



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

The Western and Southern Life Insurance Company

NAIC Group Code 0836 (Current) 0836 (Prior) NAIC Company Code 70483 Employer's ID Number 31-0487145

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

Country of Domicile United States of America

Incorporated/Organized 02/23/1888 Commenced Business 04/30/1888

Statutory Home Office 400 Broadway, Cincinnati, OH, US 45202

Main Administrative Office 400 Broadway, Cincinnati, OH, US 45202

Mail Address 400 Broadway, Cincinnati, OH, US 45202

Primary Location of Books and Records 400 Broadway, Cincinnati, OH, US 45202

Internet Website Address WWW.WesternSouthernLife.com

Statutory Statement Contact Bradley J. Hunkler, 513-629-2980

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

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

State of Ohio, County of Hamilton SS:

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

John Finn Barrett
Chairman of Board, President & CEO

Donald Joseph Wuebbling
Secretary and Counsel

Bradley Joseph Hunkler
VP, Chief Accounting Officer

Subscribed and sworn to before me this 23rd day of January, 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.....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company

**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) .....	3,385,054,618	0	3,385,054,618	3,361,925,235
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	112,018	0	112,018	117,177
2.2 Common stocks .....	2,967,990,385	187,288	2,967,803,097	2,724,124,173
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	31,792,965	0	31,792,965	37,630,688
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....	27,386,209	0	27,386,209	28,027,360
encumbrances) .....				
4.2 Properties held for the production of income (less				
\$ .....	3,249,074	0	3,249,074	3,320,099
encumbrances) .....				
4.3 Properties held for sale (less \$ .....	423,659		423,659	428,820
encumbrances) .....				
5. Cash (\$ .....				
(24,703,201), Schedule E - Part 1), cash equivalents				
(\$ .....	118,438,134	0	118,438,134	261,500,972
0, Schedule E - Part 2) and short-term				
investments (\$ .....				
143,141,335, Schedule DA) .....				
6. Contract loans (including \$ .....	175,189,761	0	175,189,761	173,727,711
premium notes) .....				
7. Derivatives (Schedule DB) .....	0	0	0	0
8. Other invested assets (Schedule BA) .....	862,824,814	54,803,246	808,021,568	703,419,083
9. Receivables for securities .....	3,385,942	0	3,385,942	1,520,353
10. Securities lending reinvested collateral assets (Schedule DL) .....	21,522,427	0	21,522,427	20,198,355
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	7,597,370,006	54,990,534	7,542,379,472	7,315,940,026
13. Title plants less \$ .....				
charged off (for Title insurers				
only) .....				
14. Investment income due and accrued .....	42,407,215	0	42,407,215	43,126,886
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	3,169,131	0	3,169,131	3,249,978
15.2 Deferred premiums and agents' balances and installments booked but				
deferred and not yet due (including \$ .....				
earned but unbilled premiums) .....	50,630,561		50,630,561	51,981,075
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	316,196	0	316,196	149,900
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....	21,016,951	0	21,016,951	34,922,097
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....	15,082,499	0	15,082,499	
18.2 Net deferred tax asset .....	75,635,273	0	75,635,273	70,088,225
19. Guaranty funds receivable or on deposit .....	1,317,766	0	1,317,766	1,366,235
20. Electronic data processing equipment and software .....	11,894,295	9,835,362	2,058,933	3,935,389
21. Furniture and equipment, including health care delivery assets				
(\$ .....	6,237,862	6,237,862	0	
) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	79,547,663	26,651,495	52,896,168	33,818,496
24. Health care (\$ .....	361,057	96,590	264,467	302,191
) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	433,563,803	433,563,803	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25) .....	8,338,550,278	531,375,646	7,807,174,632	7,558,880,498
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts .....	805,136,841	0	805,136,841	757,365,217
28. Total (Lines 26 and 27) .....	9,143,687,119	531,375,646	8,612,311,473	8,316,245,715
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....				
2501. Pension Asset .....	428,390,401	428,390,401	0	
2502. Prepaid Expense .....	5,173,402	5,173,402	0	
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	433,563,803	433,563,803	0	0

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ ..... 2,640,979,414 (Exh. 5, Line 9999999) less \$ ..... included in Line 6.3 (including \$ ..... Modco Reserve) .....	2,640,978,982	2,621,758,838
2. Aggregate reserve for accident and health contracts (including \$ ..... Modco Reserve) .....	217,500,507	218,463,230
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ ..... Modco Reserve) .....	254,300,193	254,727,901
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....	60,504,557	43,878,934
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) .....	3,737,270	3,746,451
5. Policyholders' dividends \$ ..... 300,000 and coupons \$ ..... due and unpaid (Exhibit 4, Line 10) .....	300,000	325,000
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ ..... Modco) .....	1,397,655	1,268,673
6.2 Dividends not yet apportioned (including \$ ..... Modco) .....	39,309,862	39,499,365
6.3 Coupons and similar benefits (including \$ ..... Modco) .....		
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ ..... discount; including \$ ..... 85,062 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14) .....	4,778,280	4,965,506
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....	9,017,579	20,899,340
9.2 Provision for experience rating refunds, including the liability of \$ ..... accident and health experience rating refunds of which \$ ..... is for medical loss ratio rebate per the Public Health Service Act .....		
9.3 Other amounts payable on reinsurance including \$ ..... assumed and \$ ..... 432,647 ceded .....	432,647	431,294
9.4 Interest maintenance reserve (IMR, Line 6) .....	40,426,178	38,749,768
10. Commissions to agents due or accrued-life and annuity contracts \$ ..... 1,013,000 accident and health \$ ..... 127,570 and deposit-type contract funds \$ .....	1,140,570	1,051,928
11. Commissions and expense allowances payable on reinsurance assumed .....	399,951	418,005
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6) .....	240,469,639	241,309,814
13. Transfers to Separate Accounts due or accrued (net) (including \$ ..... 0 accrued for expense allowances recognized in reserves, net of reinsured allowances) .....	0	
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) .....	3,230,706	3,371,923
15.1 Current federal and foreign income taxes including \$ ..... on realized capital gains (losses) .....		5,941,985
15.2 Net deferred tax liability .....		
16. Unearned investment income .....	3,705,236	3,856,475
17. Amounts withheld or retained by company as agent or trustee .....	854,792	994,827
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....		
19. Remittances and items not allocated .....	5,668,036	3,600,432
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		
21. Liability for benefits for employees and agents if not included above .....	114,775,612	91,691,195
22. Borrowed money \$ ..... 0 and interest thereon \$ .....		
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7) .....	237,903,678	209,625,730
24.02 Reinsurance in unauthorized and certified (\$ ..... 0 ) companies .....	0	0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$ ..... ) reinsurers .....		
24.04 Payable to parent, subsidiaries and affiliates .....	1,416	
24.05 Drafts outstanding .....		
24.06 Liability for amounts held under uninsured plans .....		
24.07 Funds held under coinsurance .....		
24.08 Derivatives .....	1,098,310	693,490
24.09 Payable for securities .....	1,013,432	3,052,313
24.10 Payable for securities lending .....	107,218,484	138,286,555
24.11 Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	88,474,251	51,715,262
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) .....	4,078,637,823	4,004,324,234
27. From Separate Accounts Statement .....	805,136,841	757,365,217
28. Total Liabilities (Lines 26 and 27) .....	4,883,774,664	4,761,689,451
29. Common capital stock .....	1,000,000	1,000,000
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus notes .....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) .....	55,002,515	25,002,515
34. Aggregate write-ins for special surplus funds .....	0	18,391,198
35. Unassigned funds (surplus) .....	3,672,534,294	3,510,162,551
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 29 \$ ..... ) .....		
36.2 ..... shares preferred (value included in Line 30 \$ ..... ) .....		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ ..... in Separate Accounts Statement) .....	3,727,536,809	3,553,556,264
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) .....	3,728,536,809	3,554,556,264
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....	8,612,311,473	8,316,245,715
<b>DETAILS OF WRITE-INS</b>		
2501. Uncashed drafts and checks pending escheatment to a state .....	2,548,959	2,248,852
2502. Interest on policy and contract funds .....	316,612	316,612
2503. Additional minimum pension liability .....	85,608,680	49,149,798
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	88,474,251	51,715,262
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) .....		
3401. Surplus from additional DTA (SSAP 10R) .....		18,391,198
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page .....		
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....	0	18,391,198

**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).....	279,169,424	280,356,892
2. Considerations for supplementary contracts with life contingencies.....	0	12,309
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	279,173,502	442,613,395
4. Amortization of interest maintenance reserve (IMR, Line 5).....	3,269,245	3,416,536
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1).....	272,143	298,013
7. Reserve adjustments on reinsurance ceded.....		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....	0	
8.2 Charges and fees for deposit-type contracts.....		
8.3 Aggregate write-ins for miscellaneous income.....	1,412,932	147,164
9. Total (Lines 1 to 8.3).....	563,297,246	726,844,309
10. Death benefits.....	155,764,663	138,254,389
11. Matured endowments (excluding guaranteed annual pure endowments).....	6,631,532	6,285,442
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....	97,039,081	94,424,725
13. Disability benefits and benefits under accident and health contracts.....	23,705,453	22,093,075
14. Coupons, guaranteed annual pure endowments and similar benefits.....		
15. Surrender benefits and withdrawals for life contracts.....	113,906,813	130,229,119
16. Group conversions.....		
17. Interest and adjustments on contract or deposit-type contract funds.....	9,130,987	9,938,853
18. Payments on supplementary contracts with life contingencies.....	702,283	735,351
19. Increase in aggregate reserves for life and accident and health contracts.....	18,224,878	12,110,604
20. Totals (Lines 10 to 19).....	425,105,690	414,071,558
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	31,636,376	34,390,317
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....	1,814,444	1,948,907
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4).....	133,515,952	141,264,323
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	14,499,801	15,074,819
25. Increase in loading on deferred and uncollected premiums.....	(638,739)	(1,650,903)
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	(47,129,246)	(44,506,667)
27. Aggregate write-ins for deductions.....	(53,164,316)	(101,210,399)
28. Totals (Lines 20 to 27).....	505,639,962	459,381,955
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	57,657,284	267,462,354
30. Dividends to policyholders.....	58,120,943	58,190,992
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	(463,659)	209,271,362
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	22,591,022	(13,505,921)
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).....	(23,054,681)	222,777,283
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ ..... 16,667,249 (excluding taxes of \$ ..... 2,663,045 transferred to the IMR).....	34,212,186	53,828,778
35. Net income (Line 33 plus Line 34).....	11,157,505	276,606,061
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	3,554,556,264	3,533,606,143
37. Net income (Line 35).....	11,157,503	276,606,061
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... 34,353,535.....	141,405,900	(145,894,582)
39. Change in net unrealized foreign exchange capital gain (loss).....		
40. Change in net deferred income tax.....	39,815,694	(16,716,568)
41. Change in nonadmitted assets.....	16,338,278	(27,271,817)
42. Change in liability for reinsurance in unauthorized and certified companies.....		
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exh. 5A, Line 9999999, Col. 4).....	0	0
44. Change in asset valuation reserve.....	(28,277,948)	2,290,377
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.....		
47. Other changes in surplus in Separate Accounts Statement.....		
48. Change in surplus notes.....		
49. Cumulative effect of changes in accounting principles.....		
50. Capital changes:		
50.1 Paid in.....		
50.2 Transferred from surplus (Stock Dividend).....		
50.3 Transferred to surplus.....		
51. Surplus adjustment:		
51.1 Paid in.....	30,000,000	0
51.2 Transferred to capital (Stock Dividend).....		
51.3 Transferred from capital.....		
51.4 Change in surplus as a result of reinsurance.....		
52. Dividends to stockholders.....		(52,000,000)
53. Aggregate write-ins for gains and losses in surplus.....	(36,458,882)	(16,063,350)
54. Net change in capital and surplus for the year (Lines 37 through 53).....	173,980,545	20,950,121
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	3,728,536,809	3,554,556,264
<b>DETAILS OF WRITE-INS</b>		
08.301. Miscellaneous Income.....	1,412,932	147,164
08.302.....		
08.303.....		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....		
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above).....	1,412,932	147,164
2701. Reserve adjustments on reinsurance assumed - Integrity.....	(108,574,691)	(130,594,043)
2702. Benefits for Employees and Agents not included elsewhere.....	54,792,715	27,657,307
2703. Securities Lending Interest Expense.....	382,485	499,024
2798. Summary of remaining write-ins for Line 27 from overflow page.....	235,175	1,227,313
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above).....	(53,164,316)	(101,210,399)
5301. Change in additional minimum pension liability, net of tax.....	(36,458,882)	(31,947,369)
5302. Change in surplus from additional DTA (SSAP 10R).....		15,884,019
5303.....		
5398. Summary of remaining write-ins for Line 53 from overflow page.....		
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above).....	(36,458,882)	(16,063,350)

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	276,802,387	281,647,254
2. Net investment income .....	283,236,629	446,307,533
3. Miscellaneous income .....	202,816	(5,159,610)
4. Total (Lines 1 through 3) .....	560,241,832	722,795,177
5. Benefit and loss related payments .....	266,878,464	353,437,882
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	(47,129,246)	(44,506,667)
7. Commissions, expenses paid and aggregate write-ins for deductions .....	157,686,810	142,431,133
8. Dividends paid to policyholders .....	58,206,464	58,303,338
9. Federal and foreign income taxes paid (recovered) net of \$ 19,330,294 tax on capital gains (losses) .....	62,945,800	(22,074,427)
10. Total (Lines 5 through 9) .....	498,588,292	487,591,259
11. Net cash from operations (Line 4 minus Line 10) .....	61,653,540	235,203,918
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	1,015,903,468	833,469,603
12.2 Stocks .....	423,748,774	335,577,585
12.3 Mortgage loans .....	5,831,726	1,793,636
12.4 Real estate .....	6,709,888	55,450,000
12.5 Other invested assets .....	117,552,790	161,357,701
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	25,988	99,949
12.7 Miscellaneous proceeds .....	0	2,018,306
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,569,772,634	1,389,766,780
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	1,046,065,640	810,740,563
13.2 Stocks .....	474,934,395	298,298,903
13.3 Mortgage loans .....	0	913,781
13.4 Real estate .....	7,458,884	28,063,139
13.5 Other invested assets .....	157,478,107	98,525,053
13.6 Miscellaneous applications .....	5,267,863	(56,358)
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	1,691,204,889	1,236,485,081
14. Net increase (decrease) in contract loans and premium notes .....	1,462,050	3,127,522
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(122,894,305)	150,154,177
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	30,000,000	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	(427,708)	1,377,237
16.5 Dividends to stockholders .....	0	118,321,495
16.6 Other cash provided (applied) .....	(111,394,365)	(155,645,885)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(81,822,073)	(272,590,143)
<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 Lines 15 and 17) .....	(143,062,838)	112,767,952
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	261,500,972	148,733,020
19.2 End of year (Line 18 plus Line 19.1) .....	118,438,134	261,500,972

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

20.0001. Dividend from Columbus Life Insurance Company in the form of debt securities .....		17,478,676
20.0002. Dividend to Western Southern Financial Group Inc in the form of common stock .....		33,678,505

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	279,169,426	14,583,336	227,704,664	4,695,541		0	5,907,708	0	0	0	26,278,177	
2. Considerations for supplementary contracts with life contingencies	0											
3. Net investment income	279,173,502	27,098,215	167,025,500	693,742	335,531		1,509,404				14,878,623	67,632,487
4. Amortization of Interest Maintenance Reserve (IMR)	3,269,245	316,897	1,953,262	8,113	3,924		22,133				173,997	790,919
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0											
6. Commissions and expense allowances on reinsurance ceded	272,143	0	0	0			0	0	0	0	272,143	
7. Reserve adjustments on reinsurance ceded	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	0											
8.2 Charges and fees for deposit-type contracts	0											
8.3 Aggregate write-ins for miscellaneous income	1,412,932	0	0	0	0		0	0	0	0	0	1,412,932
9. Totals (Lines 1 to 8.3)	563,297,248	41,998,448	396,683,426	5,397,396	339,455	0	7,439,245	0	0	0	41,602,940	69,836,338
10. Death benefits	155,764,663	15,273,506	136,094,643				4,396,514					
11. Matured endowments (excluding guaranteed annual pure endowments)	6,631,532	5,452,707	1,178,825									
12. Annuity benefits	97,039,081			50,689,149				46,349,932				
13. Disability benefits and benefits under accident and health contracts	23,705,453	41,231	2,696,119						0	0	20,968,103	
14. Coupons, guaranteed annual pure endowments and similar benefits	0											
15. Surrender benefits and withdrawals for life contracts	113,906,813	3,844,063	58,199,736	50,789,060			990,714	83,240				
16. Group conversions	0											
17. Interest and adjustments on contract or deposit-type contract funds	9,130,987	162,209	8,952,415	11,319	1,850						3,194	
18. Payments on supplementary contracts with life contingencies	702,283				702,283							
19. Increase in aggregate reserves for life and accident and health contracts	18,224,878	(6,168,433)	22,764,199	(343,285)	(124,623)		3,059,740				(962,720)	
20. Totals (Lines 10 to 19)	425,105,690	18,605,283	229,885,937	101,146,243	579,510	0	8,446,968	46,433,172	0	0	20,008,577	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	31,636,376	0	28,765,832	436		0	0	0	0	0	2,870,108	0
22. Commissions and expense allowances on reinsurance assumed	1,814,444	0	388,901	1,412,005		0	7,724	5,814	0	0	0	0
23. General insurance expenses	133,515,952	5,978,742	71,293,155	64,220	27,525		118,084	792,796	0	0	14,829,323	40,412,107
24. Insurance taxes, licenses and fees, excluding federal income taxes	14,499,801	356,050	11,144,515	2,837	606		9,254	24,115			1,541,909	1,420,515
25. Increase in loading on deferred and uncollected premiums	(638,739)	(8)	(601,669)								(37,062)	
26. Net transfers to or (from) Separate Accounts net of reinsurance	(47,129,246)							(47,129,246)				
27. Aggregate write-ins for deductions	(53,164,316)	1,328,024	2,357,543	(94,700,274)	5,853	0	(1,142,785)	(276,235)	0	0	2,381,395	36,882,163
28. Totals (Lines 20 to 27)	505,639,962	26,268,091	343,234,214	7,925,467	613,494	0	7,439,245	(149,584)	0	0	41,594,250	78,714,785
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	57,657,286	15,730,357	53,449,212	(2,528,071)	(274,039)	0	0	149,584	0	0	8,690	(8,878,447)
30. Dividends to policyholders	58,120,943	14,896,444	43,219,017	5,009	473						0	
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(463,657)	833,913	10,230,195	(2,533,080)	(274,512)	0	0	149,584	0	0	8,690	(8,878,447)
32. Federal income taxes incurred (excluding tax on capital gains)	22,591,022	291,870	3,580,568	(886,579)	(96,079)		0	149,584			7,439	19,544,219
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)	(23,054,679)	542,043	6,649,627	(1,646,501)	(178,433)	0	0	0	0	0	1,251	(28,422,666)
<b>DETAILS OF WRITE-INS</b>												
08.301. Miscellaneous Income	1,412,932											1,412,932
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	1,412,932	0	0	0	0	0	0	0	0	0	0	1,412,932
2701. Reserve adjustments on reinsurance assumed - Integrity	(108,574,691)		(12,439,909)	(94,715,762)			(1,142,785)	(276,235)				
2702. Benefits for Employees and Agents not included elsewhere	54,792,715	1,328,024	14,716,724	15,488	5,853						2,381,395	36,345,231
2703. Securities Lending Interest Expense	382,485											382,485
2798. Summary of remaining write-ins for Line 27 from overflow page	235,175	0	80,728	0	0	0	0	0	0	0	0	154,447
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	(53,164,316)	1,328,024	2,357,543	(94,700,274)	5,853	0	(1,142,785)	(276,235)	0	0	2,381,395	36,882,163

