TO FINANCIAL STATEMENTS

2.

12/31/2012		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

**Admission Calculation Components - SSAP 101**

(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ 21,698,061	\$ -	\$ 21,698,061
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	36,445,099	9,672,520	46,117,619
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	36,445,099	9,672,520	46,117,619
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	146,524,102
(c)	Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	42,411,133	-	42,411,133
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101			
	Total (2(a)+2(b)+(2c))	\$ 100,554,293	\$ 9,672,520	\$ 110,226,813

## NOTES TO FINANCIAL STATEMENTS

12/31/2011		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

**Admission Calculation Components - SSAP 101**

(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ 9,589,006	\$ -	\$ 9,589,006
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	47,491,988	11,709,202	59,201,190
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	47,491,988	11,709,202	59,201,190
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	150,344,287
(c)	Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	44,579,279	-	44,579,279
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101			
	Total (2(a)+2(b)+(2c))	\$ 101,660,273	\$ 11,709,202	\$ 113,369,475

## NOTES TO FINANCIAL STATEMENTS

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total

**Admission Calculation Components - SSAP 101**

(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ 12,109,055	\$ -	\$ 12,109,055
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below)	(11,046,889)	(2,036,682)	(13,083,571)
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	(11,046,889)	(2,036,682)	(13,083,571)
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	(3,820,185)
(c)	Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	(2,168,146)	-	(2,168,146)
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101			
	Total (2(a)+2(b)+(2c))	\$ (1,105,980)	\$ (2,036,682)	\$ (3,142,662)

3.

	2012	2011
(a) Ratio Percentage Used To Determine Recovery Period and Threshold Limitation Amount	1110%	1163%
(b) Amount of Adjusted Capital and Surplus Used To Determine Recovery Period and Threshold Limitation in 2(b)2 above	\$ 976,827,344	\$ 1,002,295,248

## NOTES TO FINANCIAL STATEMENTS

4.

12/31/2012		
(1)	(2)	(3)
Ordinary Percent	Capital Percent	(Col 1+2) Total Percent

Impact of Tax Planning Strategies

(a)	Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	3%	3%
(b)	Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	8%	8%

12/31/2011		
(4)	(5)	(6)
Ordinary Percent	Capital Percent	(Col 4+5) Total Percent

Impact of Tax Planning Strategies

(a)	Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	5%	5%
(b)	Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	13%	13%

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary Percent	(Col 2-5) Capital Percent	(Col 7+8) Total Percent

Impact of Tax Planning Strategies

(a)	Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	-2%	-2%
(b)	Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	-5%	-5%

(c) Does the Company's tax-planning strategies include the use of reinsurance? Yes\_\_\_ No X

B. Unrecognized deferred tax liabilities

- (1) There are no temporary differences for which deferred tax liabilities are not recognized.
- (2) N/A
- (3) N/A
- (4) N/A

**NOTES TO FINANCIAL STATEMENTS**

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

	(1)	(2)	(3)
	12/31/2012	12/31/2011	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 27,060,274	\$ 9,335,066	\$ 17,725,208
(b) Foreign	-	-	-
(c) Subtotal	<u>27,060,274</u>	<u>9,335,066</u>	<u>17,725,208</u>
(d) Federal Income tax on net capital gains	2,683,438	6,807,535	(4,124,097)
(e) Utilization of capital loss carry-forwards	(2,683,438)	(6,807,535)	4,124,097
(f) Other	(12,784,421)	(7,237,847)	(5,546,574)
(g) Federal and foreign income taxes incurred	<u>\$ 14,275,853</u>	<u>\$ 2,097,219</u>	<u>\$ 12,178,634</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ -	\$ -	\$ -
(2) Unearned premium reserve	1,267,303	1,446,725	(179,422)
(3) Policyholder reserves	63,519,437	62,808,169	711,268
(4) Investments	-	-	-
(5) Deferred acquisition costs	56,472,367	49,705,180	6,767,187
(6) Policyholder dividends accrual	16,805,836	15,889,433	916,403
(7) Fixed assets	1,492,743	1,652,863	(160,120)
(8) Compensation and benefits accrual	14,234,499	10,779,867	3,454,632
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	-	-	-
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items<5% of total ordinary tax assets)	2,230,315	2,891,320	(661,005)
(14) Other assets non-admitted	6,103,655	4,037,214	2,066,441
(99) Subtotal	<u>162,126,155</u>	<u>149,210,771</u>	<u>12,915,384</u>
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	<u>61,571,862</u>	<u>47,550,498</u>	<u>14,021,364</u>
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	100,554,293	101,660,273	(1,105,980)
(e) Capital:			
(1) Investments	3,897,351	3,266,418	630,933
(2) Net capital loss carry-forward	5,775,169	8,442,784	(2,667,615)
(3) Real Estate	-	-	-
(4) Other (including items<5% of total capital tax assets)	-	-	-
(99) Subtotal	<u>9,672,520</u>	<u>11,709,202</u>	<u>(2,036,682)</u>
(f) Statutory valuation allowances adjustment	-	-	-
(g) Nonadmitted	<u>-</u>	<u>-</u>	<u>-</u>
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	9,672,520	11,709,202	(2,036,682)
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 110,226,813</u>	<u>\$ 113,369,475</u>	<u>\$ (3,142,662)</u>

**NOTES TO FINANCIAL STATEMENTS**

	(1)	(2)	(3)
	12/31/2012	12/31/2011	(Col 1-2) Change
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ 856,100	\$ 828,225	\$ 27,875
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	13,979,812	12,263,756	1,716,056
(5) Other (including items<5% of total ordinary tax assets)	808,149	1,141,539	(333,390)
(6) Section 807(f) adjustment	26,767,072	30,345,759	(3,578,687)
(7) Pension	-	-	-
(99) Subtotal	<u>42,411,133</u>	<u>44,579,279</u>	<u>(2,168,146)</u>
(b) Capital:			
(1) Investments	-	-	-
(2) Real Estate	-	-	-
(3) Other (including items<5% of total capital tax assets)	-	-	-
(99) Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
(c) Deferred tax liabilities (3a99 + 3b99)	42,411,133	44,579,279	(2,168,146)
4. Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 67,815,680</u>	<u>\$ 68,790,196</u>	<u>\$ (974,516)</u>

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

	Amount	Tax Effect	Effective Tax Rate
(1) Provision computed at statutory rate	\$ 159,808,152	\$ 55,932,853	35.0%
(2) Book over tax reserves	5,177,479	1,812,118	1.1%
(3) Net DAC adjustment	19,334,819	6,767,187	4.2%
(4) Net Deferred & Uncollected Premiums	(4,903,017)	(1,716,056)	-1.1%
(5) Accrued retirement benefits	6,075,137	2,126,298	1.3%
(6) Investment Differences	(49,707,048)	(17,397,467)	-10.9%
(7) Income from Subsidiary	(38,872,000)	(13,605,200)	-8.5%
(8) Dividend Received Deduction	(34,180,904)	(11,963,316)	-7.5%
(9) Policyholder dividends	2,618,292	916,402	0.6%
(10) Other	(1,015,113)	(354,433)	-0.2%
(11) Totals	<u>\$ 64,335,797</u>	<u>\$ 22,518,386</u>	<u>14.1%</u>
Federal and foreign taxes incurred		\$ 22,518,386	
Realized capital gains (losses) tax		-	
Change in net deferred income taxes		(8,242,533)	
Total current statutory income taxes		<u>\$ 14,275,853</u>	

E. (1) The Company has no net operating loss carryforward.

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

2012 (current year)	\$ 20,006,092
2011 (current year-1)	1,691,969
2010 (current year-2)	-
	<u>\$ 21,698,061</u>

(3) The aggregate amount of deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code was \$0 as of December 31, 2012.

F. (1) The Company's federal income tax return is consolidated with the following entities: Ohio National Life Assurance Corporation (ONLA) and Montgomery Re, Inc. (MONT) as part of the life/non-life consolidated return of the common parent, Ohio National Mutual Holdings, Inc.

(2) The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocations are based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled quarterly.

G. (1) Federal or Foreign Income Tax Loss Contingencies:  
The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting.

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

Effective August 1, 1998, the Company, formerly a mutual company, reorganized under Ohio's Mutual Insurance Holding Company Act. The Company is now a stock life insurance company whose shares of stock are owned entirely by Ohio National Financial Services, Inc. (ONFS), an intermediate holding company whose shares of stock are owned entirely by Ohio National Mutual Holdings, Inc. (ONMH), a mutual insurance holding company whose members are exclusively the life insurance and annuity policyholders of the Company.

Effective August 1, 1998, ONMH and ONFS each entered into Pledge and Security Agreements with the Company, whereby the assets of ONMH and ONFS were assigned and pledged to the Company, and the Company was granted a security interest therein, for purposes of satisfying the claims of the Company's policyholders in the event that proceedings involving the Company are ever commenced pursuant to the provisions of Ohio law relating to the supervision, rehabilitation or liquidation of insurers (Ohio Revised Code Sections 3903.01 to 3903.76).

On December 15, 2011, the Company purchased all shares owned by Security Mutual Life Insurance Company (SML) and became the sole stockholder of National Security Life and Annuity Company (NSLAC). Additionally, on December 31, 2011, modified coinsurance (MODCO) arrangements were amended and resulted in NSLAC recapturing variable annuity reinsurance treaties from the Company for \$4,753,855.

The Company's investment income reflects dividends of \$34,000,000, \$0, \$4,200,000 and \$672,000 in 2012 and \$24,640,000, \$0, \$3,000,000 and \$1,612,800 in 2011 from its wholly owned subsidiaries, Ohio National Life Assurance Corporation (ONLA), Ohio National Equities Inc. (ONEQ), Ohio National Investments, Inc. (ONII) and the O. N. Equity Sales Company (ONES), respectively.

Dividends to the Company's parent, ONFS, are summarized below:

	2012	2011
Dividends declared and unpaid (P3, L23, C1)	\$ 65,000,000	\$ 40,000,000
Dividends paid in cash (P5, L16.5, C1)	100,000,000	68,000,000
Dividends declared and unpaid (prior year) (P3, L23, C2)	<u>(40,000,000)</u>	-
Dividends to stockholders (P4, L52, C1)	<u>\$125,000,000</u>	<u>\$ 108,000,000</u>

The Company did not receive a capital contribution from its parent, ONFS, during 2012 and 2011, respectively.

The Company paid \$5,133,298 and \$4,712,584 for rent and operating expenses on the home office to ONFS for the years ended 2012 and 2011, respectively.

The Company has an agreement to provide personnel, EDP equipment, and supplies to ONLA. This agreement was approved by the Ohio Department of Insurance. Generally, the apportionment shall be based upon specifically identifying the expense to the incurring entity. Where this is not feasible, apportionment shall be based upon pertinent factors or ratios. The terms call for a cash settlement at least quarterly. The amount that the Company owed ONLA was \$2,837,000 and \$1,953,000 as of December 31, 2012 and 2011, respectively. Charges for all services totaled \$41,847,000 and \$40,847,003 for the years ended 2012 and 2011, respectively.

ONFS provides services for executive management and EDP equipment placed in service after December 31, 2000, to the Company. For the years ended 2012 and 2011, the Company recorded expenses of \$9,617,084 and \$17,341,134, respectively for these services.

The Company carries ONLA, a wholly owned life insurance company subsidiary, at statutory equity. The following is a summary of 2012 and 2011 financial information for ONLA:

	2012	2011
Total Assets	\$ 3,312,357,800	\$ 3,172,481,922
Total Liabilities	2,985,959,505	2,840,076,098
Total Surplus and Capital	326,398,297	332,405,827
Net Income	38,961,771	34,592,789

There were no other subsidiaries, controlled entities, or affiliates that exceeded 10% of the admitted assets.

