



ANNUAL STATEMENT

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

CONTINENTAL GENERAL INSURANCE COMPANY

NAIC Group Code.....0084, 0084 (Current Period) (Prior Period)	NAIC Company Code..... 71404	Employer's ID Number..... 47-0463747
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... May 24, 1961	Commenced Business..... July 11, 1961	
Statutory Home Office	301 East Fourth Street..... Cincinnati OH US 45202 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	301 East Fourth Street..... Cincinnati OH US..... 45202 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	513-357-3300 <i>(Area Code) (Telephone Number)</i>
Mail Address	301 East Fourth Street..... Cincinnati OH US 45202 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	301 East Fourth Street..... Cincinnati OH US 45202 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	513-357-3300 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.continentalgeneral.com	
Statutory Statement Contact	Brian Patrick Sponaugle <i>(Name)</i> bsponaugle@gafri.com <i>(E-Mail Address)</i>	513-412-2931 <i>(Area Code) (Telephone Number) (Extension)</i> 513-412-1673 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. Michael William Mazur #	Sr. Vice President	2. Christopher Patrick Miliano #	Treasurer
3. Mark Francis Muething #	Secretary	4. Mark Edward Alberts	Appointed Actuary
OTHER			
Stephen Craig Lindner #	President	Roger Eugene Desjardins #	Vice President
Brian Patrick Sponaugle #	Vice President	William Carey Ellis #	Assistant Treasurer
Patrick John Maloney #	Assistant Vice President	Howard Kim Baird #	Assistant Vice President
John Paul Gruber #	Vice President		

DIRECTORS OR TRUSTEES

Stephen Craig Lindner #	Christopher Patrick Miliano	Mark Francis Muething	Michael James Prager
Jeffrey Gene Hester #			

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

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

_____ (Signature) Michael William Mazur	_____ (Signature) Christopher Patrick Miliano	_____ (Signature) Mark Francis Muething
1. (Printed Name) Sr. Vice President	2. (Printed Name) Treasurer	3. (Printed Name) Secretary
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This _____ day of _____ 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	_____

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).....	196,866,484		196,866,484	205,291,571
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	1,000,279		1,000,279	
2.2 Common stocks.....	3,203,711		3,203,711	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	3,395,209		3,395,209	3,747,390
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(3,342,586), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....11,011,438, Schedule DA).....	7,668,852		7,668,852	4,825,671
6. Contract loans (including \$.....0 premium notes).....	2,814,615		2,814,615	3,339,205
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	3,001,450		3,001,450	3,614,571
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	217,950,600	0	217,950,600	220,818,408
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	2,435,288		2,435,288	2,511,758
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	(26,579,696)	59,387	(26,639,083)	(14,975,302)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	1,454,020		1,454,020	1,587,148
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	19,695,315	40,045	19,655,270	11,235,028
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....	5,225,425		5,225,425	3,484,155
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	3,097,452		3,097,452	
18.2 Net deferred tax asset.....	33,376,636	27,769,000	5,607,636	6,796,000
19. Guaranty funds receivable or on deposit.....	2,501,429		2,501,429	2,607,148
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	586,716		586,716	71,799
24. Health care (\$.....0) and other amounts receivable.....	520,768	520,768	0	
25. Aggregate write-ins for other than invested assets.....	92,620	92,620	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	260,356,573	28,481,820	231,874,753	234,136,142
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	260,356,573	28,481,820	231,874,753	234,136,142

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Other Amounts Receivable.....	34,402	34,402	0	
2502. Suspense.....	58,218	58,218	0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	92,620	92,620	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....74,856,498 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	74,856,498	76,690,102
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	127,496,046	117,715,403
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	161,788	223,731
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	1,029,230	765,664
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	1,447,457	4,242,288
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....106,015 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	109,936	819,403
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....		
9.3 Other amounts payable on reinsurance, including \$.....24,985 assumed and \$.....0 ceded.....	24,985	22,032
9.4 Interest Maintenance Reserve (IMR, Line 6).....	328,366	294,322
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	77,014	691,320
11. Commissions and expense allowances payable on reinsurance assumed.....	745	857
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	263,777	370,945
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	3,117,711	3,104,840
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		470,552
15.2 Net deferred tax liability.....		
16. Unearned investment income.....	102,942	120,927
17. Amounts withheld or retained by company as agent or trustee.....	3,429	927
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	358,160	336,645
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR Line 16, Col. 7).....	975,573	599,491
24.02 Reinsurance in unauthorized and certified (\$.....0) companies.....		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....		26,658
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....		
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	1,046,249	749,146
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	211,399,906	207,245,253
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	211,399,906	207,245,253
29. Common capital stock.....	4,196,559	4,196,559
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	7,638,870	7,638,870
34. Aggregate write-ins for special surplus funds.....	0	868,000
35. Unassigned funds (surplus).....	8,639,418	14,187,460
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	16,278,288	22,694,330
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	20,474,847	26,890,889
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	231,874,753	234,136,142

DETAILS OF WRITE-INS

2501. Escheat.....	1,046,249	749,146
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,046,249	749,146
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401. SSAP 10R Additional Surplus.....		868,000
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	868,000

CONTINENTAL GENERAL INSURANCE COMPANY

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11).....	27,553,018	56,588,610
2. Considerations for supplementary contracts with life contingencies.....		
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	13,218,296	11,550,699
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	(79,650)	(155,727)
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).....	10,609,535	12,748,510
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.....		
8.2 Charges and fees for deposit-type contracts.....		
8.3 Aggregate write-ins for miscellaneous income.....	1,404,816	90,154
9. Totals (Lines 1 to 8.3).....	52,706,015	80,822,246
10. Death benefits.....	4,932,110	4,407,819
11. Matured endowments (excluding guaranteed annual pure endowments).....	10,134	6,325
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....	1,593,765	1,311,656
13. Disability benefits and benefits under accident and health contracts.....	24,345,760	35,176,428
14. Coupons, guaranteed annual pure endowments and similar benefits.....		
15. Surrender benefits and withdrawals for life contracts.....	4,305,336	4,962,947
16. Group conversions.....		
17. Interest and adjustments on contract or deposit-type contract funds.....	10,516	9,171
18. Payments on supplementary contracts with life contingencies.....	106,058	102,677
19. Increase in aggregate reserves for life and accident and health contracts.....	5,664,076	7,692,246
20. Totals (Lines 10 to 19).....	40,967,755	53,669,269
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	5,932,257	7,399,456
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....	24,644	56,509
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4).....	6,371,160	8,288,645
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	2,310,437	2,626,938
25. Increase in loading on deferred and uncollected premiums.....	(78,136)	(60,037)
26. Net transfers to or (from) Separate Accounts net of reinsurance.....		
27. Aggregate write-ins for deductions.....	1,997	3,892
28. Totals (Lines 20 to 27).....	55,530,114	71,984,672
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	(2,824,099)	8,837,574
30. Dividends to policyholders.....	4,081	2,299
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	(2,828,180)	8,835,275
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	(3,269,497)	1,386,665
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).....	441,317	7,448,610
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....557,622 (excluding taxes of \$.....719,059 transferred to the IMR).....	(503,255)	683,924
35. Net income (Line 33 plus Line 34).....	(61,938)	8,132,534
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	26,890,889	36,521,179
37. Net income (Line 35).....	(61,938)	8,132,534
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....701,679.....	(697,088)	57,919
39. Change in net unrealized foreign exchange capital gain (loss).....		
40. Change in net deferred income tax.....	524,000	5,222,268
41. Change in nonadmitted assets.....	(21,741)	(5,536,797)
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 (Exhibit 5A, Line 9999999, Col. 4).....		(13,691,663)
44. Change in asset valuation reserve.....	(376,082)	(285,020)
45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1).....		
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....		
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.....		5,000,000
51.2 Transferred to capital (Stock Dividend).....		
51.3 Transferred from capital.....		
51.4 Change in surplus as a result of reinsurance.....	(2,632,231)	(3,188,510)
52. Dividends to stockholders.....		
53. Aggregate write-ins for gains and losses in surplus.....	(3,150,962)	(5,341,021)
54. Net change in capital and surplus for the year (Lines 37 through 53).....	(6,416,042)	(9,630,290)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	20,474,847	26,890,889
DETAILS OF WRITE-INS		
08.301. Interest Maintenance Reserve.....	1,381,000	
08.302. Express Scripts Rebates.....	16,343	80,629
08.303. Interest on Agent Balances.....	7,473	9,492
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	33
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	1,404,816	90,154
2701. Penalties.....	1,995	3,898
2702. Other Expenses.....	2	(6)
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	1,997	3,892
5301. SSAP 10R Additional Surplus.....	(868,000)	(1,333,000)
5302. Surplus Adjustment - Correction of an error.....	(2,282,962)	
5303. Inflation Rate Error Surplus adjustment.....		(4,008,021)
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	(3,150,962)	(5,341,021)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	38,721,038	55,775,343
2. Net investment income.....	12,014,220	11,171,852
3. Miscellaneous income.....	9,382,120	9,650,154
4. Total (Lines 1 through 3).....	60,117,378	76,597,349
5. Benefit and loss related payments.....	48,023,032	44,262,749
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	14,946,388	18,718,887
8. Dividends paid to policyholders.....	4,081	2,048
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	1,569,572	289,484
10. Total (Lines 5 through 9).....	64,543,073	63,273,168
11. Net cash from operations (Line 4 minus Line 10).....	(4,425,695)	13,324,181
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	37,793,599	27,260,901
12.2 Stocks.....	610,962	
12.3 Mortgage loans.....	352,181	289,435
12.4 Real estate.....		1,463,545
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	38,756,742	29,013,881
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	26,061,866	48,807,262
13.2 Stocks.....	4,566,752	
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	30,628,617	48,807,262
14. Net increase (decrease) in contract loans and premium notes.....	(524,590)	78,159
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	8,652,714	(19,871,540)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		5,000,000
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(281,930)	(56,806)
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(1,101,908)	454,925
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,383,838)	5,398,119
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	2,843,181	(1,149,240)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	4,825,671	5,974,911
19.2 End of year (Line 18 plus Line 19.1).....	7,668,852	4,825,671
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Securities transferred per reinsurance agreement.....	17,476,641	

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.....	27,553,018		5,615,251	1,846,791				61,462		20,029,514		
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	13,218,296		2,112,190	2,410,798	45,842		5	1,536		8,647,925		
4. Amortization of Interest Maintenance Reserve (IMR).....	(79,650)		(12,728)	(14,527)	(276)			(9)		(52,110)		
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	10,609,535		1,592,373	325,437				30,558		8,661,167		
7. Reserve adjustments on reinsurance ceded.....	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	0											
8.2 Charges and fees for deposit-type contracts.....	0											
8.3 Aggregate write-ins for miscellaneous income.....	1,404,816	0	221,868	253,235	4,815	0	2	0	160	924,736	0	
9. Totals (Lines 1 to 8.3).....	52,706,015	0	9,528,954	4,821,734	50,381	0	7	0	93,707	38,211,232	0	
10. Death benefits.....	4,932,110		4,932,110									
11. Matured endowments (excluding guaranteed annual pure endowments).....	10,134		10,134									
12. Annuity benefits.....	1,593,765			1,593,765								
13. Disability benefits and benefits under accident and health contracts.....	24,345,760		6,666					42,661		24,296,433		
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	4,305,336		1,007,412	3,297,924								
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	10,516		1,823		8,693							
18. Payments on supplementary contracts with life contingencies.....	106,058				106,058							
19. Increase in aggregate reserves for life and accident and health contracts.....	5,664,076		(246,152)	(1,517,803)	(69,642)		(8)	(8,155)		7,505,836		
20. Totals (Lines 10 to 19).....	40,967,755	0	5,711,993	3,373,886	45,109	0	(8)	0	34,506	31,802,269	0	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	5,932,257		913,048	119,113				22,748		4,877,348		
22. Commissions and expense allowances on reinsurance assumed.....	24,644		18,395	514				390		5,345		
23. General insurance expenses.....	6,371,160		1,479,798	211,975	7,068			9,268		4,663,051		
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	2,310,437		399,180	10,730	386			4,745		1,895,396		
25. Increase in loading on deferred and uncollected premiums.....	(78,136)		(59,923)					(4)		(18,209)		
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0											
27. Aggregate write-ins for deductions.....	1,997	0	319	364	7	0	0	0	0	1,307	0	
28. Totals (Lines 20 to 27).....	55,530,114	0	8,462,810	3,716,582	52,570	0	(8)	0	71,653	43,226,507	0	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	(2,824,099)	0	1,066,144	1,105,152	(2,189)	0	15	0	22,054	(5,015,275)	0	
30. Dividends to policyholders.....	4,081		4,081									
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	(2,828,180)	0	1,062,063	1,105,152	(2,189)	0	15	0	22,054	(5,015,275)	0	
32. Federal income taxes incurred (excluding tax on capital gains).....	(3,269,497)		552,332	615,391	(5,218)		9	15,466		(4,447,477)		
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).....	441,317	0	509,731	489,761	3,029	0	6	0	6,588	(567,798)	0	

DETAILS OF WRITE-INS

08.301. Miscellaneous Income.....	1,381,000		220,674	251,872	4,789		1	160		903,504	
08.302. Other Income-Express Script Rebate.....	16,343									16,343	
08.303. Interest on Agent Balances.....	7,473		1,194	1,363	26		1			4,889	
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
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	1,404,816	0	221,868	253,235	4,815	0	2	160	0	924,736	0
2701. Penalties.....	1,996		319	364	7					1,306	
2702. Other Expenses.....	1									1	
2703.	0										
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	1,997	0	319	364	7	0	0	0	0	1,307	0

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year.....	76,690,001		33,260,985	42,773,794	655,222			
2. Tabular net premiums or considerations.....	6,946,728		5,099,938	1,846,790				
3. Present value of disability claims incurred.....	0				.XXX			
4. Tabular interest.....	2,422,627		1,043,593	1,362,792	16,242			
5. Tabular less actual reserve released.....	24,977		4,712		20,265			
6. Increase in reserve on account of change in valuation basis.....	0							
7. Other increases (net).....	76,277			76,277				
8. Totals (Lines 1 to 7).....	86,160,610	0	39,409,228	46,059,653	691,729	0	0	0
9. Tabular cost.....	3,939,644		3,939,644		.XXX			
10. Reserves released by death.....	1,307,665		1,307,665	.XXX	.XXX			.XXX
11. Reserves released by other terminations (net).....	4,350,315		1,140,421	3,209,894				
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	1,706,489		6,666	1,593,765	106,058			
13. Net transfers to or (from) Separate Accounts.....	0							
14. Total deductions (Lines 9 to 13).....	11,304,113	0	6,394,396	4,803,659	106,058	0	0	0
15. Reserve December 31, current year.....	74,856,497	0	33,014,832	41,255,994	585,671	0	0	0