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company

**ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year .....	2,621,173,417	413,465,344	2,108,881,678	10,453,840	2,189,985	0	86,182,570	0
2. Tabular net premiums or considerations .....	183,176,829	14,359,912	163,370,019	72,298			5,374,600	
3. Present value of disability claims incurred .....	2,311,275		1,634,574		XXX		676,701	
4. Tabular interest .....	108,874,361	10,938,571	93,189,856	457,853	112,277		4,175,804	
5. Tabular less actual reserve released .....	677,389		174,258		(3,826)		506,957	
6. Increase in reserve on account of change in valuation basis .....	0							
7. Other increases (net) .....	(3,655,846)		(3,839,664)	183,818				
8. Totals (Lines 1 to 7) .....	2,912,557,425	438,763,827	2,363,410,721	11,167,809	2,298,436	0	96,916,632	0
9. Tabular cost .....	134,764,262	7,754,576	123,117,755		XXX		3,891,931	
10. Reserves released by death .....	75,163,821	13,925,025	58,652,293	XXX	XXX		2,586,503	XXX
11. Reserves released by other terminations (net) .....	57,003,458	9,201,894	47,094,105	707,459				
12. Annuity, supplementary contract and disability payments involving life contingencies .....	4,646,902		2,724,708	493,232	233,074		1,195,888	
13. Net transfers to or (from) Separate Accounts .....	0							
14. Total Deductions (Lines 9 to 13) .....	271,578,443	30,881,495	231,588,861	1,200,691	233,074	0	7,674,322	0
15. Reserve December 31, current year .....	2,640,978,982	407,882,332	2,131,821,860	9,967,118	2,065,362	0	89,242,310	0

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,818,925	1,884,282
1.1 Bonds exempt from U.S. tax	(a) 0	
1.2 Other bonds (unaffiliated)	(a) 181,042,173	180,050,562
1.3 Bonds of affiliates	(a) 445,464	398,484
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	39,017,054	39,067,994
2.21 Common stocks of affiliates	763,883	763,883
3. Mortgage loans	(c) 3,273,285	3,251,587
4. Real estate	(d) 13,702,235	13,657,598
5. Contract loans	11,978,298	12,371,984
6. Cash, cash equivalents and short-term investments	(e) 455,217	491,180
7. Derivative instruments	(f) 0	0
8. Other invested assets	44,954,712	44,954,712
9. Aggregate write-ins for investment income	482,016	482,016
10. Total gross investment income	297,933,262	297,374,282
11. Investment expenses		(g) 15,440,387
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 1,294,062
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 1,466,331
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		18,200,780
17. Net investment income (Line 10 minus Line 16)		279,173,502
<b>DETAILS OF WRITE-INS</b>		
0901. Securities Lending Fee Income	556,069	556,069
0902. Miscellaneous	(74,054)	(74,054)
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	482,015	482,015
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 2,380,138 accrual of discount less \$ 6,834,234 amortization of premium and less \$ 1,841,023 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ 11,175,686 for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 2,388 accrual of discount less \$ 81,931 amortization of premium and less \$ 58,414 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ 1,466,331 depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	1,470,501	0	1,470,501	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	5,274,592	(8,233,817)	(2,959,226)	(1,089,980)	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	3	0	3	(5,159)	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	76,441,530	(20,385,225)	56,056,305	66,963,694	0
2.21 Common stocks of affiliates	(30,474)	0	(30,474)	68,739,896	0
3. Mortgage loans	(6,000)	0	(6,000)	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	(39,321)	0	(39,321)	0	0
6. Cash, cash equivalents and short-term investments	25,988	0	25,988	0	0
7. Derivative instruments	3,287,658	0	3,287,658	468,936	0
8. Other invested assets	682,701	0	682,701	40,682,048	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	87,107,178	(28,619,042)	58,488,135	175,759,435	0
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
<b>FIRST YEAR (other than single)</b>											
1. Uncollected	393,363		393,363								
2. Deferred and accrued	7,663,943		7,663,943								
3. Deferred, accrued and uncollected:											
3.1 Direct	8,057,830		8,057,830								
3.2 Reinsurance assumed	0		0								
3.3 Reinsurance ceded	524		524								
3.4 Net (Line 1 + Line 2)	8,057,306	0	8,057,306	0	0	0	0	0	0	0	0
4. Advance	109,765		109,765								
5. Line 3.4 - Line 4	7,947,541	0	7,947,541	0	0	0	0	0	0	0	0
6. Collected during year:											
6.1 Direct	16,070,264		16,070,264								
6.2 Reinsurance assumed	0		0								
6.3 Reinsurance ceded	13,291		13,291								
6.4 Net	16,056,973	0	16,056,973	0	0	0	0	0	0	0	0
7. Line 5 + Line 6.4	24,004,514	0	24,004,514	0	0	0	0	0	0	0	0
8. Prior year (uncollected + deferred and accrued - advance)	8,351,543	0	8,351,543	0	0	0	0	0	0	0	0
9. First year premiums and considerations:											
9.1 Direct	15,664,183		15,664,183								
9.2 Reinsurance assumed	0		0								
9.3 Reinsurance ceded	11,212		11,212								
9.4 Net (Line 7 - Line 8)	15,652,971	0	15,652,971	0	0	0	0	0	0	0	0
<b>SINGLE</b>											
10. Single premiums and considerations:											
10.1 Direct	43,312,245	14,366,973	28,943,461	1,811							
10.2 Reinsurance assumed	1,142,549		1,142,549								
10.3 Reinsurance ceded	0		0								
10.4 Net	44,454,794	14,366,973	30,086,010	1,811	0	0	0	0	0	0	0
<b>RENEWAL</b>											
11. Uncollected	8,733,879		3,988,476	4,523,408							221,995
12. Deferred and accrued	74,155,277	71	74,155,206		0						
13. Deferred, accrued and uncollected:											
13.1 Direct	78,506,464	71	77,956,188								550,205
13.2 Reinsurance assumed	4,814,815		291,407	4,523,408							
13.3 Reinsurance ceded	432,123		103,913								328,210
13.4 Net (Line 11 + Line 12)	82,889,156	71	78,143,682	4,523,408	0	0	0	0	0	0	221,995
14. Advance	4,668,514	27	4,583,425								85,062
15. Line 13.4 - Line 14	78,220,642	44	73,560,257	4,523,408	0	0	0	0	0	0	136,933
16. Collected during year:											
16.1 Direct	220,309,377	216,367	183,482,669	170,322		5,907,708					30,532,311
16.2 Reinsurance assumed	1,004,681		260,089	744,592							
16.3 Reinsurance ceded	5,295,581		1,113,113								4,182,468
16.4 Net	216,018,477	216,367	182,629,645	914,914	0	5,907,708	0	0	0	0	26,349,843
17. Line 15 + Line 16.4	294,239,119	216,411	256,189,902	5,438,322	0	5,907,708	0	0	0	0	26,486,776
18. Prior year (uncollected + deferred and accrued - advance)	75,177,458	48	74,224,219	744,592	0	0	0	0	0	0	208,599
19. Renewal premiums and considerations:											
19.1 Direct	219,545,859	216,363	182,791,937	170,322		5,907,708					30,459,529
19.2 Reinsurance assumed	4,814,815		291,407	4,523,408							
19.3 Reinsurance ceded	5,299,013		1,117,661								4,181,352
19.4 Net (Line 17 - Line 18)	219,061,661	216,363	181,965,683	4,693,730	0	5,907,708	0	0	0	0	26,278,177
<b>TOTAL</b>											
20. Total premiums and annuity considerations:											
20.1 Direct	278,522,287	14,583,336	227,399,581	172,133	0	5,907,708	0	0	0	0	30,459,529
20.2 Reinsurance assumed	5,957,364	0	1,433,956	4,523,408	0	0	0	0	0	0	0
20.3 Reinsurance ceded	5,310,225	0	1,128,873	0	0	0	0	0	0	0	4,181,352
20.4 Net (Lines 9.4 + 10.4 + 19.4)	279,169,426	14,583,336	227,704,664	4,695,541	0	5,907,708	0	0	0	0	26,278,177

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21. To pay renewal premiums .....	1,810,965		1,810,965								
22. All other .....	42,261,321	14,366,973	27,892,537	1,811							
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded .....	0										
23.2 Reinsurance assumed .....	0										
23.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded .....	0										
24.2 Reinsurance assumed .....	0										
24.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded .....	272,143									272,143	
25.2 Reinsurance assumed .....	1,814,444		388,901	1,412,005		7,724	5,814				
25.3 Net ceded less assumed .....	(1,542,301)	0	(388,901)	(1,412,005)	0	(7,724)	(5,814)	0	0	272,143	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6) .....	272,143	0	0	0	0	0	0	0	0	272,143	0
26.2 Reinsurance assumed (Page 6, Line 22) .....	1,814,444	0	388,901	1,412,005	0	7,724	5,814	0	0	0	0
26.3 Net ceded less assumed .....	(1,542,301)	0	(388,901)	(1,412,005)	0	(7,724)	(5,814)	0	0	272,143	0
<b>COMMISSIONS INCURRED (direct business only)</b>											
27. First year (other than single) .....	16,763,171		14,921,452	315						1,841,404	
28. Single .....	0										
29. Renewal .....	14,873,205		13,844,380	121						1,028,704	
30. Deposit-type contract funds .....	0										
31. Totals (to agree with Page 6, Line 21)	31,636,376	0	28,765,832	436	0	0	0	0	0	2,870,108	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company

**EXHIBIT 2 - GENERAL EXPENSES**

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			
1. Rent	8,176,187		1,278,153	2,253,044	216,243	11,923,627
2. Salaries and wages	34,229,533	285,018	5,428,535	14,190,161	1,177,922	55,311,169
3.11 Contributions for benefit plans for employees	5,044,079		1,164,312	4,274,181	693,482	11,176,054
3.12 Contributions for benefit plans for agents	11,663,917		1,546,238	1,402		13,211,557
3.21 Payments to employees under non-funded benefit plans						0
3.22 Payments to agents under non-funded benefit plans						0
3.31 Other employee welfare	224,035		29,906	6,578,598	289,001	7,121,540
3.32 Other agent welfare	214,394		28,217	16		242,627
4.1 Legal fees and expenses	268,315		38,371	709,998		1,016,684
4.2 Medical examination fees	970,759		243,442	23,540		1,237,741
4.3 Inspection report fees	323,985		88,823	5,877	201	398,886
4.4 Fees of public accountants and consulting actuaries				524,968	12,972	537,940
4.5 Expense of investigation and settlement of policy claims	898,380	13,626	1,747,514	2,505		2,662,025
5.1 Traveling expenses	1,200,057		176,317	920,593	77,005	2,373,972
5.2 Advertising	413,290		71,024	3,056,487		3,540,801
5.3 Postage, express, telegraph and telephone	2,717,503		591,495	474,484	34,425	3,817,907
5.4 Printing and stationery	1,199,798		155,969	592,816	12,301	1,960,884
5.5 Cost or depreciation of furniture and equipment	211,761		29,468	677,547	18	918,794
5.6 Rental of equipment	833,835		117,519	633,068	164,938	1,749,360
5.7 Cost or depreciation of EDP equipment and software	1,804,712		270,611	476,499	44,733	2,596,555
6.1 Books and periodicals	25,243		11,212	101,128	5,706	143,289
6.2 Bureau and association fees	82,176		15,903	787,458	12,270	897,807
6.3 Insurance, except on real estate	237,617		102,640	626,035	22,154	988,446
6.4 Miscellaneous losses	1,143,211		242,865	(27,602)	76	1,358,550
6.5 Collection and bank service charges	635,342		74,201	22,873	148,362	880,778
6.6 Sundry general expenses	2,141,621	370,021	217,544	1,572,064	965,835	5,267,085
6.7 Group service and administration fees	109,736		17,904	19,379	1,852	148,871
6.8 Reimbursements by uninsured plans						0
7.1 Agency expense allowance						0
7.2 Agents' balances charged off (less \$ recovered)						0
7.3 Agency conferences other than local meetings	1,396,393		177,271	7,006		1,580,670
9.1 Real estate expenses				3,900	8,791,055	8,794,955
9.2 Investment expenses not included elsewhere				13,299	43,107	56,406
9.3 Aggregate write-ins for expenses	2,108,643	0	315,203	1,890,784	2,726,729	7,041,359
10. General expenses incurred	78,274,522	668,665	14,160,657	40,412,108	15,440,387	(a) 148,956,339
11. General expenses unpaid December 31, prior year	167,070,598		23,868,858	19,095,088	31,275,270	241,309,814
12. General expenses unpaid December 31, current year	166,142,729		23,736,296	19,489,039	31,101,575	240,469,639
13. Amounts receivable relating to uninsured plans, prior year						0
14. Amounts receivable relating to uninsured plans, current year						0
15. General expenses paid during year (Lines 10+11-12-13+14)	79,202,391	668,665	14,293,219	40,018,157	15,614,082	149,796,514
<b>DETAILS OF WRITE-INS</b>						
09.301. Repair and service of machines	1,941,648		275,625	312,246	986,818	3,516,337
09.302. Real estate partnership expenses					1,739,911	1,739,911
09.303. Donations				1,558,876		1,558,876
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	166,995	0	39,578	19,662	0	226,235
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	2,108,643	0	315,203	1,890,784	2,726,729	7,041,359

(a) Includes management fees of \$ 4,309,992 to affiliates and \$ 1,543,496 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			999,224	999,224
2. State insurance department licenses and fees	453,473				453,473
3. State taxes on premiums	2,992,564	458,618			3,451,182
4. Other state taxes, including \$ for employee benefits	1,329,398	199,222	63,033	15,191	1,606,844
5. U.S. Social Security taxes	6,439,313	879,437	1,160,401	279,647	8,758,798
6. All other taxes	481,203	4,632	38,507		524,342
7. Taxes, licenses and fees incurred	11,695,951	1,541,909	1,261,941	1,294,062	15,793,863
8. Taxes, licenses and fees unpaid December 31, prior year	649,532	45,974	10,181	1,300,000	2,005,687
9. Taxes, licenses and fees unpaid December 31, current year	700,903	58,539	6,966	1,146,532	1,912,940
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	11,644,580	1,529,344	1,265,156	1,447,530	15,886,610

