



ANNUAL STATEMENT

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

ANNUITY INVESTORS LIFE INSURANCE COMPANY

NAIC Group Code.....0084, 0084 (Current Period) (Prior Period)	NAIC Company Code..... 93661	Employer's ID Number..... 31-1021738
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... November 13, 1981	Commenced Business..... December 21, 1981	
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	Post Office Box 5423..... Cincinnati OH US 45202-5420 <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.gafri.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. Stephen Craig Lindner	President	2. Mark Francis Muething	Secretary
3. Christopher Patrick Miliano	Treasurer		

OTHER

Adrienne Susan Kessling	Senior Vice President	John Paul Gruber	Senior Vice President
Brian Patrick Sponaugle	Vice President	Rebecca Jane Schriml #	Vice President
Terry Jon Simpson #	Vice President	Eugene Michael Breen	Appointed Actuary

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) Mark Francis Muething	_____ (Signature) Christopher Patrick Miliano	_____ (Signature) John Paul Gruber
1. (Printed Name) Secretary	2. (Printed Name) Treasurer	3. (Printed Name) Senior Vice President
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This _____ day of February, 2013

a. Is this an original filing? Yes [X] No []
b. If no 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

OFFICERS AND DIRECTORS WHO DID NOT OCCUPY THE INDICATED POSITION IN THE PREVIOUS ANNUAL STATEMENT

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).....	1,992,790,135		1,992,790,135	1,850,741,364
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	640,087		640,087	7,808,311
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 (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 (\$.....7,213,017, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....19,398,036, Schedule DA).....	26,611,053		26,611,053	23,804,992
6. Contract loans (including \$.....0 premium notes).....	60,209,649		60,209,649	59,870,478
7. Derivatives (Schedule DB).....	8,812,108		8,812,108	5,658,220
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	386,957
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).....	2,089,063,032	.0	2,089,063,032	1,948,270,322
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	22,239,283		22,239,283	21,646,143
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	163,423	163,423	.0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	1,001,998	948,008	53,990	1,433,156
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).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	482,421
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	3,042,807	280,880	2,761,927	450,677
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,115,510,543	1,392,311	2,114,118,232	1,972,282,719
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	579,688,201		579,688,201	548,310,891
28. TOTALS (Lines 26 and 27).....	2,695,198,744	1,392,311	2,693,806,433	2,520,593,610

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. Funds held as collateral.....	2,049,705		2,049,705	
2502. Accrued contractual fee income.....	318,997		318,997	242,097
2503. Accounts receivable.....	413,581	280,880	132,701	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	260,524	.0	260,524	208,580
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,042,807	280,880	2,761,927	450,677

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....1,883,390,710 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	1,883,390,710	1,779,583,588
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....		
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	35,057,515	30,449,276
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	6,106,867	6,033,805
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....		
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 \$.....0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....		
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 \$.....0 assumed and \$.....0 ceded.....		
9.4 Interest Maintenance Reserve (IMR, Line 6).....	2,716,482	1,470,103
10. Commissions to agents due or accrued - life and annuity contracts \$.....9,044, accident and health \$.....0 and deposit-type contract funds \$.....0.....	9,044	546,625
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	345,848	327,883
13. Transfers to Separate Accounts due or accrued (net) (including \$.....(8,567,354) accrued for expense allowances recognized in reserves, net of reinsured allowances).....	(8,567,354)	(10,750,152)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	431,857	549,080
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....	1,521,494	3,096,022
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....		54,723
18. Amounts held for agents' account, including \$.....520,402 agents' credit balances.....	520,402	534,365
19. Remittances and items not allocated.....	1,448,620	1,846,687
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).....	5,091,036	858,139
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.....	498,404	
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.....	4,642,915	
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	2,399,348	324,965
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	1,935,613,188	1,814,925,109
27. From Separate Accounts Statement.....	579,688,201	548,310,891
28. Total liabilities (Line 26 and 27).....	2,515,301,389	2,363,236,000
29. Common capital stock.....	2,500,000	2,500,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	0	344,438
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	171,550,000	171,550,000
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	4,455,044	(17,036,828)
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).....	176,005,044	154,857,610
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	178,505,044	157,357,610
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	2,693,806,433	2,520,593,610