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EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....285,350	.....298,182
1.1 Bonds exempt from U.S. tax.....	(a).....47,408	.....47,408
1.2 Other bonds (unaffiliated).....	(a).....12,406,907	.....12,304,084
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....279	.....279
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....116,888	.....131,891
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....190,534	.....190,534
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....140,405	.....158,128
6. Cash, cash equivalents and short-term investments.....	(e).....5,511	.....5,593
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....166,020	.....164,717
9. Aggregate write-ins for investment income.....	.....3,845	.....3,845
10. Total gross investment income.....	.....13,363,149	.....13,304,662
11. Investment expenses.....		(g).....86,366
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....
13. Interest expense.....		(h).....
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....86,366
17. Net investment income (Line 10 minus Line 16).....		.....13,218,296

DETAILS OF WRITE-INS

0901. Miscellaneous Investment Income.....	.....3,845	.....3,845
0902.		
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).....	.....3,845	.....3,845
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 \$.....1,602,164 accrual of discount less \$.....339,883 amortization of premium and less \$.....154,176 paid for accrued interest on purchases.
- (b) Includes \$.....279 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....86,366 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....			.....0		
1.1 Bonds exempt from U.S. tax.....			.....0		
1.2 Other bonds (unaffiliated).....	.....2,054,455	.....(25,491)	.....2,028,964	.....15,402	
1.3 Bonds of affiliates.....			.....0		
2.1 Preferred stocks (unaffiliated).....			.....0		
2.11 Preferred stocks of affiliates.....			.....0		
2.2 Common stocks (unaffiliated).....	.....132,054	.....(52,195)	.....79,859	.....168,062	
2.21 Common stocks of affiliates.....			.....0		
3. Mortgage loans.....			.....0		
4. Real estate.....			.....0		
5. Contract loans.....			.....0		
6. Cash, cash equivalents and short-term investments.....			.....0		
7. Derivative instruments.....			.....0		
8. Other invested assets.....			.....0	.....(178,872)	
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....2,186,509	.....(77,686)	.....2,108,823	.....4,592	.....0

DETAILS OF WRITE-INS

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

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

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
FIRST YEAR (other than single)											
1. Uncollected.....	(1,475,122)		3,786							(1,478,908)	
2. Deferred and accrued.....	33,816		33,816								
3. Deferred, accrued and uncollected:											
3.1 Direct.....	45,508		37,602							7,906	
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	1,486,814									1,486,814	
3.4 Net (Line 1 + Line 2).....	(1,441,306)	0	37,602	0	0	0	0	0	0	(1,478,908)	0
4. Advance.....	0										
5. Line 3.4 - Line 4.....	(1,441,306)	0	37,602	0	0	0	0	0	0	(1,478,908)	0
6. Collected during year:											
6.1 Direct.....	4,540,353		161,421					5,400		4,373,532	
6.2 Reinsurance assumed.....	0										
6.3 Reinsurance ceded.....	0										
6.4 Net.....	4,540,353	0	161,421	0	0	0	0	5,400	0	4,373,532	0
7. Line 5 + Line 6.4.....	3,099,047	0	199,023	0	0	0	0	5,400	0	2,894,624	0
8. Prior year (uncollected + deferred and accrued - advance).....	8,417		73,077							(64,660)	
9. First year premiums and considerations:											
9.1 Direct.....	4,492,456		125,946					5,400		4,361,110	
9.2 Reinsurance assumed.....	0										
9.3 Reinsurance ceded.....	1,401,826									1,401,826	
9.4 Net (Line 7 - Line 8).....	3,090,630	0	125,946	0	0	0	0	5,400	0	2,959,284	0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct.....	0										
10.2 Reinsurance assumed.....	0										
10.3 Reinsurance ceded.....	0										
10.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
RENEWAL											
11. Uncollected.....	(25,075,728)		(1,133,402)	(67,397)				(80,443)		(23,794,486)	
12. Deferred and accrued.....	1,918,757		1,918,757								
13. Deferred, accrued and uncollected:											
13.1 Direct.....	3,837,296		3,220,019					3,415		613,862	
13.2 Reinsurance assumed.....	6,542		5,518					506		518	
13.3 Reinsurance ceded.....	27,000,808		2,440,182	67,397				84,364		24,408,865	
13.4 Net (Line 11 + Line 12).....	(23,156,971)	0	785,355	(67,397)	0	0	0	(80,443)	0	(23,794,486)	0
14. Advance.....	109,936		3,921							106,015	
15. Line 13.4 - Line 14.....	(23,266,907)	0	781,434	(67,397)	0	0	0	(80,443)	0	(23,900,501)	0
16. Collected during year:											
16.1 Direct.....	108,855,577		11,088,065	3,871,670				298,044		93,597,798	
16.2 Reinsurance assumed.....	475,623		443,318	2,337				1,268		28,700	
16.3 Reinsurance ceded.....	75,149,022		5,923,097	2,468,424				215,241		66,542,260	
16.4 Net.....	34,182,178	0	5,608,286	1,405,583	0	0	0	84,071	0	27,084,238	0
17. Line 15 + Line 16.4.....	10,915,271	0	6,389,720	1,338,186	0	0	0	3,628	0	3,183,737	0
18. Prior year (uncollected + deferred and accrued - advance).....	(13,547,116)		900,415	(508,605)				(52,434)		(13,886,492)	
19. Renewal premiums and considerations:											
19.1 Direct.....	108,701,973		10,810,144	3,871,670				305,903		93,714,256	
19.2 Reinsurance assumed.....	470,244		442,521	2,337				1,366		24,020	
19.3 Reinsurance ceded.....	84,709,829		5,763,360	2,027,216				251,207		76,668,046	
19.4 Net (Line 17 - Line 18).....	24,462,387	0	5,489,305	1,846,791	0	0	0	56,062	0	17,070,229	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct.....	113,194,429	0	10,936,090	3,871,670	0	0	0	311,303	0	98,075,366	0
20.2 Reinsurance assumed.....	470,244	0	442,521	2,337	0	0	0	1,366	0	24,020	0
20.3 Reinsurance ceded.....	86,111,655	0	5,763,360	2,027,216	0	0	0	251,207	0	78,069,872	0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	27,553,017	0	5,615,251	1,846,791	0	0	0	61,462	0	20,029,513	0

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	0										
22. All other.....	2,200		2,200								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded.....	22,391									22,391	
23.2 Reinsurance assumed.....	0										
23.3 Net ceded less assumed.....	22,391	0	0	0	0	0	0	0	0	22,391	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.....	10,587,144		1,592,373	325,437				30,558		8,638,776	
25.2 Reinsurance assumed.....	24,643		18,394	514				390		5,345	
25.3 Net ceded less assumed.....	10,562,501	0	1,573,979	324,923	0	0	0	30,168	0	8,633,431	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	10,609,535	0	1,592,373	325,437	0	0	0	30,558	0	8,661,167	0
26.2 Reinsurance assumed (Page 6, Line 22).....	24,643	0	18,394	514	0	0	0	390	0	5,345	0
26.3 Net ceded less assumed.....	10,584,892	0	1,573,979	324,923	0	0	0	30,168	0	8,655,822	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	82,575		32,696							49,879	
28. Single.....	0										
29. Renewal.....	5,849,682		880,352	119,113				22,748		4,827,469	
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	5,932,257	0	913,048	119,113	0	0	0	22,748	0	4,877,348	0

CONTINENTAL GENERAL INSURANCE COMPANY EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			
1. Rent.....	121,851		208,038			329,889
2. Salaries and wages.....	144,218		2,871,476			3,015,693
3.11 Contributions for benefit plans for employees.....	135,555		410,411			545,966
3.12 Contributions for benefit plans for agents.....						0
3.21 Payments to employees under non-funded benefit plans.....						0
3.22 Payments to agents under non-funded benefit plans.....						0
3.31 Other employee welfare.....	41,060					41,060
3.32 Other agent welfare.....						0
4.1 Legal fees and expenses.....			1,461			1,461
4.2 Medical examination fees.....	103		76			179
4.3 Inspection report fees.....						0
4.4 Fees of public accountants and consulting actuaries.....	169,425		156,533			325,957
4.5 Expense of investigation and settlement of policy claims.....	10,905		317,277			328,182
5.1 Traveling expenses.....	4,147		9,015			13,162
5.2 Advertising.....						0
5.3 Postage, express, telegraph and telephone.....	26,923		317,866			344,788
5.4 Printing and stationery.....	9,953		50,220			60,173
5.5 Cost or depreciation of furniture and equipment.....	(149)		692			543
5.6 Rental of equipment.....	36,999		56,812			93,811
5.7 Cost or depreciation of EDP equipment and software.....	38,753					38,753
6.1 Books and periodicals.....	3,646		14,019			17,665
6.2 Bureau and association fees.....	704		3,326			4,030
6.3 Insurance, except on real estate.....	17,093		19,886			36,979
6.4 Miscellaneous losses.....	447,620		(382,433)			65,187
6.5 Collection and bank service charges.....	104,938		56,376			161,314
6.6 Sundry general expenses.....	(8,232)		(232,893)			(241,125)
6.7 Group service and administration fees.....						0
6.8 Reimbursements by uninsured plans.....						0
7.1 Agency expense allowance.....						0
7.2 Agents' balances charged off (less \$.....0 recovered).....						0
7.3 Agency conferences other than local meetings.....	162					162
9.1 Real estate expenses.....						0
9.2 Investment expenses not included elsewhere.....				86,366		86,366
9.3 Aggregate write-ins for expenses.....	393,166	0	794,162	0	0	1,187,327
10. General expenses Incurred.....	1,698,839	0	4,672,319	0	86,366	(a).....6,457,524
11. General expenses unpaid December 31, prior year.....	88,396		282,549			370,945
12. General expenses unpaid December 31, current year.....	99,181		164,596			263,777
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).....	1,688,054	0	4,790,272	0	86,366	6,564,692

DETAILS OF WRITE-INS

09.301. EDP Expenses.....	187,626		297,037			484,662
09.302. TSA Service Fees.....	5,243		140,332			145,575
09.303. TSA Fees.....	200,297		356,793			557,090
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	0	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	393,166	0	794,162	0	0	1,187,327

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

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes.....					0
2. State insurance department licenses and fees.....	19,406	147,971			167,377
3. State taxes on premiums.....	162,322	1,388,860			1,551,183
4. Other state taxes, including \$.....0 for employee benefits.....	50,679				50,679
5. U.S. Social Security taxes.....	78,803	184,919			263,722
6. All other taxes.....	99,087	178,389			277,477
7. Taxes, licenses and fees incurred.....	410,297	1,900,140	0	0	2,310,437
8. Taxes, licenses and fees unpaid December 31, prior year.....	739,883	2,364,957			3,104,840
9. Taxes, licenses and fees unpaid December 31, current year.....	919,725	2,197,986			3,117,711
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	230,455	2,067,111	0	0	2,297,566

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums.....		
2. Applied to shorten the endowment or premium-paying period.....		
3. Applied to provide paid-up additions.....	2,200	
4. Applied to provide paid-up annuities.....		
5. Total Lines 1 through 4.....	2,200	0
6. Paid-in cash.....	1,466	
7. Left on deposit.....	415	
8. Aggregate write-ins for dividend or refund options.....	0	0
9. Total Lines 5 through 8.....	4,081	0
10. Amount due and unpaid.....		
11. Provision for dividends or refunds payable in the following calendar year.....		
12. Terminal dividends.....		
13. Provision for deferred dividend contracts.....		
14. Amount provisionally held for deferred dividend contracts not included in Line 13.....		
15. Total Lines 10 through 14.....	0	0
16. Total from prior year.....		
17. Total dividends or refunds (Lines 9 + 15 - 16).....	4,081	0