The Company is a party to an agreement with ONMH and most of its direct and indirect subsidiaries whereby the Company shall maintain a common checking account. It is the Company's duty to maintain sufficient funds to meet the reasonable needs of each party on demand. The Company must account for the balances of each party daily. Such funds are deemed to be held in escrow by the Company for the other parties. Settlement is made daily for each party's needs from or to the common account. It is the Company's duty to invest excess funds in an interest bearing account and/or short term highly liquid investments. The Company will credit interest monthly at the average interest earned for positive cash balances during the period or charge interest on any negative balances. Interest credited for years ended December 31, 2012 and 2011 was \$12,594 and \$122,215, respectively. The parties agree to indemnify one another for any losses of any nature relating to a party's breach of its duties under the terms of the agreement. The Company held the following balances for the participating entities in Page 2 Line 23, Receivable from parent, subsidiaries and affiliates in the general account of the Annual Statement at December 31, 2012 and Page 3, Line 24.4, Payable to parent, subsidiaries and affiliates in the general account of the Annual Statement at December 31, 2011:

	2012	2011
LAC	\$ (96,346,298)	\$ 141,064,027
Suffolk Capital Management LLC	(621,553)	3,631,719
ONFS	(5,227,411)	19,548,104
SYRE	162,583,065	(83,981,152)
ONII	(7,472)	114,644
MONT	(33,533,612)	26,166,494
ONMH	(32,401)	294,383
ONFlight Inc.	(2,084,595)	2,056,185
ON Global Holdings, LLC	413,729	(58,617)
Financial Way Realty, Inc	(10,535,895)	7,424,241
Kenwood Re	(241,565)	239,481
Total	<u>\$ 14,365,992</u>	<u>\$ 116,499,509</u>

**NOTES TO FINANCIAL STATEMENTS****11. Debt**

A. The Company has no capital note obligations.

B. Other Debt

As of December 31, 2012 and 2011, the Company had a \$170,000,000 and \$160,000,000 automatic revolving credit facility, respectively. The automatic revolving credit facility was not utilized in 2012 or 2011. The Company utilized a portion of this credit facility to secure a letter of credit in 2012 and 2011. As of December 31, 2012 and 2011, the Company's outstanding credit draw was \$0 and \$0, respectively. Total interest & fees paid in 2012 and 2011 were \$165,517 and \$614,167, respectively.

C. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, and by purchasing FHLB stock, the Company can enter into deposit contracts. The Company had outstanding deposit contracts of \$175,000,000 and \$225,000,000 as of December 31, 2012 and December 31, 2011, respectively. The funding will primarily be used to improve the liquidity position of the Company. The table below indicates the amount of FHLB of Cincinnati stock purchased, collateral pledged, and additional funding capacity available related to the agreement with FHLB of Cincinnati.

	(1) Current Year	(2) Prior Year
(2) FHLB stock purchased/owned as part of the agreement	\$ 36,552,300	\$ 36,552,300
(3) Collateral pledged to the FHLB	36,969,676	826,082,033
(4) Funding capacity currently available	402,615,000	352,615,000

Total reserves related to the FHLB deposit contracts were \$160,982,517 and \$224,029,368 as of December 31, 2012 and December 31, 2011, respectively. Deposit contracts and related assets are accounted for in the Company's general account.

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

The Company sponsors a funded pension plan covering substantially all home office employees hired before January 1, 1998. Retirement benefits are based on years of service and the highest average earnings in five of the last ten years. Substantially all other home office employees hired after January 1, 1998, are covered under a defined contribution plan. The expenses for the defined contribution plan were \$2,130,789 and \$1,496,364 for 2012 and 2011, respectively. The general agents plan provides benefits based on years of service and average compensation during the final five and ten years of service.

The Company currently offers eligible retirees the opportunity to participate in a health plan. The Company has two post-retirement health plans (other benefits); one offered to home office employees, the other offered to qualifying agents. Also, a group life benefit is provided for eligible retired home office employees and career agents.

(1) Home Office Plans

Only home office employees hired prior to January 1, 1996, may become eligible for these benefits provided that the employee meets the age and years of service requirements. An employee becomes eligible for early retirement as follows: age 55 with 20 years of credited service at retirement, age 56 with 18 years of service, age 57 with 16 years of service grading to age 64 with 2 years of service. The health plan is contributory with retirees contributing approximately 55% of premium for coverage.

(2) Agents' Plans

Only qualifying agents with contracts effective prior to January 1, 1998 are eligible for post-retirement benefits. The Health plan is contributory, with retirees contributing approximately 50% of premium for coverage. As with all plan participants, the Company reserves the right to change the premium contribution at renewal.

Information regarding the funded status of the pension plans as a whole and other benefit as a whole as of December 31, 2012 and 2011 is as follows:

	Pensions		Other Benefits	
	2012	2011	2012	2011
<b>Change in Vested Benefit Obligation</b>				
Vested Benefit Obligation at beginning of year	\$ 65,409,000	\$ 56,701,000	\$ 3,925,000	\$ 4,101,000
Service costs	2,189,000	2,113,000	102,000	128,000
Interest cost	3,340,000	3,589,000	187,000	235,000
Actuarial (gain)/loss	4,493,000	7,943,000	22,000	(270,000)
Amendments	-	-	-	-
Benefits paid	(4,754,000)	(4,937,000)	(400,000)	(269,000)
Vested Benefit Obligation at end of year	<u>\$ 70,677,000</u>	<u>\$ 65,409,000</u>	<u>\$ 3,836,000</u>	<u>\$ 3,925,000</u>
<b>Change in plan assets</b>				
Fair value of assets at beginning of year	\$ 51,311,000	\$ 44,258,000	\$ -	\$ -
Actual return on plan assets	5,096,000	12,460,000	-	-
Employer contribution	-	(615,000)	-	-
Benefits paid	(4,485,000)	(4,792,000)	-	-
Fair value of assets at end of year	<u>\$ 51,922,000</u>	<u>\$ 51,311,000</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Calculation of funded status</b>				
Funded status	\$ (18,756,000)	\$ (14,097,000)	\$ (3,836,000)	\$ (3,925,000)
Unrecognized actuarial (gain) loss	30,856,000	30,454,000	(3,098,000)	(3,286,000)
Unrecognized prior service cost	-	-	(665,000)	(651,000)
(Accrued)/prepaid benefit cost	<u>\$ 12,100,000</u>	<u>\$ 16,357,000</u>	<u>\$ (7,599,000)</u>	<u>\$ (7,862,000)</u>

**NOTES TO FINANCIAL STATEMENTS**

The following table shows the portions of the above values, in aggregate, attributable to the pension plans whose vested Accumulated Benefit Obligation exceeds Plan Assets for 2012 and 2011 respectively.

	2012	2011
Vested Projected Benefit Obligation	\$ 8,640,000	\$ 7,696,000
Vested Accumulated Benefit Obligation	7,634,000	7,208,000
Plan Assets	-	-
Minimum Liability	7,634,000	7,208,000
(Accrued) / Prepaid pension cost	(7,453,000)	(6,981,000)
Unrecognized Transition Obligation	-	-

Weighted Average Assumptions used in calculation the funded status and net periodic benefit cost of the pension plans and other benefits were as follows.

	Pensions		Other Benefits	
	2012	2011	2012	2011
Discount rate	4.60%	5.10%	4.35%	4.80%
Expected return on plan assets	6.50%	6.75%	--	--
Rate of compensation increase	3.30%	3.20%	--	--
Ultimate health care inflation	--	--	2.75%	2.20%

Components of Net Benefit Cost for the pension plans and other benefits for the years ended December 31, 2012 and 2011 were as follows:

	Pensions		Other Benefits	
	2012	2011	2012	2011
Service costs	\$ 2,189,000	\$ 2,113,000	\$ 102,000	\$ 128,000
Interest cost	3,340,000	3,589,000	187,000	235,000
Expected return	(3,205,000)	(3,021,000)	-	-
Amortization of prior service cost	-	-	14,000	15,000
Recognized actuarial loss	2,203,000	1,338,000	(167,000)	(174,000)
Net Periodic Benefit Cost	<u>\$ 4,527,000</u>	<u>\$ 4,019,000</u>	<u>\$ 136,000</u>	<u>\$ 204,000</u>

The health care cost trend rate assumption has a significant effect on the amounts reported for the health care plan. A one percentage point increase in the assumed health care cost trend rate would increase the accumulated post-retirement benefit obligation as of December 31, 2012 and 2011 by \$378,000 and \$386,000, respectively, and the net periodic post-retirement benefit cost for 2012 and 2011 by \$60,000 and \$65,000 respectively.

A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated post retirement benefit obligation as of December 31, 2012 and 2011 by \$323,000 and \$331,000, respectively and the net periodic post-retirement benefit cost for 2012 and 2011 by \$51,000 and \$56,000, respectively.

The Company also maintains a contributory defined contribution profit sharing plan covering substantially all employees. Company contributions to the Profit Sharing Plan are based on the net earnings of the Company and are payable at the sole discretion of management. The contributions to the plan for 2012 and 2011 were \$5,100,000 and \$4,428,000, respectively.

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

- (1) The Company has 10,000,000 shares authorized, 10,000,000 shares issued, and 10,000,000 outstanding. All shares are Class A shares with a \$1 per share par value.
- (2) The Company has no preferred stock outstanding.
- (3) The payment of dividends by the Company to its parent, ONFS, is limited by Ohio insurance Laws. The maximum dividend that may be paid without prior approval of the Director of Insurance is limited to the greater of statutory net income of the preceding calendar year or 10% of statutory earned surplus as of the preceding December 31. Therefore, in 2013 dividends of approximately \$107,614,688 may be paid by the Company to ONFS without prior approval.
- (4) Dividends to the Company's parent, ONFS, are summarized below:

	2012	2011
Dividends declared and unpaid (P3, L23, C1)	\$ 65,000,000	\$ 40,000,000
Dividends paid in cash (P5, L16.5, C1)	100,000,000	68,000,000
Dividends declared and unpaid (prior year) (P3, L23, C2)	(40,000,000)	-
Dividends to stockholders (P4, L52, C1)	<u>\$ 125,000,000</u>	<u>\$ 108,000,000</u>

- (5) Within the limitation of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) The Company has no restrictions on unassigned surplus funds.
- (7) Not Applicable.
- (8) The Company held no stock for special purposes.
- (9) The Company has no special surplus funds.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) is \$166,888,926.

**NOTES TO FINANCIAL STATEMENTS**

- (11) On June 6, 2012 the Company issued \$250,000,000 of surplus notes at 6.875%. The notes mature on June 15, 2042. The Company used \$50,000,000 of the net proceeds from this note offering to pay an extraordinary dividend to ONFS, the parent company of the Company. An additional \$50,000,000 of the net proceeds was used to pay off its 7.5% surplus notes issued to ONFS. ONFS used that money plus approximately \$50,000,000 of its own cash to exercise its right to redeem all \$150,000,000 of its 6.35% Senior Notes due 2013. Another \$100,000,000 of net proceeds from this offering was used to purchase a surplus note directly from the Company's Vermont captive reinsurer, MONT at 6.875%. MONT used proceeds from its sale of the surplus note to purchase assets which were placed in a trust in order to back some or all of the excess or redundant reserves on the Company's ONLA term policies that it will coinsure. The remainder of the net proceeds will remain with the Company and will be used for general corporate purposes, including contributions to the Company's insurance operating subsidiaries.

The surplus notes have the following repayment conditions and restrictions: any payment of interest on, principal of, or redemption price on the surplus notes may be made only with the prior approval of the Director of Insurance of the State of Ohio (Director) and only to the extent the Company has sufficient remaining surplus to make such payment. In addition no such payment may be made, without prior approval of the Director, unless the surplus remaining after the payment described above is equal to or greater than the aggregate principal amounts of all surplus notes of the Company then outstanding.

The notes are unsecured debt obligations and issued in accordance with Section 3901.72 of the Ohio Revised Code, which regulates the issuance of, repayment of principal of, and payments of interest on, surplus notes.

The note is subordinate to the claims of policyholders and to other prior claims as set forth in Section 3903.42 of the Ohio Revised Code (all except shareholder claims) and ranks *pari passu* with any other surplus note of the Company, issued before or after this note, and with all other similarly subordinated claims.

On December 15, 2011, the Company issued a \$4,500,000 5.0% surplus note to SML, as payment for the purchase of the additional shares of NSLAC, a subsidiary. This note matures on December 15, 2031.

On April 1, 2007, the Company issued a \$6,000,000 5.8% surplus note to SML, as payment for the additional shares of NSLAC. This note matures on April 1, 2027.

The surplus note has the following repayment conditions and restrictions: each payment of interest on and principal of the surplus notes may be made only with the prior approval of the Superintendent of Insurance of the State of Ohio and only to the extent the company has sufficient remaining surplus to make such payment.