DETAILS OF WRITE-INS

2501. Liability for funds held as collateral.....	2,049,705	
2502. Unclaimed Property.....	349,643	324,965
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).....	2,399,348	324,965
3101. SSAP 10R election 10.e.....		344,438
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	344,438
3401.		
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	0

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11).....	267,749,124	300,252,315
2. Considerations for supplementary contracts with life contingencies.....		
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	115,302,249	113,937,793
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	1,183,142	855,540
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).....		
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.....	7,931,510	8,085,814
8.2 Charges and fees for deposit-type contracts.....	1,164,164	1,085,832
8.3 Aggregate write-ins for miscellaneous income.....	2,399,613	2,263,621
9. Totals (Lines 1 to 8.3).....	395,729,802	426,480,915
10. Death benefits.....		
11. Matured endowments (excluding guaranteed annual pure endowments).....		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....	18,373,589	20,239,934
13. Disability benefits and benefits under accident and health contracts.....		
14. Coupons, guaranteed annual pure endowments and similar benefits.....		
15. Surrender benefits and withdrawals for life contracts.....	224,162,005	237,285,031
16. Group conversions.....		
17. Interest and adjustments on contract or deposit-type contract funds.....	16,126,001	11,164,019
18. Payments on supplementary contracts with life contingencies.....		
19. Increase in aggregate reserves for life and accident and health contracts.....	102,006,261	126,356,731
20. Totals (Lines 10 to 19).....	360,667,856	395,045,715
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	17,158,412	19,057,880
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4).....	17,719,735	16,102,032
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	1,204,984	1,618,269
25. Increase in loading on deferred and uncollected premiums.....		
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	(33,870,319)	(38,747,602)
27. Aggregate write-ins for deductions.....	0	0
28. Totals (Lines 20 to 27).....	362,880,668	393,076,294
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	32,849,134	33,404,621
30. Dividends to policyholders.....		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	32,849,134	33,404,621
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	9,695,182	6,778,646
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	23,153,952	26,625,975
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....812,626 (excluding taxes of \$.....1,308,204 transferred to the IMR).....	6,345,935	(6,050,673)
35. Net income (Line 33 plus Line 34).....	29,499,887	20,575,302
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	157,357,610	142,012,140
37. Net income (Line 35).....	29,499,887	20,575,302
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....(1,563,617).....	417,038	(6,294,454)
39. Change in net unrealized foreign exchange capital gain (loss).....		
40. Change in net deferred income tax.....	(2,722,458)	85,677
41. Change in nonadmitted assets.....	(13,275)	214,470
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).....		
44. Change in asset valuation reserve.....	(4,232,897)	964,274
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.....		
51.2 Transferred to capital (Stock Dividend).....		
51.3 Transferred from capital.....		
51.4 Change in surplus as a result of reinsurance.....		
52. Dividends to stockholders.....		
53. Aggregate write-ins for gains and losses in surplus.....	(1,800,861)	(199,799)
54. Net change in capital and surplus for the year (Lines 37 through 53).....	21,147,434	15,345,470
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	178,505,044	157,357,610

DETAILS OF WRITE-INS

08.301. Marketing reallowance.....	1,306,113	1,301,989
08.302. Contractual rider fee income.....	594,735	438,926
08.303. Contractual annual maintenance and surrender charge fees.....	498,372	522,631
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	393	75
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	2,399,613	2,263,621
2701.		
2702.		
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).....	0	0
5301. Correction of error - Variable annuity reserve surrender charges and standard scenario lapse rates.....	(1,800,861)	
5302. SSAP 10R election 10.e.- Nonadmitted deferred tax asset.....		(199,799)
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	(1,800,861)	(199,799)