DETAILS OF WRITE-INS

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

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
Life Insurance:					
0100001. 58 CET 3.0% ALB NLP.....(67-82).....	47,046		47,046		
0100002. 58 CET 3.0% ANB NLP.....(67-82).....	187,511		187,511		
0100003. 58 CET 3.5% ANB NLP.....(67-82).....	2,172		2,172		
0100004. 58 CET 4.5% ALB NLP.....(80-82).....	35,770		35,770		
0100005. 58 CET 4.5% ANB NLP.....(80-82).....	42,360		42,360		
0100006. 58 CSO 3.0% ALB CRVM.....(67-82).....	20,278		20,278		
0100007. 58 CSO 3.0% ALB NLP.....(67-82).....	350,059		350,059		
0100008. 58 CSO 3.0% ANB CRVM.....(67-82).....	598,217		598,217		
0100009. 58 CSO 3.0% ANB NLP.....(67-82).....	792,142		792,142		
0100010. 58 CSO 3.0%/20/2.5% ALB CRVM.....(67-82).....	176,103		176,103		
0100011. 58 CSO 3.5% ANB CRVM.....(67-82).....	80,861		80,861		
0100012. 58 CSO 3.5% ANB NLP.....(67-82).....	5,170		5,170		
0100013. 58 CSO 4.0% ANB CRVM.....(75-82).....	4,007,981		4,007,981		
0100014. 58 CSO 4.0% ANB NLP.....(75-82).....	23,085		23,085		
0100015. 58 CSO 4.5% ANB CRVM.....(75-82).....	336,615		336,615		
0100016. 58 CSO 4.5% ANB MOD.....(75-82).....	32,418		32,418		
0100017. 58 CSO 4.5% ANB NLP.....(75-82).....	43,076		43,076		
0100018. 80 CET 4.5% ANB NLP.....(95-06).....	1,145,430		1,145,430		
0100019. 80 CET 5.0% ANB NLP.....(93-94).....	17,728		17,728		
0100020. 80 CET 5.5% ANB NLP.....(88-92).....	4,017		4,017		
0100021. 80 CSO 4.0% ANB CRVM.....(06-08).....	1,647,937		1,647,937		
0100022. 80 CSO 4.5% ALB NLP.....(95-06).....	22,109		22,109		
0100023. 80 CSO 4.5% ANB CRVM.....(95-06).....	53,971,809		53,971,809		
0100024. 80 CSO 4.5% ANB NLP.....(95-06).....	476,745		476,745		
0100025. 80 CSO 4.5% ANB MOD.....(95-06).....	10,342,184		10,342,184		
0100026. 80 CSO 5.0% ALB CRVM.....(93-94).....	36,835		36,835		
0100027. 80 CSO 5.0% ALB NLP.....(93-94).....	835		835		
0100028. 80 CSO 5.0% ANB CRVM.....(93-94).....	409,409		409,409		
0100029. 80 CSO 5.0% ANB NLP.....(93-94).....	7,468		7,468		
0100030. 80 CSO 5.5% ANB CRVM.....(88-92).....	650,492		650,492		
0100031. 80 CSO 5.5% ANB NLP.....(88-92).....	30,011		30,011		
0100032. 2001 CSO 4.0% ANB CRVM.....(06-12).....	5,487,493		5,487,493		
0100033. 2001 CSO 4.0% ANB NLP.....(06-12).....	149,658		149,658		
0100034. 2001 CSO 4.0% ALB CRVM.....(06-12).....	7,804		7,804		
0100035. 2001 CSO 4.5% ANB CRVM.....(06-08).....	1,005,522		1,005,522		
0100036. 2001 CSO 4.5% ANB NLP.....(06-08).....	30,627		30,627		
0199997. Totals (Gross).....	82,224,977	0	82,224,977	0	0
0199998. Reinsurance ceded.....	49,439,283		49,439,283		
0199999. Totals (Net).....	32,785,694	0	32,785,694	0	0
Annuities (excluding supplementary contracts with life contingencies):					
0200001. Deferred @ 3%.....(72-74).....	43,387,186	XXX	43,387,186	XXX	
0200002. Deferred @ 3.25%.....(72-74).....	28,573,852	XXX	28,573,852	XXX	
0200003. Deferred @ 3.5%.....(72-74).....	2,000,529	XXX	2,000,529	XXX	
0200004. Deferred @ 4%.....(75-79).....	152,372	XXX	152,372	XXX	
0200005. Deferred @ 4.5%.....(80-82).....	17,169,391	XXX	17,169,391	XXX	
0200006. Deferred @ 5.5%.....(83-08).....	503,494	XXX	503,494	XXX	
0299997. Totals (Gross).....	91,786,824	XXX	91,786,824	XXX	0
0299998. Reinsurance ceded.....	50,530,829	XXX	50,530,829	XXX	
0299999. Totals (Net).....	41,255,995	XXX	41,255,995	XXX	0
Supplementary Contracts with Life Contingencies:					
0300001. 1983a ANNUITY TABLE 3.00% (85-08).....	185,496		185,496		
0300002. 1983a ANNUITY TABLE 3.25% (85-08).....	19,487		19,487		
0300003. 1983a ANNUITY TABLE 4.00% (85-08).....	59,400		59,400		
0300004. 1983a ANNUITY TABLE 4.50% (85-08).....	188,461		188,461		
0300005. 1983a ANNUITY TABLE 5.00% (85-08).....	649,458		649,458		
0300006. 1983a ANNUITY TABLE 5.50% (85-08).....	482,066		482,066		
0300007. 1983a ANNUITY TABLE 6.00% (85-08).....	225,450		225,450		
0300008. 1983a ANNUITY TABLE 6.25% (85-08).....	11,820		11,820		
0300009. 1983a ANNUITY TABLE 6.50% (85-08).....	9,540		9,540		
0300010. 1949a ANNUITY TABLE 7.00% (72-84).....	86,583		86,583		
0300011. 1949a ANNUITY TABLE 7.50% (72-84).....	3,351		3,351		
0399997. Totals (Gross).....	1,921,112	0	1,921,112	0	0
0399998. Reinsurance ceded.....	1,335,443		1,335,443		
0399999. Totals (Net).....	585,669	0	585,669	0	0
Accidental Death Benefits:					
0400001. 1958 CSO 3% NP (72-83).....	3,306		3,306		
0400002. 1959 ADB with 58 CSO 3.5% (72-08).....	8,830		8,830		
0499997. Totals (Gross).....	12,136	0	12,136	0	0
0499998. Reinsurance ceded.....	7,445		7,445		
0499999. Totals (Net).....	4,691	0	4,691	0	0
Disability - Active Lives:					
0500001. Unearned Premium.....	13,232		13,232		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0500002. 52 INTERCO DISA with 58 CSO 3.5% (72-08).....	1,604		1,604		
0599997. Totals (Gross).....	14,836	0	14,836	0	0
0599998. Reinsurance ceded.....	10,173		10,173		
0599999. Totals (Net).....	4,663	0	4,663	0	0
Disability - Disabled Lives:					
0600001. 1964 CDT @ 3% (72-08).....	71,706		71,706		
0600002. 52 INTERCO DISA with 58 CSO 3.5% (72-08).....	44,959		44,959		
0699997. Totals (Gross).....	116,665	0	116,665	0	0
0699998. Reinsurance ceded.....	73,265		73,265		
0699999. Totals (Net).....	43,400	0	43,400	0	0
Miscellaneous Reserves:					
0700001. Deficiency reserves.....	37,809		37,809		
0700002. Non-deduction of fractional premiums.....	315,084		315,084		
0700003. Immediate payment of claims.....	129,254		129,254		
0700004. Substandard Extra NP.....	9,399		9,399		
0799997. Totals (Gross).....	491,546	0	491,546	0	0
0799998. Reinsurance ceded.....	315,162		315,162		
0799999. Totals (Net).....	176,384	0	176,384	0	0
9999999. Totals (Net) - Page 3, Line 1.....	74,856,496	0	74,856,496	0	0

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes No
 1.2 If not, state which kind is issued
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes No
 2.2 If not, state which kind is issued
 Non-participating
3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes No
 If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
4. Has the reporting entity any assessment or stipulated premium contracts in force? If so, state: Yes No
 4.1 Amount of insurance: \$.....
 4.2 Amount of reserve: \$.....
 4.3 Basis of reserve:
- 4.4 Basis of regular assessments:
- 4.5 Basis of special assessments:
- 4.6 Assessments collected during year: \$.....
5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.
6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes No
 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
 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 of the current year? Yes No
 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
 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 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due To Change
	2 Changed From	3 Changed To	

NONE

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	14,505,620	19,422		55,934		14,271,547	158,717		
2. Additional contract reserves (a).....	284,411,668	6,080				284,405,588			
3. Additional actuarial reserves - Asset/Liability analysis.....	10,913,585					10,913,585			
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).....	309,830,873	25,502	0	55,934	0	309,590,720	158,717	0	0
8. Reinsurance ceded.....	210,078,093	25,502		55,934		209,837,940	158,717		
9. Totals (Net).....	99,752,780	0	0	0	0	99,752,780	0	0	0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	92,492,656					92,492,656			
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).....	92,492,656	0	0	0	0	92,492,656	0	0	0
15. Reinsurance ceded.....	64,749,390					64,749,390			
16. Totals (Net).....	27,743,266	0	0	0	0	27,743,266	0	0	0
17. TOTALS (Net).....	127,496,046	0	0	0	0	127,496,046	0	0	0
18. TABULAR FUND INTEREST.....	4,499,501	46				4,499,455			

DETAILS OF WRITE-INS

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

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

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1	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.....	725,481			687,039	16,213	22,229
2. Deposits received during the year.....	415				415	
3. Investment earnings credited to the account.....	41,947			40,135	1,812	
4. Other net change in reserves.....	(46,588)			(8,755)	(15,604)	(22,229)
5. Fees and other charges assessed.....	0					
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	167,113			165,205	1,908	
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).....	554,142	0	0	553,214	928	0
10. Reinsurance balance at the beginning of the year.....	(477,684)			(460,832)	(8,010)	(8,842)
11. Net change in reinsurance assumed.....	0					
12. Net change in reinsurance ceded.....	(85,329)			(68,477)	(8,010)	(8,842)
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	(392,355)	0	0	(392,355)	0	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	161,787	0	0	160,859	928	0

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct.....	0										
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	0										
2.12 Reinsurance assumed.....	0										
2.13 Reinsurance ceded.....	0										
2.14 Net.....	0	0	(b).....0	(b).....0	0	(b).....0	(b).....0	0	0	0	0
2.2 Other:											
2.21 Direct.....	5,367,668		884,510				61,289		2,040		4,419,829
2.22 Reinsurance assumed.....	82,805		82,786								19
2.23 Reinsurance ceded.....	3,618,810		475,818				61,289		2,040		3,079,663
2.24 Net.....	1,831,663	0	(b).....491,478	(b).....0	0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....1,340,185
3. Incurred but unreported:											
3.1 Direct.....	7,396,492		1,521,397						30,071		5,845,024
3.2 Reinsurance assumed.....	63,525		61,603								1,922
3.3 Reinsurance ceded.....	6,814,993		1,045,248						30,071		5,739,674
3.4 Net.....	645,024	0	(b).....537,752	(b).....0	0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....0	(b).....107,272
4. Totals:											
4.1 Direct.....	12,764,160	0	2,405,907	0	0	0	61,289	0	32,111	0	10,264,853
4.2 Reinsurance assumed.....	146,330	0	144,389	0	0	0	0	0	0	0	1,941
4.3 Reinsurance ceded.....	10,433,803	0	1,521,066	0	0	0	61,289	0	32,111	0	8,819,337
4.4 Net.....	2,476,687	(a).....0	(a).....1,029,230	0	0	0	(a).....0	0	0	0	1,447,457

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

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

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct.....	89,600,749		10,412,141	3,013,245	333,286		15,000		249,775		75,577,302
1.2 Reinsurance assumed.....	664,605		645,256								19,349
1.3 Reinsurance ceded.....	48,285,977		5,348,310	1,545,059	227,228		15,000		182,750		40,967,630
1.4 Net..... (d)	41,979,377	0	5,709,087	1,468,186	106,058	0	0	0	67,025	0	34,629,021
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	12,764,160		2,405,907				61,289		32,111		10,264,853
2.2 Reinsurance assumed.....	146,330		144,389								1,941
2.3 Reinsurance ceded.....	10,433,803		1,521,066				61,289		32,111		8,819,337
2.4 Net.....	2,476,687	0	1,029,230	0	0	0	0	0	0	0	1,447,457
3. Amounts recoverable from reinsurers December 31, current year..	19,695,315		1,901,469	333,684					58,411		17,401,751
4. Liability December 31, prior year:											
4.1 Direct.....	11,859,626		2,126,798				91,408		49,502		9,591,918
4.2 Reinsurance assumed.....	87,344		86,104								1,240
4.3 Reinsurance ceded.....	6,939,018		1,447,238				91,408		39,400		5,360,972
4.4 Net.....	5,007,952	0	765,664	0	0	0	0	0	10,102	0	4,232,186
5. Amounts recoverable from reinsurers December 31, prior year.....	11,235,028		877,725	459,263					44,149		9,853,891
6. Incurred benefits:											
6.1 Direct.....	90,505,283	0	10,691,250	3,013,245	333,286	0	(15,119)	0	232,384	0	76,250,237
6.2 Reinsurance assumed.....	723,591	0	703,541	0	0	0	0	0	0	0	20,050
6.3 Reinsurance ceded.....	60,241,049	0	6,445,882	1,419,480	227,228	0	(15,119)	0	189,723	0	51,973,855
6.4 Net.....	30,987,825	0	4,948,909	1,593,765	106,058	0	0	0	42,661	0	24,296,432

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

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$....10,134 in line 6.4.

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

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Derivatives (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....			.0
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	59,387	61,829	2,442
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.....	40,045		(40,045)
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.....	27,769,000	26,662,000	(1,107,000)
19. Guaranty funds receivable or on deposit.....			.0
20. Electronic data processing equipment and software.....			.0
21. Furniture and equipment, including health care delivery assets.....			.0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....			.0
24. Health care and other amounts receivable.....	520,768	701,120	180,352
25. Aggregate write-ins for other than invested assets.....	92,620	167,129	74,509
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	28,481,820	27,592,078	(889,742)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	28,481,820	27,592,078	(889,742)

DETAILS OF WRITE-INS

1101.....			.0
1102.....			.0
1103.....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0
2501. Disallowed IMR.....			.0
2502. Other Amounts Receivable.....	34,402	125,604	91,202
2503. Suspense.....	58,218	14,475	(43,743)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	27,050	27,050
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	92,620	167,129	74,509

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices and Procedures

The financial statements of Continental General Insurance Company ("CGIC" or "the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only Statutory Accounting Practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Ohio. The Company has no prescribed or permitted practices that would result in differences between NAIC SAP and the state of Ohio basis, as shown below:

Net Income	State of Domicile	2012	2011
(1) State basis	Ohio	\$ (587,367)	\$ 8,132,534
(2) State prescribed practices that increase/(decrease) NAIC SAP	Ohio	-	-
(3) State permitted practices that increase/(decrease) NAIC SAP	Ohio	-	-
(4) NAIC SAP		\$ (587,367)	\$ 8,132,534
Surplus			
(5) Statutory surplus state basis	Ohio	\$ 19,949,419	\$ 26,890,889
(6) State prescribed practices that increase/(decrease) NAIC SAP	Ohio	-	-
(7) State permitted practices that increase/(decrease) NAIC SAP	Ohio	-	-
(8) NAIC SAP		\$ 19,949,419	\$ 26,890,889

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

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

c. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. The Company pays dividends to participating policyholders.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds with a NAIC rating 1 through 5 are stated at amortized cost using the interest method; all others are stated at lower of amortized cost or fair value.
- (3) Common stocks are stated at market, except investments in stocks of wholly owned subsidiaries, which are carried on the equity basis, in accordance with SSAP No. 97.
- (4) Redeemable preferred stocks rated RP1 through RP3 and perpetual preferred stocks rated P1 through P3 are stated at book value, all others are state at the lower of book value or market value.
- (5) Mortgage loans on real estate and policy loans are stated at the aggregate unpaid balance.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. For residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS") and loan-backed and structured securities ("LBASS"), the NAIC has retained third-party investment management firms to assist in the determination of the appropriate NAIC designations and Book Adjusted Carrying Values based not only on the probability of loss, but also the severity of loss. Those RMBS, CMBS and LBASS securities that are not modeled but receive a current year Acceptable Rating Organizations rating are subject to the Modified Filing Exempt process which determines the appropriate NAIC designations and Book Adjusted Carrying Values. Mortgage-backed securities are amortized over a period based on estimated future principal payments, including prepayments. Prepayment assumptions are reviewed periodically and adjusted to reflect actual prepayments and changes in expectations.
- (7) Investments in subsidiaries, controlled and affiliated companies are valued using the equity method in accordance with SSAP No. 97.
- (8) Investments in joint ventures, partnerships and limited liability companies are stated at the equity carrying value.
- (9) Derivatives – Not applicable
- (10) The Company utilizes anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company has no pharmaceutical rebate receivables.