The note is not subject to mandatory redemption prior to maturity. Subject to the Superintendent's prior approval, the note may be prepaid in whole or in part at any time without penalty.

The surplus note has the following subordination terms: the note is subordinate to the claims of policyholders and to other prior claims as set forth in Section 3903.42 of the Ohio Revised Code (all except shareholder claims) and ranks *pari passu* with any other surplus note of the Company, issued before or after this note, and with all other similarly subordinated claims.

The Company has other Surplus Notes outstanding of \$50,000,000 at an interest rate of 8.5% maturing May 15, 2026.

These notes are not subject to mandatory or optional redemption prior to maturity. Payment of interest and payment of principal requires the approval of the Superintendent of Insurance of Ohio.

- (12) The Company has not restated surplus due to a quasi-reorganization.

- (13) Not Applicable.

**14. Contingencies****A. Contingent Commitments**

The company has committed to fund mortgage loans in the amount of \$22,515,250 and bonds in the amount of \$4,313,208 and has no other material contingent commitments.

**B. Assessments**

The Company has accrued a liability of \$1,968,238 based on the 2012 NOLHGA futures report. A related asset of \$1,442,829 has been established for premium tax credits expected to be realized over the 5 to 10 years following payment.

In addition, the Company has established a \$212,564 asset for guarantee fund assessments already paid. Premium tax offsets are expected to be realized over the next 5 to 10 years.

**C. Gain Contingencies**

The Company has no gain contingencies.

**D. Claims Related to Extra-contractual Obligation and Bad Faith Losses Stemming from Lawsuits – NONE****E. All Other Contingencies**

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

The Company has no assets that it considers to be impaired.

**NOTES TO FINANCIAL STATEMENTS****15. Leases**

The Company primarily leases computer equipment, printers, and copiers under various non-cancelable operating lease agreements.

The expenses for these leases are as follows:

2013	379,893
2014	232,236
2015	232,236
2016	232,236
2017	212,136
Thereafter	101,224
	\$ 1,389,961

In addition to the computer equipment, printers, and copier leases identified above, the Company also leases its home office. On December 30, 2003, the Company's parent company (ONFS) purchased the home office from ONLA, a subsidiary life insurance company. The Company's lease of the property was unaffected by this sale. The minimum rental operating expense commitments for the home office lease is:

2013	2,597,381
2014	2,597,381
2015	2,597,381
2016	1,731,587
2017	-
Thereafter	-
	\$ 9,523,730

The total of the entire lease payments for 2012 and 2011 were \$ 3,583,795 and \$3,741,671 respectively.

**16. Information about Financial Instruments with Off-balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – NONE****17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

- A. Transfer of Receivables Reported as Sales - NONE
- B. Transfer and Servicing of Financial Assets - NONE
- C. Wash Sales

The Company has no wash sales of bonds or preferred stocks with a NAIC designation of 3 or below.

**18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans**

- A. ASO Plans - NONE
- B. ASC Plans - NONE
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract - NONE

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

The Company has no premiums written/produced by managing general agents/third party administrators.

**NOTES TO FINANCIAL STATEMENTS****20. Fair Value Measurements**

A.

(1) Fair Value Measurements at December 31, 2012 are as follows:

Description for each class of asset or liability	(1) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair value				
Cash	\$ 119,443,226	\$ -	\$ -	\$ 119,443,226
Short term	19,396,479	234,999,917	-	254,396,398
Securities lending collateral	-	129,277,794	-	129,277,794
Perpetual Preferred stock				
Industrial and Misc.	-	183,663	-	183,663
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	-	183,663	-	183,663
Bonds				
U.S. Governments	-	-	-	-
Industrial and Misc	-	67,449	5,005,620	5,073,069
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	-	67,449	5,005,620	5,073,069
Common Stock				
Industrial and Misc	-	37,897,914	-	37,897,914
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	-	37,897,914	-	37,897,914
Derivative assets				
Interest rate contracts	-	-	-	-
Equity put options	-	8,054,126	-	8,054,126
Credit contracts	-	-	-	-
Futures contracts	7,502,766	-	-	7,502,766
Commodity forward contracts	-	-	-	-
Total Derivatives	7,502,766	8,054,126	-	15,556,892
Separate account assets	14,816,672,037	-	-	14,816,672,037
Total assets at fair value	<u>\$ 14,963,014,508</u>	<u>\$ 410,480,863</u>	<u>\$ 5,005,620</u>	<u>\$ 15,378,500,993</u>
b. Liabilities at fair value				
Derivative liabilities	\$ 14,495,626	\$ -	\$ -	\$ 14,495,626
Total liabilities at fair value	<u>\$ 14,495,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,495,626</u>

**NOTES TO FINANCIAL STATEMENTS**

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

	Balance at 1/1/2012	Transfers in Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases, issuances, sales and settlements	Purchases	Issuances	Sales	Settlements	Balance at 12/31/2012
a. Assets:											
Loan-Backed and Structured Securities	4,152,398	-	(459,708)	-	136,434	-	-	-	-	-	3,829,124
Residential Morgaged- Backed Securities	-	-	-	-	-	-	-	-	-	-	-
Private Placements	2,959,261	-	(1,468,934)	136,722	(30,008)	-	-	-	-	(420,545)	1,176,496
Derivative	-	-	-	-	-	-	-	-	-	-	-
Credit Contracts	-	-	-	-	-	-	-	-	-	-	-
Other Fund Investments	-	-	-	-	-	-	-	-	-	-	-
Hedge Fund High-Yield Dept. Securities	-	-	-	-	-	-	-	-	-	-	-
Private Equity	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>7,111,659</b>	<b>-</b>	<b>(1,928,642)</b>	<b>136,722</b>	<b>106,426</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(420,545)</b>	<b>5,005,620</b>
b. Liabilities:											
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

All transfers out of level 3 due to either rating upgrades from NAIC 6 (lower of cost or market) to NAIC 5 (statement value of amortized cost) or NAIC 6 where fair value exceeds amortized cost at 12/31/12.

As of December 31, 2012, the reported fair value of the reporting entity's investments in Level 3, NAIC 6, securities was \$5,005,620. The loan-backed and structured securities are mezzanine and subordinate tranches in a securitization trusts with a weighted-average coupon rate of 6.87% and weighted-average maturity of 12 years. The underlying loans for these securities are manufactured housing and franchise/equipment loans originated in 1998 and 2000. The private placement securities have a weighted-average coupon rate of 7.57% and weighted-average maturity of 4 years. All of these securities are below investment grade. To measure the fair value the Company either used an independent pricing service that uses independent broker quotations from market makers and other broker/dealers recognized to be market participants which utilize inputs that may be difficult to corroborate with observable market data and may be nonbinding quotes or were priced by the Company as the securities are illiquid and no price available. Therefore, the Company has classified these fair values within Level 3.

## B. Other Fair Value disclosures – NONE

## C. Fair Values for all Financial Instruments

(1) Type of Financial Instrument	(2) Aggregate Fair Value	(3) Admitted Assets	(4) Level 1	(5) Level 2	(6) Level 3	(7) Not Practicable (Carry Value)
Bonds	4,651,471,182	4,214,962,310		4,646,465,562	5,005,620	
Common stock non-affiliate	37,897,914	37,897,914		37,897,914		
Preferred stock	16,949,151	16,784,897		16,784,897		
Mortgage loans	862,493,333	854,363,975		862,493,333		
Derivatives- equity put options	8,054,126	8,054,126		8,054,126		
Derivatives- futures contracts	7,502,766	7,502,766	7,502,766			
Derivatives- futures contracts	(14,495,626)		(14,495,626)			

## D. Not Practicable to Estimate Fair Values - NONE

**NOTES TO FINANCIAL STATEMENTS****21. Other Items**

- A. Extraordinary Items - NONE
- B. Troubled Debt Restructuring – NONE
- C. Other Disclosures

- (1) The Company's GMIB and GMDB riders issued prior to April 1, 2008 are reinsured with a non-affiliated reinsurer up to a certain level of coverage. The Company has reinsurance agreements in place with an affiliate for reinsurance coverage on the amounts in excess of the underlying non-affiliated reinsurance. The reinsurance agreements with our affiliate provide for a combined \$135 million deductible that must be covered by the Company before coverage is provided by this affiliate. The Company's exposure related to GMIB and GMDB riders issued prior to April 1, 2008 is limited to the amount of this deductible since reinsurance coverage is either provided by the non-affiliated reinsurer or by the affiliated reinsurer once the deductible amount has been exceeded.

In order to provide for this deductible, the Company voluntarily established a reserve. The Company used the AG43 stochastic computation (CTE98) for this deductible portion.

The Company recognized the voluntary reserve as the difference between the stochastic CTE98 reserve for the deductible less the implicit reserve for the deductible in the reported reserve prior to adding the CTE98 reserve for the deductible. As of December 31, 2012, the implicit reserve for the deductible was \$0 under the standard scenario reserve prior to the Company increasing the deductible reserve to \$94,741,541 using CTE98. The voluntary reserve was initially set up at 12/31/2011 with a balance of \$93,158,097, which was recorded as a direct reduction to unassigned surplus. The reserve increase of \$1,583,454 during 2012 was recorded as a reduction to operating income. Since the change in reserve amount cannot be determined for the next three years, no deferred tax benefit was admitted.

- (2) The table below provides additional detail and information regarding our annuity withdrawal characteristics which are briefly presented in note 32.

	Amount	Ceded	Net	% of Total
Statement of Annuity Withdrawal Characteristics				
A. Subject to discretionary withdrawal				
-with adjustment				
(1) -with market value adjustment	\$ 530,164,670	\$ -	\$ 530,164,670	3.0%
(2) -at book value less surrender charge				
Surrender charge >=9%	9,438,301	-	9,438,301	0.1%
Surrender charge >=8% but <9%	51,592,321	-	51,592,321	0.3%
Surrender charge >=7% but <8%	94,304,907	-	94,304,907	0.5%
Surrender charge >=6% but <7%	246,987,268	-	246,987,268	1.4%
Surrender charge >=5% but <6%	381,460,736	-	381,460,736	2.1%
(3) At fair value**	14,544,228,626	-	14,544,228,626	81.2%
(4) Total with adjustment or at market value	15,858,176,829	-	15,858,176,829	88.5%
(5) Subject to discretionary withdrawal without adjustment at book value (minimal or no charge)				
Surrender charge >=4% but <5%	21,245,162	-	21,245,162	0.1%
Surrender charge >=3% but <4%	97,021,018	-	97,021,018	0.5%
Surrender charge >=2% but <3%	21,491,542	-	21,491,542	0.1%
Surrender charge >=1% but <2%	19,031,034	-	19,031,034	0.1%
Surrender charge >=0%	2,113,402,674	520,918,017	1,592,484,657	8.9%
Total at book value	2,272,191,429	520,918,017	1,751,273,413	9.8%
B. Not subject to discretionary withdrawal	1,159,707,237	851,261,877	308,445,360	1.7%
C. Total annuity actuarial reserves and deposit fund liabilities (gross)	19,290,075,495			
D. Less: reinsurance		1,372,179,894		
E. Total annuity actuarial reserves and deposit fund liabilities (net)*			17,917,895,602	100.0%
* Reconciliation of total annuity actuarial reserves and deposit fund liabilities				
F. Statutory Statement Values				
(1) Exhibit 5, Annuities Section, Totals (net)	4,106,369,534	1,372,179,894	2,734,189,640	
(2) Exhibit 5, Supplementary Contracts, Totals (net)	3,834,945	-	3,834,945	
(3) Exhibit of Deposit Type Contracts Column 1, Line 14	603,967,020	-	603,967,020	
(4) Subtotal	<u>4,714,171,499</u>	<u>1,372,179,894</u>	<u>3,341,991,605</u>	
Separate Accounts Annual Statement				
(5) Exhibit 3, Line 0299999, Column 2	14,575,903,996	-	14,575,903,996	
(6) Exhibit 3, Line 0399999, Column 2	-	-	-	
(7) Policyholder Coupon & Div. Accum.	-	-	-	
(8) Policyholder Premiums	-	-	-	
(9) Guaranteed Interest Contracts	-	-	-	
(10) Other contract deposit funds	-	-	-	
(11) Subtotal	14,575,903,996	-	14,575,903,996	
(12) Combined Total	<u>\$ 19,290,075,495</u>	<u>\$ 1,372,179,894</u>	<u>\$ 17,917,895,601</u>	

\*\* Includes \$14,575,903,996 of individual and group variable deferred Annuity held in Separate Accounts that are surrenderable at market value less a surrender charge.