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	267,749,124	300,252,315
2. Net investment income.....	116,141,615	112,655,036
3. Miscellaneous income.....	10,223,778	10,224,082
4. Total (Lines 1 through 3).....	394,114,517	423,131,433
5. Benefit and loss related payments.....	242,462,532	256,256,072
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	(36,053,117)	(39,201,176)
7. Commissions, expenses paid and aggregate write-ins for deductions.....	36,209,395	35,989,138
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....(2,120,830) tax on capital gains (losses).....	13,390,540	7,308,429
10. Total (Lines 5 through 9).....	256,009,350	260,352,463
11. Net cash from operations (Line 4 minus Line 10).....	138,105,167	162,778,970
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	198,495,917	185,122,946
12.2 Stocks.....	10,971,068	
12.3 Mortgage loans.....		
12.4 Real estate.....		
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).....	209,466,985	185,122,946
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	331,475,056	323,116,872
13.2 Stocks.....	499,824	186,054
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	1,866,521	7,485,700
13.7 Total investments acquired (Lines 13.1 to 13.6).....	333,841,401	330,788,626
14. Net increase (decrease) in contract loans and premium notes.....	339,171	754,376
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(124,713,587)	(146,420,056)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(10,353,598)	(9,666,615)
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(231,921)	1,563,316
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(10,585,519)	(8,103,299)
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).....	2,806,061	8,255,615
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	23,804,992	15,549,377
19.2 End of year (Line 18 plus Line 19.1).....	26,611,053	23,804,992
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Exchanges.....	4,936,034	2,348,334
20.0002 Securities acquired in paid in kind interest payment.....	146,114	168,835
20.0003 Securities acquired from liquidation distributions.....	2,761	186,054

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	267,749,124			234,008,064				33,741,060				
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	115,302,249			109,516,388				5,785,861				
4. Amortization of Interest Maintenance Reserve (IMR).....	1,183,142			1,120,525				62,617				
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	0											
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.....	7,931,510			6,141,911				1,789,599				
8.2 Charges and fees for deposit-type contracts.....	1,164,164			1,164,164								
8.3 Aggregate write-ins for miscellaneous income.....	2,399,613	0	0	1,899,779	0	0	0	499,834	0	0	0	0
9. Totals (Lines 1 to 8.3).....	395,729,802	0	0	353,850,831	0	0	0	41,878,971	0	0	0	0
10. Death benefits.....	0											
11. Matured endowments (excluding guaranteed annual pure endowments).....	0											
12. Annuity benefits.....	18,373,589			18,217,804				155,785				
13. Disability benefits and benefits under accident and health contracts.....	0											
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	224,162,005			168,643,280				55,518,725				
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	16,126,001			16,126,001								
18. Payments on supplementary contracts with life contingencies.....	0											
19. Increase in aggregate reserves for life and accident and health contracts.....	102,006,261			100,793,535				1,212,726				
20. Totals (Lines 10 to 19).....	360,667,856	0	0	303,780,620	0	0	0	56,887,236	0	0	0	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	17,158,412			15,844,183				1,314,229				
22. Commissions and expense allowances on reinsurance assumed.....	0											
23. General insurance expenses.....	17,719,735			16,156,841				1,562,894				
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	1,204,984			1,152,806				52,178				
25. Increase in loading on deferred and uncollected premiums.....	0											
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	(33,870,319)			(12,092,186)				(21,778,133)				
27. Aggregate write-ins for deductions.....	0	0	0	0	0	0	0	0	0	0	0	0
28. Totals (Lines 20 to 27).....	362,880,668	0	0	324,842,264	0	0	0	38,038,404	0	0	0	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	32,849,134	0	0	29,008,567	0	0	0	3,840,567	0	0	0	0
30. Dividends to policyholders.....	0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	32,849,134	0	0	29,008,567	0	0	0	3,840,567	0	0	0	0
32. Federal income taxes incurred (excluding tax on capital gains).....	9,695,182			9,126,375				568,807				
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	23,153,952	0	0	19,882,192	0	0	0	3,271,760	0	0	0	0