2. Accounting Changes and Corrections of Errors

The Company recorded a charge to surplus of \$(2,282,962) and (4,008,021) in the Summary of Operations (Page 4, Line 53) as of December 31, 2012 and 2011 respectively, for a correction of the health reserves. The adjustment is the result of corrections to the Company's long term care reserves.

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, by limiting the admissibility thresholds based on current period risk-based capital levels and modifying disclosure requirements. The adoption of SSAP 101 did not impact the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS

3. Business Combinations and Goodwill – There were no merger or acquisition transactions recorded in 2012.
4. Discontinued Operations – The Company has no reportable discontinued operations.
5. Investments
- a. Mortgage Loans, including Mezzanine Real Estate Loans
- (1) There was no maximum and minimum lending rate of mortgage loans during 2012 as the Company did not originate any new loans.
- (2) During 2012, the Company did not reduce interest rates of outstanding mortgage loans.
- (3) The maximum percentage of any one loan to the value of security at the time of the loans, exclusive of insured or guaranteed mortgages or purchase money mortgages, was 65%.
- (4) – (12) Not Applicable
- b. Debt Restructuring – There were no debt restructures in 2012.
- c. Reverse Mortgages – Not applicable
- d. Loan-Backed Securities
- (1) The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
- (2) The Company does not currently hold any securities with a recognized other-than-temporary impairment where there is an intent to sell or an inability or lack of intent to hold the securities for a sufficient period of time necessary to recover the amortized cost basis of the securities.
- (3) The following table shows each security with a credit-related other-than-temporary (“OTTI”) charge recognized during 2012:
- | CUSIP | Amortized Cost
Before OTTI | Present Value
of Projected
Cash Flows | OTTI Charge
Recognized in
Income Statement | Amortized Cost
After OTTI | Fair Value at
Time of OTTI | Date
Reported |
|-----------|-------------------------------|---------------------------------------------|--------------------------------------------------|------------------------------|-------------------------------|------------------|
| 76111XJ46 | \$ 1,144,935 | \$ 1,119,444 | \$ 25,491 | \$ 1,119,444 | \$ 1,067,779 | 6/30/2012 |
- (4) The following table shows all loan-backed securities with a an unrealized loss:
- a. The aggregate amount of unrealized losses:
- | | |
|------------------------|-------------|
| 1. Less than 12 Months | \$ (31,939) |
| 2. 12 Months or Longer | (165,264) |
- b. The aggregate related fair value of securities with unrealized losses:
- | | |
|------------------------|--------------|
| 1. Less than 12 Months | \$ 1,318,396 |
| 2. 12 Months or Longer | 1,831,101 |
- (5) Based on cash flow projections received from independent sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses at December 31, 2012. The Company has the intent to hold such securities until they recover in value or mature.
- e. Repurchase Agreements and/or Securities Lending Transactions – Not applicable
- f. Real Estate – Not applicable
- g. Low Income Housing Tax Credits – Not applicable
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 writedown for its investments in Joint Ventures, Partnerships and Limited Liability Companies during 2012.
7. Investment Income – There was no due and accrued investment income excluded from capital and surplus at December 31, 2012.
8. Derivative Instruments – Not applicable

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

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, by limiting the admissibility thresholds based on current period risk-based capital levels and modifying disclosure requirements. The adoption of SSAP 101 did not impact the Company's financial statements.

a. Deferred Tax Assets and Deferred Tax Liabilities

(1) The components of the net deferred tax asset/(liability) at December 31, were as follows:

	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross deferred tax assets	\$33,678,000	\$3,418,636	\$ 37,096,636	\$31,678,000	\$4,024,000	\$ 35,702,000	\$ 2,000,000	\$ (605,364)	\$ 1,394,636
b. Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
c. Adjusted gross deferred tax assets	33,678,000	3,418,636	37,096,636	31,678,000	4,024,000	35,702,000	2,000,000	(605,364)	1,394,636
d. Deferred tax assets nonadmitted	24,351,000	3,418,000	27,769,000	23,381,000	3,281,000	26,662,000	970,000	137,000	1,107,000
e. Subtotal net admitted deferred tax asset	9,327,000	636	9,327,636	8,297,000	743,000	9,040,000	1,030,000	(742,364)	287,636
f. Deferred tax liabilities	3,720,000	-	3,720,000	2,244,000	-	2,244,000	1,476,000	-	1,476,000
g. Net admitted deferred tax assets/(net deferred tax liability)	\$ 5,607,000	\$ 636	\$ 5,607,636	\$ 6,053,000	\$ 743,000	\$ 6,796,000	\$ (446,000)	\$ (742,364)	\$ (1,188,364)

(2) Admission calculation components, SSAP 101:

2.

	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 3,948,000	\$ -	\$ 3,948,000	\$ 4,191,000	\$ -	\$ 4,191,000	\$ (243,000)	\$ -	\$ (243,000)
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)	1,659,000	636	1,659,636	1,862,000	743,000	2,605,000	(203,000)	(742,364)	(945,364)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	9,263,000	636	9,263,636	9,676,000	743,000	10,419,000	(413,000)	(742,364)	(1,155,364)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	3,720,000	XXX	XXX	2,244,000	XXX	XXX	1,476,000
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	3,720,000	-	3,720,000	2,244,000	-	2,244,000	1,476,000	-	1,476,000
d. Deferred tax assets admitted as the result of application of SSAP No. 101	\$ 9,327,000	\$ 636	\$ 9,327,636	\$ 8,297,000	\$ 743,000	\$ 9,040,000	\$ 1,030,000	\$ (742,364)	\$ 287,636

(3) Other Admissibility Criteria:

	2012	2011
a. Ratio percentage used to determine recovery period and threshold limitation amount	370%	388%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 4,276,300	\$ 5,198,871

(4) Impact of Tax Planning Strategies

	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Adjusted gross DTAs (% of total adjusted gross DTAs)	0%	11%	11%	0%	12%	12%	0%	-1%	-1%
b. Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0%	73%	73%	0%	62%	62%	0%	11%	11%
c. Does the company's tax planning strategies include the use of reinsurance? Yes [] No [X]									

b. The Company has recognized all of its deferred tax liabilities.

NOTES TO FINANCIAL STATEMENTS

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

1. Current Income Tax:

	2012	2011	Change
a. Federal	\$ (3,269,497)	\$ 1,912,093	\$ (5,181,590)
b. Foreign	-	-	-
c. Subtotal	\$ (3,269,497)	\$ 1,912,093	\$ (5,181,590)
d. Federal income tax on net capital gains	1,276,681	(28,830)	1,305,511
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	-	-
g. Federal and foreign income taxes incurred	<u>\$ (1,992,816)</u>	<u>\$ 1,883,263</u>	<u>\$ (3,876,079)</u>

2. Deferred Tax Assets

	2012	2011	Change
a. Ordinary			
1 Discounting of unpaid losses			\$ -
2 Unearned premium reserve			-
3 Policyholder reserve	14,321,000	10,072,000	4,249,000
4 Investments			-
5 Deferred acquisition costs	17,819,000	19,642,000	(1,823,000)
6 Policyholder dividends accrual			-
7 Fixed assets			-
8 Compensation and benefits accrual			-
9 Pension accrual			-
10 Receivables - nonadmitted			-
11 Net operating loss carry-forward			-
12 Tax credit carry-forward			-
13 Other	1,538,000	1,964,000	(426,000)
14 Accruals			-
15 Amortization of intangibles			-
16 Underwriting expenses			-
Accrued expenses			-
Bad debt expense			-
Agent balances			-
99 Subtotal	<u>\$ 33,678,000</u>	<u>\$ 31,678,000</u>	<u>\$ 2,000,000</u>
b. Statutory valuation allowance adjustment			-
c. Nonadmitted	24,351,000	23,381,000	970,000
d. Admitted ordinary deferred tax assets	<u>\$ 9,327,000</u>	<u>\$ 8,297,000</u>	<u>\$ 1,030,000</u>
e. Capital			
1 Investments	\$ 3,280,636	\$ 3,737,000	\$ (456,364)
2 Net capital loss carry-forward		110,000	(110,000)
3 Real estate			-
4 Other	138,000	177,000	(39,000)
99 Subtotal	<u>\$ 3,418,636</u>	<u>\$ 4,024,000</u>	<u>\$ (605,364)</u>
f. Statutory valuation allowance adjustment	-	-	-
g. Nonadmitted	3,418,000	3,281,000	137,000
h. Admitted capital deferred tax assets	<u>\$ 636</u>	<u>\$ 743,000</u>	<u>\$ (742,364)</u>
i. Admitted deferred tax assets	<u>\$ 9,327,636</u>	<u>\$ 9,040,000</u>	<u>\$ 287,636</u>

3. Deferred Tax Liabilities

	2012	2011	Change
a. Ordinary			
1 Investments	\$ 3,292,000	\$ 2,167,000	\$ 1,125,000
2 Fixed assets	-	-	-
3 Deferred and uncollected premium	-	-	-
4 Policyholder reserves	229,000	-	229,000
5 Other	199,000	77,000	122,000
99 Subtotal	<u>\$ 3,720,000</u>	<u>\$ 2,244,000</u>	<u>\$ 1,476,000</u>
b. Capital			
1 Investments			\$ -
2 Real estate	-	-	-
3 Other	-	-	-
99 Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
c. Deferred tax liabilities	<u>\$ 3,720,000</u>	<u>\$ 2,244,000</u>	<u>\$ 1,476,000</u>
4. Net deferred tax assets/liabilities	<u>\$ 5,607,636</u>	<u>\$ 6,796,000</u>	<u>\$ (1,188,364)</u>

NOTES TO FINANCIAL STATEMENTS

- d. The Company's income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory rate of 35% to net income after dividends to policyholders are as follows:

	2012	2011
Provision computed at statutory rate (operations and realized gains/losses)	\$ (251,776)	\$ 3,388,902
Permanent differences:		
Ceding commission	(921,281)	(1,115,979)
Reinsurance investment transfer	(483,350)	-
Provision to return adjustments	(234,743)	(204,684)
Other	34,524	58,450
Total permanent differences	(1,604,849)	(1,262,213)
Timing adjustments:		
Investment differences	(28,091)	(227,309)
Reserves	3,318,541	1,840,931
DAC tax adjustment	(1,823,008)	(1,363,906)
Capital loss carry-forward	(775,139)	(105,423)
Amortization of goodwill	(463,595)	(463,595)
Premium accruals	(144,826)	125,573
Bad debt expense	(133,318)	(6,682)
Other	(86,755)	(43,016)
Total timing adjustments	(136,191)	(243,426)
Federal income tax expense on operations and realized gains/losses	<u>\$ (1,992,816)</u>	<u>\$ 1,883,263</u>
Gross change in deferred tax asset		
Timing adjustments	\$ 136,191	\$ 243,426
Impact of non-admitted assets	76,040	296,005
Unrealized gains/losses	(159,617)	(108,904)
Reserves	(782,758)	(6,780,294)
Deferred loss	177,336	58,446
Other	28,808	728,743
Total change in deferred tax asset recorded directly to surplus	<u>(524,000)</u>	<u>(5,562,577)</u>
Total statutory income tax expense	<u>\$ (2,516,816)</u>	<u>\$ (3,679,314)</u>

- e. (1) As of December 31, 2012, the Company does not have any operating loss carryforwards available for tax purposes.

As of December 31, 2012, the Company has a pre-tax capital loss carryforward of \$313,197, which expires in year 2014.

- (2) The amount of federal income taxes incurred and available for recoupment in the event of future net losses is \$1,986,094.

Period	Ordinary	Capital	Total
2012	\$ (2,721,883)	\$ 751,254	\$ (1,970,629)
2011	1,854,533	-	1,854,533
2010	2,102,190	-	2,102,190

- (3) At December 31, 2012, the Company had no deposits to disclose under Section 6603 of the Internal Revenue Service Code.

NOTES TO FINANCIAL STATEMENTS

f. The Company's federal income tax return is consolidated.

(1) The Company's federal income tax return is consolidated with the following entities:

AAG Holding Company, Inc.	Great American Life Insurance Company
AAG Insurance Agency, Inc.	Great American Lloyd's Insurance Company
American Empire Insurance Company	Great American Lloyd's, Inc.
American Empire Surplus Lines Insurance Company	Great American Management Services, Inc.
American Empire Underwriters, Inc.	Great American Protection Insurance Company
American Financial Enterprises, Inc.	Great American Re Inc.
American Financial Group, Inc.	Great American Security Insurance Company
American Money Management Corporation	Great American Spirit Insurance Company
American Premier Underwriters, Inc.	Great Southw est Corporation
American Retirement Life Insurance Company	Hangar Acquisition Corp.
American Signature Underwriters, Inc.	Indianapolis Union Railw ay Company (The)
Annuity Investors Life Insurance Company	Key Largo Group, Inc.
APU Holding Company	Lehigh Valley Railroad Company
Associates of the Jersey Company (The)	Loyal American Holding Corporation
Brothers Pennsylvanian Corporation	Magnolia Alabama Holdings, Inc.
Brothers Property Corporation	Manhattan National Holding Corporation
Brothers Property Management Corporation	Manhattan National Life Insurance Company
Cal Coal, Inc.	Mid-Continent Assurance Company
Ceres Group, Inc.	Mid-Continent Casualty Company
Consolidated Financial Corporation	Mid-Continent Excess and Surplus Insurance Company
Continental General Corporation	Mid-Continent Specialty Insurance Services, Inc.
Continental General Insurance Company	Oklahoma Surety Company
Continental Print & Photo Co.	One East Fourth, Inc.
Crop Managers Insurance Agency, Inc.	Ow asco River Railw ay, Inc. (The)
Dempsey & Siders Agency, Inc.	PCC Maryland Realty Corp.
Dixie Terminal Corporation	PCC Real Estate, Inc.
Eden Park Insurance Brokers, Inc.	PCC Technical Industries, Inc.
Farmers Crop Insurance Alliance, Inc.	Penn Central Energy Management Company
FCIA Management Company, Inc.	Penn Tow ers, Inc.
FlexTech Holding Co., Inc.	Pioneer Carpet Mills, Inc.
GAI Insurance Company, Ltd.	Pittsburgh and Cross Creek Railroad Company
GAI Warranty Company	PLLS, Ltd.
GAI Warranty Company of Florida	Premier International Insurance Company
GALAC Holding Company	Premier Lease & Loan Services Insurance Agency, Inc.
GALIC Brothers, Inc.	Premier Lease & Loan Services of Canada, Inc.
Global Premier Finance Company	Professional Risk Brokers, Inc.
Great American Advisors, Inc.	Purity Financial Corporation
Great American Agency of Texas, Inc.	QQAgency of Texas, Inc.
Great American Alliance Insurance Company	Republic Indemnity Company of America
Great American Assurance Company	Republic Indemnity Company of California
Great American Casualty Insurance Company	Risico Management Corporation
Great American Claims Services, Inc.	Skipjack Marina Corp.
Great American Contemporary Insurance Company	Superior NWVN of Ohio, Inc.
Great American E & S Insurance Company	TEJ Holdings, Inc.
Great American Fidelity Insurance Company	Terminal Realty Penn Co.
Great American Financial Resources, Inc.	Three East Fourth, Inc.
Great American Holding, Inc	United Teacher Associates Insurance Company
Great American Insurance Agency, Inc.	United Teacher Associates, Ltd.
Great American Insurance Company	Waynesburg Southern Railroad Company
Great American Insurance Company of New York	
Great American Life Assurance Company	