**NOTES TO FINANCIAL STATEMENTS**

## General Interrogatory 24.3

The Company participates in an indemnified securities lending program administered by US Bank in which certain securities are made available for lending. Cash collateral received from borrowers on the loaned securities is remitted to US Bank for investment in accordance with the Company's Reinvestment guidelines. As of December 31, 2012, the Company had \$109,231,283 on loan and \$ 129,277,794 in collateral.

D. Balances for Certain Assets Covered by SSAP #6, 47 & 66 – NONE

E. Business Interruption Insurance Recoveries – NONE

F. State Transferable and Non-transferable Tax Credits

(1) Carrying value of transferable state tax credits gross of any related tax liabilities and total unused transferable state tax credits by state tax credits by state and in total.

(1)	(2)	(3)	(4)
Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Premium Tax Credits Guaranty Funds	Colorado	\$ 347	\$ 347
Premium Tax Credits Guaranty Funds	Connecticut	1,400	1,400
Premium Tax Credits Guaranty Funds	Dist. Columbia	258	258
Premium Tax Credits Guaranty Funds	Florida	912	912
Premium Tax Credits Guaranty Funds	Idaho	19	19
Premium Tax Credits Guaranty Funds	Indiana	2,879	2,879
Premium Tax Credits Guaranty Funds	Iowa	21,486	21,486
Premium Tax Credits Guaranty Funds	Kansas	19,328	19,328
Premium Tax Credits Guaranty Funds	Kentucky	19,132	19,132
Premium Tax Credits Guaranty Funds	Missouri	19,922	19,922
Premium Tax Credits Guaranty Funds	No. Carolina	120	120
Premium Tax Credits Guaranty Funds	Ohio	8,200	8,200
Premium Tax Credits Guaranty Funds	Oklahoma	1,852	1,852
Premium Tax Credits Guaranty Funds	So. Carolina	6,465	6,465
Premium Tax Credits Guaranty Funds	Tennessee	446	446
Premium Tax Credits Guaranty Funds	Texas	102,757	102,757
Premium Tax Credits Guaranty Funds	Utah	4,095	4,095
Premium Tax Credits Guaranty Funds	Virginia	848	848
Premium Tax Credits Guaranty Funds	Washington	501	501
Premium Tax Credits Guaranty Funds	Wisconsin	417	417
Premium Tax Credits Guaranty Funds	Wyoming	1,180	1,180
Total		\$ 212,564	\$ 212,564

(2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company has no transferable state tax credits on December 31, 2012. The Company estimated the utilization of its remaining non-transferable state tax credits by projecting future premium tax liabilities based on current premiums, credits and tax rates in future years and comparing the projected tax liabilities against the remaining non-transferable state tax credits.

(3) Impairment Loss

The Company does not have any impairment losses related to the write down of non-transferable state tax credits.

(4) State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Nonadmitted
a. Transferable	\$ -	\$ -
b. Non-transferable	\$ 212,564	\$ -

**NOTES TO FINANCIAL STATEMENTS****G. Subprime Mortgage Related Risk Exposure**

- (1) The Company has investments in residential mortgage-backed securities whose underlying collateral includes a significant component of subprime mortgage exposure. Subprime mortgage pools include mortgage loans that have characteristics such as high loan-to-value ratios on the underlying loans, borrowers with low credit ratings (FICO scores), loans with limited documentation of the borrowers' income, assets or debt, loans with monthly payments that start with low monthly payments based on a fixed introductory rate that expires after a short initial period and then adjusts significantly higher thereafter, and loans that are interest-only or negative amortization loans.

The exposure to subprime mortgage securities is monitored on a periodic basis with regard to market price versus book value, changes in credit ratings and changes in underlying credit support. The Company's exposure to subprime risk has been mitigated by limiting overall exposure to this asset class, and by having a portfolio that is composed primarily of older-vintage, senior tranches of subprime residential mortgage-backed securities.

Management utilized external vendor prices to determine fair value of the securities with significant subprime mortgage exposure. If at some point external vendor prices are not available, broker quotations will be used to determine fair value.

- (2) The Company had no direct exposure through investments in subprime mortgage loans.

- (3) Direct exposure through other investments.

	1 Actual Cost	2 Book/Adjusted Carrying Value (excluding interest)	3 Fair Value	4 Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 78,291,939	\$ 78,687,153	\$ 78,708,024	\$ 1,107,295
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investment in SCAs*	-	-	-	-
f. Other assets	-	-	-	-
g. Total	<u>\$ 78,291,939</u>	<u>\$ 78,687,153</u>	<u>\$ 78,708,024</u>	<u>\$ 1,107,295</u>

\* The Company does not have any subsidiary companies.

- (4) The Company had no underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

**H. Retained Assets**

To settle life insurance death benefit proceeds in excess of \$7,500, the Company uses a Retained Asset Account (RAA) program whereby the beneficiary(ies) receive a checkbook, allowing the beneficiaries to have immediate access to the proceeds. This is the default method for satisfying life insurance claims. If left in the retained asset account, the funds earn interest at the rate of the "Money market, annual yield" rate as listed in the "Bonds, Rates & Yields" section of the Wall Street Journal on the last business day of the previous month. Interest is compounded daily and posted to accounts monthly. The only fees assessed against the RAAs are a \$15 stopped check fee and a \$10 insufficient funds fee. The interest rates credited during calendar year 2012 are as follows:

(1)	January	0.49%
	February	0.51%
	March	0.47%
	April	0.47%
	May	0.49%
	June	0.50%
	July	0.50%
	August	0.53%
	September	0.52%
	October	0.51%
	November	0.51%
	December	0.51%

The liability for RAAs is reflected on page 3, line 17, "Amounts withheld or retained by company as agent or trustee."

- (2)

	In Force			
	As of December 31, 2012		As of December 31, 2011	
	(a) Number	(b) Balance	(c) Number	(d) Balance
Up to and including 12 Months	186	\$14,745,751	486	\$10,308,871
13 to 24 Months	316	20,548,896	68	2,257,095
25 to 37 Months	121	5,263,090	116	3,498,890
37 to 48 Months	101	2,576,954	158	7,141,070
49 to 60 Months	55	1,873,729	206	10,255,004
Over 60 Months	428	9,145,583	238	25,439,675
Total	1,207	\$54,154,003	1,272	\$58,900,605

## NOTES TO FINANCIAL STATEMENTS

	Individual		Group	
	(1)	(2)	(3)	(4)
	Number	Balance/Amount	Number	Balance/Amount
Retained Asset Accounts at the Beginning of the Year	1,272	\$58,900,605	0	\$0
Issued/Added	322	\$45,433,091	0	\$0
Investment Earnings Credited to Retained Asset Accounts	N/A	\$295,161	N/A	\$0
Fees and Other Charges Assessed to Retained Asset Accounts	N/A	\$205	N/A	\$0
Transferred to State Unclaimed Property Funds	0	\$0	0	\$0
Accounts Closed/Withdrawn	387	\$50,474,648	0	\$0
Retained Asset Accounts at the End of the Year	1,207	\$54,154,003	0	\$0

**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.

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(2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No (X) If yes, give full details.

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Section 2 - Ceded Reinsurance Report - Part A

(1) Does the Company have any reinsurance agreements in effect under which the insurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes ( ) No (X)

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

(b) What is the total amount of reinsurance credits taken, whether as an asset or as reduction of liability, for these agreements in this statement? \$ \_\_\_\_\_

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

Yes ( ) No (X) If yes, give full details.

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## NOTES TO FINANCIAL STATEMENTS

### Section 3 - Ceded Reinsurance Report - Part B

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

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

Yes ( ) No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$0

#### (4) Uncollectible Reinsurance

The Company has not written off any reinsurance balances in the current year.

#### (5) Commutation of Reinsurance Reflected in Income and Expenses.

The company has not reported in its operations in the current year any commutation of reinsurance with other companies.

### 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination – NONE

### 25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves and Loss Adjustment Expenses as of December 31, 2011 were \$ 62,458,891. As of December 31, 2012, \$ 8,394,809 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves and Loss Adjustment Expenses remaining for prior years are now \$ 58,133,912. The decrease is generally the result of the natural progression of a block of disability income claims and the increase or decrease in original estimates as additional information becomes known regarding individual claims.

### 26. Intercompany Pooling Arrangements - NONE

### 27. Structured Settlements – NONE

### 28. Health Care Receivables – Not Applicable

### 29. Participating Policies

For the reporting period ended December 31, 2012, direct premiums earned under individual life participating policies were \$293,619,185 or 68.5% of total individual life premiums earned. Direct premiums earned under individual accident and health participating policies were \$15,885,000 or 99.9% of total individual accident and health premiums earned. The Company has no group life or group accident and health participating policies. The Company accounts for its policyholder dividends based upon the dividend scale in effect at the time the dividend is paid. The Company paid dividends in the amount of \$ 45,276,802 to policyholders and did not allocate any additional income to such policyholders.

### 30. Premium Deficiency Reserves – NONE

### 31. Reserves for Life Contracts and Deposit-type Contracts

- (1) The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premiums beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) On current issues, reserves on substandard policies are standard mortality table reserves plus one-half the modal charge for extra mortality during the premium paying period.
- (3) As of December 31, 2012, the Company had \$ 1,945,808,381 of Individual Life 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.
- (4) The tabular interest, tabular less actual reserve released and tabular cost, have all been determined from the basic data for the calculation of policy reserves and the actual reserves released.
  - a. Tabular Interest: Involving Life Contingencies  
For deferred annuities we use the interest that is credited to the account value.  
For immediate pay-out annuities (on a seriatim basis) the valuation interest rate is applied to the beginning reserve. For new contracts, interest from the date of issue to the valuation date is calculated using an effective interest rate calculation. Interest is subtracted for interest on each benefit payment from its effective date to the valuation date.
  - b. Tabular Cost and Tabular less Actual Reserves  
Releases have been determined by formula as specified in the instructions given T-A+I and I.
- (5) Tabular interest on funds not involving life contingencies:
  - a. Tabular interest on immediate cases not involving life contingencies is calculated by applying (on a seriatim basis) the valuation interest rate to the beginning reserve and for new contracts we calculate interest from the date of issue to the valuation date using an effective interest rate calculation. We subtract interest for each benefit payment from its effective date to the valuation date.
- (6) Other changes consist of the increase in the differences between statutory reserves for deferred annuities and their account value.

**NOTES TO FINANCIAL STATEMENTS****32. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics**

## Statement of Annuity Withdrawal Characteristics

	Amount	% of Total
A. Subject to discretionary withdrawal - with adjustment		
(1) - with market value adjustment	\$ 530,164,670	2.7%
(2) - at book value less surrender charge	783,783,533	4.1%
(3) At fair value**	14,544,228,626	75.4%
(4) Total with adjustment or at mkt value	15,858,176,829	82.2%
(5) Subject to discretionary withdrawal - without adjustment at book value (minimal or no charge)	2,272,191,429	11.8%
B. Not subject to discretionary withdrawal	1,159,707,237	6.0%
C. Total annuity actuarial reserves and deposit fund liabilities (gross)	19,290,075,495	100.0%
D. Less: reinsurance	1,372,179,894	
E. Total annuity actuarial reserves and deposit fund liabilities (net)*	<u>\$ 17,917,895,601</u>	
* Surrender charge >=5%		
* Reconciliation of total annuity actuarial reserves and deposit fund liabilities		
F. Statutory Statement Values		
(1) Exhibit 5, Annuities Section, Totals (net)	\$ 2,734,189,640	
(2) Exhibit 5, Supplementary Contracts, Totals (net)	3,834,945	
(3) Exhibit of Deposit Type Con, Column 1, Line 14	603,967,020	
(4) Subtotal	<u>3,341,991,605</u>	
Separate Accounts Annual Statement		
(5) Exhibit 3, Line 0299999, Column 2	14,575,903,996	
(6) Exhibit 3, Line 0399999, Column 2	-	
(7) Policyholder Coupon & Div Accums	-	
(8) Policyholder Premiums	-	
(9) Guaranteed Interest Contracts	-	
(10) Other contract deposit funds	-	
(11) Subtotal	<u>14,575,903,996</u>	
(12) Combined Total	<u><u>\$ 17,917,895,601</u></u>	

\*\* Includes \$14,575,903,996 of individual and group variable deferred Annuity held in Separate Accounts that are surrenderable at market value less a surrender charge.