**EXHIBIT 4 - DIVIDENDS OR REFUNDS**

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums	1,810,965
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions	42,261,321	
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4	44,072,286	0
6. Paid in cash	7,684,656	
7. Left on deposit	6,449,523	
8. Aggregate write-ins for dividend or refund options	0	0
9. Total Lines 5 through 8	58,206,465	0
10. Amount due and unpaid	300,000	
11. Provision for dividends or refunds payable in the following calendar year	36,406,517	
12. Terminal dividends	4,301,000	
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 through 14	41,007,517	0
16. Total from prior year	41,093,038	0
17. Total dividends or refunds (Lines 9 + 15 - 16)	58,120,944	0
<b>DETAILS OF WRITE-INS</b>		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0
0899. Totals (Lines 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
0100001. AE 3.5%, 01-59	8,240,651	4,887,135	3,353,516		
0100002. AE 3%, 41-66	4,641,358		4,641,358		
0100003. AM (5) 3.5%, 01-62	22,101,721		22,101,721		
0100004. AM (5) 3.25%, 40-42	10,460		10,460		
0100005. AM (5) 3%, 74-81	18		18		
0100006. AM (5) 2.5%, 74-81	33,635		33,635		
0100007. STD IND 3.5%, 07-67	11,066,046	11,066,046			
0100008. 41 CSO 3.5%, 32-67	261,225,450		261,225,450		
0100009. 41 CSO 3% CRVM, 48-66	7,837,249		7,837,249		
0100010. 41 CSO 3%, 47-67	1,290,122		1,290,122		
0100011. 41 CSO 2.5% CRVM, 48-65	15,864,296		15,864,296		
0100012. 41 CSO 2.5%, 43-66	19,240,834		19,240,834		
0100013. 41 CSO 2.25%, 50-57	326,865		326,865		
0100014. 41 STD IND 3.5%, 56-71	775,828	775,828			
0100015. 41 STD IND 3% CRVM, 57	167,823	167,823			
0100016. 41 STD IND 3%, 46-88	71,570,773	71,568,873	1,900		
0100017. 41 STD IND 2.5%, 48-67	303,369,381	303,367,706	1,675		
0100018. 58 CSO/CET 6%, 83-86	99,108,839		99,108,839		
0100019. 58 CSO/CET 5.5%, 80-85	47,752,432		47,752,432		
0100020. 58 CSO/CET 5%, 80-85, 87-94	466		466		
0100021. 58 CSO/CET 4.5% CRVM, 83-89	169,296,147		169,296,147		
0100022. 58 CSO/CET 4.5%, 79-88	106,033,610		106,033,610		
0100023. 58 CSO/CET 4% CRVM, 79-88	5,551,979		5,551,979		
0100024. 58 CSO/CET 4%, 75-88	85,783,921		85,783,921		
0100025. 58 CSO/CET 3.5% CRVM, 77-88	174,066		174,066		
0100026. 58 CSO/CET 3.5%, 61-88	304,257,368		304,257,368		
0100027. 58 CSO/CET 3% CRVM, 65-77	1,187,662		1,187,662		
0100028. 58 CSO/CET 3%, 65-84	15,686,525		15,686,525		
0100029. 58 CSO/CET 2.5% CRVM, 77-84	45,637,867		45,637,867		
0100030. 58 CSO/CET 2.5%, 62-88	75,303,025		75,303,025		
0100031. 60 CSG 6%, 83-86	4,068,402				4,068,402
0100032. 60 CSG 5.5%, 87-92	22,446,751				22,446,751
0100033. 60 CSG 5.0%, 93-94	4,628,884				4,628,884
0100034. 60 CSG 4.5%, 80-82, 92-12	49,407,382				49,407,382
0100035. 60 CSG 4%, 75-79	274,301				274,301
0100036. 60 CSG 3.5%, 61-74	13,100				13,100
0100037. 60 CSG 3%, 55-60	6,120,080		220,802		5,899,278
0100038. 61 CSI/CLET 2.5%, 67-82	14,782,318	14,782,318			
0100039. 80 CSO/CET 6% CRVM, 83-86	16,365,645		16,365,645		
0100040. 80 CSO/CET 6%, 83-91	65,627		65,627		
0100041. 80 CSO/CET 5.5% CRVM, 87-92	248,151,981		248,151,981		
0100042. 80 CSO/CET 5.5%, 87-92	50,566,534		50,566,534		
0100043. 80 CSO/CET 5.25%, 87-92	413,559		413,559		
0100044. 80 CSO/CET 5% CRVM, 88-89, 93-94	87,487,041		87,487,041		
0100045. 80 CSO/CET 5%, 88-89, 93-94	22,028,910		22,028,910		
0100046. 80 CSO/CET 4.5% CRVM, 57-05	559,188,305		559,188,305		
0100047. 80 CSO/CET 4.5%, 90-05	65,445,999		65,445,999		
0100048. 80 CSO/CET 4% CRVM, 89-02	59,524,181		59,524,181		
0100049. 80 CSO/CET 4%, 88-01	4,545,092		4,545,092		
0100050. 80 CSO/CET 3.5%, 83-84	4,872		4,872		
0100051. 2001 CSO 4.5% CRVM, 05	26,767,745		26,767,745		
0100052. 2001 CSO 4.0% CRVM, 06-12 (N.B.)	136,856,136		136,856,136		
0199997. Totals (Gross)	3,062,689,262	406,615,729	2,569,335,435	0	86,738,098
0199998. Reinsurance ceded	470,150,210		470,150,210		
0199999. Life Insurance: Totals (Net)	2,592,539,052	406,615,729	2,099,185,225	0	86,738,098
0200001. 55 AA 4% IMMEDIATE	3,645	XXX	3,645	XXX	
0200002. 71 IAM 7% PROJ. SCALE B IMMEDIATE	100,501	XXX	100,501	XXX	
0200003. 71 IAM 7.5% IMMEDIATE	77,275	XXX	77,275	XXX	
0200004. 83a 8.25% PROJ. SCALE G IMMEDIATE	379,735	XXX	379,735	XXX	
0200005. 83a 7.75% PROJ. SCALE G IMMEDIATE	113,587	XXX	113,587	XXX	
0200006. 83a 7.4% PROJ. SCALE G IMMEDIATE	7,037	XXX	7,037	XXX	
0200007. 83a 7.25% PROJ. SCALE G IMMEDIATE	389,941	XXX	389,941	XXX	
0200008. 83a 6.75% PROJ. SCALE G IMMEDIATE	663,878	XXX	663,878	XXX	
0200009. 83a 6.7% PROJ. SCALE G IMMEDIATE	139,181	XXX	139,181	XXX	
0200010. 83a 6.2% PROJ. SCALE G IMMEDIATE	195,967	XXX	195,967	XXX	
0200011. 83a 7% IMMEDIATE	28,256	XXX	28,256	XXX	
0200012. ANNUITY 2000 IAM 6.25% PROJ. SCALE G	384,607	XXX	384,607	XXX	
0200013. ANNUITY 2000 IAM 6% PROJ. SCALE G	61,898	XXX	61,898	XXX	
0200014. ANNUITY 2000 IAM 5.75% PROJ. SCALE G	221,629	XXX	221,629	XXX	
0200015. ANNUITY 2000 IAM 5.5% PROJ. SCALE G	383,967	XXX	383,967	XXX	
0200016. ANNUITY 2000 IAM 5.4% PROJ. SCALE G	6,871	XXX	6,871	XXX	
0200017. ANNUITY 2000 IAM 4.9% PROJ. SCALE G	80,203	XXX	80,203	XXX	
0200018. ANNUITY 2000 IAM 4.25% PROJ. SCALE G	58,174	XXX	58,174	XXX	
0200019. ANNUITY 2000 IAM 3.75% PROJ. SCALE G	19,628	XXX	19,628	XXX	
0200020. ANNUITY 2000 IAM 3.5% PROJ. SCALE G	135,462	XXX	135,462	XXX	
0200021. ANNUITY PURCHASE FUNDS DEFERRED	5,216,782	XXX	5,216,782	XXX	
0200022. ACCUM FOR DEF AT 5%; ULT BASIS a-1949 2.5% PROJ 30 YRS	201,598	XXX	201,598	XXX	
0200023. ACCUM FOR DEF AT 3.5%; ULT BASIS a-1949 2.5% PROJ 30 YRS	249,502	XXX	249,502	XXX	
0200024. ACCUM FOR DEF AT 3%; ULT BASIS a-1949 2.5% PROJ 30 YRS	4,558	XXX	4,558	XXX	
0200025. ACCUM FOR DEF AT 2.5%; ULT BASIS a-1949 2.5% PROJ 30 YRS	205,974	XXX	205,974	XXX	
0200026. ACCUM FOR DEF AT 3.5%; ULT BASIS 71IAM 3% PROJ 30 YRS	26,520	XXX	26,520	XXX	
0200027. DEFERRED 6% CARVM : 83a 3%	10,472	XXX	10,472	XXX	
0200028. DEFERRED 5.75% CARVM : 83a 3%	34,805	XXX	34,805	XXX	
0200029. DEFERRED 5.5% CARVM : 83a 3%	86,749	XXX	86,749	XXX	
0200030. DEFERRED 5.25% CARVM : 83a 3%	445,038	XXX	445,038	XXX	
0200031. DEFERRED 4% CARVM : 83a 3%	114,598	XXX	114,598	XXX	
0200032. 3.5% DEFERRED FLEXIBLE	227,679	XXX	227,679	XXX	

**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200033. 3.5% DEFERRED	2,390	XXX	2,390	XXX	
0200034. 2.5% DEFERRED	6,115	XXX	6,115	XXX	
0200035. 6%/5/4% DEFERRED FLEXIBLE	107,162,586	XXX	107,162,586	XXX	
0200036. 5.5%/2.5%/3/4% DEFERRED FLEXIBLE	97,328	XXX	97,328	XXX	
0200037. 4%/10/3.5% DEFERRED FLEXIBLE	5,204,759	XXX	5,204,759	XXX	
0200038. 71 GAM 6% IMMEDIATE	274,369	XXX		XXX	274,369
0200039. 83 GAM 6% IMMEDIATE	4,702,904	XXX		XXX	4,702,904
0299997. Totals (Gross)	127,726,168	XXX	122,748,895	XXX	4,977,273
0299998. Reinsurance ceded	117,759,050	XXX	112,781,777	XXX	4,977,273
0299999. Annuities: Totals (Net)	9,967,118	XXX	9,967,118	XXX	0
0300001. a-1949 2.5%, PROJ. 30 YEARS	47,044		47,044		
0300002. 55 AA 4%	14,182		14,182		
0300003. 71 IAM 7.5%	193,084		193,084		
0300004. 71 IAM 7%, PROJ. SCALE B	61,565		61,565		
0300005. 71 IAM 6%, PROJ. SCALE B	4,950		4,950		
0300006. 71 IAM 6%	83,193		83,193		
0300007. 83a 7.5%	58,953		58,953		
0300008. 83a 8.25%, PROJ. SCALE G	166,154		166,154		
0300009. 83a 7.75%, PROJ. SCALE G	87,986		87,986		
0300010. 83a 7.4%, PROJ. SCALE G	40,342		40,342		
0300011. 83a 7.25%, PROJ. SCALE G	174,746		174,746		
0300012. 83a 7%, NO PROJ.	5,662		5,662		
0300013. 83a 6.75%, PROJ. SCALE G	138,795		138,795		
0300014. 83a 6.7%, PROJ. SCALE G	123,207		123,207		
0300015. 83a 6.2%, PROJ. SCALE G	92,877		92,877		
0300016. ANNUITY 2000 IAM 6.25%, PROJ. SCALE G	144,513		144,513		
0300017. ANNUITY 2000 IAM 6%, PROJ. SCALE G	35,474		35,474		
0300018. ANNUITY 2000 IAM 5.75%, PROJ. SCALE G	13,356		13,356		
0300019. ANNUITY 2000 IAM 5.5%, PROJ. SCALE G	55,418		55,418		
0300020. ANNUITY 2000 IAM 5.4%, PROJ. SCALE G (N.B.)	2,738		2,738		
0300021. ANNUITY 2000 IAM 3.5%, PROJ. SCALE G	755,235		755,235		
0300022. ANNUITY 2000 IAM 3.10%, NO PROJ.	103,909		103,909		
0300023. ANNUITY 2000 IAM 3.05%, NO PROJ. (N.B.)	11,391		11,391		
0399997. Totals (Gross)	2,414,774	0	2,414,774	0	0
0399998. Reinsurance ceded	349,412		349,412		
0399999. SCWLC: Totals (Net)	2,065,362	0	2,065,362	0	0
0400001. INTERCO DI & 41 CSO 2.5%	147,326	88	147,238		
0400002. INTERCO DI & 41 STD IND 2.5%	288,703	288,703			
0400003. 59 ADB & 58 CSO/CET 3%	79,374		79,374		
0400004. 59 ADB & 58 CSO/CET 2.5%	1,385,010		1,385,010		
0400005. 59 ADB & 61 CSI 2.5%	243,300	243,300			
0400006. 59 ADB & 80 CSO/CET 4.5%	692		692		
0400007. 59 ADB & 80 CSO/CET 2.5% (N.B.)	1,552,591		1,552,591		
0499997. Totals (Gross)	3,696,996	532,091	3,164,905	0	0
0499998. Reinsurance ceded	80,831		80,831		
0499999. Accidental Death Benefits: Totals (Net)	3,616,165	532,091	3,084,074	0	0
0500001. 75% 30-31 MET & 41 STD IND 2.5%	478,432	477,548	884		
0500002. 75% 30-31 MET & 58 CSO/CET 2.5%	2,880,429	137	2,880,292		
0500003. 75% 30-31 MET & 80 CSO/CET 2.5% (N.B.)	274,218		274,218		
0500004. 75% 30-31 MET & 61 CSI 2.5%	256,827	256,827			
0500005. 52 BEN 5, PERIOD 2 & 41 CSO 2.5%	34,903		34,903		
0500006. 52 BEN 5, PERIOD 2 & 58 CSO/CET 3%	350,346		350,346		
0500007. 52 BEN 5, PERIOD 2 & 58 CSO/CET 2.5%	1,362,243		1,362,243		
0500008. 52 BEN 5, PERIOD 2 & 80 CSO/CET 4.5%	46,516		46,516		
0500009. 52 BEN 5, PERIOD 2 & 80 CSO/CET 4%	747		747		
0500010. 52 BEN 5, PERIOD 2 & 80 CSO/CET 2.5% (N.B.)	2,762,754		2,762,754		
0500011. 52 BEN 5, PERIOD 2 3.5%	14,373				14,373
0500012. SPECIAL - RELATED TO PREMIUM	80,895		80,895		
0599997. Totals (Gross)	8,542,683	734,512	7,793,798	0	14,373
0599998. Reinsurance ceded	404,279		404,279		
0599999. Disability-Active Lives: Totals (Net)	8,138,404	734,512	7,389,519	0	14,373
0600001. 26 CLASS (3) 2.5%	64,914		64,914		
0600002. 52 BEN 5, PERIOD 2 3.5%	5,213,764		5,213,764		
0600003. 52 BEN 5, PERIOD 2 2.5%	24,486,842		21,997,003		2,489,839
0699997. Totals (Gross)	29,765,520	0	27,275,681	0	2,489,839
0699998. Reinsurance ceded	5,175,716		5,175,716		
0699999. Disability-Disabled Lives: Totals (Net)	24,589,804	0	22,099,965	0	2,489,839
0700001. Accelerated Death Benefit	63,077		63,077		
0799997. Totals (Gross)	63,077	0	63,077	0	0
0799998. Reinsurance ceded	0				
0799999. Miscellaneous Reserves: Totals (Net)	63,077	0	63,077	0	0
9999999. Totals (Net) - Page 3, Line 1	2,640,978,982	407,882,332	2,143,854,340	0	89,242,310

**EXHIBIT 5 - INTERROGATORIES**

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [ X ] No [ ]
- 1.2 If not, state which kind is issued. ....
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts?..... Yes [ ] No [ X ]
- 2.2 If not, state which kind is issued.  
Non-participating .....
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?..... Yes [ X ] No [ ]  
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? ..... Yes [ X ] No [ ]  
If so, state:  
4.1 Amount of insurance? .....\$ .....226,162  
4.2 Amount of reserve? .....\$ .....195,080  
4.3 Basis of reserve:  
AE 3.5% .....
- 4.4 Basis of regular assessments:  
.....
- 4.5 Basis of special assessments:  
.....
- 4.6 Assessments collected during the year .....\$ .....
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts. ....
- 6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? ..... Yes [ ] No [ X ]  
6.1 If so, state the amount of reserve on such contracts on the basis actually held: .....\$ .....  
6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: .....\$ .....  
Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? ..... Yes [ ] No [ X ]  
7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements .....\$ .....  
7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:  
.....  
7.3 State the amount of reserves established for this business: .....\$ .....  
7.4 Identify where the reserves are reported in the blank:  
.....
- 8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year? ..... Yes [ ] No [ X ]  
8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements: .....\$ .....  
8.2 State the amount of reserves established for this business: .....\$ .....  
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 [ X ]  
9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders: .....\$ .....  
9.2 State the amount of reserves established for this business: .....\$ .....  
9.3 Identify where the reserves are reported in the blank:  
.....

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

1	Valuation Basis		4
Description of Valuation Class	2	3	Increase in Actuarial Reserve Due to Change
	Changed From	Changed To	
NONE			
9999999 - Total (Column 4, only)			

**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 .....	2,259,382				21,674	2,237,605		18	85
2. Additional contract reserves (a) .....	203,958,800				526,637	203,427,079		817	4,267
3. Additional actuarial reserves-Asset/Liability analysis .....	0								
4. Reserve for future contingent benefits .....	0								
5. Reserve for rate credits .....	0								
6. Aggregate write-ins for reserves .....	0	0	0	0	0	0	0	0	0
7. Totals (Gross) .....	206,218,182	0	0	0	548,311	205,664,684	0	835	4,352
8. Reinsurance ceded .....	18,123,789				548,311	17,575,478			
9. Totals (Net) .....	188,094,393	0	0	0	0	188,089,206	0	835	4,352
<b>CLAIM RESERVE</b>									
10. Present value of amounts not yet due on claims .....	31,378,909				1,911,789	29,466,728		63	329
11. Additional actuarial reserves-Asset/Liability analysis .....	0								
12. Reserve for future contingent benefits .....	0								
13. Aggregate write-ins for reserves .....	0	0	0	0	0	0	0	0	0
14. Totals (Gross) .....	31,378,909	0	0	0	1,911,789	29,466,728	0	63	329
15. Reinsurance ceded .....	1,972,795				1,911,789	61,006			
16. Totals (Net) .....	29,406,114	0	0	0	0	29,405,722	0	63	329
17. TOTAL (Net) .....	217,500,507	0	0	0	0	217,494,928	0	898	4,681
18. TABULAR FUND INTEREST .....	9,327,602					9,327,419		25	158
<b>DETAILS OF WRITE-INS</b>									
0601. ....									
0602. ....									
0603. ....									
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0	0	0	0
0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	0	0	0	0	0	0	0	0	0
1301. ....									
1302. ....									
1303. ....									
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0
1399. TOTALS (Lines 1301 thru 1303 plus 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 .....	286,397,812	0	0	4,041,249	253,511,668	28,844,895
2. Deposits received during the year .....	41,768,824			516,056	7,168,796	34,083,972
3. Investment earnings credited to the account .....	10,211,337			111,887	9,856,319	243,131
4. Other net change in reserves .....	0					
5. Fees and other charges assessed .....	0					
6. Surrender charges .....	0					
7. Net surrender or withdrawal payments .....	53,801,224			1,032,842	21,626,144	31,142,238
8. Other net transfers to or (from) Separate Accounts .....	0					
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) .....	284,576,749	0	0	3,636,350	248,910,639	32,029,760
10. Reinsurance balance at the beginning of the year .....	(31,669,910)	0	0	(1,178,661)	(30,125,825)	(365,424)
11. Net change in reinsurance assumed .....	0					
12. Net change in reinsurance ceded .....	(1,393,354)			(293,022)	(1,092,245)	(8,087)
13. Reinsurance balance at the end of the year (Lines 10+11-12) .....	(30,276,556)	0	0	(885,639)	(29,033,580)	(357,337)
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	254,300,193	0	0	2,750,711	219,877,059	31,672,423