(2) Pursuant to the tax allocation agreement, the Company's tax expense will be determined based upon its inclusion in the consolidated tax return of American Financial Group, Inc. and its includable subsidiaries. Estimated payments are to be made quarterly during the year. Following year-end, additional settlements will be made on the original due date of the return and, when extended, at the time the return is filed. The method of allocation among the companies under the agreement is based upon separate return calculations with current credit for net losses to the extent the losses provide a benefit in the consolidated tax return.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

a., b. & c. Related party transactions for 2012 include:

(1) On May 10, 2012, Great American Financial Resources, Inc. ("GAFRI"), the ultimate parent of the Company, and certain of its subsidiaries entered into an agreement (the "Agreement") to sell their Medicare Supplement and other non-long term care health businesses to Cigna Health and Life Insurance Company (the "Buyer"). Pursuant to the sale on August 31, 2012, the Buyer became the ultimate parent of American Retirement Life Insurance Company, Central Reserve Life Insurance Company, Loyal American Life Insurance Company, Provident American Life & Health Insurance Company, United Benefit Life Insurance Company, and Ceres Sales of Ohio, LLC (the "Targets"). Prior to the sale of the Targets, those companies (other than Ceres Sales of Ohio, which is not an insurance company) reinsured any life or annuity business they held to GALIC through a 100% coinsurance agreement. Also, GALIC, Continental General Insurance Company and United Teacher Associates Insurance Company reinsured all Medicare Supplement and other non-long term care health business they held into Loyal American Life Insurance Company through a 100% coinsurance agreement, prior to the sale of the Targets. Completion of these transactions was subject to receipt of certain regulatory approvals and was completed in third quarter 2012.

(2) The Company did not receive any capital contributions from its parent in 2012.

NOTES TO FINANCIAL STATEMENTS

- d. At December 31, 2012, the Company reported no amount due to affiliate companies and \$586,716 due from affiliated companies.. The terms of the agreements require that these amounts be settled within 90 days.
- e. During 2021 there were no material guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that resulted in a material contingent exposure of the Company's or any related party's assets or liabilities.
- f. Management or service contracts and all cost sharing arrangements involving the Company:
- (1) The Company has an agreement with GAFRI, subject to the direction of the finance committee of the Company, whereby GAFRI, along with the services provided by American Money Management, provides for money management and accounting services related to the investment portfolio.
 - (2) Certain administrative, management, underwriting, claims, accounting, data processing, collection and investment services are provided under agreements between the Company and affiliates at charges not unfavorable to the Company or the affiliate.
- g. The Company is an indirect subsidiary of Great American Financial Resources, Inc. ("GAFRI"), which is a subsidiary of American Financial Group, Inc.; 100% of the Company's outstanding common stock is directly owned by Ceres Group, Inc. See Schedule Y, Part 1, Organizational Chart.
- h. The Company does not own shares of any upstream immediate entity or ultimate parent.
- i. The Company has no investments in SCA entities.
- j. Investments in impaired SCA entries – Not applicable.
- k. The company has no investment in a foreign insurance subsidiary.
- l. The company has no investment in a downstream non-insurance holding company.
11. Debt
- a. The Company has no outstanding debt instruments.
 - b. The Company has no Federal Home Loan Bank agreement
12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans.
- a. The Company does not participate in a defined benefit plan.
 - b. Defined Compensation Plan -- See item d below.
 - c. The Company does not participate in multi-employer plans.
 - d. Consolidated/Holding Company Plans:
 - (1) Employees' Retirement Plan:
 - (a) All employees meeting minimum requirements are eligible to participate in an Employee Stock Ownership Retirement Plan ("Plan") established by GAFRI for employees of GAFRI and its participating subsidiaries. The Plan is a defined contribution plan in which participating employees are entitled to share in contributions made by GAFRI on their behalf. The benefits are based on an employee's years of service and eligible compensation for each year of participation. Funding is determined annually. Each participating employer contributes an amount based upon the relationship of its total eligible compensation to total eligible compensation under the Plan. The Company's contribution for the plan was \$81,450 in 2012 and \$77,861 in 2011.
 - (b) Plan costs are funded as they accrue and vested benefits are fully funded. Contributions to the Plan are subject to the discretion of the Board of Directors of the Company, and the Company has no liability for future contributions under the Plan.
 - (c) The Company's parent, GAFRI, sponsors a 401(k) retirement plan for all eligible employees of GAFRI and its participating subsidiaries. Effective January 1, 2001, GAFRI and participating subsidiaries began making matching contributions to the 401(k) plan. Company contributions are based on the amount of the participating employees' contributions. The Company recognized expenses of \$95,748 for its contribution to the plan in 2012 and \$122,764 in 2011.
 - (2) Deferred Compensation Plans:

The Company offers to its officers and selected employees the opportunity to defer receipt of a specific percentage of income. Amounts deferred are credited with interest at either a rate set by the Board of Directors or based on the performance of the common stock of American Financial Group, as chosen by individual participants.
 - (3) Post Retirement Benefits:

GAFRI provides postretirement health care and life insurance benefits to employees meeting age and service requirements through plans sponsored by American Financial Group, Inc. The retiree medical care plan is a contributory plan covering all eligible employees hired prior to 1993; employees hired after 1992 pay the full cost of retiree medical coverage. GAFRI has established a cap on the total amount of health care costs that are subsidized for the majority of current retirees and all eligible future retirees. GAFRI currently pays the full cost of life insurance coverage for past retirees, but no coverage is provided for new retirees after 2005. The medical plan is funded by monthly payments to a trust. Life insurance benefits are provided by insurance contracts. American Financial Group, Inc. has the right to modify or terminate either of these plans in the future. GAFRI has the right to terminate its participation at any time in the future.

GAFRI accrues its postretirement benefits over the period the employees qualify for such benefits. At December 31, 2012, GAFRI's accumulated postretirement benefit obligation was \$768,151 using a discount rate of 2.75% of which all is currently accrued. Net postretirement benefits costs for the year ended December 31, 2012, was a credit of \$62,065, which includes service cost, interest cost, and amortization of the transition obligation.

The weighted average annual assumed rate of increase in the health care cost trend rate is 7.5% for 2013 and is assumed to decrease gradually to 5% over 7 years and to remain at that level thereafter. The effect of a 1% increase in the assumed health care cost trend rate for each year have an immaterial impact on the postretirement benefit obligation at December 31, 2012.
- e. Post-Employment Benefits and Compensated Absences:
- The Company accrues obligations for post-employment benefits and compensated absences in accordance with SSAP No. 11.

NOTES TO FINANCIAL STATEMENTS

f. The Medicare Modernization Act

- (1) In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("the Act") became law. Under the Act, starting in 2006, retirees will have the ability to obtain prescription drug benefits through a new Medicare Part D program and companies that continue to provide postretirement prescription drug benefits to their retirees may be eligible to receive a new federal subsidy.
- (2) The Medicare Modernization Act had no impact on the Company's postretirement benefits.

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

- a. The Company has \$1 par value common stock, 6,500,000 shares authorized, and issued; and outstanding of 4,196,559 shares. There are no other classes of capital stock.
- b. The Company has no preferred stock outstanding.
- c. The maximum amount of dividends which can be paid to stockholders by life insurance companies domiciled in the State of Ohio without prior approval of the Insurance Commissioner is the greater of 10% of surplus as regards to policyholders or net income as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of dividends payable in 2013 without prior approval is \$2,047,485 based on surplus. At December 31, 2012 surplus as regards to policyholders was \$20,474,847, net loss was \$(61,938) and earned surplus was \$8,639,418.
- d. No dividends were paid in 2012.
- e. Within the limitations of (c) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- f. There are no restrictions on the Company's surplus.
- g. The total amount of advances to surplus not repaid is \$0.
- h. The amounts of stock held by the Company, including stock of affiliated companies, for special purposes is:
- | | |
|--------------------------------------|----------|
| 1 For conversion of preferred stock: | 0 shares |
| 2 For employee stock options: | 0 shares |
| 3 For stock purchase warrants: | 0 shares |
- i. There are no special surplus funds in the balance sheet for 2012..
- j. The portion of unassigned funds (surplus) represented or (reduced) by each of the following items:
- | | |
|--------------------------------|-----------------|
| 1 Unrealized gains and losses: | \$ 645,496 |
| 2 Nonadmitted asset values: | \$ (28,481,820) |
| 3 Separate account business: | \$ - |
| 4 Asset valuation reserves: | \$ (975,573) |
| 5 Provision for reinsurance: | \$ - |
- k. Surplus Notes -- Not applicable
- l. The impact of any restatement due to prior quasi-reorganizations -- Not applicable
- m. The effective date of all quasi-reorganization in the prior 10 years -- Not applicable

14. Contingencies

- a. Contingent Commitments – The Company has contingent commitments to provide additional capital to limited partnerships in which it has an interest. The aggregate amount of the contingent commitment is approximately \$383,000. The limited partnership may or may not require the additional capital in the future.
- b. Assessments

From time to time, insurance companies may be assessed by various state insurance guaranty funds to help pay for the cost of other insurance companies insolvency's. These assessments are generally recoverable in most states over a 3 to 10 year period through reduction in future premium tax liabilities. The Company periodically adjusts its accrual for future assessments utilizing information provided by the National Organization of Life and Health Insurance Guaranty Associations. At December 31, 2012, the Company held a liability for future assessments of \$2,538,000. The Company also holds an asset premium tax offset related to guaranty fund assessments paid or accrued.

Assets recognized from paid and accrued tax offsets for the year ended December 31, 2012, are as follows:

Balance, beginning of year	\$2,607,148
Premium tax offsets accrued	47,202
Premium tax offsets applied	-152,921
	\$2,501,429

- c. Gain Contingencies – No reportable material gain contingencies.
- d. Claims related extra contractual obligation and bad faith losses stemming from lawsuits -- No reportable material claims related extra contractual obligation and bad faith losses stemming from lawsuits.
- e. All Other Contingencies – No reportable material other contingencies.

15. Leases – Not applicable

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – Not applicable

NOTES TO FINANCIAL STATEMENTS

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – The Company has no reportable transactions.
18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans -- Not applicable
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators -- Not applicable
20. Fair Value Measurements

A.

1. Fair Value Measurements at Reporting Date

The Company has categorized its assets and liabilities measured at fair value into the three-level fair value hierarchy as reflected in the following table. See item 4 below for a discussion of each of these levels.

	Level 1	Level 2	Level 3	Total
Assets:				
Bonds:				
U.S. Government and government agencies	\$ -	\$ -	\$ -	\$ -
States, municipalities and political subdivisions	-	-	-	-
Foreign government	-	-	-	-
Residential MBS	-	14,955	-	14,955
Commerical MBS	-	-	-	-
All other bonds	-	-	-	-
Total bonds	-	14,955	-	14,955
Non-affiliated common stock	3,203,711	-	-	3,203,711
Non-affiliated preferred stock	-	-	-	-
Equity index call options	-	-	-	-
Variable annuity assets (separate accounts) (a)	-	-	-	-
Total assets accounted for at fair value	\$ 3,203,711	\$ 14,955	\$ -	\$ 3,218,666

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

	Beginning Balance at 1/1/2012	Transfers into Level 3	Transfers out of Level 3	Total Gains and (losses) included in Net Income	Total Gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
States, municipalities and political subdivisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential MBS	8,250	-	2,846	(11,096)	-	-	-	-	-	-
All other bonds	-	-	-	-	-	-	-	-	-	-
Non-affiliated common stock	-	-	-	-	-	-	-	-	-	-
Non-affiliated preferred stock	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,250	\$ -	\$ 2,846	\$ (11,096)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

3. Fair Value Recognition of Transfers Between Levels

The Company recognizes and records the transfer of securities into and out of Level 3 due to changes in availability of market observable inputs. All transfers are reflected in the table above at fair value as of the end of the reporting period.

4. Inputs and Techniques Used in Estimating Fair Value

Level 1 - Quoted prices for identical assets or liabilities in active markets (markets in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis). The Company's Level 1 financial instruments consist primarily of publicly traded equity securities for which quoted market prices in active markets are available.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar assets or liabilities in inactive markets (markets in which there are few transactions, the prices are not current, price quotations vary substantially over time or among market makers, or in which little information is released publicly); and valuations based on other significant inputs that are observable in active markets. The Company's Level 2 financial instruments include corporate and municipal fixed maturity securities, RMBS, interest rate swaptions, and equity index call options. Level 2 inputs include benchmark yields, reported trades, corroborated broker/dealer quotes, issuer spreads and benchmark securities. When non-binding broker quotes can be corroborated by comparison to similar securities priced using observable inputs, they are classified as Level 2.

Level 3 - Valuations derived from market valuation techniques generally consistent with those used to estimate the fair value of Level 2 financial instruments in which one or more significant inputs are unobservable or when the market for a security exhibits significantly less liquidity relative to markets supporting Level 2 fair value measurements. The unobservable inputs may include management's own assumptions about the assumptions market participants would use based on the best information available in the circumstances. The Company's Level 3 is comprised of financial instruments whose fair value is estimated based on non-binding broker quotes or internally developed using significant inputs not based on, or corroborated by, observable market information.