## G. FHLB (Federal Home Loan Bank) Agreements

- (1) The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, and by purchasing FHLB stock, the Company can enter into deposit contracts. The Company had outstanding deposit contracts of \$175,000,000 and \$225,000,000 as of December 31, 2012 and December 31, 2011, respectively. The funding will primarily be used to improve the liquidity position of the Company. The table below indicates the amount of FHLB of Cincinnati stock purchased, collateral pledged, and additional funding capacity available related to the agreement with FHLB of Cincinnati.

	(1) Current Year	(2) Prior Year
(2) FHLB stock purchased/owned as part of the agreement	\$ 36,552,300	\$ 36,552,300
(3) Collateral pledged to the FHLB	36,969,676	826,082,033
(4) Funding capacity currently available	402,615,000	352,615,000

Total reserves related to the FHLB deposit contracts were \$ 160,982,517 and \$224,029,368 as of December 31, 2012 and December 31, 2011, respectively. Deposit contracts and related assets are accounted for in the Company's general account.

**33. Premium and Annuity Considerations Deferred and Uncollected**

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2012 were as follows:

	Gross	Net of Loading
Ordinary New Business	\$ 13,293,939	\$ 2,243,520
Ordinary Renewal	46,396,896	37,877,602
TOTAL	<u>\$ 59,690,835</u>	<u>\$ 40,121,122</u>

**NOTES TO FINANCIAL STATEMENTS****34. Separate Accounts**

## A. Separate Account Activity:

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

Variable Individual Annuities

Variable Group Annuities

Variable Immediate Annuities

In accordance with the state of Ohio procedures on approving items within the separate account, the separate account classification of the products are supported by the Ohio statute 3907.15.

- In accordance with the products/transactions recorded within the separate account, some assets are considered legally insulated whereas others are not legally insulated from the general ledger account. (The legal insulation of the separate account assets prevents from being generally available to satisfy claims resulting from the general account.)

As of December 31, 2012 and 2011, the Company separate account statement included legally insulated assets of \$14,816,672,037 and \$11,519,577,343, respectively.

The assets legally insulated from the general account as of December 31, 2012 are attributed to the following products:

Products	Legally Insulated Assets	S/A Assets (Not Legally Insulated)
Variable Individual Annuities	\$ 14,105,803,657	\$ -
Variable Group Annuities	679,209,945	-
Variable Immediate Annuities	31,658,435	-
Totals	<u>\$ 14,816,672,037</u>	<u>\$ -</u>

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

As of December 31, 2012, the general account of the Company had a maximum guarantee for separate account liabilities of \$1,989,907,415.

To compensate the general account for the risk taken, the separate account has paid risk charges as follows for the past five (5) years:

(b) 2011	\$ 127,514,695
(c) 2010	108,745,400
(d) 2009	89,354,434
(e) 2008	XXX
(e) 2007	XXX

As of December 31, 2012, the general account of the Company had paid \$14,721,317 towards separate account guarantees.

- The Company does not engage in securities lending transactions within the separate account.

## B. General Nature and Characteristics of Separate Accounts Business

The Company issues traditional variable annuity contracts through its separate accounts, for which investment income and gains and losses on investments accrue directly to, and investment risk is borne by, the contract holder. The Company also issues non-traditional variable annuity contracts in which the Company provides various forms of guarantees/riders to benefit the related contract holders.

*GMDB Riders*

Certain variable annuity contracts include GMDBs with the base contract and offer additional death and income benefits through riders that can be added to the base contract. These GMDB riders typically provide that upon the death of the annuitant, the beneficiaries could receive an amount in excess of the contract value. The GMDB could be equal to the premiums paid into the contract, the highest contract value as of a particular time, e.g., every contract anniversary, or the premiums paid into the contract times an annual interest factor. The Company assesses a charge for the GMDB riders and prices the base contracts so as to allow the Company to recover a charge for any built-in death benefits.

*GMIB Riders*

Certain variable annuity contracts include GMIB riders with the base contract. These riders allow the policyholder to annuitize the contract after ten years and to receive a guaranteed minimum monthly income for his or her life. The amount of the payout is based upon a guaranteed income base that is typically equal to the greater of the premiums paid increased by 6% annually or the highest contract value on any contract anniversary, except that for riders sold after May 2009 the rate was changed to 5%. In some instances, based upon the age of the annuitant, the terms of this rider may be less favorable for the contract purchaser. The amount of the monthly income is tied to annuitization tables that are built into the GMIB rider. In the event that the policyholder could receive a higher monthly income by annuitization based upon the Company's current annuitization rates, the annuitant will automatically receive the higher monthly income. This means that the contract value could be significantly less than the guaranteed income base, but it might not provide any benefit to the policyholder or any cost to the Company. In addition, some policyholders may not be willing to give up access to their contract value that occurs with annuitization under the rider. Effective May 1, 2010, the Company discontinued offering the GMIB rider.

## NOTES TO FINANCIAL STATEMENTS

### *GLWB Riders*

The Company discontinued offering the GMIB rider during 2010 and began to offer a GLWB rider. The GLWB rider allows the owner to take withdrawals from the contract at a guaranteed percentage of the GLWB base every year even if the contract value goes to zero. Such guaranteed withdrawals may start anytime after the annuitant reaches age 59 1/2. The percentage withdrawal amount guaranteed increases if the annuitant attains a higher age band before the owner starts taking withdrawals. At the time of policy inception, the GLWB base is set at the amount of the purchase payments and it is increased by the amount of future purchase payments. It increases ("rolls up") by up to eight percent simple interest every year for the first ten years, as long as no withdrawal is made. If a withdrawal is made in any year during the first ten years, there is no roll up at all for that year. If the contract value exceeds the GLWB base on any contract anniversary prior to the first contract anniversary after the annuitant reaches age 95, the GLWB base resets to the contract value and a new ten-year roll-up period begins. In addition to the roll-up feature, some GLWB riders also provide for a "top-off" of the GLWB base at the end of the tenth contract year if the owner has not made any withdrawals in the first ten years, subject to attained age restrictions where applicable. The "top-off" is equal to two hundred percent of the first-year purchase payments. Policyholders are eligible for only one "top-off" during the contractual term. A reset to the contract value does not start a new "top-off" period. A "top-off" will typically not occur if there is any reset in the first ten years.

The initial GLWB riders (issued May 1, 2010 through December 31, 2010) had a built-in death benefit. This death benefit is reduced dollar-for-dollar for withdrawals. It differs from most of the other death benefits that decline pro rata for withdrawals. Thus, when the contract value is less than the death benefit, withdrawals will reduce the death benefit under the GLWB rider by a smaller amount than the reduction for other death benefits. Also offered is a joint-life version of the GLWB rider. Under the joint-life version, if the annuitant dies after the owner has started taking withdrawals the surviving spouse may elect a spousal continuation under the rider and continue to receive the same payment. Under the single-life GLWB rider, the guaranteed amount that may be withdrawn could decline either because (1) the contract value is less than the GLWB base and under the single-life GLWB rider the contract value then becomes the new GLWB base; and/or (2) the surviving spouse is in a different age band.

The later generations of GLWB riders (issued January 1, 2011 through present) are offered by the Company in both single-life and joint-life versions. In conjunction with the second generation GLWB riders, the Company also began selling new death benefit riders in both single-life and joint-life versions.

### *GMAB Riders*

Certain variable annuity contracts include a GMAB rider, in which the account value on the tenth anniversary will not be less than the remaining initial premium.

### *GMWB Riders*

Certain variable annuity contracts include a GMWB rider. The GMWB rider is similar to the GMAB rider except the policyholder is allowed to make periodic withdrawals instead of waiting for the benefit in a lump sum at the end of ten years. The Company discontinued the sale of its GMWB rider in 2009.

Effective December 31, 2009, the Company adopted Actuarial Guideline 43 CARVM for Variable Annuities (AG43). AG43 interprets the standards for the valuation of reserves for variable annuity and other contracts involving certain guaranteed benefits similar to those offered with variable annuities. The guideline applies the principles of asset adequacy analysis directly to the risks associated with these products and guarantees. AG43 includes a provision which allows the Company to request a three year grade-in period from the Domiciliary Commissioner. The Company requested permission to use the three year grade-in period from the Ohio Department of Insurance. This request was approved.

AG43 is a holistic reserve methodology; thus rider benefit reserves are not determined separately from the base reserve; rather the reserve is determined on the policy as a whole. Therefore, in the absence of NAIC presentation guidance, the AG43 reserve can be shown in several acceptable ways in the annual statement. The Company decided to report the AG43 reserve in the general account annual statement as an amount in excess of the Basic Reserve (AG33). The AG43 reserve in excess of the Basic (AG33) reserve (gross) of \$778,880,576 is held in Exhibit 5, Annuity Reserves section, of the Company's general account annual statement as AG43 Reserve. There is a ceded reserve of \$851,261,878 that is held in Exhibit 5, Annuity Reserves Section, of the Company's general account annual statement as a component of Reinsurance Ceded. The presentation methodology makes it appear as though the direct reserve held is less than the reinsurance ceded; this is a result of the Basic Adjusted Reserve in AG43 being less than the Basic Reserve (AG33) since the Basic Adjusted Reserve is determined as the Basic Reserve (AG33) ignoring the free partial withdrawal path.

Certain other separate accounts relate to group annuity contracts that fund defined contribution pension plans of a non-guaranteed nature. The net investment experience of the separate account is credited directly to the policyholder and can be positive or negative. These group variable annuities generally provide no guaranteed death benefits of any kind.

**NOTES TO FINANCIAL STATEMENTS**

Separate Accounts with Guarantees	Nonguaranteed Separate Accounts	Total
(1) Premiums, considerations or deposits for year ended 2012		
Reserves as of 12/31/2012	\$ 2,333,590,105	\$ 2,333,590,105
(2) For accounts with assets at		
a. Market Value	14,358,487,435	14,358,487,435
b. Amortized Cost	217,416,561	217,416,561
c. Total Reserves	<u>\$ 14,575,903,996</u>	<u>\$ 14,575,903,996</u>
(3) By withdrawal characteristics		
a. Subject to discretionary withdrawal	\$ -	\$ -
b. With MV adjustment	-	-
c. At book value wo MV adj and w current surr chg of more than 5%	-	-
d. At market value	14,544,228,625	14,544,228,625
e. At book value wo MV adj and w current surr chg of lest than 5%	-	-
f. Subtotal	<u>14,544,228,625</u>	<u>14,544,228,625</u>
g. Not subject to discretionary withdrawal	31,675,371	31,675,371
h. Total	<u>\$ 14,575,903,996</u>	<u>\$ 14,575,903,996</u>
(4) Reserves for Asset Default Risk in Lieu of AVR		
(5) Transfers as reported in the Summary of Operations of the Sep Accts Stmt		
* <i>Line 2(c) should equal Line 3(h)</i>		
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 (Page 4, Line 1.4)	\$ 2,333,790,601	
b. Transfers from Separate Accounts (Page 4, Line 10)	529,916,104	
c. Net transfers to (from) Separate Accounts (a) - (b)		\$ 1,803,874,497
(2) Reconciling Adjustments		
a. Processing Income		(200,497)
b. Other Net		10,096
(3) Transfers as reported in the Summary of Operations of the Life Accident & Health Annual Statement +(2)=(Page 4, Line26)		<u>\$ 1,803,684,096</u>

**35. Loss / Claim Adjustment Expenses**

The balance in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2011 and December 31, 2012 was \$1,223,132 and \$1,242,787, respectively

The company incurred \$83,300 and paid \$102,955 of claim adjustment expenses in the current year, of which \$95,054 of the paid amount was attributable to insured or covered events of prior years. The company did not increase or decrease the provision for insured events of prior years.

The company does not have any provision for salvage or subrogation.