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company  
**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	20,780,759	20,714,310	66,449								
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	20,780,759	20,714,310	66,449	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted											
2.11 Direct	84,530						84,530				
2.12 Reinsurance assumed	0										
2.13 Reinsurance ceded	0										
2.14 Net	84,530	0	(b) 0	(b) 0	0	(b) 0	(b) 84,530	0	0	0	0
2.2 Other											
2.21 Direct	26,223,287	1,543,624	22,041,427				275,750				2,362,486
2.22 Reinsurance assumed	13,781,784		2,229,857	11,551,927							
2.23 Reinsurance ceded	912,583		133,703								778,880
2.24 Net	39,092,488	1,543,624	(b) 24,137,581	(b) 11,551,927	0	(b) 0	(b) 275,750	0	(b) 0	(b) 0	(b) 1,583,606
3. Incurred but unreported:											
3.1 Direct	4,957,325	9,188	2,167,131								2,781,006
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	673,275		45,933								627,342
3.4 Net	4,284,050	9,188	(b) 2,121,198	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 2,153,664
4. TOTALS											
4.1 Direct	52,045,901	22,267,122	24,275,007	0	0	0	360,280	0	0	0	5,143,492
4.2 Reinsurance assumed	13,781,784	0	2,229,857	11,551,927	0	0	0	0	0	0	0
4.3 Reinsurance ceded	1,585,858	0	179,636	0	0	0	0	0	0	0	1,406,222
4.4 Net	64,241,827	(a) 22,267,122	(a) 26,325,228	11,551,927	0	0	(a) 360,280	0	0	0	3,737,270

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ 18,879,310 in Column 2, \$ 66,449 in Column 3 and \$ in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$ 1,651,521  
 Individual Annuities \$ , Credit Life (Group and Individual) \$ , and Group Life \$ , are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$  
 Credit (Group and Individual) Accident and Health \$ , and Other Accident and Health \$ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company  
**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	213,495,386	18,553,002	119,658,774	157,993	702,283		5,318,733	46,345,406			22,759,195
1.2 Reinsurance assumed	57,447,447		7,736,546	49,704,620				6,281			
1.3 Reinsurance ceded	3,549,965		1,822,463								1,727,502
1.4 Net	(d) 267,392,868	18,553,002	125,572,857	49,862,613	702,283	0	5,318,733	46,351,687	0	0	21,031,693
2. Liability December 31, current year from Part 1:											
2.1 Direct	52,045,901	22,267,122	24,275,007	0	0	0	360,280	0	0	0	5,143,492
2.2 Reinsurance assumed	13,781,784	0	2,229,857	11,551,927	0	0	0	0	0	0	0
2.3 Reinsurance ceded	1,585,858	0	179,636	0	0	0	0	0	0	0	1,406,222
2.4 Net	64,241,827	22,267,122	26,325,228	11,551,927	0	0	360,280	0	0	0	3,737,270
3. Amounts recoverable from reinsurers December 31, current year	316,196		145,006								171,190
4. Liability December 31, prior year:											
4.1 Direct	37,165,376	18,224,581	12,477,992	0	0	0	1,282,499	0	0	0	5,180,304
4.2 Reinsurance assumed	12,070,760	0	1,343,614	10,725,391	0	0	0	1,755	0	0	0
4.3 Reinsurance ceded	1,610,749	0	176,896	0	0	0	0	0	0	0	1,433,853
4.4 Net	47,625,387	18,224,581	13,644,710	10,725,391	0	0	1,282,499	1,755	0	0	3,746,451
5. Amounts recoverable from reinsurers December 31, prior year	149,900	0	33,119	0	0	0	0	0	0	0	116,781
6. Incurred Benefits											
6.1 Direct	228,375,911	22,595,543	131,455,789	157,993	702,283	0	4,396,514	46,345,406	0	0	22,722,383
6.2 Reinsurance assumed	59,158,471	0	8,622,789	50,531,156	0	0	0	4,526	0	0	0
6.3 Reinsurance ceded	3,691,370	0	1,937,090	0	0	0	0	0	0	0	1,754,280
6.4 Net	283,843,012	22,595,543	138,141,488	50,689,149	702,283	0	4,396,514	46,349,932	0	0	20,968,103

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ 3,007,288 in Line 1.1, \$ 3,007,288 in Line 1.4.  
 \$ 5,452,707 in Line 6.1, and \$ 5,452,707 in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ 1,118,532 in Line 1.1, \$ 1,164,207 in Line 1.4.  
 \$ 1,133,150 in Line 6.1, and \$ 1,178,825 in Line 6.4.

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

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

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....	187,288	187,284	(4)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens .....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income .....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....	54,803,246	47,856,610	(6,946,636)
9. Receivables for securities .....	0	368,582	368,582
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	54,990,534	48,412,476	(6,578,058)
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			0
15.3 Accrued retrospective premiums .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....			0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....			0
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....	9,835,362	10,888,382	1,053,020
21. Furniture and equipment, including health care delivery assets .....	6,237,862	6,823,884	586,022
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivables from parent, subsidiaries and affiliates .....	26,651,495	4,010,656	(22,640,839)
24. Health care and other amounts receivable .....	96,590	109,298	12,708
25. Aggregate write-ins for other than invested assets .....	433,563,803	477,469,253	43,905,450
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	531,375,646	547,713,949	16,338,303
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	531,375,646	547,713,949	16,338,303
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
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. Pension asset .....	428,390,401	472,717,946	44,327,545
2502. Prepaid expense .....	5,173,402	4,751,307	(422,095)
2503. ....			
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) .....	433,563,803	477,469,253	43,905,450

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company

## NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

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

C. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Amounts received on deposit-type contracts are entered directly as a liability 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 costs such as sales commissions, are charged to operations as incurred.

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

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

2. Accounting Changes and Corrections of Errors

The Company made the following accounting changes in 2012:

Effective January 1, 2012, the Company adopted Statement of Statutory Accounting Principle No. 101, *Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10* (SSAP 101). SSAP 101 amends the deferred tax asset admittance test set forth in SSAP 10R, *Income Taxes – A Temporary Replacement of SSAP 10* (SSAP 10R), by limiting the admissibility thresholds based on current period risk-based capital levels and modifying disclosure requirements. In addition, SSAP 101 no longer requires admitted deferred tax assets above certain thresholds to be classified as aggregate write-ins for other than special surplus funds.

The adoption of SSAP 101 did not impact the Company's statutory surplus at January 1, 2012. In addition, the Company reclassified \$18.4 million on the Liabilities, Surplus and Other Funds page from aggregate write-ins for other than special surplus funds (line 34) to unassigned funds (line 35).

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company

## NOTES TO FINANCIAL STATEMENTS

The Company made the following accounting changes in 2011:

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

3. Business Combinations and Goodwill. None.

4. Discontinued Operations. None.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

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

Farm loans	None
City loans	None
Purchase money mortgages	None
Mezzanine loans	None

(2) During 2012, the Company reduced interest rates of outstanding mortgage loans as follows:  
1.54%      \$ 54,411,      number 1

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

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

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

B. Debt Restructuring. None.

C. Reverse Mortgages. None.

D. Loan-Backed Securities

(1) The prepayment assumptions used in the valuation process were from Bloomberg and broker dealer prepayment models or derived from empirical data.

(2) The Company had no other-than-temporary impairments on loan-backed and structured securities for the years ended December 31, 2012, 2011, 2010 and the six month period ended December 31, 2009 due to the intent to sell the security or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis of the security.

(3) The following is a list of each loan-backed and structured security with a recognized other-than-temporary impairment, for the years ended December 31, 2012, 2011, 2010 and the six month period ended December 31, 2009, as the present value of future cash flows expected to be collected is less than the amortized cost basis of the securities:

CUSIP	Book/Adj Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Future Cash Flows	Recognized Other-Than- Temporary Impairment	Amortized Cost After Other-Than- Temporary Impairment	Fair Value	Date of Financial Statement Where Reported
For the Year ended December 31, 2012:						
12667GPV9	\$ 2,893,577	\$ 2,641,389	\$ 252,188	\$ 2,641,389	\$ 2,569,560	12/31/2012
225458PR3	2,004,871	1,921,543	83,328	1,921,543	1,995,608	12/31/2012
46628SAH6	3,691,798	3,054,881	636,917	3,054,881	2,787,801	12/31/2012
61751DAH7	11,584,095	10,928,227	655,868	10,928,227	9,388,023	12/31/2012
12668ANW1	1,805,631	1,708,902	96,729	1,708,902	1,546,473	9/30/2012
221470AA5	6,572,119	4,497,301	2,074,818	4,497,301	2,803,929	9/30/2012
61749EAF4	2,260,033	2,085,769	174,264	2,085,769	1,804,931	9/30/2012
75970JAD8	1,106,989	1,058,545	48,444	1,058,545	764,142	9/30/2012
75970JAJ5	6,478,972	6,057,505	421,467	6,057,505	4,210,662	9/30/2012
02148JAD9	3,100,483	2,922,562	177,921	2,922,562	2,491,805	6/30/2012
12667GPW7	14,047,311	13,296,322	750,989	13,296,322	11,565,934	6/30/2012

## NOTES TO FINANCIAL STATEMENTS

12668AAL9	10,237,420	9,273,619	963,801	9,273,619	8,275,171	6/30/2012
12668BYF4	1,388,354	1,336,051	52,303	1,336,051	1,083,557	6/30/2012
45660L2V0	5,243,619	5,012,492	231,127	5,012,492	3,947,539	6/30/2012
52521HAJ2	2,479,717	2,135,940	343,777	2,135,940	1,817,575	6/30/2012
52523KAJ3	1,523,417	1,431,817	91,600	1,431,817	720,719	6/30/2012
74922EAF6	319,609	311,973	7,636	311,973	275,076	6/30/2012
761118XQ6	1,407,079	1,292,868	114,211	1,292,868	1,137,091	6/30/2012
76112HAD9	11,661,873	10,651,248	1,010,625	10,651,248	7,755,163	6/30/2012
86359DSR9	1,045,265	1,008,172	37,093	1,008,172	874,101	6/30/2012
872225AF4	92,735	84,024	8,711	84,024	69,707	6/30/2012
Total	XXX	XXX	\$ 8,233,817	XXX	XXX	

For the year ended December 31, 2011:

05948KXT1	4,598,456	4,428,061	170,395	4,428,061	3,473,398	12/31/2011
12668BYF4	1,507,164	1,423,563	83,601	1,423,563	1,108,766	12/31/2011
17309AAD1	14,373,132	13,443,016	930,116	13,443,016	11,912,713	12/31/2011
46628SAJ2	2,306,563	1,946,352	360,211	1,946,352	1,266,464	12/31/2011
61751DAH7	13,499,462	12,977,338	522,124	12,977,338	8,018,529	12/31/2011
61752RAL6	849,653	787,343	62,310	787,343	537,112	12/31/2011
74922EAF6	364,426	335,971	28,455	335,971	267,642	12/31/2011
75970JAD8	1,311,938	1,230,515	81,423	1,230,515	956,011	12/31/2011
761118MD7	19,321,516	18,653,422	668,094	18,653,422	16,078,629	12/31/2011
76112HAD9	14,942,230	11,801,433	3,140,797	11,801,433	8,495,860	12/31/2011
872225AF4	524,214	158,157	366,057	158,157	139,463	9/30/2011
52523KAJ3	1,809,442	1,457,788	351,654	1,457,788	755,738	6/30/2011
Total	XXX	XXX	\$ 6,765,237	XXX	XXX	

For the year ended December 31, 2010:

74922EAF6	\$ 408,442	\$ 396,072	\$ 12,370	\$ 396,072	\$ 321,230	12/31/2010
75970JAD8	1,604,960	1,464,188	140,772	1,464,188	1,281,823	12/31/2010
872225AF4	966,383	562,551	403,832	562,551	358,500	12/31/2010
12668BYF4	1,747,229	1,644,442	102,787	1,644,442	1,281,332	9/30/2010
75970JAJ5	8,188,134	7,042,796	1,145,338	7,042,796	4,312,252	9/30/2010
02148JAD9	3,873,191	3,626,398	246,793	3,626,398	2,749,124	6/30/2010
12628KAA0	63,195	51,301	11,894	51,301	51,301	6/30/2010
45660L2V0	6,712,050	6,429,892	282,158	6,429,892	4,863,170	6/30/2010
52521HAJ2	3,040,220	2,917,471	122,749	2,917,471	2,285,520	6/30/2010
61749EAF4	3,053,008	2,789,610	263,398	2,789,610	1,890,147	6/30/2010
75970JAJ5	8,410,856	8,238,397	172,459	8,238,397	4,865,536	6/30/2010
76112HAD9	17,086,969	15,172,411	1,914,558	15,172,411	11,819,394	6/30/2010
872225AF4	1,787,013	950,122	836,891	950,122	563,640	6/30/2010
Total	XXX	XXX	\$ 5,655,999	XXX	XXX	

For the six month period ended December 31, 2009:

12668BYF4	\$ 1,837,677	\$ 1,748,993	\$ 88,684	\$ 1,748,993	\$ 1,376,634	12/31/2009
65538PAF5	8,206,560	8,023,394	183,166	8,023,394	5,763,721	12/31/2009
75970JAJ5	8,744,010	8,445,937	298,073	8,445,937	5,037,563	12/31/2009
761118MD7	21,594,083	20,587,887	1,006,196	20,587,887	14,524,272	12/31/2009
059515BF2	3,809,941	3,348,844	461,097	3,348,844	2,735,128	9/30/2009
872225AF4	2,989,826	1,845,600	1,144,226	1,845,600	803,439	9/30/2009
Total	XXX	XXX	\$ 3,181,442	XXX	XXX	

- (4) The following is an aggregate total of all impaired loan-backed securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss, including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains as of December 31, 2012:

a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$320,399
2. 12 months or longer	\$12,126,322

The aggregate related fair value of securities

b. with unrealized losses:

1. Less than 12 months	\$29,539,111
2. 12 months or longer	\$146,566,586

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

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

At December 31, 2012, the Company has loaned \$104.5 million and \$12.4 million (fair value) in the general and separate account, respectively, of various debt securities, preferred stocks and common stocks as part of a securities lending program administered by The Bank of New York Mellon. At December 31, 2011, the Company had loaned \$139.4 million and \$16.5 million (fair value) in the general and separate account, respectively, of various debt securities, preferred stocks and common stocks as part of a securities lending program administered by The Bank of New York Mellon. The Company maintains effective control over all loaned securities and, therefore, continues to report such securities as invested assets in the balance sheets. The general account collateral is managed by both an affiliated and unaffiliated agent. The separate account collateral is managed by an unaffiliated agent.

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company

## NOTES TO FINANCIAL STATEMENTS

security. At December 31, 2012 and 2011, the Company did not non-admit any portion of the loaned securities.

- (2) Not applicable.
- (3) a. At December 31, 2012, the collateral for all securities on loan could be requested to be returned on demand by the borrower. At December 31, 2012, the fair value of the total collateral in the general account is \$107.1 million, \$85.3 million of which is managed by an affiliated agent and \$21.8 million of which is managed by an unaffiliated agent. The fair value of the total collateral in the separate account is \$12.7 million, which is all managed by an unaffiliated agent. At December 31, 2011, the fair value of the total collateral for the general account was \$143.4 million, \$122.9 million of which was managed by an affiliated agent and \$20.5 million of which was managed by an unaffiliated agent. The fair value of the total collateral in the separate account was \$17.0 million, which was all managed by an unaffiliated agent.
- b. The aggregate fair value of the reinvested collateral is \$119.8 million.
- c. The Company receives cash collateral in an amount in excess of the fair value of the securities lent. The Company reinvests the cash collateral primarily in investment-grade debt securities and cash equivalents.
- (4) The Company reports all collateral on the balance sheet with an offsetting liability recognized for the obligation to return the collateral. Collateral for the securities lending program is either managed by an affiliated agent of the Company or is managed by the Bank of New York Mellon, an unaffiliated agent. Collateral managed by an affiliated agent is invested primarily in investment-grade debt securities and cash equivalents and is included in the applicable amount on the balance sheets because the funds are available for the general use of the Company. Collateral managed by an unaffiliated agent is invested in cash equivalents and is included in securities lending reinvested collateral assets on the balance sheet at December 31, 2012 and 2011.
- (5) a. The aggregate collateral broken out by maturity date is as follows:

	Amortized Cost	Fair Value
Open	\$ -	\$ -
30 Days or less	84,376,082	84,670,397
31 to 60 Days	-	-
61 to 90 Days	-	-
91 to 120 Days	-	-
121 to 180 Days	902,233	902,520
181 to 365 Days	3,717,941	3,717,208
1 to 2 Years	9,700,000	9,698,982
2 to 3 Years	-	-
Greater Than 3 Years	20,816,311	20,816,311
Total Collateral	<u>\$ 119,512,567</u>	<u>\$ 119,805,418</u>

- b. At December 31, 2012, all of the collateral held for the securities lending program was invested in tradable securities that could be sold and used to pay for the \$119.9 million in collateral calls that could come due under a worst-case scenario.

### F. Real Estate

- (1) The Company did not recognize impairment losses on real estate during the statement periods.
- (2) The Company had one property classified as Held for Sale at December 31, 2012. The Finance Committee on July 27, 2011 approved a recommendation to market for sale CRE 1465, Cincinnati - West District Office. Since October 24, 2011 it has been listed with the brokerage firm of Cassidy Turley.
- (3) The Company did not experience changes to a plan of sale in investment in real estate.
- (4) The Company does not engage in retail land sales operations.
- (5) The Company does not hold any real estate investments with participating mortgage loan features.