The Company's investment manager, American Money Management Corporation ("AMMC" an affiliate) is responsible for the valuation process and uses data from outside sources (including nationally recognized pricing services and broker/dealers) in establishing fair value. Valuation techniques utilized by pricing services and prices obtained from external sources are reviewed by AMMC's internal investment professionals who are familiar with the securities being priced and the markets in which they trade to ensure the fair value determination is representative of an exit price. To validate the appropriateness of the prices obtained, the investment manager considers widely published indices (as benchmarks), recent trades, changes in interest rates, general economic conditions and the credit quality of the specific issuers. In addition, AMMC communicates directly with the pricing service regarding the methods and assumptions used in pricing, including verifying, on a test basis, the inputs used by the service to value specific securities.

NOTES TO FINANCIAL STATEMENTS

B. The Company has no additional fair value disclosures

C. The Company has categorized all the financial assets in the financial statements into the three-level hierarchy as reflected in the following table:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Assets						
Bonds:						
U.S. Government and government agencies	\$ 5,731,663	\$ 5,109,357	\$ 2,070,384	\$ 3,661,279	\$ -	\$ -
States, municipalities and political subdivisions	34,322,101	30,788,675	-	34,322,101	-	-
Foreign government	1,825,337	1,492,637	-	1,825,337	-	-
Residential MBS	39,003,759	35,560,003	-	29,487,509	9,516,250	-
Commercial MBS	27,197,378	23,717,139	-	27,197,378	-	-
All other bonds	117,636,277	100,198,674	-	114,833,111	2,803,166	-
Total bonds	\$ 225,716,515	\$ 196,866,485	\$ 2,070,384	\$ 211,326,715	\$ 12,319,416	\$ -
Non-affiliated common stock	3,203,711	3,203,711	3,203,711	-	-	-
Non-affiliated preferred stock	1,015,000	1,000,279	-	1,015,000	-	-
Other invested assets - schedule BA	3,903,103	3,001,450	-	-	3,903,103	-
Mortgage loans	3,395,209	3,395,209	-	-	3,395,209	-
Policy loans	2,814,615	2,814,615	-	-	2,814,615	-
Total financial assets	\$ 240,048,153	\$ 210,281,749	\$ 5,274,095	\$ 212,341,715	\$ 22,432,343	\$ -

21. Other Items

a. Extraordinary Items – No reportable material extraordinary items.

b. Troubled debt restructuring: Debtors – Not applicable

c. Other disclosures

(1) Assets in the amount of \$5,402,252 and \$5,457,745 at December 31, 2012 and 2011, respectively, were on deposit with government authorities or trustees as required by law.

d. Uncollectible assets

The Company routinely assesses the collectability of assets covered by SSAP No. 6. Based upon Company experience, amounts that may become uncollectible and the potential loss thereof is not material to the Company's financial condition. The accompanying financial statements do not include any assets covered by SSAP No. 47 or SSAP No. 66.

e. Business interruption insurance recoveries – There were no business interruption claims made or recovered.

f. State transferable tax credits – No reportable state transferable tax credits.

g. Subprime mortgage related risk exposure.

(1) Included in determining the company's exposure to sub-prime mortgage loans are the debt and equity securities of companies whose principal business includes the origination, securitization, providing of mortgage insurance on, investment in or management of sub-prime mortgage loans. Also included in such determination are those residential mortgage backed securities and collateral debt obligations in which the ultimate collateral supporting anticipated cash flows are sub-prime mortgage loans. In general, we limit the company's purchases of sub-prime residential mortgage backed securities to those securities with AAA ratings and whose underlying collateral is fixed-rate (as opposed to adjustable rate).

(2) The company does not have any investment with direct exposure in subprime mortgage loans.

(3) Indirect exposure to subprime mortgage risk through investments in the following securities:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 6,191,589	\$ 6,198,814	\$ 6,150,385	\$ 48,500
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	\$ 6,191,589	\$ 6,198,814	\$ 6,150,385	\$ 48,500

(4) The company has no net underwriting exposure to subprime mortgage risk through Mortgage Guaranty coverage or Financial Guaranty coverage.

h. Retained Assets – Not applicable.

22. Events Subsequent

Management has evaluated the financial statements for subsequent events through February 21, 2013; the date financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

a. Ceded Reinsurance Report

(1) Section 1 - General Interrogatories

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

If yes, give full details.

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

If yes, give full details.

(2) Section 2 - Ceded Reinsurance Report - Part A

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

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

(ii) 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? \$ _____

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

If yes, give full details.

(3) Section 3 - Ceded Reinsurance Report - Part B

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

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

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$6,529,410

On May 10, 2012, Great American Financial Resources, Inc. ("GAFRI"), the ultimate parent of the Company, and certain of its subsidiaries entered into an agreement (the "Agreement") to sell their Medicare Supplement and other non-long term care health businesses to Cigna Health and Life Insurance Company (the "Buyer"). Pursuant to the sale on August 31, 2012, the Buyer became the ultimate parent of American Retirement Life Insurance Company, Central Reserve Life Insurance Company, Loyal American Life Insurance Company, Provident American Life & Health Insurance Company, United Benefit Life Insurance Company, and Ceres Sales of Ohio, LLC (the "Targets"). Prior to the sale of the Targets, those companies (other than Ceres Sales of Ohio, which is not an insurance company) reinsured any life or annuity business they held to GALIC through a 100% coinsurance agreement. Also, GALIC, Continental General Insurance Company and United Teacher Associates Insurance Company reinsured all Medicare Supplement and other non-long term care health business they held into Loyal American Life Insurance Company through a 100% coinsurance agreement, prior to the sale of the Targets. Completion of these transactions was subject to receipt of certain regulatory approvals and was completed in third quarter 2012.

b. Uncollectible Reinsurance – No reinsurance recoverables were written off.

c. Commutation of Ceded Reinsurance – There was no commutation of ceded reinsurance for the year ended December 31, 2012.

d. Certified Reinsurer Downgraded or Status Subject to Revocation – There was no reinsurer downgraded or subject to revocation at December 31, 2012.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination -- Not applicable

25. Change in Incurred Losses and Loss Adjustment Expenses:

Reserves as of December 31, 2011 were \$31,124,793. As of December 31, 2012, \$9,814,092 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$21,680,587 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Long Term Care lines of insurance. Therefore, there has been a \$369,886 unfavorable prior year development since December 31, 2011 to December 31, 2012. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Due to the sale, through a 100% coinsurance agreement, of the all of the accident and health business except for long term care (LTC) effective August 31, 2012, the Company has restated the prior year claim reserves and liabilities in Schedule H, part 3, line 3.2 so that it shows one year's development of the claim reserves and liabilities for the remaining LTC block retained as of December 31, 2012. The prior year's claim reserves and liabilities in Schedule H, Part 3, line 3.2 of the 2012 Annual Statement have been revised to be the 2011 claim reserves and liabilities for LTC plus the portion of the 2011 claim reserves and liabilities for the non-LTC block that was paid out as benefits in the first eight months of 2012 prior to the sale.

26. Intercompany Pooling Arrangements – Not applicable

27. Structured Settlements – Not applicable

28. Health Care Receivables – Not applicable

29. Participating Policies

NOTES TO FINANCIAL STATEMENTS

- a. Participating policies represent less than 1% of the total life insurance in force at December 31, 2012.
- b. Policyholder dividends are recognized on the policy's anniversary.
- c. Dividends to policyholders in 2012 were \$4,081.
- d. There is no additional income allocated to participating policyholders at December 31, 2012.

30. Premium Deficiency Reserves

a. Liability carried for premium deficiency reserves	\$10,913,585
b. Date of the most recent evaluation of this liability	12/31/2012
c. Was anticipated investment income utilized in the calculation?	YES

31. Reserves for Life Contracts and Annuity Contracts

- a. The Company waives deduction of deferred fractional premiums upon death of insured and, if the terms of the policy require it, returns any portion of the final premium beyond the date of death or beyond the policy month in which death occurs. Surrender values are not promised in excess of the legally computed reserves.
- b. For substandard lives, mean reserves are determined by computing the regular mean reserve for the plan at the age and holding in addition one half (1/2) of the extra premium charge for the year. Universal life policies have reserves which are adjusted directly by use of higher cost-of-insurance charges.
- c. As of December 31, 2012, the Company has \$12,727,500 of insurance in force for which the gross premiums are less than net premiums according to the standard valuation set by the State of Ohio. Reserves to cover the above insurance totaled \$43,743 at year-end and are reported in Exhibit 5, Section G.
- d. With reference to Page 7, Part A, Line 9, tabular interest, tabular less actual reserves released and tabular cost have been determined by the formula as described in the instructions for all traditional blocks of business. Interest sensitive products use a roll forward process to track tabular interest and tabular cost, but tabular less actual reserves released are determined by the formula in the instructions.
- e. For the determination of Tabular Interest on funds not involving life, for each valuation rate of interest, the tabular interest equals the actual interest credited on each contract during the year. The total amount of such interest is entered under Exhibit 7, line 3.
- f. The nature of the other reserve changes is as follows:

ITEM	Individual Annuities	Life Insurance
Analysis of Increases in Reserves:		
Column 4, Line 7 - Reinsurance timing difference	76,277	
Exhibit - Deposit Type Contracts:		
Column 4, line 4 - Reinsurance timing difference		8,755

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

	General Account	Total	% of Total
A. Subject to discretionary withdrawal:			
(1) With fair value adjustment	\$ -	\$ -	0.0%
(2) At book value less current surrender charge of 5% or more	930,904	930,904	1.0%
(3) At fair value			0.0%
(4) Total with adjustment or at fair value (total of 1 through 3)	930,904	930,904	1.0%
(5) At book value without adjustment (minimal or no charge or adjustment)	90,856,939	90,856,939	96.4%
B. Not subject to discretionary withdrawal	2,474,238	2,474,238	2.6%
C. Total (gross: direct + assumed)	94,262,081	94,262,081	100.0%
D. Reinsurance ceded	52,258,627	52,258,627	
E. Total (net)* (C) - (D)	\$ 42,003,454	\$ 42,003,454	

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

	Amount
F. Life & Accident & Health Annual Statement:	
1. Exhibit 5, Annuities Section, Total (net)	\$41,255,995
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	585,669
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	161,787
4. Subtotal	42,003,451

NOTES TO FINANCIAL STATEMENTS

33. Premium and Annuity Considerations Deferred and Uncollected

<u>Type</u>	<u>Gross</u>	<u>Net of Loading</u>		
(1) Industrial	\$ -	\$ -		
(2) Ordinary new business	37,602.00	9,374.00		
(3) Ordinary renewal	717,958.00	227,976.00		
(4) Credit Life				
(5) Group Life				
(6) Group Annuity				
(7) Totals	\$755,560	\$237,350		

34. Separate Accounts -- Not applicable

35. Loss/Claim Adjustment Expenses

Reserves for LAE expense is contained within the claim liability reserve for incurred but not reported claims. For 2012 and 2011 LAE reserves were \$1,071,219 and \$956,287, respectively.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State regulating? Ohio
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011
- 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). 12/21/2012
- 3.4 By what department or departments?
Ohio Department of Insurance

- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Co. Code	3 State of Domicile

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

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

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

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 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 [] No [X] N/A []
- 10.6 If the answer to 10.5 is no or n/a, please explain.
The Audit Committee of American Financial Group, Inc., the Company's SOX compliant ultimate parent, will be deemed to serve as the Company's Audit Committee for the purposes of compliance with Ohio insurance law.

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?
Mark E. Alberts, FSA, MAAA, 22 East 55th Street, Indianapolis, IN 46220, Consulting Actuary

GENERAL INTERROGATORIES

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

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

12.2 If yes, provide explanation.

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

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

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

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

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

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

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

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

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

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

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

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

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

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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

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

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

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

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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

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

20.11 To directors or other officers \$.....0

20.12 To stockholders not officers \$.....0

20.13 Trustees, supreme or grand (Fraternal only) \$.....0

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

20.21 To directors or other officers \$.....0

20.22 To stockholders not officers \$.....0

20.23 Trustees, supreme or grand (Fraternal only) \$.....0

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

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

21.21 Rented from others

21.22 Borrowed from others

21.23 Leased from others

21.24 Other

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

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$.....0

22.22 Amount paid as expenses \$.....0

22.23 Other amounts paid \$.....260,071

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. \$.....18,000

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No []

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

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

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

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 [] No [] N/A [X]

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

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 [] No [] N/A [X]

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

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

24.103 Total payable for securities lending reported on the liability page.

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 [X] No []

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

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

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

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

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

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

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

25.27 Letter stock or securities restricted as to sale \$.....988,635

25.28 On deposit with state or other regulatory body \$.....5,402,252

25.29 Other \$.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
Partnership limitation	NYLIM-CCR 1-2002 Limited Partnership 3.328%	988,635

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
Not applicable	American Money Management Corporation	301 East Fourth Street, Cincinnati, OH 45202

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	207,877,923	236,727,964	28,850,041
30.2 Preferred stocks.....			0
30.3 Totals.....	207,877,923	236,727,964	28,850,041

30.4 Describe the sources or methods utilized in determining the fair values:
Fair values for bonds and preferred stocks are determined by internal investment professionals at American Money Management Corporation (the manager of the Company's investment portfolio) using data from nationally recognized pricing services, broker quotes and available trade information. When data from these sources is not available (typically less than 1% of the portfolio), prices are developed internally by the investment professionals using widely published indices (as benchmarks), interest rates, issuer spreads, credit quality of the specific issuer and general economic conditions.

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

PART 1 - COMMON INTERROGATORIES - OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....31,250
- 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
AM Best	31,250

- 34.1 Amount of payments for legal expenses, if any? \$.....1,461
- 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
Keating Muething & Klelamp, PLL	1,461

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes No
- 1.2 If yes, indicate premium earned on U.S. business only \$.....66,015,188
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....0
- 1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....45,190,770
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$.....8,493,125
- 1.62 Total incurred claims \$.....6,070,091
- 1.63 Number of covered lives5,749
- All years prior to most current three years:
- 1.64 Total premium earned \$.....57,377,755
- 1.65 Total incurred claims \$.....38,977,232
- 1.66 Number of covered lives16,384
- 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 lives0
- All years prior to most current three years:
- 1.74 Total premium earned \$.....144,308
- 1.75 Total incurred claims \$.....143,447
- 1.76 Number of covered lives67

2. Health test:

	1	2
	Current Year	Prior Year
2.1 Premium Numerator.....	.....17,582,319	.....37,928,820
2.2 Premium Denominator.....	.....27,553,018	.....56,588,610
2.3 Premium Ratio (2.1/2.2).....	.....63.8	.....67.0
2.4 Reserve Numerator.....	.....15,953,077	.....19,655,067
2.5 Reserve Denominator.....	.....193,739,262	.....199,229,766
2.6 Reserve Ratio (2.4/2.5).....	.....8.2	.....9.9

- 3.1 Does this reporting entity have Separate Accounts? Yes No
- 3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes 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:

- 3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes No
- 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes No
- 3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?"