# OHIO NATIONAL LIFE INSURANCE COMPANY 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. 12/31/2010
- 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. 12/31/2010
- 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). 03/01/2012
- 3.4 By what department or departments? \_\_\_\_\_

Ohio Department of Insurance

- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [ ] No [ ] N/A [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [ X ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [ X ]
- 4.12 renewals? Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] 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 Co. Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] 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, .....0.000 %
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. \_\_\_\_\_

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ 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 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 FDIC	6 SEC
Ohio National Equities, Inc	Cincinnati, OH				YES
The ON Equity Sales Company	Cincinnati, OH				YES
Suffolk Capital Mgmt LLC	New York, NY				YES

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG - 191 West Nationwide Blvd., Suite 500 - Columbus, Ohio 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 answer 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?  
Ronald John Dolan - Vice Chairman & Chief Risk Officer - One Financial Way - Cincinnati, Ohio 45242

## GENERAL INTERROGATORIES

- 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 .....0  
 12.13 Total book/adjusted carrying value \$.....0
- 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 [X]  
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [X]  
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]  
 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]  
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code.

- 14.11 If the response to 14.1 is no, please explain: \_\_\_\_\_
- 
- 14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]  
 14.21 If the response to 14.2 is yes, provide information related to amendment(s). \_\_\_\_\_

- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s). \_\_\_\_\_

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? 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	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

### PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]  
 17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]  
 18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

### PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.11 To directors or other officers \$.....0  
 20.12 To stockholders not officers \$.....0  
 20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.21 To directors or other officers \$.....0  
 20.22 To stockholders not officers \$.....0  
 20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]  
 21.2 If yes, state the amount thereof at December 31 of the current year:  
 21.21 Rented from others \$.....0  
 21.22 Borrowed from others \$.....0  
 21.23 Leased from others \$.....0  
 21.24 Other \$.....0
- 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 \$.....0  
 22.22 Amount paid as expenses \$.....0  
 22.23 Other amounts paid \$.....0
- 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. \$.....6,360,346

### PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.01 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 24.03)? Yes [X] No [ ]  
 24.02 If no, give full and complete information relating thereto. \_\_\_\_\_

**PART 1 - COMMON INTERROGATORIES - INVESTMENT**

24.03 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).  
Refer to note 21 C

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

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....0

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....129,277,794

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

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [ ] N/A [ ]

24.09 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 [ ]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....129,277,794

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....129,277,794

24.103 Total payable for securities lending reported on the liability page. \$.....129,277,794

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 24.03) Yes [ ] No [X]

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

25.21 Subject to repurchase agreements \$.....0

25.22 Subject to reverse repurchase agreements \$.....0

25.23 Subject to dollar repurchase agreements \$.....0

25.24 Subject to reverse dollar repurchase agreements \$.....0

25.25 Pledged as collateral \$.....0

25.26 Placed under option agreements \$.....0

25.27 Letter stock or securities restricted as to sale \$.....0

25.28 On deposit with state or other regulatory body \$.....0

25.29 Other \$.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [X] 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: \$.....0

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
US Bank	PO Box 2054 Schilitz Park, Suite 300 Milwaukee, WI 53201
Goldman, Sachs & Co.	200 West Street, New York, NY 10282-2198

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

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

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

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

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

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

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

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	4,469,358,706	4,905,867,578	436,508,872
30.2 Preferred stocks.....	16,784,897	16,951,463	166,566
30.3 Totals.....	4,486,143,603	4,922,819,041	436,675,438

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

Merrill Lynch bond pricing through HUB Data, Bloomberg, and US Bancorp were used to obtain fair market value for public issues.

Private issues were priced using a matrix program based on quality spread over the final December 31, 2011 Treasury Bond rates.

**PART 1 - COMMON INTERROGATORIES - INVESTMENT**

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ X ] No [ ]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ X ] No [ ]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.
- 
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [ X ] No [ ]
- 32.2 If no, list exceptions:
- 

**PART 1 - COMMON INTERROGATORIES - OTHER**

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....1,682,707
- 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
Standard & Poors	513,013

- 34.1 Amount of payments for legal expenses, if any? \$.....738,821
- 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

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....6,321
- 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
Association of Ohio Life Insurance Companies	6,321

## 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 \$.....0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....0
- 1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$.....0
- 1.62 Total incurred claims \$.....0
- 1.63 Number of covered lives .....0
- All years prior to most current three years:
- 1.64 Total premium earned \$.....0
- 1.65 Total incurred claims \$.....0
- 1.66 Number of covered lives .....0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$.....0
- 1.72 Total incurred claims \$.....0
- 1.73 Number of covered lives .....0
- All years prior to most current three years:
- 1.74 Total premium earned \$.....0
- 1.75 Total incurred claims \$.....0
- 1.76 Number of covered lives .....0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	.....0	.....0
2.2 Premium Denominator.....	.3,259,840,984	.1,948,437,379
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	.....1,965,772	.....1,922,976
2.5 Reserve Denominator.....	.4,713,119,528	.4,540,148,243
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

- 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? \$.....0
- 3.4 State the authority under which Separate Accounts are maintained:

- 3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [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)?" \$.....0

- 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 \$.....18,462,356
- 4.22 Received \$.....48,121,733

- 5.1 Does the reporting entity write any guaranteed interest contracts? Yes [X] No [ ]
- 5.2 If yes, what amount pertaining to these items is included in:
- 5.21 Page 3, Line 1 \$.....395,306,570
- 5.22 Page 4, Line 1 \$.....0

6. For stock reporting entities only:
- 6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$.....183,297,154

7. Total dividends paid stockholders since organization of the reporting entity:
- 7.11 Cash \$.....628,000,000
- 7.12 Stock \$.....0

## GENERAL INTERROGATORIES

### PART 2 - LIFE INTERROGATORIES

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

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

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

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

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

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, Col. 1 was assumed from pools? \$.....0

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 Waiting Period Remaining	4 Account Value Related to Col. 3	5 Total Related Account Values	6 Gross Amount of Reserve	7 Location of Reserve	8 Portion Reinsured	9 Reinsurance Reserve Credit
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit							
	29,376,972	0	24,610,810	24,610,810		Exhibit 5	1	
	82,492,789	1	66,598,739	66,598,739		Exhibit 5	1	
	457,716,394	2	350,911,523	350,911,523		Exhibit 5	1	
	816,303,770	3	605,591,446	605,591,446		Exhibit 5	1	
	1,650,086,203	4	1,131,343,759	1,131,343,759		Exhibit 5	1	
	2,182,714,841	5	1,577,125,167	1,577,125,167		Exhibit 5	1	
	449,228,452	6	408,174,175	408,174,175		Exhibit 5	1	
	447,603,392	7	422,704,492	422,704,492		Exhibit 5	1	
	3,850,165,185	8	3,593,566,903	3,593,566,903		Exhibit 5	1	
	456,801,358	9	435,295,159	435,295,159		Exhibit 5	1	
	218,401,073	10	219,196,870	219,196,870		Exhibit 5	1	
	6,182,631	1	8,572,548	8,572,548		Exhibit 5	0	
	22,452,595	2	29,702,691	29,702,691		Exhibit 5	0	
	29,129,371	3	38,191,842	38,191,842		Exhibit 5	0	
	39,048,193	4	42,294,501	42,294,501		Exhibit 5	0	
	39,950,381	5	43,625,301	43,625,301		Exhibit 5	0	
	26,399,768	6	43,774,221	43,774,221		Exhibit 5	0	
	1,046,692,182	7	1,111,319,756	1,111,319,756		Exhibit 5	0.96	
	1,073,897,062	8	1,097,380,401	1,097,380,401		Exhibit 5	0.97	
	40,593,836	9	43,702,982	43,702,982		Exhibit 5	0.36	
	22,229,663	10	22,739,490	22,739,490		Exhibit 5	0.48	
	4,010,381,234	N/A	4,017,175,930	4,017,175,930		Exhibit 5	1	
	14,996,498,338			14,860,344,770		Exhibit 5	0.41	
	AG43 in excess of Basic Reserve (AG33)				873,831,238			851,261,878

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

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

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

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

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

11.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....0

11.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

11.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....0

# OHIO NATIONAL LIFE INSURANCE COMPANY

## FIVE-YEAR HISTORICAL DATA

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

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

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Life Insurance in Force (Exhibit of Life Insurance)</b>					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....	12,749,819	11,149,181	9,492,891	8,684,378	8,193,448
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	52,223,860	39,776,512	22,800,133	25,140,642	13,370,305
3. Credit life (Line 21, Col. 6).....	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....	12,007	14,708	16,142	17,468	18,936
5. Industrial (Line 21, Col. 2).....	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....	0	0	0	0	0
7. Total (Line 21, Col. 10).....	64,985,686	50,940,401	32,309,166	33,842,488	21,582,689
<b>New Business Issued (Exhibit of Life Insurance)</b>					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	1,722,053	1,469,427	1,205,714	925,507	866,635
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....	99,876	77,167	69,855	81,509	80,484
10. Credit life (Line 2, Col. 6).....	0	0	0	0	0
11. Group (Line 2, Col. 9).....	0	0	0	0	0
12. Industrial (Line 2, Col. 2).....	0	0	0	0	0
13. Total (Line 2, Col. 10).....	1,821,929	1,546,594	1,275,569	1,007,016	947,119
<b>Premium Income - Lines of Business (Exhibit 1-Part 1)</b>					
14. Industrial life (Line 20.4, Col. 2).....	0	0	0	0	0
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	428,620,783	314,119,039	268,565,719	220,337,301	216,424,256
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....	2,677,886,323	1,499,313,044	1,420,578,350	2,510,107,301	2,135,811,206
16. Credit life (group and individual) (Line 20.4, Col. 5).....	0	0	0	0	0
17.1 Group life insurance (Line 20.4, Col. 6).....	0	0	0	0	0
17.2 Group annuities (Line 20.4, Col. 7).....	141,627,418	122,920,349	134,448,460	137,333,959	148,902,964
18.1 A&H - group (Line 20.4, Col. 8).....	0	0	0	0	0
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....	0	0	0	0	0
18.3 A&H - other (Line 20.4, Col. 10).....	11,706,459	12,084,947	12,563,690	14,541,924	14,330,340
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....	0	0	0	0	0
20. Total.....	3,259,840,983	1,948,437,379	1,836,156,219	2,882,320,485	2,515,468,766
<b>Balance Sheet (Pages 2 and 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	6,814,575,393	6,609,430,822	6,638,772,403	6,625,894,002	6,710,914,946
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	5,766,259,821	5,706,914,848	5,778,794,442	5,815,498,292	5,958,695,423
23. Aggregate life reserves (Page 3, Line 1).....	4,713,504,185	4,529,366,373	4,430,281,066	4,573,758,621	4,568,404,626
24. Aggregate A&H reserves (Page 3, Line 2).....	84,190,035	88,209,279	91,282,202	90,807,333	92,815,833
25. Deposit-type contract funds (Page 3, Line 3).....	603,967,019	595,613,512	826,753,481	1,040,804,173	983,699,363
26. Asset valuation reserve (Page 3, Line 24.01).....	25,243,899	22,034,427	20,923,938	17,290,650	11,628,100
27. Capital (Page 3, Lines 29 & 30).....	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
28. Surplus (Page 3, Line 37).....	1,038,315,575	892,515,974	850,700,900	806,715,566	747,191,973
<b>Cash Flow (Page 5)</b>					
29. Net Cash from operations (Line 11).....	278,997,947	184,288,458	(8,473,559)	91,826,277	137,507,218
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital.....	1,119,191,721	961,813,259	910,267,569	857,962,236	793,117,304
31. Authorized control level risk-based capital.....	87,972,116	86,006,104	90,474,706	101,014,420	88,632,827
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0</b>					
32. Bonds (Line 1).....	65.0	64.9	67.7	67.7	68.1
33. Stocks (Lines 2.1 and 2.2).....	8.0	8.4	4.8	5.2	5.0
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....	13.2	14.1	13.9	13.4	14.2
35. Real estate (Line 4.1, 4.2 and 4.3).....	0.1	0.1	0.1	0.1	0.1
36. Cash, cash equivalents and short-term investments (Line 5).....	5.8	5.5	5.3	10.0	9.4
37. Contract loans (Line 6).....	4.1	3.9	3.8	3.5	3.1
38. Derivatives (Line 7).....	0.2	0.2	0.2	XXX	XXX
39. Other invested assets (Line 8).....	1.7	0.0	0.0	0.0	0.0
40. Receivables for securities (Line 9).....	0.0	0.1	0.0	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10).....	2.0	2.8	4.2	XXX	XXX
42. Aggregate write-ins for invested assets (Line 11).....	0.0	0.0	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