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

### 6. Joint Ventures, Partnerships and Limited Liability Companies

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

### 7. Investment Income

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

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

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

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

### 8. Derivative Instruments. The Company has no material derivative financial instruments.

### 9. Income Taxes

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

(1)

	12/31/2012		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross deferred tax assets	\$ 285,182,073	\$ 27,577,516	\$ 312,759,589
(b) Statutory valuation allowance adjustments	-	-	-
(c) Adjusted gross deferred tax assets (1a – 1b)	285,182,073	27,577,516	312,759,589
(d) Deferred tax assets nonadmitted	-	-	-
(e) Subtotal net admitted deferred tax assets (1c – 1d)	285,182,073	27,577,516	312,759,589
(f) Deferred tax liabilities	114,431,526	122,692,790	237,124,316
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e – 1f)	<u>\$ 170,750,547</u>	<u>\$ (95,115,274)</u>	<u>\$ 75,635,273</u>

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

**NOTES TO FINANCIAL STATEMENTS**

(a) Gross deferred tax assets	\$ 243,600,856	\$ 39,279,579	\$ 282,880,435
(b) Statutory valuation allowance adjustments	-	-	-
(c) Adjusted gross deferred tax assets (1a – 1b)	243,600,856	39,279,579	282,880,435
(d) Deferred tax assets nonadmitted	-	-	-
(e) Subtotal net admitted deferred tax assets (1c – 1d)	243,600,856	39,279,579	282,880,435
(f) Deferred tax liabilities	102,994,589	109,797,621	212,792,210
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e – 1f)	\$ 140,606,267	\$ (70,518,042)	\$ 70,088,225

Change:

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross deferred tax assets	\$ 41,581,217	\$ (11,702,063)	\$ 29,879,154
(b) Statutory valuation allowance adjustments	-	-	-
(c) Adjusted gross deferred tax assets (1a – 1b)	41,581,217	(11,702,063)	29,879,154
(d) Deferred tax assets nonadmitted	-	-	-
(e) Subtotal net admitted deferred tax assets (1c – 1d)	41,581,217	(11,702,063)	29,879,154
(f) Deferred tax liabilities	11,436,937	12,895,169	24,332,106
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e – 1f)	\$ 30,144,280	\$ (24,597,232)	\$ 5,547,048

(2)

Admission Calculation Components SSAP No. 101

	12/31/2012		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 63,455,390	\$ 12,500,000	\$ 75,955,390
(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)	\$	\$	\$
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	\$	\$	\$
2. Adjusted gross deferred tax assets allowed per limitation threshold.	XXX	XXX	\$ 539,428,577
(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	\$ 221,726,683	\$ 15,077,516	\$ 236,804,199
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	\$ 285,182,073	\$ 27,577,516	\$ 312,759,589

	12/31/2011		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$	\$ 5,500,000	\$ 5,500,000
(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)	\$ 65,688,463	\$	\$ 65,688,463
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	\$ 65,688,463	\$	\$ 65,688,463
2. Adjusted gross deferred tax assets allowed per limitation threshold.	XXX	XXX	\$ 531,289,123
(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	\$ 177,912,393	\$ 33,779,580	\$ 211,691,972
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	\$ 243,600,856	\$ 39,279,580	\$ 282,880,436

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 63,455,390	\$ 7,000,000	\$ 70,455,390
(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)	\$ (65,688,463)	\$	\$ (65,688,463)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	\$ (65,688,463)	\$	\$ (65,688,463)
2. Adjusted gross deferred tax assets allowed per limitation threshold.	XXX	XXX	\$ 8,039,454
(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	\$ 43,814,290	\$ (18,702,064)	\$ 25,112,226
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	\$ 41,581,217	\$ (11,702,064)	\$ 29,879,153

(3)

	2012	2011
(a) Ratio percentage used to determine recovery period and threshold limitation amount.	985%	980%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	\$ 425,100,010	\$ 412,942,162

(4)

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

Impact of tax planning strategies:

(a) Adjusted gross DTA (% of total adjusted gross DTAs)	5.02%	4.00%	9.02%
(b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	5.02%	4.00%	9.02%
(c) Does the Company's tax-planning strategies include the use of reinsurance?			

**NOTES TO FINANCIAL STATEMENTS**

Yes \_\_\_\_\_ No x\_\_\_\_\_

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

Impact of tax planning strategies:

(a) Adjusted gross DTA (% of total adjusted gross DTAs)	0.00%	1.94%	1.94%
(b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0.00%	1.94%	1.94%
(c) Does the Company's tax-planning strategies include the use of reinsurance? Yes _____ No <u>x</u> _____			

Change		
(7)	(8)	(9)
Ordinary Percent	Capital Percent	(Col 7+8) Total Percent

Impact of tax planning strategies:

(a) Adjusted gross DTA (% of total adjusted gross DTAs)	5.02%	2.06%	7.08%
(b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	5.02%	2.06%	7.08%

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

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

(1) Current income tax	Current Year	Prior Year	Change
(a) Federal	\$ 17,805,364	\$ (2,100,852)	\$ 19,906,216
(b) Foreign	757,567	364,799	392,768
(c) Subtotal	18,562,931	(1,736,053)	20,298,984
(d) Federal income tax on net capital gains	19,330,294	35,371,030	(16,040,737)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	4,028,091	(11,769,868)	15,797,959
(g) Federal and foreign income taxes incurred	\$ 41,921,315	\$ 21,865,109	\$ 20,056,207

(2) Deferred tax assets	Current Year	Prior Year	Change
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ -	\$ -	\$ -
(2) Unearned premium revenue	-	-	-
(3) Policyholder reserves	63,151,947	57,707,267	5,444,679
(4) Investments	8,450,617	3,768,790	4,681,826
(5) Deferred acquisition costs	32,299,886	33,133,744	(833,858)
(6) Policyholder dividends accrual	9,382,631	9,578,813	(196,182)
(7) Fixed assets	2,266,094	1,200,479	1,065,615
(8) Compensation and benefits accrual	122,806,448	114,600,379	8,206,070
(9) Pension accrual	29,963,038	17,202,429	12,760,609
(10) Receivables – nonadmitted	11,057,321	730,571	10,326,750
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other	5,804,091	5,678,383	125,708
(99) Subtotal	285,182,073	243,600,856	41,581,217
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	285,182,073	243,600,856	41,581,217
(e) Capital:			
(1) Investments	27,577,516	39,279,579	(11,702,063)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
(99) Subtotal	27,577,516	39,279,579	(11,702,063)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	27,577,516	39,279,579	(11,702,063)
(i) Admitted deferred tax assets (2d + 2h)	\$ 312,759,589	\$ 282,880,435	\$ 29,879,154

(3) Deferred tax liabilities	Current Year	Prior Year	Change
(a) Ordinary:			
(1) Investments	\$ 83,320,542	\$ 70,184,408	\$ 13,136,134
(2) Fixed assets	4,713,231	4,766,915	(53,684)
(3) Deferred and uncollected premium	18,829,892	19,179,916	(350,023)
(4) Policyholder reserves	-	-	-
(5) (99) Other	7,567,861	8,863,351	(1,295,490)
Subtotal	114,431,526	102,994,589	11,436,937
(b) Capital:			
(1) Investments	122,692,790	109,797,621	12,895,169
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal	122,692,790	109,797,621	12,895,169
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 237,124,316	\$ 212,792,210	\$ 24,332,106

(4) Net deferred tax assets (liabilities) (2i – 3c)	Current Year	Prior Year	Change
	\$ 75,635,273	\$ 70,088,225	\$ 5,547,048

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

	Current Year	Effective Tax Rate	Prior Year	Effective Tax Rate
Provision computed at statutory rate	\$ (162,281)	35.00%	\$ 73,244,977	35.00%
Dividend received deduction	(5,391,378)	1162.78	(56,612,642)	(27.05)
Tax credits	(1,632,937)	352.18	(1,620,929)	(0.77)
Other invested assets	(8,310,325)	1792.33	1,716,152	0.82
Medicare Part D	-	0.00	-	0.00
FAS 87 pension	10,549,956	(2275.36)	7,221,331	3.45

**NOTES TO FINANCIAL STATEMENTS**

Additional minimum pension liability	(12,760,609)	2752.14	(17,202,429)	(8.22)
Change in reserve valuation basis	-	0.00	-	0.00
Pension Asset	-	0.00	(14,000,000)	(6.69)
Other	(657,654)	(141.84)	(2,608,991)	(1.25)
Total statutory income taxes	\$ (18,365,228)	3960.92%	\$ (9,862,531)	(4.71)%
Federal and foreign income taxes incurred	\$ 22,591,020	(4872.31)%	\$ (13,505,921)	(6.45)%
Change in net deferred income taxes*	(40,956,248)	8833.23	3,643,390	1.74
Total statutory income taxes	\$ (18,365,228)	3960.92%	\$ (9,862,531)	(4.71)%

\* Excludes change in net deferred income taxes on realized gains/losses of \$1,140,554 and \$(4,129,252) for the year ended December 31, 2012 and 2011, respectively.

E. At December 31, 2012, the Company had \$0 of operating loss carry forwards.

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

2012	\$ 40,237,654
2011	\$ 37,996,379
2010	\$ -

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

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

The Company files a consolidated income tax return, which includes all its eligible subsidiaries. The provision for federal income taxes is allocated to the individual companies using a separate return method based upon a written tax sharing agreement. Under the agreement, the benefits from losses of subsidiaries are retained by the subsidiary companies. The Company pays all federal income taxes due for all members in the consolidated return. The Company then immediately charges or reimburses, as the case may be, these members an amount consistent with the method described in the tax sharing agreement. At December 31, 2012, the Company has a net receivable of \$15.1 million included on line 18.1 of page 2.

#### 10. Information Concerning Parent, Subsidiaries and Affiliates

A,B, C& D. Intercompany fees for management services to Western-Southern Life Assurance Company and Columbus Life Insurance Company, both wholly owned subsidiaries, included in net income of the Company were \$65.4 million and \$72.8 million, and \$5.8 and \$6.0 million in 2012 and 2011, respectively.

The Company has an equity interest in certain partnerships that made payments of principal and interest under mortgage financing arrangements to Western-Southern Life Assurance Company in the amounts of \$79.1 million and \$24.7 million in 2012 and 2011, respectively.

At December 31, 2012 and 2011, the Company had \$89.1 million and \$85.0 million invested, respectively, in the Touchstone Funds, which are mutual funds administered by Touchstone Advisors, Inc., an indirect subsidiary of the Company.

On December 21, 2012, the Company received a \$30 million capital contribution from its parent, Western & Southern Financial Group, Inc. The capital contribution was in the form of cash.

On December 21, 2012, the Company paid a \$30 million capital contribution to its subsidiary, Western-Southern Life Assurance Company. The capital contribution was in the form of cash.

On December 9, 2011, the Company paid a \$15 million dividend to its parent, Western & Southern Financial Group, Inc. The dividend was in the form of cash.

On December 9, 2011, the Company paid a \$37 million dividend to its parent, Western & Southern Financial Group, Inc. The dividend consisted of \$3.3 million in cash and \$33.7 million of common stocks. Western & Southern Financial Group, Inc. contributed the cash and common stock to its subsidiary, The Lafayette Life Insurance Company.

The Company received a \$75.0 million dividend and a \$25.0 million dividend from its subsidiary, Western-Southern Life Assurance Company, on December 5, 2011 and December 28, 2011. The dividends were in the form of cash.

The Company received a \$26.0 million dividend and a \$6.5 million dividend from its subsidiary, Columbus Life Insurance Company, on December 5, 2011 and December 29, 2011. The dividends were in the form of cash.

The Company received a \$14.7 million dividend and a \$2.8 million dividend from its subsidiary, Columbus Life Insurance Company, on December 20, 2011 and December 28, 2011. The dividends were in the form of bonds.

E. The Company guarantees the present and future policyholder obligations of Lafayette Life Insurance Company, an affiliated entity. The Company had no other guarantees or undertakings for the benefit of an affiliate that resulted in a material contingent exposure of the Company's or any affiliated insurer's assets or liabilities.

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

G. The Company is an indirect wholly-owned subsidiary of Western & Southern Mutual Holding Company, a mutual holding company formed pursuant to the insurance regulations of the state of Ohio.

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

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

J. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during 2012.

K. Not applicable.

## NOTES TO FINANCIAL STATEMENTS

L. Not applicable.

### 11. Debt

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

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

#### A. Defined Benefit Plan

The Company maintains a defined benefit pension plan covering substantially all employees and agents. Benefits are based on years of service and the highest consecutive five years of earnings in the ten years preceding retirement.

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefits Plans are as follows at December 31, 2012 and 2011:

	Pension Benefits		Postretirement Medical	
	2012	2011	2012	2011
<b>(1) Change in benefit obligation:</b>				
a. Benefit obligation at beginning of year	\$ 820,213,936	\$ 727,415,424	\$ 155,457,387	\$ 151,736,414
b. Service cost	16,799,879	14,702,370	5,226,375	5,396,226
c. Interest cost	38,925,269	40,815,280	7,514,532	8,582,401
d. Medicare Part D payments received	-	-	2,013,421	1,778,141
e. ERRP reimbursement received	-	-	-	905,514
f. Contribution by plan participants	-	-	3,805,717	3,190,742
g. Actuarial (gain) loss	78,993,283	81,094,453	22,149,550	(6,254,131)
h. Foreign currency exchange	-	-	-	-
i. Benefits paid	(46,346,400)	(43,813,591)	(18,682,510)	(15,596,455)
j. Plan amendments	(2,870,113)	-	-	-
k. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	5,718,535
l. Benefit obligation at end of year	<u>\$ 905,715,854</u>	<u>\$ 820,213,936</u>	<u>\$ 177,484,472</u>	<u>\$ 155,457,387</u>
<b>(2) Change in plan assets:</b>				
a. Fair value of plan assets at beginning of year	\$ 740,043,470	\$ 726,155,720	\$ -	\$ -
b. Actual return on plan assets	96,541,282	17,701,341	-	-
c. Foreign currency exchange rate changes	-	-	-	-
d. Employer contribution	-	40,000,000	12,863,372	9,722,058
e. Plan participant's contributions	-	-	3,805,717	3,190,742
f. Benefits paid (net of Part D subsidy & ERRP reimbursement)	(46,346,400)	(43,813,591)	(16,669,089)	(12,912,800)
g. Business combinations, divestitures and settlements	-	-	-	-
h. Fair value of plan assets at end of year	<u>\$ 790,238,352</u>	<u>\$ 740,043,470</u>	<u>\$ -</u>	<u>\$ -</u>
<b>(3) Funded status:</b>				
a. Unfunded obligation	\$ (115,477,502)	\$ (80,170,466)	\$ (177,484,472)	\$ (155,457,387)
b. Unamortized prior service cost	(37,696,168)	(38,426,299)	(21,459,922)	(24,314,568)
c. Unrecognized net (gain) or loss	581,564,115	591,314,759	(31,180,410)	(55,686,473)
d. Remaining net obligation or net asset at initial date of application	-	-	-	-
e. Prepaid assets or accrued liabilities	<u>\$ 428,390,445</u>	<u>\$ 472,717,994</u>	<u>\$ (230,124,804)</u>	<u>\$ (235,458,428)</u>
<b>(4) Accumulated benefit obligation for vested employees and partially vested employees to the extent vested:</b>	<u>\$ 875,739,690</u>	<u>\$ 789,193,268</u>	<u>\$ 177,484,472</u>	<u>\$ 155,457,387</u>
<b>(5) Benefit obligation for non-vested employees</b>				
a. Projected pension obligation	\$ 7,742,876	\$ 6,233,459	N/A	N/A
b. Accumulated benefit obligation	\$ 5,125,560	\$ 4,647,666	N/A	N/A
<b>(6) Components of net periodic benefit cost:</b>				
a. Service cost	\$ 16,799,879	\$ 14,702,370	\$ 5,226,375	\$ 5,396,226
b. Interest cost	38,925,269	40,815,280	7,514,532	8,582,401
c. Expected return on plan assets	(55,515,571)	(55,298,428)	-	-
d. Amortization of unrecognized transition obligation or transition asset	-	-	-	-
e. Amount of recognized gains and losses	47,718,216	40,103,419	(2,356,513)	(2,243,763)
f. Amount of prior service cost recognized	(3,600,244)	(3,318,684)	(2,854,646)	(2,872,250)
g. Amount of gain or loss recognized due to a settlement or curtailment	-	-	-	-
h. Total net periodic benefit cost (benefit)	<u>\$ 44,327,549</u>	<u>\$ 37,003,957</u>	<u>\$ 7,529,748</u>	<u>\$ 8,862,614</u>

(7) The Company's additional minimum pension liability was \$85,608,680 and \$49,149,798 at December 31, 2012 and 2011, respectively.

At December 31, 2012 and 2011, there was a net surplus decrease of \$23,698,273 and \$31,947,369, respectively, resulting from a \$36,458,882 and \$49,149,798 increase in the additional minimum pension liability, respectively, partially offset by a tax benefit of \$12,760,609 and \$17,202,429, respectively.

(8) Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31:

a. Weighted average discount rate	4.90%	5.75%	4.90%	5.75%
b. Rate of compensation increase	4.60%	4.60%	N/A	N/A
c. Expected long-term rate of return on plan assets	7.50%	7.50%	N/A	N/A

Weighted-average assumptions for the benefit obligation as of Dec. 31:

a. Weighted average discount rate	4.20%	4.90%	4.00%	4.90%
b. Rate of compensation increase	4.60%	4.60%	N/A	N/A

(9) A measurement date of December 31, 2012 was used to determine the above.

(10) For measurement purposes of the benefit obligation at December 31, a 5.75 percent annual rate of increase in the per capita cost of covered health care benefits is assumed for 2012. The rate was assumed to decrease gradually to 4.75 percent for 2017 and remain at that level thereafter.