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

- 4.2 Net reimbursement of such expenses between reporting entities:
- 4.21 Paid \$.....5,408,602
- 4.22 Received \$.....12,000

- 5.1 Does the reporting entity write any guaranteed interest contracts? Yes No
- 5.2 If yes, what amount pertaining to these items is included in:
- 5.21 Page 3, Line 1
- 5.22 Page 4, Line 1

6. For stock reporting entities only:
- 6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$.....7,638,870

7. Total dividends paid stockholders since organization of the reporting entity:
- 7.11 Cash \$.....76,041,493
- 7.12 Stock \$.....3,500,844

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CONTINENTAL GENERAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

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

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

	1 2012	2 2011	3 2010	4 2009	5 2008
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....	772,819	824,813	877,777	924,290	928,276
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	185,953	199,526	209,099	221,345	291,822
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....	122	142	145	150	150
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	958,894	1,024,481	1,087,021	1,145,785	1,220,248
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	1,436	2,239	810	10,554	18,888
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					242
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....					195
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	1,436	2,239	810	10,554	19,325
Premium Income - Lines of Business (Exhibit 1-Part 1)					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	5,615,251	6,026,334	6,485,141	7,453,520	7,996,054
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....	1,846,791	2,263,113	722,733	442,055	2,441,339
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....					298,963
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....	61,462	126,553	127,163	275,055	(1,481,495)
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....	20,029,513	48,172,610	53,139,952	58,950,105	69,496,495
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	27,553,017	56,588,610	60,474,989	67,120,735	78,751,356
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3).....	231,874,753	234,136,142	216,269,233	214,081,571	227,247,174
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	211,399,906	207,245,253	179,748,054	181,937,130	182,669,793
23. Aggregate life reserves (Page 3, Line 1).....	74,856,498	76,690,102	77,451,061	80,286,038	84,614,653
24. Aggregate A&H reserves (Page 3, Line 2).....	127,496,046	117,715,403	91,222,205	88,426,972	80,882,898
25. Deposit-type contract funds (Page 3, Line 3).....	161,788	223,731	272,869	321,192	399,336
26. Asset valuation reserve (Page 3, Line 24.01).....	975,573	599,491	314,471	25,753	1,880,304
27. Capital (Page 3, Lines 29 & 30).....	4,196,559	4,196,559	4,196,559	4,196,559	4,196,559
28. Surplus (Page 3, Line 37).....	16,278,288	22,694,330	32,324,620	27,947,882	40,380,822
Cash Flow (Page 5)					
29. Net Cash from operations (Line 11).....	(4,425,695)	13,324,181	10,904,429	1,737,288	27,800
Risk-Based Capital Analysis					
30. Total adjusted capital.....	21,450,420	26,964,952	36,835,650	32,170,194	46,457,685
31. Authorized control level risk-based capital.....	4,274,545	5,198,871	5,442,374	5,360,932	6,336,912
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1).....	90.3	93.0	91.2	92.5	86.6
33. Stocks (Lines 2.1 and 2.2).....	1.9			0.0	0.7
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....	1.6	1.7	2.0	2.3	2.3
35. Real estate (Line 4.1, 4.2 and 4.3).....			0.4	0.4	0.4
36. Cash, cash equivalents and short-term investments (Line 5).....	3.5	2.2	3.0	0.3	3.0
37. Contract loans (Line 6).....	1.3	1.5	1.6	1.6	1.5
38. Derivatives (Line 7).....				XXX	XXX
39. Other invested assets (Line 8).....	1.4	1.6	1.8	2.8	5.6
40. Receivables for securities (Line 9).....					0.0
41. Securities lending reinvested collateral assets (Line 10).....				XXX	XXX
42. Aggregate write-ins for invested assets (Line 11).....					
43. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0

CONTINENTAL GENERAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12 Col. 1).....					
45. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1).....					
46. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1).....					
47. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....					
48. Affiliated mortgage loans on real estate					
49. All other affiliated.....					
50. Total of above Lines 44 to 49.....	0	0	0	0	0
51. Total investment in parent included in Lines 44 to 49 above.....					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	28,481,820	27,592,078	20,722,282	22,407,983	18,199,540
53. Total admitted assets (Page 2, Line 28, Col. 3).....	231,874,753	234,136,142	216,269,233	214,081,571	227,247,174
Investment Data					
54. Net investment income (Exhibit of Net Investment Income).....	13,218,296	11,550,699	12,447,486	10,929,868	11,042,593
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....	(503,255)	683,924	(1,219,386)	(7,553,470)	
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	(697,088)	57,919	(385,949)	317,826	
57. Total of above Lines 54, 55 and 56.....	12,017,953	12,292,542	10,842,151	3,694,224	11,042,593
Benefits and Reserve Increase (Page 6)					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....	10,848,011	10,693,791	11,219,486	12,497,163	17,112,274
59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	24,339,094	35,171,384	40,333,300	44,552,368	49,148,299
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	(246,152)	315,096	551,712	471,019	1,003,998
61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	7,497,681	8,453,205	2,795,233	7,544,074	3,845,733
62. Dividends to policyholders (Line 30, Col 1).....	4,081	2,299	5,444	12,330	14,753
Operating Percentages					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	6.2	5.3	5.7	13.0	15.8
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	6.5	6.1	6.3	7.4	7.6
65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	148.7	90.4	81.2	88.2	77.7
66. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....					
67. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	11.6	8.9	9.0	14.1	15.5
A&H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	10,054	5,366	21,800	13,243	(1,522)
69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	10,054	11,946	13,001	63,564	19,522
70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	31,484,623	26,376,171	28,774,052	26,490,760	21,118,490
71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	31,114,738	28,167,739	25,883,898	21,391,516	20,892,547
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2).....					
73. Ordinary - life (Col. 3).....	509,731	776,281	1,503,577	500,937	(1,014,411)
74. Ordinary - individual annuities (Col. 4).....	489,761	176,839	961,710	497,080	250,703
75. Ordinary - supplementary contracts (Col. 5).....	3,029	(10,253)	(17,052)	65,448	(29,366)
76. Credit life (Col. 6).....					
77. Group life (Col. 7).....	6	(84)			(3,441)
78. Group annuities (Col. 8).....					
79. A&H - group (Col. 9).....	6,588	20,462	61,155	38,646	(392,452)
80. A&H - credit (Col. 10).....					
81. A&H - other (Col. 11).....	(567,798)	6,485,365	11,185,648	4,436,141	6,526,346
82. Aggregate of all other lines of business (Col. 12).....					
83. Total (Col. 1).....	441,317	7,448,610	13,695,038	5,538,252	5,337,379

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

Yes [] No []

If no, please explain:

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year.....			26,905	1,024,339				23	142	1,024,481
2. Issued during year.....			219	1,436						1,436
3. Reinsurance assumed.....										0
4. Revived during year.....			8	599						599
5. Increased during year (net).....				11,519						11,519
6. Subtotals, Lines 2 to 5.....	0	0	227	13,554	0	0	0	0	0	13,554
7. Additions by dividends during year.....	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases.....	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8).....	0	0	27,132	1,037,893	0	0	0	23	142	1,038,035
Deductions during year:										
10. Death.....			852	10,894			XXX			10,894
11. Maturity.....							XXX			0
12. Disability.....							XXX			0
13. Expiry.....			288	3,632				2	20	3,652
14. Surrender.....			685	25,422						25,422
15. Lapse.....			393	39,173						39,173
16. Conversion.....							XXX	XXX	XXX	0
17. Decreased (net).....										0
18. Reinsurance.....										0
19. Aggregate write-ins for decreases.....	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19).....	0	0	2,218	79,121	0	0	0	2	20	79,141
21. In force end of year (Line 9 minus Line 20).....	0	0	24,914	958,772	0	0	0	21	122	958,894
22. Reinsurance ceded end of year.....	XXX		XXX	669,343	XXX		XXX	XXX	61	669,404
23. Line 21 minus Line 22.....	XXX		XXX	289,429	XXX	(b)	0	XXX	XXX	61

DETAILS OF WRITE-INS

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

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

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

EXHIBIT OF LIFE INSURANCE (continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends.....	XXX		XXX	377
25. Other paid-up insurance.....			878	3,212
26. Debit ordinary insurance.....	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
Term Insurance Excluding Extended Term Insurance				
27. Term policies-decreasing.....			103	969
28. Term policies-other.....			2,404	168,785
29. Other term insurance-decreasing.....	XXX		XXX	11
30. Other term insurance.....	XXX		XXX	377
31. Totals (Lines 27 to 30).....	0	0	2,507	170,142
Reconciliation to Lines 2 and 21:				
32. Term additions.....	XXX		XXX	377
33. Totals, extended term insurance.....	XXX	XXX	1,276	15,435
34. Totals, whole life and endowment.....	219	1,436	21,131	772,819
35. Totals (Lines 31 to 34).....	219	1,436	24,914	958,773

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial.....				
37. Ordinary.....	1,436		957,430	1,343
38. Credit Life (Group and Individual).....				
39. Group.....			122	
40. Totals (Lines 36 to 39).....	1,436	0	957,552	1,343

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

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

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a).....	19,979
----------------------------------------------------------------------------------------------------------	--------

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 Actual Amount
47.2 Actual Amount

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium.....			470	26,963				
49. Disability Income.....			519	74,192				
50. Extended Benefits.....			XXX	XXX				
51. Other.....								
52. Total.....	0	(b) 0	989	(b) 101,155	0	(b) 0	0	(b) 0

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

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

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

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year.....	107	36		
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	107	36	0	0
Deductions during year:				
6. Decreased (net).....	11	9		
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	11	9	0	0
9. In force end of year.....	96	27	0	0
10. Amount on deposit.....	1,904,205	(a) 553,216		(a)
11. Income now payable.....	96	27		
12. Amount of income payable.....	(a) 296,876	(a) 132,104	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....		4,456		
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	0	4,456	0	0
Deductions during year:				
6. Decreased (net).....		288		
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	0	288	0	0
9. In force end of year.....	0	4,168	0	0
Income now payable:				
10. Amount of income payable.....	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance.....	XXX	(a) 45,747,831	XXX	(a)
Deferred not fully paid:				
12. Account balance.....	XXX	(a) 46,563,605	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.....	414	305,774			41,940	105,024,032
2. Issued during year.....	18	4,925			2,897	4,722,313
3. Reinsurance assumed.....						
4. Increased during year (net).....		XXX		XXX		XXX
5. Total (Lines 1 to 4).....	432	XXX	0	XXX	44,837	XXX
Deductions during year:						
6. Conversions.....		XXX	XXX	XXX	XXX	XXX
7. Decreased (net).....	41	XXX		XXX	6,324	XXX
8. Reinsurance ceded.....	391	XXX		XXX	29,963	XXX
9. Totals (Lines 6 to 8).....	432	XXX	0	XXX	36,287	XXX
10. In force end of year.....	0	(a)	0	(a)	8,550	(a) 29,312,780

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year.....		9
2. Issued during year.....		
3. Reinsurance assumed.....		
4. Increased during year (net).....		
5. Total (Lines 1 to 4).....	0	9
Deductions during year:		
6. Decreased (net).....		
7. Reinsurance ceded.....		
8. Totals (Lines 6 and 7).....	0	0
9. In force end of year.....	0	9
10. Amount of account balance.....	(a)	(a) 928