# OHIO NATIONAL LIFE INSURANCE COMPANY

## FIVE-YEAR HISTORICAL DATA

(continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Sch. D Summary, Line 12 Col. 1).....	0	4,937,350	4,891,102	4,848,041	0
45. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1).....	0	0	0	0	0
46. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1).....	464,265,912	492,636,141	270,334,104	300,617,080	285,663,308
47. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....	0	0	0	0	0
48. Affiliated mortgage loans on real estate.....	0	0	23,794,893	24,566,224	25,180,942
49. All other affiliated.....	0	0	0	0	0
50. Total of above Lines 44 to 49.....	464,265,912	497,573,491	299,020,099	330,031,345	310,844,250
51. Total investment in parent included in Lines 44 to 49 above.....	0	0	0	0	0
<b>Total Nonadmitted and Admitted Assets</b>					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	101,159,271	88,234,226	44,110,903	90,506,575	68,186,099
53. Total admitted assets (Page 2, Line 28, Col. 3).....	21,631,247,430	18,129,008,165	17,968,158,037	15,785,003,597	12,159,782,370
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income).....	332,818,491	339,547,834	350,962,881	365,440,270	369,119,057
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....	(37,917,614)	(2,688,556)	(20,336,004)	(59,780,513)	(92,498,391)
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	(37,600,148)	179,089,985	(30,517,425)	10,981,738	70,396,881
57. Total of above Lines 54, 55 and 56.....	257,300,729	515,949,263	300,109,452	316,641,495	347,017,547
<b>Benefits and Reserve Increase (Page 6)</b>					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....	1,368,989,983	1,361,244,138	1,193,813,209	1,083,353,743	1,384,090,554
59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	8,156,722	8,554,075	7,983,774	7,917,298	7,505,491
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	286,028,287	149,205,804	145,017,125	84,179,719	97,158,760
61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	(4,019,243)	(3,072,924)	474,869	(2,008,498)	2,958,890
62. Dividends to policyholders (Line 30, Col 1).....	48,284,412	45,536,188	39,409,561	39,588,505	40,736,162
<b>Operating Percentages</b>					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	9.9	12.9	12.3	8.2	7.7
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	9.3	6.8	8.5	6.8	3.5
65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	41.9	48.8	69.6	42.0	73.4
66. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....	6.6	2.9	2.2	1.4	0.3
67. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	12.5	25.2	24.8	23.7	23.9
<b>A&amp;H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	0	0	0	0	0
69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	0	0	0	0	0
70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	65,808,972	66,335,256	65,440,566	65,366,239	62,504,104
71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	62,173,642	62,981,982	62,602,941	63,122,507	60,078,593
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
72. Industrial life (Col. 2).....	0	0	0	0	0
73. Ordinary - life (Col. 3).....	8,256,124	16,220,492	8,645,832	17,120,144	14,201,647
74. Ordinary - individual annuities (Col. 4).....	119,497,614	51,618,654	151,424,863	116,205,082	(65,645,708)
75. Ordinary - supplementary contracts (Col. 5).....	270,970	202,481	(83,749)	(248,382)	(380,527)
76. Credit life (Col. 6).....	0	0	0	0	0
77. Group life (Col. 7).....	601,589	467,229	725,785	497,863	692,014
78. Group annuities (Col. 8).....	19,306,669	4,994,148	942,407	3,290,831	13,135,945
79. A&H - group (Col. 9).....	0	0	0	0	0
80. A&H - credit (Col. 10).....	0	0	0	0	0
81. A&H - other (Col. 11).....	2,799,673	2,560,443	2,289,344	3,747,894	873,388
82. Aggregate of all other lines of business (Col. 12).....	(5,200,342)	0	0	0	0
83. Total (Col. 1).....	145,532,297	76,063,447	163,944,482	140,613,432	(37,123,241)

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

Yes [ ] No [ ]

If no, please explain:

## EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year.....	.0	.0	131,369	50,925,693	.0	.0	.0	466	14,708	50,940,401
2. Issued during year.....	.0	.0	5,388	1,821,929	.0	.0	.0	.0	.0	1,821,929
3. Reinsurance assumed.....	.0	.0	37,806	18,042,521	.0	.0	.0	.0	.0	18,042,521
4. Revived during year.....	.0	.0	23	12,975	.0	.0	.0	.0	.0	12,975
5. Increased during year (net).....	.0	.0	.0	140,405	.0	.0	.0	.0	.0	140,405
6. Subtotals, Lines 2 to 5.....	.0	.0	43,217	20,017,830	.0	.0	.0	.0	.0	20,017,830
7. Additions by dividends during year.....	XXX	.0	XXX	.0	XXX	.0	XXX	XXX	.0	.0
8. Aggregate write-ins for increases.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. Totals (Lines 1 and 6 to 8).....	.0	.0	174,586	70,943,523	.0	.0	.0	466	14,708	70,958,231
<b>Deductions during year:</b>										
10. Death.....	.0	.0	1,659	81,334	.0	.0	XXX	18	423	81,757
11. Maturity.....	.0	.0	308	11,651	.0	.0	XXX	.0	.0	11,651
12. Disability.....	.0	.0	.0	.0	.0	.0	XXX	.0	.0	.0
13. Expiry.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Surrender.....	.0	.0	2,877	909,314	.0	.0	.0	77	2,278	911,592
15. Lapse.....	.0	.0	7,414	4,499,364	.0	.0	.0	.0	.0	4,499,364
16. Conversion.....	.0	.0	359	197,903	.0	.0	XXX	XXX	XXX	197,903
17. Decreased (net).....	.0	.0	.0	215,875	.0	.0	.0	.0	.0	215,875
18. Reinsurance.....	.0	.0	178	54,403	.0	.0	.0	.0	.0	54,403
19. Aggregate write-ins for decreases.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20. Totals (Lines 10 to 19).....	.0	.0	12,795	5,969,844	.0	.0	.0	95	2,701	5,972,545
21. In force end of year (Line 9 minus Line 20).....	.0	.0	161,791	64,973,679	.0	.0	.0	371	12,007	64,985,686
22. Reinsurance ceded end of year.....	XXX	.0	XXX	24,183,660	XXX	.0	XXX	XXX	.0	24,183,660
23. Line 21 minus Line 22.....	XXX	.0	XXX	40,790,019	XXX	(b)	.0	XXX	12,007	40,802,026

### DETAILS OF WRITE-INS

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

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

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

**OHIO NATIONAL LIFE INSURANCE COMPANY**

**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	0	.XXX	1,619,263
25. Other paid-up insurance.....	0	0	10,177	100,299
26. Debit ordinary insurance.....	.XXX	.XXX	0	0

**ADDITIONAL INFORMATION ON ORDINARY INSURANCE**

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing.....	0	0	0	0
28. Term policies-other.....	0	0	73,450	51,265,162
29. Other term insurance-decreasing.....	.XXX	0	.XXX	35
30. Other term insurance.....	.XXX	99,876	.XXX	856,265
31. Totals (Lines 27 to 30).....	0	99,876	73,450	52,121,462
Reconciliation to Lines 2 and 21:				
32. Term additions.....	.XXX	0	.XXX	0
33. Totals, extended term insurance.....	.XXX	.XXX	1,118	102,398
34. Totals, whole life and endowment.....	5,388	1,722,053	87,223	12,749,819
35. Totals (Lines 31 to 34).....	5,388	1,821,929	161,791	64,973,679

**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.....	0	0	0	0
37. Ordinary.....	0	1,821,929	52,834,878	12,138,801
38. Credit Life (Group and Individual).....	0	0	0	0
39. Group.....	0	0	0	12,007
40. Totals (Lines 36 to 39).....	0	1,821,929	52,834,878	12,150,808

**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	0	.XXX	0
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis.....	0	.XXX	0	.XXX
43. Federal Employees' Group Life Insurance included in Line 21.....	0	0	0	0
44. Servicemen's Group Life Insurance included in Line 21.....	0	0	0	0
45. Group Permanent Insurance included in Line 21.....	0	0	0	0

**ADDITIONAL ACCIDENTAL DEATH BENEFITS**

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a).....	72,970
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**BASIS OF CALCULATION OF ORDINARY TERM INSURANCE**

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included in Line 21.....	<b>NONE</b>
47.1.....	
47.2.....	

**POLICIES WITH DISABILITY PROVISIONS**

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium.....	0	0	41,292	12,495,941	0	0	0	0
49. Disability Income.....	0	0	0	0	0	0	0	0
50. Extended Benefits.....	0	0	.XXX	.XXX	0	0	371	12,007
51. Other.....	0	0	0	0	0	0	0	0
52. Total.....	0 (b)	0	41,292 (b)	12,495,941 (b)	0 (b)	0 (b)	371 (b)	12,007 (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.....	312	1,052	.0	.0
2. Issued during year.....	.9	.131	.0	.0
3. Reinsurance assumed.....	.0	.0	.0	.0
4. Increased during year (net).....	.0	.0	.0	.0
5. Total (Lines 1 to 4).....	321	1,183	.0	.0
Deductions during year:				
6. Decreased (net).....	.32	.188	.0	.0
7. Reinsurance ceded.....	.0	.0	.0	.0
8. Totals (Lines 6 and 7).....	.32	.188	.0	.0
9. In force end of year.....	289	995	.0	.0
10. Amount on deposit.....	.0	(a).....0	.0	(a).....0
11. Income now payable.....	.0	.0	.0	.0
12. Amount of income payable.....	(a).....555,356	(a).....11,525,725	(a)......0	(a)......0

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....	2,146	167,151	1,778	53,836
2. Issued during year.....	131	19,602	109	11,978
3. Reinsurance assumed.....	.0	.0	.0	.0
4. Increased during year (net).....	.0	.0	.0	.0
5. Total (Lines 1 to 4).....	2,277	186,753	1,887	65,814
Deductions during year:				
6. Decreased (net).....	142	9,971	194	15,212
7. Reinsurance ceded.....	.0	.0	.0	.0
8. Totals (Lines 6 and 7).....	142	9,971	194	15,212
9. In force end of year.....	2,135	176,782	1,693	50,602
Income now payable:				
10. Amount of income payable.....	(a).....14,563,896	XXX	XXX	(a).....9,492,605
Deferred fully paid:				
11. Account balance.....	XXX	(a).....17,417,822	XXX	(a).....814,068,046
Deferred not fully paid:				
12. Account balance.....	XXX	(a)......0	XXX	(a)......0

**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.....	.0	.0	.0	.0	8,728	16,429,377
2. Issued during year.....	.0	.0	.0	.0	.96	117,518
3. Reinsurance assumed.....	.0	.0	.0	.0	.0	.0
4. Increased during year (net).....	.0	XXX	.0	XXX	.12	XXX
5. Total (Lines 1 to 4).....	.0	XXX	.0	XXX	8,836	XXX
Deductions during year:						
6. Conversions.....	.0	XXX	XXX	XXX	XXX	XXX
7. Decreased (net).....	.0	XXX	.0	XXX	.513	XXX
8. Reinsurance ceded.....	.0	XXX	.0	XXX	.0	XXX
9. Totals (Lines 6 to 8).....	.0	XXX	.0	XXX	.513	XXX
10. In force end of year.....	.0	(a)......0	.0	(a)......0	8,323	(a).....15,730,569

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year.....	191	12,298
2. Issued during year.....	32	.0
3. Reinsurance assumed.....	.0	.0
4. Increased during year (net).....	.0	.0
5. Total (Lines 1 to 4).....	223	12,298
Deductions during year:		
6. Decreased (net).....	.50	.838
7. Reinsurance ceded.....	.0	.0
8. Totals (Lines 6 and 7).....	.50	.838
9. In force end of year.....	173	11,460
10. Amount of account balance.....	(a).....537,042,139	(a).....44,788,994