(11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change

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in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$ 1,720,529	\$ (1,459,218)
b. Effect on postretirement benefit obligation	\$ 20,687,398	\$ (17,635,719)

- (12) The defined pension plan asset allocation as of the measurement date, December 31, 2012, and the target asset allocation, presented as a percentage of total plan assets were as follows:

Asset Category	Target Allocation Percentage		Percentage of Plan Assets	
	2012	2012	2012	2011
Equity securities	51%	56%	56%	54%
Fixed income securities	27%	20%	20%	20%
Short-term investments	0%	0%	0%	0%
Other	22%	24%	24%	26%
Total	100%	100%	100%	100%

- a. The plan employs a total return investment approach whereby a mix of fixed income and equity investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The total portfolio is structured with multiple sub-portfolios, each with a specific fixed income or equity asset management discipline. Each sub-portfolio is subject to individual limitations and performance benchmarks as well as limitations at the consolidated portfolio level. Quarterly asset allocation meetings are held to evaluate portfolio asset allocation and to establish the optimal mix of assets given current market conditions and risk tolerance. Investment mix is measured and monitored on an on-going basis through regular investment reviews, annual liability measurements, and periodic asset/liability studies.
- b. The Company employs a prospective building block approach in determining the long-term expected rate of return for plan assets. Historical returns are determined by asset class. The historical relationships between equities, fixed income securities, and other assets are reviewed. The Company applies long-term asset return estimates to the plan's target asset allocation to determine the weighted-average long-term return. The Company's long-term asset allocation was determined through modeling long-term returns and asset return volatilities and is guided by an investment policy statement created for the plan.
- c. Disclosure of additional asset categories. None.
- (13) As of December 31, 2012, future benefit payments for the pension plan are expected as follows: 2013 – \$46.9 million, 2014 – \$47.5 million, 2015 – \$48.2 million, 2016 – \$49.1 million, 2017 – \$50.1 million, and the five years thereafter -- \$267.2 million.
- (14) The Company does not anticipate a required contribution during 2013.
- (15) At December 31, 2012 and 2011, the plan assets included approximately \$98,907,504 and \$101,735,127, respectively, of mutual funds administered by Touchstone Advisors Inc., a wholly owned subsidiary of the Company.

During 2012, the Company did not contribute to the pension plan .

- (16) Alternative method used to amortize prior service amounts or unrecognized net gains and losses. None.
- (17) The Company indexes Postretirement Medical plan contributions, deductibles, and out-of-pocket limits with plan trend experience.
- (18) Cost of providing special or contractual termination benefits recognized during the period. None.
- (19) The Company's discount rate assumption is determined by utilizing a discounted cash flow analysis of the Company's obligations. The yield curve utilized in the cash flow analysis is comprised of highly rated (Aaa or Aa) corporate bonds. The discount rate was reduced from 4.90% at December 31, 2011 to 4.20% at December 31, 2012. This resulted in a \$75.0 million increase in the pension benefit obligation in 2012.

#### B. Defined Contribution Plan

The Company maintains a deferred compensation plan for Directors, selected consultants and for Highly Compensated Employees (as defined in IRC 414(q)) working in the Home Office. Eligible participants may elect to have all or any portion of their salary or fees credited to a defined Investment account.

The Company sponsors a contributory Employee Retirement Savings Plan qualified under the provisions of IRC 401(k) covering substantially all eligible, full time employees. This plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Company's contributions to the plan are based on a combination of the employee's contributions to the plan and a percentage of the employee's earnings for the year. Total Company contributions to the defined contribution plan were \$3,759,657 and \$3,596,621 for 2012 and 2011, respectively.

#### C. Multi-employer Plans. None.

#### D. Consolidated/Holding Company Plans. None.

#### E. Postemployment Benefits and Compensated Absences

Postemployment benefits and compensated absences are recorded as accrued liabilities.

#### F. Impact of Medicare Modernization Act on Postretirement Benefits

- (1) Not applicable.
- (2) Not applicable.
- (3) With respect to the Company's postretirement medical plan, the Company paid gross benefits of \$18,682,510 in 2012 and expects to pay \$113,258,323 in 2013 and beyond. The Company received \$2,013,421 in 2012 related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act). Effective January 1, 2013, the Company's postretirement medical plan will no longer collect the Medicare Part D Subsidy.

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

- (1) The Company has one class of common stock with a par value of \$1 per share. At December 31, 2012, the Company had 1,000,000 shares authorized, 1,000,000 shares issued and 1,000,000 shares outstanding.
- (2) The Company has no preferred stock outstanding.
- (3) The ability of the Company to pay dividends is limited by state insurance laws. Under Ohio insurance laws, the Company may pay dividends, without the approval of the Ohio Director of Insurance, only from earned surplus and those dividends may not exceed (when added to other dividends paid in the preceding 12 months) the greater of (i) 10% of the Company's surplus as of the prior December 31, or (ii) the Company's net income for the twelve

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month period ending the prior December 31. Dividends are noncumulative.

- (4) On December 9, 2011, the Company paid a \$15 million ordinary dividend to its parent, Western & Southern Financial Group, Inc. The dividend was in the form of cash.

On December 9, 2011, the Company paid a \$37 million ordinary dividend to its parent, Western & Southern Financial Group, Inc. The dividend consisted of \$3.3 million in cash and \$33.7 million of common stocks. Western & Southern Financial Group, Inc. contributed the cash and common stock to its subsidiary, The Lafayette Life Insurance Company.

- (5) Within the limitations of (3) above, there are no restrictions placed on the portion of company profits that may be paid as ordinary dividends to stockholders.
- (6) There were no restrictions placed on the Company's surplus.
- (7) There are no advances of surplus.
- (8) There was no stock held by the Company, including stock of affiliated companies, for special purposes.
- (9) The Company does not hold any special surplus funds.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses: \$671,915,684
- (11) There were no surplus debentures or similar item outstanding during the statement periods.
- (12) There have been no restatements of surplus due to quasi-reorganizations.
- (13) Not applicable.

#### 14. Contingencies

##### A. Contingent Commitments

- (1) The Company has future commitments to joint ventures, limited partnerships and limited liability companies in the amount of \$268,091,651.
- (2) The Company guarantees the payment of all policyholder obligations of each of the following wholly-owned subsidiaries, Columbus Life Insurance Company, and Integrity Life Insurance Company. In addition, the Company guarantees all policyholder obligations of National Integrity Life Insurance Company, a wholly owned subsidiary of Integrity Life Insurance Company, and Lafayette Life Insurance Company, an affiliated entity which is wholly owned by the Company's parent, Western & Southern Financial Group. Guarantees on behalf of wholly-owned subsidiaries or on behalf of related parties that are considered to be unlimited (as in the case of the guarantee on behalf of Lafayette Life Insurance Company) are exempt from the initial liability recognition criteria in SSAP 5R and therefore no liability has been recognized in the financial statements. Due to the unlimited nature of the guarantees, the Company is unable to estimate the maximum potential amount of future payments under the guarantees. In the unlikely event the guarantees would be triggered, the Company may be permitted to take control of the underlying assets to recover all or a portion of the amounts paid under the guarantees.

##### B. Assessments

The Company is not aware of any material assessments.

##### C. Gain Contingencies

The Company is not aware of any gain contingencies.

##### D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

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

##### E. All Other Contingencies

The Company is currently being audited on behalf of multiple states' treasury and controllers' offices regarding laws and regulations concerning the identification, reporting and escheatment of unclaimed contract benefits or abandoned funds. In addition, the Company is involved in litigation involving related matters. The audits focus on identifying unreported death claims, matured annuities and retained asset accounts, and the use of the Social Security Death Master File to identify deceased insurance policy, annuity contract, and retained asset account holders. The litigation focuses on allegations regarding the identification of unreported death claims and the use of the Social Security Death Master File to identify deceased insurance policyholders. In addition, the Company is the subject of multistate regulatory inquiries and examinations with a similar focus on processes and procedures for identifying deceased insurance policy, annuity contract, and retained asset account holders and contacting beneficiaries. The audits and related examination activity may result in outreach and payments to beneficiaries, escheatment of funds deemed abandoned under state laws, accelerated escheatment of funds deemed abandoned pursuant to agreements with regulators, administrative contributions, interest, and/or penalties, and changes in our procedures for the identification of unreported claims and handling of escheatable property. The litigation seeks outreach and payments to beneficiaries and damages, among the relief sought. The amount of loss, if any, that the Company may ultimately recognize as a result of these audits, related examinations and litigation cannot be reasonably estimated.

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

#### 15. Leases

- A. The Company did not have any material lease obligations at December 31, 2012.

- B. The Company is not involved in any material lessor leasing arrangements.

#### 16. The Company had no financial instruments with off-balance sheet risk.

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

- A. Transfers of Receivables Reported as Sales. None.

- B. (1) Not applicable.
- (2) See Note 5E for information regarding securities lending.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.
- (6) Not applicable.

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C. The Company did not have any wash sales for securities with a NAIC designation of 3 or below, or unrated.

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

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

20. Fair Value Measurements

A.

(1) Fair Value Measurements at December 31, 2012

	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
<b>Bonds</b>				
U.S. governments	\$ -	\$ -	\$ -	\$ -
Industrial and miscellaneous	-	2,879,114	-	2,879,114
RMBS	-	964,368	-	964,368
CMBS	-	-	-	-
Hybrid securities	-	-	-	-
Parent, subsidiaries and affiliates	-	-	-	-
<b>Total bonds</b>	<b>\$ -</b>	<b>\$ 3,843,482</b>	<b>\$ -</b>	<b>\$ 3,843,482</b>
<b>Preferred stock</b>				
Industrial and miscellaneous	\$ -	\$ -	\$ 112,018	\$ 112,018
Parent, subsidiaries and affiliates	-	-	-	-
<b>Total preferred stock</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 112,018</b>	<b>\$ 112,018</b>
<b>Common stock</b>				
Industrial and miscellaneous	\$ 1,038,648,433	\$ -	\$ -	\$ 1,038,648,433
Parent, subsidiaries and affiliates	-	-	-	-
Mutual funds	88,965,948	-	-	88,965,948
<b>Total common stock</b>	<b>\$ 1,127,614,381</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,127,614,381</b>
<b>Derivative assets</b>				
Interest rate contracts	\$ -	\$ -	\$ -	\$ -
Options, purchased	-	-	-	-
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
<b>Total derivative assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Separate account assets	\$ 472,963,361	\$ 130,135,826	\$ 202,037,654	\$ 805,136,841
<b>Total assets at fair value</b>	<b>\$ 1,600,577,742</b>	<b>\$ 133,979,308</b>	<b>\$ 202,149,672</b>	<b>\$ 1,936,706,722</b>
<b>Liabilities at fair value</b>				
Derivative liabilities	\$ -	\$ -	\$ (1,098,306)	\$ (1,098,306)
<b>Total liabilities at fair value</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,098,306)</b>	<b>\$ (1,098,306)</b>

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

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

	Balance at 01/01/2012	Transfers in Level 3	Transfers out of Level 3	Total Gains (Losses) Included in Net Income	Total Gains (Losses) Included in Surplus	Net Purchases, Issuances, Sales, & Settlements	Balance at 12/31/2012
RMBS	\$ 686,820	\$ -	\$(1,014,647)	\$ (100,312)	\$ 504,934	\$ (76,795)	\$ -
Preferred stock	-	112,018	-	-	-	-	112,018
Separate acct. assets*	187,611,013	8,171,370	(68,317)	11,126,241	-	(4,802,653)	202,037,654
Derivative liabilities	(693,491)	-	-	3,287,660	468,936	(4,161,411)	(1,098,306)
<b>Total</b>	<b>\$ 187,604,342</b>	<b>\$ 8,283,388</b>	<b>\$(1,082,964)</b>	<b>\$ 14,313,589</b>	<b>\$ 973,870</b>	<b>\$(9,040,859)</b>	<b>\$ 201,051,366</b>

\* Gains and losses for assets held in separate accounts do not impact net income or surplus as the change in value of assets held in separate accounts is offset by a change in value of liabilities related to separate account.

Gross Purchases, Issuances, Sales, and Settlements

	Purchases	Issuances	Sales	Settlements	Net Purchases, Issuances, Sales, & Settlements
RMBS	\$ -	\$ -	\$ -	\$ (76,795)	\$ (76,795)
Separate account assets	10,988,060	(1,170,056)	-	(14,620,657)	(4,802,653)
Derivative liabilities	-	(21,364,870)	-	17,203,459	(4,161,411)
<b>Total</b>	<b>\$ 10,988,060</b>	<b>\$ (22,534,926)</b>	<b>\$ -</b>	<b>\$ 2,506,007</b>	<b>\$ (9,040,859)</b>

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

(4) Investments in Level 2 include NAIC rated 6 residential mortgage-backed securities representing subordinated tranches in securitization trusts containing residential mortgage loans originated during the period of 2005 to 2007. These securities are currently rated below investment grade. The Company determined fair value as of the balance sheet date through the use of third party pricing services utilizing market observable inputs. To measure fair value prior to the period ended September 30, 2012, the Company used an internal fair value model to estimate future cash flows and then discounted the expected future cash flows using the current market rates applicable to the coupon rate,

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credit risk, and weighted-average-life of the investments. The internal fair value model used both market-based data and data specific to the underlying loans of each security in determining assumptions for default probabilities, loss severities and prepayment speeds to determine the estimated future cash flows for each security. The change in price source resulted in a transfer of these securities from Level 3 to Level 2.

Investments in Level 2 include NAIC rated 6 industrial and miscellaneous bonds. These securities are currently rated below investment grade. The Company determined fair value as of the balance sheet date through the use of third party pricing services utilizing market observable inputs.

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

The fair values of common stock and mutual funds have been determined utilizing publicly quoted prices from third-party pricing services.

Assets held in separate accounts include debt securities, common stock, mutual funds and private equity investments. The fair values of debt securities in the separate accounts have been determined through the use of third-party pricing services utilizing market observable inputs. The fair values of common stock and mutual funds in the separate accounts have been determined using the same methodologies as common stock and mutual funds in the general account. The fair values of private equity investments in the separate accounts have been determined based on the Company's interest in the underlying audited GAAP equity of the investee.

B. Not applicable.

C. The carrying amounts and fair values of the Company's significant financial instruments follow:

	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
<b>Assets:</b>						
Bonds	\$ 3,915,277,592	\$ 3,385,054,618	\$ 67,331,591	\$3,823,943,115	\$ 24,002,886	\$ -
<b>Common Stock:</b>						
Unaffiliated	1,038,648,433	1,038,648,433	1,038,648,433	-	-	-
Mutual funds	88,965,948	88,965,948	88,965,948	-	-	-
Preferred stock	112,018	112,018	-	-	112,018	-
Mortgage loans	34,055,903	31,792,965	-	-	34,055,903	-
Cash, cash equivalents and short-term investments	118,438,134	118,438,134	118,438,134	-	-	-
Other invested assets, surplus notes	10,179,773	7,941,063	-	10,179,773	-	-
Securities lending reinvested collateral assets	21,815,138	21,522,427	21,815,138	-	-	-
Derivative assets	-	-	-	-	-	-
Separate account assets	805,136,841	805,136,841	472,963,361	130,135,826	202,037,654	-
<b>Liabilities:</b>						
Life and annuity reserves for investment-type contracts and deposit fund liabilities	\$ (7,189,000)	\$ (6,597,000)	\$ -	\$ -	\$ (7,189,000)	\$ -
Derivative liabilities	(1,098,306)	(1,098,306)	-	-	(1,098,306)	-
Securities lending liability	(107,218,484)	(107,218,484)	-	-	(107,218,484)	-

The following discussion describes the valuation methodologies utilized by the Company for assets and liabilities measured or disclosed at fair value. Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument, including discount rates, estimates of timing, amount of expected future cash flows and the credit standing of the issuer. Such estimates do not consider the tax impact of the realization of unrealized gains or losses. For Level 3 investments, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial instrument. As described below, certain fair values are determined through the use of third-party pricing services. Management does not adjust prices received from third parties; however, we do analyze the third-party pricing services' valuation methodologies and related inputs and perform additional evaluation to determine the appropriate level within the fair value hierarchy. Care should be exercised in deriving conclusions about the Company's business, its value or financial position based on the fair value information of financial instruments presented below.

*Debt Securities and Surplus Notes*

The fair values of actively traded debt securities, asset/mortgage-backed securities, and surplus notes have been determined through the use of third-party pricing services utilizing market observable inputs. Less liquid private placement securities and auction rate securities trading in less liquid or illiquid markets with limited or no pricing information are valued using either broker quotes or by discounting the expected cash flows using current market-consistent rates applicable to the yield, credit quality and maturity of each security.

*Equity Securities*

The fair values of actively traded equity securities have been determined utilizing publicly quoted prices obtained from third-party pricing services. The fair values of certain equity securities for which no publicly quoted prices are available have been determined through the use of third-party pricing services utilizing market observable inputs. Actively traded mutual funds are valued using the net asset values of the funds.

*Mortgage Loans*

The fair values for mortgage loans, consisting principally of commercial real estate loans, are estimated using discounted cash flow analyses, using interest rates currently being offered for similar loans collateralized by properties with similar investment risk. The fair values for mortgage loans in default are established at the lower of the fair value of the underlying collateral less costs to sell or the carrying amount of the loan.

*Cash, Cash Equivalents and Short-Term Investments*

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company

## NOTES TO FINANCIAL STATEMENTS

The fair values of cash, cash equivalents and short-term investments are based on quoted market prices.

### *Derivative Instruments*

The fair values of free-standing derivative instruments, primarily call options, are determined using valuation models incorporating significant unobservable inputs, including projected discounted cash flows, applicable swap curves and implied volatilities.

### *Securities Lending Reinvested Collateral Assets*

The fair value of securities lending reinvested collateral assets are from third-party sources utilizing publicly quoted prices.

### *Assets Held in Separate Accounts*

Assets held in separate accounts include debt securities, equity securities, mutual funds and private equity investments. The fair values of these assets have been determined using the same methodologies as similar assets held in the general account.

### *Life and Annuity Reserves for Investment-type Contracts and Deposit Fund Liabilities*

The fair value of liabilities for investment-type contracts is based on the present value of estimated liability cash flows. Present values reflect the Company's margin for uncertainty of the timing of liability cash flows. Key assumptions to the cash flow model include the timing of policyholder withdrawals and the level of interest credited to contract balances.