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

CONTINENTAL GENERAL INSURANCE COMPANY

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

1	2	3	Direct Business Only					
			Life Contracts		4	5	6	7
			Life Insurance Premiums	Annuity Considerations					Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
States, Etc.	Active Status							
1. Alabama.....	AL	L	351,028	2,708	980,812		1,334,548	
2. Alaska.....	AK	L	5,251	-	7,367		12,618	
3. Arizona.....	AZ	L	106,195	10,140	726,186		842,521	
4. Arkansas.....	AR	L	89,892	550	306,735		397,177	
5. California.....	CA	L	159,096	-	472,361		631,457	
6. Colorado.....	CO	L	133,381	4,310	2,275,280		2,412,971	
7. Connecticut.....	CT	L	18,922	1,100	305,622		325,644	
8. Delaware.....	DE	L	-	-	47,579		47,579	
9. District of Columbia.....	DC	L	1,853	2,700	-		4,553	
10. Florida.....	FL	L	281,157	1,442	9,935,512		10,218,111	
11. Georgia.....	GA	L	471,244	17,042	3,412,228		3,900,514	
12. Hawaii.....	HI	L	1,233	-	306,136		307,369	
13. Idaho.....	ID	L	28,188	3,800	194,186		226,174	
14. Illinois.....	IL	L	414,297	21,620	4,288,890		4,724,807	
15. Indiana.....	IN	L	267,932	28,914	3,780,992		4,077,838	
16. Iowa.....	IA	L	405,485	104,014	5,073,452		5,582,951	
17. Kansas.....	KS	L	296,687	378,737	4,448,943		5,124,367	
18. Kentucky.....	KY	L	308,767	7,706	1,853,007		2,169,480	
19. Louisiana.....	LA	L	278,217	3,045	957,245		1,238,507	
20. Maine.....	ME	L	6,269	-	63,064		69,333	
21. Maryland.....	MD	L	44,308	-	379,591		423,899	
22. Massachusetts.....	MA	L	8,541	-	98,714		107,255	
23. Michigan.....	MI	L	280,958	1,500	2,833,228		3,115,686	
24. Minnesota.....	MN	L	372,059	2,714,810	5,458,345		8,545,214	
25. Mississippi.....	MS	L	148,451	1,400	848,651		998,502	
26. Missouri.....	MO	L	360,428	6,000	2,181,375		2,547,803	
27. Montana.....	MT	L	54,850	-	1,045,038		1,099,888	
28. Nebraska.....	NE	L	1,255,644	339,511	7,181,239		8,776,394	
29. Nevada.....	NV	L	23,969	6,000	212,715		242,684	
30. New Hampshire.....	NH	L	498	-	83,530		84,028	
31. New Jersey.....	NJ	L	7,754	-	87,978		95,732	
32. New Mexico.....	NM	L	17,557	5,043	229,545		252,145	
33. New York.....	NY	N	8,330	-	200,753		209,083	
34. North Carolina.....	NC	L	550,063	4,345	1,924,573		2,478,981	
35. North Dakota.....	ND	L	62,852	9,300	703,010		775,162	
36. Ohio.....	OH	L	476,962	4,100	5,569,206		6,050,268	
37. Oklahoma.....	OK	L	178,966	32,525	1,133,311		1,344,802	
38. Oregon.....	OR	L	105,180	2,134	290,050		397,364	
39. Pennsylvania.....	PA	L	201,340	8,650	4,658,054		4,868,044	
40. Rhode Island.....	RI	L	-	-	22,526		22,526	
41. South Carolina.....	SC	L	446,365	12,100	1,321,718		1,780,183	
42. South Dakota.....	SD	L	235,484	1,800	1,101,518		1,338,802	
43. Tennessee.....	TN	L	552,947	15,539	1,910,784		2,479,270	
44. Texas.....	TX	L	1,018,620	67,293	8,814,474		9,900,387	
45. Utah.....	UT	L	116,531	-	147,922		264,453	
46. Vermont.....	VT	L	39	-	15,669		15,708	
47. Virginia.....	VA	L	427,750	4,000	3,503,547		3,935,297	
48. Washington.....	WA	L	103,871	-	829,522		933,393	
49. West Virginia.....	WV	L	220,840	8,592	1,029,419		1,258,851	
50. Wisconsin.....	WI	L	236,715	37,600	2,031,838		2,306,153	
51. Wyoming.....	WY	L	91,746	1,600	957,483		1,050,829	
52. American Samoa.....	AS	N	-	-	-		0	
53. Guam.....	GU	N	-	-	-		0	
54. Puerto Rico.....	PR	N	1,866	-	4,631		6,497	
55. US Virgin Islands.....	VI	L	-	-	14,995		14,995	
56. Northern Mariana Islands.....	MP	N	-	-	-		0	
57. Canada.....	CAN	N	-	-	-		0	
58. Aggregate Other Alien.....	OT	XXX	0	0	0		0	0
59. Subtotal.....	(a) .51	XXX	11,236,578	3,871,670	96,260,549	0	111,368,797	0
90. Reporting entity contributions for employee benefit plans.....	XXX						0	
91. Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX						0	
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		12,908		2,014,276		2,027,184	
94. Aggregate other amounts not allocable by State.....	XXX		0	0	0	0	0	0
95. Totals (Direct Business).....	XXX		11,249,486	3,871,670	98,274,825	0	113,395,981	0
96. Plus reinsurance assumed.....	XXX		443,318	2,337	29,968		475,623	
97. Totals (All Business).....	XXX		11,692,804	3,874,007	98,304,793	0	113,871,604	0
98. Less reinsurance ceded.....	XXX		5,923,097	2,468,425	66,757,553		75,149,075	
99. Totals (All Business) less reinsurance ceded.....	XXX		5,769,707	1,405,582	(b) 31,547,240	0	38,722,529	0

DETAILS OF WRITE-INS

58001.....	XXX						0	
58002.....	XXX						0	
58003.....	XXX						0	
58998. Summ. of remaining write-ins for line 58 from overflow page.....	XXX		0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....	XXX		0	0	0	0	0	0
9401.....	XXX						0	
9402.....	XXX						0	
9403.....	XXX						0	
9498. Summ. of remaining write-ins for line 94 from overflow page.....	XXX		0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX		0	0	0	0	0	0

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

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

Premiums and annuity considerations are allocated to the resident state related to the policy or certificate holder at the time the transaction is generated.

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

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

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
American Financial Capital Trust II	DE	31-6549738	
American Financial Capital Trust III	DE	16-6543606	
American Financial Capital Trust IV	DE	16-6543609	
American Financial Enterprises, Inc.	CT	31-0996797	
American Money Management Corporation	OH	31-0828578	
American Real Estate Capital Company, LLC (80%)	OH	27-1577326	
MidMarket Capital Partners, LLC (65%)	DE	27-2829629	
APU Holding Company	OH	41-2112001	
American Premier Underwriters, Inc.	PA	23-6000765	
The Associates of the Jersey Company	NJ	23-6297584	
Cal Coal, Inc.	IL	37-1094159	
Great Southwest Corporation	DE	95-2802826	
The Indianapolis Union Railway Company	IN	35-6001691	
Lehigh Valley Railroad Company	PA	13-6400464	
Pennsylvania Lehigh Oil & Gas Holdings LLC	PA	46-1665396	
Magnolia Alabama Holdings, Inc.	DE	20-1548213	
Magnolia Alabama Holdings LLC	AL	20-1574094	
Michigan Oil & Gas Holdings, LLC	MI	46-1852532	
Ohio Oil & Gas Holdings, LLC	OH	46-1480078	
The Owasco River Railway, Inc.	NY	13-6021353	
PCC Real Estate, Inc.	NY	31-1236926	
PCC Technical Industries, Inc.	DE	76-0080537	
PCC Maryland Realty Corp.	MD	31-1388401	
Penn Central Energy Management Company	DE	06-1209709	
Penn Towers, Inc.	PA	23-1537928	
Pennsylvania-Reading Seashore Lines (66.67%)	NJ	23-6000766	
Pittsburgh and Cross Creek Railroad Company (83%)	PA	23-6207599	
Terminal Realty Penn Co.	DC	23-1707450	
Waynesburg Southern Railroad Company	PA	23-1675796	
GAI Insurance Company, Ltd. *	BMU		
Hangar Acquisition Corp.	OH	31-1446308	
Lease & Loan Insurance Services Limited	GBR		
Premier Lease & Loan Services Insurance Agency, Inc.	WA	91-1242743	
Premier Lease & Loan Services of Canada, Inc.	WA	91-1508644	
Republic Indemnity Company of America *	CA	95-2801326	22179
Republic Indemnity Company of California *	CA	31-1054123	43753
Risico Management Corporation	DE	31-1262960	
Dixie Terminal Corporation	OH	31-0823725	
Flextech Holding Co., Inc.	OH	31-1733037	
GAI Holding Bermuda Ltd.	BMU	98-0606803	
GAI Indemnity, Ltd. #	GBR	98-0556144	
Marketform Group Limited	GBR		
Marketform Holdings Limited	GBR		
Caduceus Underwriting Limited	GBR		
Lavenham Underwriting Limited #	GBR	98-0412245	
Marketform Limited	GBR		
Gabinete Marketform SL	ESP		
Marketform Australia Pty Limited	AUS		
Studio Marketform SRL	ITA		
Marketform Management Services Limited	GBR		
Marketform Managing Agency Limited	GBR		
Sampford Underwriting Limited #	GBR	98-0431601	
Marketform Trust Company Limited	GBR		

* Denotes insurer

@ Company affiliated but not owned

Participant in Lloyd's Syndicate 2468

Subsidiaries 100% owned by respective parent unless otherwise stated

^ Total percentage owned by respective parent and other affiliated companies

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
Great American Financial Resources, Inc. ^	DE	06-1356481	
AAG Holding Company, Inc.	OH	31-1475936	
Great American Financial Statutory Trust IV	CT	58-646032	
Great American Life Insurance Company *	OH	13-1935920	63312
Aerielle IP Holdings, LLC ^	OH	45-2969767	
Aerielle, LLC ^	DE	26-4391696	
Annuity Investors Life Insurance Company *	OH	31-1021738	93661
Bay Bridge Marina Hemingway's Restaurant, LLC (85%)	MD	27-4078277	
Bay Bridge Marina Management, LLC (85%)	MD	27-0513333	
Brothers Management, LLC (99%)	FL	20-1246122	
FT Liquidation, LLC	OH	45-3988240	
GALIC - Bay Bridge Marina, LLC	MD	20-4604276	
GALIC - Sorrento, LLC ^	FL		
GALIC - Stoneleigh, LLC	FL	45-3829557	
GALIC Brothers, Inc. (80%)	OH	31-1391777	
GALIC Pointe, LLC ^	FL	45-1144095	
Manhattan National Holding Corporation	OH	26-3260520	
Manhattan National Life Insurance Company *	IL	45-0252531	67083
Skipjack Marina Corp.	MD	52-2179330	
United Teacher Associates, Ltd. ^	TX	74-2180806	
United Teacher Associates Insurance Company *	TX	58-0869673	63479
AAG Insurance Agency, Inc.	KY	31-1422717	
Ceres Group, Inc.	DE	34-1017531	
Ceres Administrators, L.L.C.	DE	34-1880408	
Ceres Sales, LLC	DE	34-1947043	
HealthMark Sales, LLC	DE	34-1920479	
Continental General Corporation	NE	47-0717079	
Continental General Insurance Company *	OH	47-0463747	71404
Continental Print & Photo Co.	NE	47-0562685	
QQAgency of Texas, Inc.	TX	34-1947042	
Great American Advisors, Inc.	OH	31-1395344	
Great American Holding, Inc.	OH	42-1575938	
Agricultural Services, LLC	OH	27-3062314	
United States Commodities Producers, LLC (75%)	MT	45-4110027	
United States Livestock Producers, LLC (75%)	NV	27-2354685	
Livestock Market Enhancement Risk Retention Group * ^	NV	27-4395897	14084
American Empire Surplus Lines Insurance Company *	DE	31-0912199	35351
American Empire Insurance Company *	OH	31-0973761	37990
American Empire Underwriters, Inc.	TX	59-1671722	
GAI Australia Pty Ltd	AUS		
Great American International Insurance Limited *	IRL		
Mid-Continent Casualty Company *	OH	73-0556513	23418
Mid-Continent Assurance Company *	OH	73-1406844	15380
Mid-Continent Excess and Surplus Insurance Company *	DE	38-3803661	13794
Mid-Continent Specialty Insurance Services, Inc.	OK	30-0571535	
Oklahoma Surety Company *	OH	73-0773259	23426
Premier International Insurance Company *	TCA	98-0627464	

* Denotes insurer

@ Company affiliated but not owned

Participant in Lloyd's Syndicate 2468

Subsidiaries 100% owned by respective parent unless otherwise stated

^ Total percentage owned by respective parent and other affiliated companies

**Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group
Part 1 - Organizational Chart**

	Domiciliary Location	FEIN	NAIC Co. Code
American Financial Group, Inc.	OH	31-1544320	
Great American Insurance Company *	OH	31-0501234	16691
American Signature Underwriters, Inc.	OH	31-1463075	
Brothers Property Corporation (80%)	OH	59-2840291	
Brothers Le Pavillon, LLC	DE	20-5173494	
Brothers Le Pavillon (SPE), LLC	DE	20-5173589	
Brothers Pennsylvanian Corporation	PA	25-1754638	
Brothers Property Management Corporation	OH	59-2840294	
Crescent Centre Apartments ^	OH	20-4498054	
Crop Managers Insurance Agency, Inc.	KS	31-1277904	
Dempsey & Siders Agency, Inc.	OH	31-0589001	
Eden Park Insurance Brokers, Inc.	CA	31-1341668	
El Aguila, Compañía de Seguros, S.A. de C.V. *	MEX		
Financidora de Primas Condor, S.A. de C.V. (99%)	MEX		
Farmers Crop Insurance Alliance, Inc.	KS	39-1404033	
FCIA Management Company, Inc.	NY	13-3628555	
Foreign Credit Insurance Association @	NY		
GAI Warranty Company	OH	31-1753938	
GAI Warranty Company of Florida	FL	31-1765544	
GAI Warranty Company of Canada Inc.	CAN		
Global Premier Finance Company	OH	61-1329718	
Great American Agency of Texas, Inc.	TX	74-2693636	
Great American Alliance Insurance Company *	OH	95-1542353	26832
Great American Assurance Company *	OH	15-6020948	26344
Great American Casualty Insurance Company *	OH	61-0983091	39896
Great American Claims Services, Inc.	DE	31-1228726	
Great American Contemporary Insurance Company *	OH	36-4079497	10646
Great American E & S Insurance Company *	DE	31-0954439	37532
Great American Fidelity Insurance Company *	DE	31-1036473	41858
Great American Insurance Agency, Inc.	OH	31-1652643	
Great American Insurance Company of New York *	NY	13-5539046	22136
Great American Lloyd's Insurance Company * @	TX	31-0974853	38024
Great American Lloyd's, Inc.	TX	31-1073664	
Great American Management Services, Inc.	OH	31-0856644	
Great American Protection Insurance Company *	OH	31-1288778	38580
Great American Re Inc.	DE	31-0918893	
Great American Security Insurance Company *	OH	31-1209419	31135
Great American Spirit Insurance Company *	OH	31-1237970	33723
Insurance (GB) Limited *	GBR		
Key Largo Group, Inc.	FL	59-1263251	
National Interstate Corporation (51.9%)	OH	34-1607394	
American Highways Insurance Agency, Inc.	OH	34-1899058	
Explorer RV Insurance Agency, Inc.	OH	31-1548235	
Hudson Indemnity, Ltd.	CYM	98-0191335	
Hudson Management Group, Ltd.	VIR	66-0660039	
National Interstate Insurance Agency, Inc.	OH	34-1607396	
Commercial For Hire Transportation Purchasing Group @	SC	36-4670968	
National Interstate Insurance Company *	OH	34-1607395	32620
National Interstate Insurance Company of Hawaii, Inc. *	OH	99-0345306	11051
Triumphe Casualty Company *	OH	95-3623282	41106
Vanliner Group, Inc.	DE	43-1415856	
TransProtection Service Company	MO	43-1254631	
Vanliner Insurance Company *	MO	86-0114294	21172
Vanliner Reinsurance Limited *	BMU		
Safety Claims and Litigation Services, LLC	MT	20-5546054	
Penn Central U.K. Limited	GBR		
Pinecrest Place LLC	FL	27-2226948	
PLLS Canada Insurance Brokers Inc. ^	CAN	871850814	
Professional Risk Brokers, Inc.	IL	31-1293064	
Strategic Comp Holdings, L.L.C.	LA	72-1331800	
Strategic Comp Services, L.L.C.	LA	36-4517754	
Strategic Comp, L.L.C.	LA	32-0050970	
One East Fourth, Inc.	OH	31-0686194	
Pioneer Carpet Mills, Inc.	OH	31-0883227	
Superior NWVN of Ohio, Inc.	OH	31-1737792	
TEJ Holdings, Inc.	OH	31-1119320	
Three East Fourth, Inc.	OH	31-0728327	

* Denotes insurer

@ Company affiliated but not owned

Participant in Lloyd's Syndicate 2468

Subsidiaries 100% owned by respective parent unless otherwise stated

^ Total percentage owned by respective parent and other affiliated companies

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