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

# OHIO NATIONAL LIFE INSURANCE COMPANY

## SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

			Direct Business Only						
				Life Contracts					
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	5,472,196	15,956,361	169,088	1,116,797	22,714,442	4,561
2.	Alaska.....	AK	N	70,150	155,000	4,295	0	229,445	2,080
3.	Arizona.....	AZ	L	3,760,558	54,148,392	118,064	580,686	58,607,700	15,400
4.	Arkansas.....	AR	L	2,267,444	19,373,127	109,753	518,703	22,269,027	7,526
5.	California.....	CA	L	13,714,872	186,644,619	1,053,807	6,898,757	208,312,055	183,712
6.	Colorado.....	CO	L	8,972,036	40,691,216	575,924	863,077	51,102,253	38,953
7.	Connecticut.....	CT	L	1,344,679	30,367,113	209,591	165,558	32,086,941	118,880,942
8.	Delaware.....	DE	L	260,323	11,321,025	56,601	19,880	11,657,829	3,101,283
9.	District of Columbia.....	DC	L	310,743	14,423,581	15,543	305,851	15,055,718	621
10.	Florida.....	FL	L	13,415,762	269,014,774	712,558	1,775,266	284,918,360	141,451
11.	Georgia.....	GA	L	3,182,222	44,634,052	300,119	2,585,627	50,702,020	260,793
12.	Hawaii.....	HI	N	104,191	11,500	3,109	3,870	122,670	1,166
13.	Idaho.....	ID	L	1,251,858	13,073,659	134,718	3,548,020	18,008,255	50,419
14.	Illinois.....	IL	L	21,435,091	112,701,620	900,097	4,853,232	139,890,040	90,099
15.	Indiana.....	IN	L	4,591,801	40,749,167	197,474	3,002,377	48,540,819	7,477,239
16.	Iowa.....	IA	L	2,452,262	30,453,864	187,308	3,686,746	36,780,180	471,920
17.	Kansas.....	KS	L	8,514,408	53,854,058	389,840	3,618,825	66,377,131	1,249,632
18.	Kentucky.....	KY	L	1,686,934	32,386,607	138,084	1,338,076	35,549,701	9,812
19.	Louisiana.....	LA	L	6,529,621	9,547,425	68,217	685,931	16,831,194	4,912
20.	Maine.....	ME	L	233,244	6,780,826	30,430	168,215	7,212,715	406
21.	Maryland.....	MD	L	5,422,786	161,690,836	299,366	2,954,427	170,367,415	72,295
22.	Massachusetts.....	MA	L	1,588,430	70,596,105	612,454	1,083,764	73,880,753	11,138,099
23.	Michigan.....	MI	L	11,183,066	150,969,752	537,491	6,086,949	168,777,258	614,367
24.	Minnesota.....	MN	L	5,058,921	37,875,401	239,565	2,109,236	45,283,123	4,044,358
25.	Mississippi.....	MS	L	1,247,037	14,597,122	123,307	719,238	16,686,704	3,259
26.	Missouri.....	MO	L	3,387,438	68,442,132	160,352	3,314,439	75,304,361	88,215
27.	Montana.....	MT	L	330,246	6,317,735	24,952	19,256	6,692,189	33,576
28.	Nebraska.....	NE	L	3,387,192	23,720,470	119,221	1,223,390	28,450,273	204,418
29.	Nevada.....	NV	L	1,376,089	12,057,540	79,206	642,750	14,155,585	26,361
30.	New Hampshire.....	NH	L	638,937	22,008,403	105,926	202,467	22,955,733	61,159
31.	New Jersey.....	NJ	L	8,477,126	132,355,028	256,870	1,031,919	142,120,943	10,109,037
32.	New Mexico.....	NM	L	347,249	15,925,089	21,085	164,713	16,458,136	65,999
33.	New York.....	NY	N	701,136	7,484,190	45,726	535,766	8,766,818	3,320
34.	North Carolina.....	NC	L	4,867,040	149,543,820	286,814	9,641,727	164,339,401	625,916
35.	North Dakota.....	ND	L	1,135,769	745,365	111,507	135,789	2,128,430	4,100
36.	Ohio.....	OH	L	23,478,135	185,948,853	1,520,966	40,684,906	251,632,860	150,852,505
37.	Oklahoma.....	OK	L	3,665,765	37,550,097	155,277	603,256	41,974,395	303,360
38.	Oregon.....	OR	L	1,903,495	27,144,745	245,910	542,924	29,837,074	24,299
39.	Pennsylvania.....	PA	L	18,609,850	170,282,392	863,724	2,705,928	192,461,894	997,451
40.	Rhode Island.....	RI	L	302,049	12,200,068	76,799	0	12,578,916	26,673
41.	South Carolina.....	SC	L	1,467,074	64,867,098	125,950	2,678,492	69,138,614	3,108
42.	South Dakota.....	SD	L	381,996	1,668,169	13,905	35,038	2,099,108	3,754
43.	Tennessee.....	TN	L	3,914,609	50,017,903	609,486	3,764,268	58,306,266	10,250
44.	Texas.....	TX	L	14,817,566	152,380,129	694,296	9,899,184	177,791,175	896,455
45.	Utah.....	UT	L	2,436,223	10,197,492	75,266	174,575	12,883,556	1,603
46.	Vermont.....	VT	L	77,463	2,313,141	5,065	9,318	2,404,987	91
47.	Virginia.....	VA	L	6,830,280	116,842,149	315,698	10,155,544	134,143,671	513,262
48.	Washington.....	WA	L	3,441,390	40,957,355	190,611	815,940	45,405,296	76,956
49.	West Virginia.....	WV	L	704,314	10,502,933	153,848	1,220,523	12,581,618	41,445
50.	Wisconsin.....	WI	L	11,858,687	57,452,841	921,280	2,730,335	72,963,143	6,687
51.	Wyoming.....	WY	L	539,668	937,245	37,087	5,861	1,519,861	6,775
52.	American Samoa.....	AS	N	0	0	0	0	0	0
53.	Guam.....	GU	N	0	0	0	0	0	0
54.	Puerto Rico.....	PR	L	9,586	100,174	1,232,367	0	1,342,127	80
55.	US Virgin Islands.....	VI	N	85	0	0	0	85	0
56.	Northern Mariana Islands.....	MP	N	0	0	0	0	0	0
57.	Canada.....	CAN	N	77,387	0	9,624	0	87,011	143
58.	Aggregate Other Alien.....	OT	XXX	0	0	0	0	0	0
59.	Subtotal.....	(a)	49	243,234,479	2,801,979,758	15,645,621	141,627,416	3,202,487,274	312,852,303
90.	Reporting entity contributions for employee benefit plans.....	XXX		0	0	0	0	0	0
91.	Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX		36,507,072	1,014	0	0	36,508,086	0
92.	Dividends or refunds applied to shorten endowment or premium paying period.....	XXX		0	0	0	0	0	0
93.	Premium or annuity considerations waived under disability or other contract provisions.....	XXX		561,342	10,963,005	231,668	0	11,756,015	0
94.	Aggregate other amounts not allocable by State.....	XXX		1,809,301	0	0	0	1,809,301	0
95.	Totals (Direct Business).....	XXX		282,112,194	2,812,943,777	15,877,289	141,627,416	3,252,560,676	312,852,303
96.	Plus reinsurance assumed.....	XXX		167,689,429	1,328,701	4,083,990	0	173,102,120	0
97.	Totals (All Business).....	XXX		449,801,623	2,814,272,478	19,961,279	141,627,416	3,425,662,796	312,852,303
98.	Less reinsurance ceded.....	XXX		32,871,991	136,386,267	8,181,614	0	177,439,872	0
99.	Totals (All Business) less reinsurance ceded.....	XXX		416,929,632	2,677,886,211	(b)	141,627,416	3,248,222,924	312,852,303

**DETAILS OF WRITE-INS**

58001.....	XXX	0	0	0	0	0	0	0	0
58002.....	XXX	0	0	0	0	0	0	0	0
58003.....	XXX	0	0	0	0	0	0	0	0
58998. Summ. of remaining write-ins for line 58 from overflow page.....	XXX	0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....	XXX	0	0	0	0	0	0	0	0
9401. Dividends accrums used to purchase paid-up additions.....	XXX	1,788,692	0	0	0	0	0	1,788,692	0
9402. Dividends accrums used to shorten endow or prem pay.....	XXX	20,609	0	0	0	0	0	20,609	0
9403.....	XXX	0	0	0	0	0	0	0	0
9498. Summ. of remaining write-ins for line 94 from overflow page.....	XXX	0	0	0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX	1,809,301	0	0	0	0	0	1,809,301	0

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

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

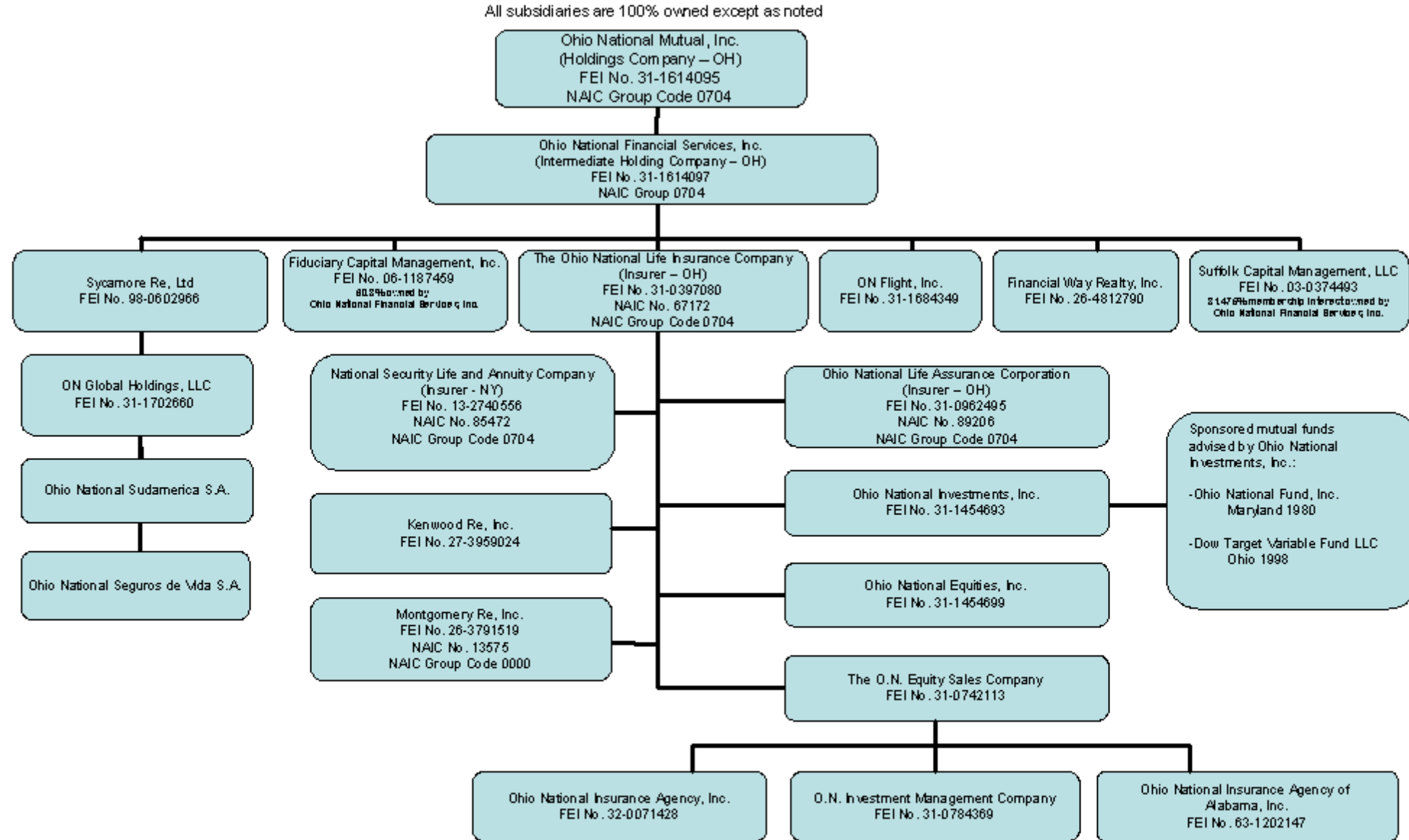
All premiums are allocated to the address of record of the premium payor at the time of premium payment entry.

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

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

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

PART 1 – ORGANIZATIONAL CHART



**2012 ALPHABETICAL INDEX  
LIFE ANNUAL STATEMENT BLANK**

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