Fair values for insurance reserves are not required to be disclosed. However, the estimated fair values of all insurance reserves and investment contracts are taken into consideration in the Company's overall management of interest rate risk.

### *Securities Lending Liability*

The liability represents the Company's obligation to return collateral related to securities lending transactions. The liability is short-term in nature and therefore, the fair value of the obligation approximates the carrying amount.

D. Not applicable.

#### 21. Other Items

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

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

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

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

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

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

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

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ 9,430,376	\$ 9,128,356	\$ 7,688,265	\$ 469,912
b. Commercial mortgage-backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
g. Total	\$ 9,430,376	\$ 9,128,356	\$ 7,688,265	\$ 469,912

The percentage of book value of these debt securities that have underlying loans with primarily variable interest rates is 23.56%.

H. Retained Assets

**NOTES TO FINANCIAL STATEMENTS**

- (1) The Company offered retained asset accounts as an optional form of settlement for life insurance policy proceeds in 2012. The retained asset account option provided to beneficiaries was not the default method for satisfying life insurance claims in 2012, as a signature of the beneficiary authorizing the creation of such an account was required for this method of settlement. From 2004 through October, 2011, the Company's retained asset accounts were established in the beneficiary's name with Fort Washington Savings Company (FWSC), an affiliated bank of the Company. The assets and liabilities related to these accounts were transferred to Fort Washington Savings Company and were not included on the Company's financial statements.

Beginning November 1, 2011, retained asset accounts established by the Company are serviced internally. The funds in the retained asset option are held in the general funds of the Company until a draft is written through the bank against the account. Thus, the assets and liabilities related to retained assets accounts remain on the Company's financial statements. The retained asset accounts are included in liability-type deposit contracts.

The Company's retained asset accounts established prior to 2004 are serviced by an unaffiliated bank, with the assets and liabilities related to these accounts remaining on the Company's financial statements. The Company also holds the retained asset accounts of Western-Southern Life Assurance Company, its wholly-owned subsidiary, established prior to 2004. These retained asset accounts are included in the liability for deposit-type contracts.

The interest rate paid to retained asset account holders during 2012 was 0.5%. This rate did not change during 2012. Accountholders are not charged for routine administrative fees associated with these retained asset accounts; provided, however, that accountholders are responsible for certain fees associated with insufficient funds checks/drafts and stop-payment orders.

- (2) The number and balance of retained asset accounts in force as of December 31, 2012 and December 31, 2011 are as follows:

	As of End of Current Year		As of End of Prior Year	
	Number	Balance	Number	Balance
a. Up to and including 12 months	303	\$ 10,503,038	311	\$ 7,353,808
b. 13 to 24 months	120	3,239,252	-	-
c. 25 to 36 months	-	-	-	-
d. 37 to 48 months	-	-	1	13,782
e. 49 to 60 months	1	13,851	-	-
f. Over 60 months	313	4,148,267	354	4,675,378
g. Total	737	\$ 17,904,408	666	\$ 12,042,968

- (3)

	Individual		Group	
	Number	Balance/ Amount	Number	Balance/ Amount
a. Number/balance of retained asset accounts at the beginning of the year	666	\$ 12,042,968	-	\$ -
b. Number/amount of retained asset accounts issued/added during the year	537	29,442,827	-	-
c. Investment earnings credited to retained asset accounts during the year	N/A	79,514	N/A	-
d. Fees and other charges assessed to retained asset accounts during the year	N/A	375	N/A	-
e. Number/amount of retained asset accounts transferred to state unclaimed property funds during the year	-	-	-	-
f. Retained asset accounts closed/withdrawn	466	23,660,526	-	-
g. Number/balance of retained asset accounts at the end of the year	737	\$ 17,904,408	-	\$ -

## 22. Events Subsequent

The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the Balance Sheet date. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Company is required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. Management has evaluated subsequent events through the issuance of these financial statements on February 25, 2013.

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

#### Section 2 – Ceded Reinsurance Report – Part A

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

#### 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 of anticipated experience of the business reinsured in making this estimate. \$0

## NOTES TO FINANCIAL STATEMENTS

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

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

B. The Company had no uncollectible reinsurance balances written off through income or expense during the year.

C. The Company had no commutation of reinsurance reflected in income or expense during the year.

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

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

26. Intercompany Pooling Arrangements. None.

27. Structured Settlements. None.

28. Health Care Receivables. None.

29. Participating Policies. None.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$28,927,235
2. Date of the most recent evaluation of this liability	12/31/2012
3. Was anticipated investment income utilized in the calculation?	NO

31. Reserves for Life Contracts and Annuity Contracts

- (1) The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) Policies issued to substandard lives are charged an extra premium plus the regular gross premium for the true age. Mean reserves are based on appropriate multiples of standard rates of mortality.
- (3) As of December 31, 2012, the Company had \$1,327,242,105 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the state of Ohio. Reserves to cover this insurance totaled \$26,331,069 at year-end and are reported in Exhibit 5, Life Insurance and Annuities sections.
- (4) The tabular interest, the tabular less actual reserve released, and the tabular cost have been determined by formula as described in the instructions.
- (5) The determination of tabular interest on funds not involving life has been determined by formula as described in the instructions.
- (6) The details for other changes: None.

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

A.	Subject to discretionary withdrawal:	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1)	With fair value adjustment	\$ -	\$ -	\$ -	-	0.00%
(2)	At book value less surrender charge of 5% or more	-	-	-	-	0.00%
(3)	At fair value	-	-	-	-	0.00%
(4)	Total with adjustment or at market value (Total of 1 through 3)	-	-	-	-	0.00%
(5)	At book value without adjustment (minimal or no charge or adjustment)	402,648,385	-	-	402,648,385	33.40%
B.	Not subject to discretionary withdrawal	12,069,306	-	790,238,353	802,307,659	66.60%
C.	Total (gross: direct + assumed)	414,717,691	-	790,238,353	1,204,956,014	100.00%
D.	Reinsurance ceded	148,385,018	-	-	148,385,018	
E.	Total (net)* (C) - (D)	\$ 266,332,673	\$ -	\$ 790,238,353	\$ 1,056,571,026	

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

F.	Life & Accident & Health Annual Statement:	Amount
1.	Exhibit 5, Annuities Section, Total (net)	\$ 9,967,118
2.	Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	2,065,362
3.	Exhibit 7, Exhibit of Deposit-Type Contracts, Line 14, Column 1	254,300,193
4.	Subtotal	266,332,673
Separate Accounts Annual Statement:		
5.	Exhibit 3, Line 0299999, Column 2	-
6.	Exhibit 3, Line 0399999, Column 2	-
7.	Policyholder dividend and coupon accumulations	-
8.	Policyholder premiums	790,238,353
9.	Guaranteed interest contracts	-
10.	Other contract deposit funds	-
11.	Subtotal	790,238,353
12.	Combined Total	<u>\$ 1,056,571,026</u>

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

33. Premiums and Annuity Considerations Deferred and Uncollected

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

Type	Gross	Net of Loading
------	-------	----------------

**NOTES TO FINANCIAL STATEMENTS**

(1) Industrial	\$	71	\$	43
(2) Ordinary new business		8,057,830		478,797
(3) Ordinary renewal		78,247,595		52,937,788
(4) Credit Life		-		-
(5) Group Life		-		-
(6) Group Annuity		-		-
(7) Accident and health renewal		550,205		383,065
(8) Assumed investment type contracts		-		-
(9) Totals		<u>\$ 86,855,701</u>		<u>\$ 53,799,693</u>

34. Separate Accounts

A. Separate Account Activity

- (1) The Company utilizes a separate account to record and account for assets and liabilities for particular lines of business and/or transactions. For the current reporting year, the Company reported assets and liabilities from the following product lines/transactions into a separate account:
- Deposit Administration Group Annuity Contract for the Company’s Pension Plan (Group Annuity Contract)

In accordance with the Ohio Department of Insurance procedures for approving items within the separate accounts, the separate account classification of the Group Annuity Contract is supported by Ohio Revised Code §3907.15.

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

As of December 31, 2012 and 2011, the Company’s separate account statement included legally insulated assets of \$805,136,842 and \$757,365,217, respectively. The assets legally insulated from the general accounts as of December 31, 2012 are attributed to the following product:

Product	Legally Insulated Assets	Separate Account Assets (Not Legally Insulated)
Group Annuity contract	\$ 805,136,842	\$ -

- (3) In accordance with the products recorded within the separate account, there are no separate account liabilities that are guaranteed by the general account. (See Note 12 for further discussion on the general account’s responsibility as it relates to the obligations of the Company’s pension plan.)

- (4) The Company engages in securities lending transactions within the separate account. The Company has loaned \$12,721,859 (book/adjusted carrying value) of various debt and equity securities within the separate account as part of the securities lending program administered by The Bank of New York Mellon. In accordance with such transactions conducted from the separate account, the Company follows the same policies and procedures as the general account.

B. General Nature and Characteristics of Separate Account Business

The Company maintains a separate account which holds all of the Company’s pension plan assets. The Plan is a non-contributory defined benefit plan that covers substantially all employees. The assets consist primarily of marketable securities which are carried at market value.

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)		\$ -
b. Transfers from Separate Accounts (Page 4, Line 10)		47,129,246
c. Net transfers to (from) Separate Accounts (a)-(b)		<u>(47,129,246)</u>
(2) Reconciling Adjustments:		
a. Pension Plan Contribution		-
b. _____		
c. _____		
(3) Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c)+(2)=(Page 4, Line 26)		<u>\$ (47,129,246)</u>

35. Loss/Claim Adjustment Expenses

The Company has no liability for unpaid accident and health claim adjustment expenses as of December 31, 2012 and December 31, 2011.

The Company incurred \$564,000 and paid \$564,000 of claim adjustment expenses in the current year, of which \$451,000 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 took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$0.

# 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. .... 12/31/2012
- 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. .... 12/31/2007
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 12/18/2008
- 3.4 By what department or departments?  
Ohio Department of Insurance .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] N/A [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [ ] N/A [ X ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? ..... Yes [ ] No [ X ]  
4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ ] 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              | 2                 | 3                 |
|----------------|-------------------|-------------------|
| Name of Entity | NAIC Company Code | State of Domicile |
|                |                   |                   |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information:  
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

## GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal 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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Ernst & Young 1900 Scripps Center, 312 Walnut Street, Cincinnati OH 45202
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain  
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Nora Moushey, 400 Broadway, Cincinnati, OH 45202 Officer of the Company
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ X ] No [ ]
- 12.11 Name of real estate holding company ..... Various
- 12.12 Number of parcels involved ..... 21
- 12.13 Total book/adjusted carrying value ..... \$ 210,836,879
- 12.2 If, yes provide explanation:  
.....
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ X ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

## GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance 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 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

### BOARD OF DIRECTORS

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

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |          |
|---|----------|
| 20.11 To directors or other officers.....               | \$ ..... |
| 20.12 To stockholders not officers.....                 | \$ ..... |
| 20.13 Trustees, supreme or grand (Fraternal Only) ..... | \$ ..... |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |          |
|---|----------|
| 20.21 To directors or other officers.....               | \$ ..... |
| 20.22 To stockholders not officers.....                 | \$ ..... |
| 20.23 Trustees, supreme or grand (Fraternal Only) ..... | \$ ..... |
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- |                                 |          |
|---------------------------------|----------|
| 21.21 Rented from others.....   | \$ ..... |
| 21.22 Borrowed from others..... | \$ ..... |
| 21.23 Leased from others .....  | \$ ..... |
| 21.24 Other .....               | \$ ..... |
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [ ] No [ X ]
- 22.2 If answer is yes:
- |   |          |
|---|----------|
| 22.21 Amount paid as losses or risk adjustment \$ ..... | \$ ..... |
| 22.22 Amount paid as expenses .....                     | \$ ..... |
| 22.23 Other amounts paid .....                          | \$ ..... |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....

### 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  
.....
- 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) DESCRIPTION OF PROGRAM IS PROVIDED IN NOTE 5E .....
- 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 [ X ] No [ ] N/A [ ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. .... \$ .....106,790,711
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. .... \$ .....
- 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 [ X ] No [ ] 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 [ ]

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company  
**GENERAL INTERROGATORIES**

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....	107,083,561
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....	106,790,711
24.103 Total payable for securities lending reported on the liability page .....	\$ .....	107,218,484

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

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

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

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes  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
BANK OF NEW YORK MELLON .....	ONE WALL STREET, NY NY 10286 .....
US BANK NA .....	7TH & WASHINGTON, ST LOUIS, MO 63101 .....

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
107126 .....	FT. WASHINGTON INVESTMENT ADVISORS .....	303 BROADWAY, SUITE 1200, CINTI, OH 45202 .....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company  
**GENERAL INTERROGATORIES**

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

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	3,528,195,954	4,058,418,637	530,222,683
30.2 Preferred stocks .....	112,018	112,018	0
30.3 Totals	3,528,307,972	4,058,530,655	530,222,683

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

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

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

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

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

- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? ..... Yes [ X ] No [ ]

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

**GENERAL INTERROGATORIES**

**OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....913,485

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
LIMRA INTERNATIONAL .....	334,321

34.1 Amount of payments for legal expenses, if any? .....\$ .....569,523

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
FROST BROWN TODD LLC .....	204,661

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....393,055

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
BUSINESS ROUNDTABLE .....	235,560
FINANCIAL SERVICES ROUNDTABLE .....	100,500

# GENERAL INTERROGATORIES

## PART 2 - LIFE INTERROGATORIES

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

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

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

1.31 Reason for excluding:  
.....

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

1.5 Indicate total incurred claims on all Medicare Supplement insurance. .... \$ 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 .....	24,707	29,222
2.2 Premium Denominator .....	279,169,424	280,356,892
2.3 Premium Ratio (2.1/2.2) .....	0.000	0.000
2.4 Reserve Numerator .....	5,996,652	6,149,299
2.5 Reserve Denominator .....	2,922,658,239	2,887,799,703
2.6 Reserve Ratio (2.4/2.5) .....	0.002	0.002

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

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

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

3.4 State the authority under which Separate Accounts are maintained:  
3905.15 Ohio Revised Code .....

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

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

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

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

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid .....	\$	
4.22 Received .....	\$	96,553,838

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

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

5.21 Page 3, Line 1 .....	\$	
5.22 Page 4, Line 1 .....	\$	

6. FOR STOCK REPORTING ENTITIES ONLY:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: ..... \$ 55,002,515

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

7.11 Cash .....	\$	211,750,000
7.12 Stock .....	\$	

**GENERAL INTERROGATORIES**

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

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? ..... Yes [ ] No [ 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 .....			.0
8.32 Paid claims .....			.0
8.33 Claim liability and reserve (beginning of year) .....			.0
8.34 Claim liability and reserve (end of year) .....			.0
8.35 Incurred claims .....	.0	.0	.0

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

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

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

9.1 Does the company have variable annuities with guaranteed benefits? ..... Yes [ ] No [ X ]

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

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

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

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

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

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

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

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

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

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

**FIVE-YEAR HISTORICAL DATA**

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

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Life Insurance in Force</b> (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4) .....	11,764,148	11,884,000	12,066,993	12,115,071	12,088,205
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) .....	3,687,333	3,866,825	4,042,508	4,292,976	4,562,908
3. Credit life (Line 21, Col. 6) .....	0				
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4) .....	666,253	691,130	675,645	656,393	624,172
5. Industrial (Line 21, Col. 2) .....	505,096	515,597	526,829	537,300	548,839
6. FEGLI/SGLI (Lines 43 & 44, Col. 4) .....	0				
7. Total (Line 21, Col. 10) .....	16,622,830	16,957,552	17,311,975	17,601,740	17,824,124
<b>New Business Issued</b> (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2) .....	760,142	790,408	986,160	1,032,950	853,905
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2) .....	198,082	143,740	162,114	188,702	202,384
10. Credit life (Line 2, Col. 6) .....	0				
11. Group (Line 2, Col. 9) .....	0				
12. Industrial (Line 2, Col. 2) .....	0				
13. Total (Line 2, Col. 10) .....	958,224	934,148	1,148,274	1,221,652	1,056,289
<b>Premium Income - Lines of Business</b> (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2) .....	14,583,336	14,706,824	14,623,072	14,732,794	14,878,721
15.1 Ordinary-life insurance (Line 20.4, Col. 3) .....	227,704,664	230,243,650	234,336,859	235,993,602	308,904,259
15.2 Ordinary-individual annuities (Line 20.4, Col. 4) .....	4,695,541	3,540,213	1,986,846	(486,243)	3,285,934
16 Credit life (group and individual) (Line 20.4, Col. 5) .....					
17.1 Group life insurance (Line 20.4, Col. 6) .....	5,907,708	3,604,902	4,854,672	3,756,575	3,135,476
17.2 Group annuities (Line 20.4, Col. 7) .....					
18.1 A & H-group (Line 20.4, Col. 8) .....					
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9) .....					
18.3 A & H-other (Line 20.4, Col. 10) .....	26,278,177	28,261,303	30,326,838	32,468,707	33,748,264
19. Aggregate of all other lines of business (Line 20.4, Col. 11) .....					
20. Total .....	279,169,426	280,356,892	286,128,287	286,465,435	363,952,654
<b>Balance Sheet (Pages 2 &amp; 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3) .....	7,807,174,632	7,558,880,498	7,676,073,363	7,262,933,747	7,125,420,996
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) .....	4,078,637,823	4,004,324,234	4,142,467,220	3,798,058,898	3,823,436,548
23. Aggregate life reserves (Page 3, Line 1) .....	2,640,978,982	2,621,758,838	2,607,049,000	2,621,805,040	2,602,243,219
24. Aggregate A & H reserves (Page 3, Line 2) .....	217,500,507	218,463,230	220,824,321	236,572,882	259,839,138
25. Deposit-type contract funds (Page 3, Line 3) .....	254,300,193	254,727,901	253,350,664	256,347,079	239,677,763
26. Asset valuation reserve (Page 3, Line 24.01) .....	237,903,678	209,625,730	211,916,107	119,715,129	25,793,860
27. Capital (Page 3, Lines 29 and 30) .....	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
28. Surplus (Page 3, Line 37) .....	3,727,536,809	3,553,556,264	3,532,606,143	3,463,874,849	3,300,984,448
<b>Cash Flow (Page 5)</b>					
29. Net Cash from Operations (Line 11) .....	61,653,540	235,203,918	57,273,050	29,345,942	181,675,752
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital .....	4,259,561,063	3,976,287,840	3,928,973,462	3,655,068,674	3,373,578,131
31. Authorized control level risk - based capital .....	425,100,010	412,942,162	405,906,813	389,145,845	378,080,070
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1) .....	44.9	46.0	45.7	50.1	44.7
33. Stocks (Lines 2.1 and 2.2) .....	39.3	37.2	38.7	36.4	40.0
34. Mortgage loans on real estate(Lines 3.1 and 3.2 ) .....	0.4	0.5	0.5	0.6	0.7
35. Real estate (Lines 4.1, 4.2 and 4.3) .....	0.4	0.4	0.4	0.5	0.9
36. Cash, cash equivalents and short-term investments (Line 5) .....	1.6	3.6	2.0	2.0	2.5
37. Contract loans (Line 6) .....	2.3	2.4	2.3	2.4	2.4
38. Derivatives (Page 2, Line 7) .....	0.0			XXX	XXX
39. Other invested assets (Line 8) .....	10.7	9.6	9.1	7.9	8.8
40. Receivables for securities (Line 9) .....	0.0	0.0	0.0	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10) .....	0.3	0.3	1.3	XXX	XXX
42. Aggregate write-ins for invested assets (Line 11) .....	0.0				
43. Cash, cash equivalents and invested assets (Line 12) .....	100.0	100.0	100.0	100.0	100.0

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1) .....	2,425,828	6,114,152	7,164,090	6,823,110	7,445,652
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1) .....	0	0	0	0	2,401,986
46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1), .....	1,840,376,004	1,755,636,108	1,830,233,529	1,857,489,091	1,561,688,561
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0				
48. Affiliated mortgage loans on real estate .....					
49. All other affiliated .....	690,100,999	606,157,559	608,263,948	522,835,259	557,349,288
50. Total of above Lines 44 to 49 .....	2,532,902,831	2,367,907,819	2,445,661,567	2,387,147,460	2,128,885,487
51. Total Investment in Parent included in Lines 44 to 49 above .....					
<b>Total Nonadmitted and Admitted Assets</b>					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2) .....	531,375,646	547,713,949	536,326,149	597,161,549	597,604,411
53. Total admitted assets (Page 2, Line 28, Col. 3) .....	8,612,311,473	8,316,245,715	8,484,076,858	7,955,404,097	7,727,827,465
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income) .....	279,173,502	442,613,394	301,204,022	264,658,075	384,162,224
55. Realized capital gains (losses) (Page 4, Line 34, Column 1) .....	34,212,186	53,828,778	19,883,783	27,404,276	61,724,127
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1) .....	141,405,900	(145,894,582)	131,660,005	100,603,547	(835,287,349)
57. Total of above Lines 54, 55 and 56 .....	454,791,588	350,547,590	452,747,810	392,665,898	(389,400,998)
<b>Benefits and Reserve Increases (Page 6)</b>					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11, 12, 13, 14 and 15 Cols. 9, 10 and 11) .....	376,079,439	372,048,564	335,112,100	337,044,566	436,130,910
59. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11) .....	20,968,103	19,238,184	21,506,769	20,921,103	20,946,709
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3) .....	16,595,766	12,575,076	19,400,766	17,920,066	21,478,458
61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11) .....	(962,720)	(1,716,770)	(15,748,561)	(23,266,256)	(7,477,408)
62. Dividends to policyholders (Line 30, Col. 1) .....	58,120,943	58,190,992	59,000,507	57,882,981	58,336,298
<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 100.0 .....	59.7	63.2	64.3	67.3	53.2
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 100.0 .....	4.9	5.4	5.9	5.6	6.8
65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2) .....	79.2	62.2	21.7	(5.4)	20.6
66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2) .....	2.5	1.7	1.7	1.3	1.4
67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2) .....	69.7	67.3	69.5	72.2	57.8
<b>A &amp; H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2) .....					
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2) .....					
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2) .....	37,831,123	40,636,393	44,462,340	45,847,103	56,012,101
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2) .....	37,482,188	38,840,620	42,259,067	49,651,542	56,139,249
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
72. Industrial life (Col. 2) .....	542,043	1,341,278	1,378,065	1,168,577	3,853,111
73. Ordinary - life (Col. 3) .....	6,649,627	18,657,162	11,781,886	13,039,265	112,242,489
74. Ordinary - individual annuities (Col. 4) .....	(1,646,501)	3,152,313	(23,629,981)	10,189,543	(15,255,671)
75. Ordinary-supplementary contracts (Col. 5) .....	(178,433)	(219,214)	146,995	(164,355)	115,506
76. Credit life (Col. 6) .....	0	0	0	0	0
77. Group life (Col. 7) .....	0	0	0	0	0
78. Group annuities (Col. 8) .....	0	0	0	0	0
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) .....	1,251	3,162,591	10,697,768	25,101,518	18,230,713
82. Aggregate of all other lines of business (Col. 12) .....	(28,422,666)	196,683,152	32,010,302	2,099,251	114,140,784
83. Total (Col. 1) .....	(23,054,679)	222,777,282	32,385,035	51,433,799	233,326,932

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: .....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company

**EXHIBIT OF LIFE INSURANCE**

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7 Policies	8 Certificates	Amount of Insurance (a)	
1. In force end of prior year	422,551	515,597	1,164,584	15,750,825	0	0	21	6,198	691,130	16,957,552
2. Issued during year	0	0	35,068	958,224	0	0			0	958,224
3. Reinsurance assumed										0
4. Revived during year	9	7	497	14,271						14,278
5. Increased during year (net)										0
6. Subtotals, Lines 2 to 5	9	7	35,565	972,495	0	0	0	0	0	972,502
7. Additions by dividends during year	XXX	17,042	XXX	68,224	XXX		XXX	XXX		85,266
8. Aggregate write-ins for increases	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8)	422,560	532,646	1,200,149	16,791,544	0	0	21	6,198	691,130	18,015,320
Deductions during year:										
10. Death	7,972	15,308	24,897	123,002			XXX	142	4,800	143,110
11. Maturity	9,159	5,568	990	1,604			XXX			7,172
12. Disability							XXX			0
13. Expiry	2,451	1,829	11,346	241,247						243,076
14. Surrender	2,708	4,792	16,316	260,862						265,654
15. Lapse	1	1	19,026	500,166						500,167
16. Conversion			1,108	63,754			XXX	XXX	XXX	63,754
17. Decreased (net)		52	18,269	39,562				5	20,077	59,691
18. Reinsurance			2,875	109,866						109,866
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19)	22,291	27,550	94,827	1,340,063	0	0	0	147	24,877	1,392,490
21. In force end of year (Line 9 minus Line 20)	400,269	505,096	1,105,322	15,451,481	0	0	21	6,051	666,253	16,622,830
22. Reinsurance ceded end of year	XXX		XXX	2,142,534	XXX		XXX	XXX		2,142,534
23. Line 21 minus Line 22	XXX	505,096	XXX	13,308,947	XXX	(b)	XXX	XXX	666,253	14,480,296
<b>DETAILS OF WRITE-INS</b>										
0801.										
0802.										
0803.										
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.										
1902.										
1903.										
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 \$ \_\_\_\_\_ ; Individual \$ \_\_\_\_\_

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern 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	328,450	XXX	833,078
25. Other paid-up insurance .....	396,171	173,511	504,599	1,572,511
26. Debit ordinary insurance .....	XXX	XXX	47,782	104,160

**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 .....			708	34,342
28. Term policies - other .....	1,227	20,920	32,917	1,685,826
29. Other term insurance - decreasing .....	XXX		XXX	23,812
30. Other term insurance .....	XXX	177,162	XXX	999,280
31. Totals (Lines 27 to 30) .....	1,227	198,082	33,625	2,743,260
Reconciliation to Lines 2 and 21:				
32. Term additions .....	XXX		XXX	4,249
33. Totals, extended term insurance .....	XXX	XXX	248,138	939,824
34. Totals, whole life and endowment .....	33,841	760,142	823,559	11,764,148
35. Totals (Lines 31 to 34) .....	35,068	958,224	1,105,322	15,451,481

**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 .....			505,096	
37. Ordinary .....	958,224		15,451,481	
38. Credit Life (Group and Individual) .....				
39. Group .....			666,253	
40. Totals (Lines 36 to 39) .....	958,224	0	16,622,830	0

**ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE**

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies .....	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis .....		XXX	6,051	XXX
43. Federal Employees' Group Life Insurance included in Line 21 .....				
44. Servicemen's Group Life Insurance included in Line 21 .....				
45. Group Permanent Insurance included in Line 21 .....				

**ADDITIONAL ACCIDENTAL DEATH BENEFITS**

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	1,715,941
---	-----------

**BASIS OF CALCULATION OF ORDINARY TERM INSURANCE**

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.
47.1 Current commuted amount .....
47.2 Spouse-actual amount; Child-total amount under each rider equals two times actual amount on one child

**POLICIES WITH DISABILITY PROVISIONS**

Disability Provisions	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 .....			170,091	3,415,080				
49. Disability Income .....							3,698	499,210
50. Extended Benefits .....			XXX	XXX				
51. Other .....	116,861	74,935	23,237	258,494				
52. Total .....	116,861	(b) 74,935	193,328	(b) 3,673,574	0	(b) 0	3,698	(b) 499,210

(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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company  
**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 .....	142	340	0	0
2. Issued during year .....		35		
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. Total (Lines 1 to 4) .....	142	375	0	0
Deductions during year:				
6. Decreased (net) .....	7	40		
7. Reinsurance ceded .....				
8. Totals (Lines 6 and 7) .....	7	40	0	0
9. In force end of year .....	135	335	0	0
10. Amount on deposit .....		(a) 2,123,501		(a)
11. Income now payable .....	135	51		
12. Amount of income payable .....	(a) 222,889	(a) 129,996	(a)	(a)

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year .....	1,936	18,035	4	128
2. Issued during year .....				
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. Totals (Lines 1 to 4) .....	1,936	18,035	4	128
Deductions during year:				
6. Decreased (net) .....	84	1,959		10
7. Reinsurance ceded .....				
8. Totals (Lines 6 and 7) .....	84	1,959	0	10
9. In force end of year .....	1,852	16,076	4	118
Income now payable:				
10. Amount of income payable .....	(a) 39,952,199	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance .....	XXX	(a) 72,684,435	XXX	(a) 2,836,355
Deferred not fully paid:				
12. Account balance .....	XXX	(a) 172,289,190	XXX	(a)

**ACCIDENT AND HEALTH INSURANCE**

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year .....	1	38,193,906	0	0	81,467	31,309,726
2. Issued during year .....					7,939	2,745,531
3. Reinsurance assumed .....						
4. Increased during year (net) .....		XXX		XXX		XXX
5. Totals (Lines 1 to 4) .....	1	XXX	0	XXX	89,406	XXX
Deductions during year:						
6. Conversions .....		XXX	XXX	XXX	XXX	XXX
7. Decreased (net) .....		XXX		XXX	10,824	XXX
8. Reinsurance ceded .....		XXX		XXX		XXX
9. Totals (Lines 6 to 8) .....	0	XXX	0	XXX	10,824	XXX
10. In force end of year .....	1	(a) 37,317,860	0	(a)	78,582	(a) 29,433,278

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year .....	72,661	158,634
2. Issued during year .....	624	
3. Reinsurance assumed .....		
4. Increased during year (net) .....		
5. Totals (Lines 1 to 4) .....	73,285	158,634
Deductions During Year:		
6. Decreased (net) .....	3,823	10,023
7. Reinsurance ceded .....		
8. Totals (Lines 6 and 7) .....	3,823	10,023
9. In force end of year .....	69,462	148,611
10. Amount of account balance .....	(a) 31,672,423	(a) 219,877,059

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

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company**  
**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**

Allocated by States and Territories

1	Direct Business Only						
	2	3	4	5	6	7	
Life Contracts							Life Insurance Premiums
States, Etc.	Active Status						
1. Alabama	AL	236,833		40,788		277,621	
2. Alaska	AK	89,064		2,690		91,754	
3. Arizona	AZ	1,245,435		64,364		1,309,799	
4. Arkansas	AR	156,105		14,625		170,730	
5. California	CA	10,242,995		481,947		10,724,942	
6. Colorado	CO	204,610		13,449		218,059	
7. Connecticut	CT	51,383		3,710		55,093	
8. Delaware	DE	47,395		4,145		51,540	
9. District of Columbia	DC	252,960		16,598		269,558	
10. Florida	FL	9,345,511	7,100	1,938,476		11,291,087	
11. Georgia	GA	1,360,107		157,004		1,517,111	
12. Hawaii	HI	34,019		2,335		36,354	
13. Idaho	ID	18,493		654		19,147	
14. Illinois	IL	21,597,991	3,200	1,461,777		23,062,968	
15. Indiana	IN	16,501,504		3,545,813		20,047,317	
16. Iowa	IA	257,298		33,899		291,197	
17. Kansas	KS	899,784		271,726		1,171,510	
18. Kentucky	KY	6,233,738	2,337	1,820,337		8,056,412	
19. Louisiana	LA	7,269,553		354,246		7,623,799	
20. Maine	ME	8,132		392		8,524	
21. Maryland	MD	2,585,699		80,625		2,666,324	
22. Massachusetts	MA	59,029		7,364		66,393	
23. Michigan	MI	7,618,007	29,072	1,072,427		8,719,506	
24. Minnesota	MN	1,336,976		16,661		1,353,637	
25. Mississippi	MS	169,178		19,262		188,440	
26. Missouri	MO	5,359,528	240	769,847		6,129,615	
27. Montana	MT	16,246		711		16,957	
28. Nebraska	NE	27,847		1,319		29,166	
29. Nevada	NV	191,452		9,994		201,446	
30. New Hampshire	NH	13,339		1,778		15,117	
31. New Jersey	NJ	131,569		13,363		144,932	
32. New Mexico	NM	45,359		8,479		53,838	
33. New York	NY	164,073		14,097		178,170	
34. North Carolina	NC	18,797,466	5,000	5,116,999		23,919,465	
35. North Dakota	ND	6,033		226		6,259	
36. Ohio	OH	55,930,912	21,550	8,669,101		64,621,563	
37. Oklahoma	OK	168,738		26,523		195,261	
38. Oregon	OR	83,027		4,800		87,827	
39. Pennsylvania	PA	11,295,911	2,250	1,168,628		12,466,789	
40. Rhode Island	RI	10,215		184		10,399	
41. South Carolina	SC	1,391,518	250	218,052		1,609,820	
42. South Dakota	SD	14,785		2,845		17,630	
43. Tennessee	TN	1,826,335		722,161		2,548,496	
44. Texas	TX	6,096,936	1,200	700,888		6,799,024	
45. Utah	UT	39,150		472		39,622	
46. Vermont	VT	3,672		332		4,004	
47. Virginia	VA	722,320		136,178		858,498	
48. Washington	WA	159,331		10,040		169,371	
49. West Virginia	WV	4,960,975		1,438,693		6,399,668	
50. Wisconsin	WI	1,956,389		66,482		2,022,871	
51. Wyoming	WY	15,340		1,575		16,915	
52. American Samoa	AS	N				0	
53. Guam	GU	476				476	
54. Puerto Rico	PR	17,595		1,472		19,067	
55. U.S. Virgin Islands	VI	1,382				1,382	
56. Northern Mariana Islands	MP	N				0	
57. Canada	CAN	332				332	
58. Aggregate Other Alien	OT	XXX	145,543	0	1,443	146,986	0
59. Subtotal	(a) 44	197,415,593	72,199	30,531,996	0	228,019,788	0
90. Reporting entity contributions for employee benefits plans	XXX	5,907,708				5,907,708	
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX	43,309,493	1,811			43,311,304	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX					0	
93. Premium or annuity considerations waived under disability or other contract provisions	XXX	2,724,708	100	317		2,725,125	
94. Aggregate or other amounts not allocable by State	XXX	0	0	0	0	0	0
95. Totals (Direct Business)	XXX	249,357,502	74,110	30,532,313	0	279,963,925	0
96. Plus reinsurance assumed	XXX	1,435,464	4,522,004			5,957,468	
97. Totals (All Business)	XXX	250,792,966	4,596,114	30,532,313	0	285,921,393	0
98. Less reinsurance ceded	XXX	1,368,592		4,182,468		5,551,060	
99. Totals (All Business) less Reinsurance Ceded	XXX	249,424,374	4,596,114	(b) 26,349,845	0	280,370,333	0
<b>DETAILS OF WRITE-INS</b>							
58001. Mexico	XXX	81,033				81,033	
58002. Other foreign	XXX	64,510		1,443		65,953	
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	145,543	0	1,443	0	146,986	0
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX	0	0	0	0	0	0
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX	0	0	0	0	0	0

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

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

By state of residence of the policyholder

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

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

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART**

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company  
**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Summary of Operations Line 27

	1 Current Year	2 Prior Year
2704. Reserve adjustment on reinsurance assumed – Lafayette .....	80,728	230,660
2705. Miscellaneous .....	154,447	996,653
2797. Summary of remaining write-ins for Line 27 from overflow page	235,175	1,227,313

Additional Write-ins for Exhibit 2 Line 9.3

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			
09.304. Weekly expense allowances to field representatives .....	166,995		33,526	4,017		204,538
09.305. Meals for employees .....			6,052	15,645		21,697
09.397. Summary of remaining write-ins for Line 9.3 from overflow page	166,995	0	39,578	19,662	0	226,235

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE The Western and Southern Life Insurance Company  
**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Analysis of Operations Line 27

	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	
2704. Reserve adjustments on reinsurance assumed - Lafayette .....	.80,728		.80,728									
2705. Miscellaneous .....	154,447											154,447
2797. Summary of remaining write-ins for Line 27 from overflow page	235,175	0	80,728	0	0	0	0	0	0	0		154,447

## ALPHABETICAL INDEX

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