DETAILS OF WRITE-INS

08.301. Marketing allowance.....	1,306,113			1,011,864				294,249				
08.302. Contractual rider fee income.....	594,735			501,427				93,308				
08.303. Contractual annual maintenance and surrender charge fees.....	498,372			386,095				112,277				
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	393	0	0	393	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	2,399,613	0	0	1,899,779	0	0	0	499,834	0	0	0	0
2701.	0											
2702.	0											
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	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0	0	0	0	0	0	0	0	0	0	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.....	1,779,583,588			1,681,472,771				98,110,817
2. Tabular net premiums or considerations.....	267,046,263			233,325,126				33,721,137
3. Present value of disability claims incurred.....	0				XXX			
4. Tabular interest.....	60,355,201			58,262,941				2,092,260
5. Tabular less actual reserve released.....	69,035			69,035				
6. Increase in reserve on account of change in valuation basis.....	0							
7. Other increases (net).....	889,846			1,101,439				(211,593)
8. Totals (Lines 1 to 7).....	2,107,943,933	0	0	1,974,231,312	0	0	0	133,712,621
9. Tabular cost.....	0				XXX			
10. Reserves released by death.....	0			XXX	XXX			XXX
11. Reserves released by other terminations (net).....	0							
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	259,842,460			204,136,082				55,706,378
13. Net transfers to or (from) Separate Accounts.....	(35,289,237)			(13,971,938)				(21,317,299)
14. Total deductions (Lines 9 to 13).....	224,553,223	0	0	190,164,144	0	0	0	34,389,079
15. Reserve December 31, current year.....	1,883,390,710	0	0	1,784,067,168	0	0	0	99,323,542

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....564,882	.....589,549
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....108,151,806	.....108,590,409
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....34,088	.....34,088
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....4,027,965	.....4,122,563
6. Cash, cash equivalents and short-term investments.....	(e).....8,546	.....8,907
7. Derivative instruments.....	(f).....9,729,192	.....2,387,842
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....128,080	.....128,080
10. Total gross investment income.....	.....122,644,558	.....115,861,437
11. Investment expenses.....	.....	(g).....559,188
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).....	.....	.....559,188
17. Net investment income (Line 10 minus Line 16).....	.....	.....115,302,249

DETAILS OF WRITE-INS

0901. Interest on agent debit balance.....	.....50,411	.....50,411
0902. Miscellaneous investment income.....	.....77,669	.....77,669
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).....	.....128,080	.....128,080
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 \$.....8,412,431 accrual of discount less \$.....2,468,587 amortization of premium and less \$.....980,250 paid for accrued interest on purchases.
- (b) Includes \$.....0 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 \$.....7,367,892 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....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).....	.....3,588,262	.....(625,589)	.....2,962,673	.....163,116	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....7,933,612	.....	.....7,933,612	.....(4,630,593)	.....
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	.....3,320,899	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....11,521,874	.....(625,589)	.....10,896,285	.....(1,146,578)	.....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.....	.0										
2. Deferred and accrued.....	.0										
3. Deferred, accrued and uncollected:											
3.1 Direct.....	.0										
3.2 Reinsurance assumed.....	.0										
3.3 Reinsurance ceded.....	.0										
3.4 Net (Line 1 + Line 2).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Advance.....	.0										
5. Line 3.4 - Line 4.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:											
6.1 Direct.....	13,495,472			12,248,848			1,246,624				
6.2 Reinsurance assumed.....	.0										
6.3 Reinsurance ceded.....	.0										
6.4 Net.....	13,495,472	.0	.0	12,248,848	.0	.0	1,246,624	.0	.0	.0	.0
7. Line 5 + Line 6.4.....	13,495,472	.0	.0	12,248,848	.0	.0	1,246,624	.0	.0	.0	.0
8. Prior year (uncollected + deferred and accrued - advance).....	.0										
9. First year premiums and considerations:											
9.1 Direct.....	13,495,472			12,248,848			1,246,624				
9.2 Reinsurance assumed.....	.0										
9.3 Reinsurance ceded.....	.0										
9.4 Net (Line 7 - Line 8).....	13,495,472	.0	.0	12,248,848	.0	.0	1,246,624	.0	.0	.0	.0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct.....	98,491,443			79,951,300			18,540,143				
10.2 Reinsurance assumed.....	.0										
10.3 Reinsurance ceded.....	.0										
10.4 Net.....	98,491,443	.0	.0	79,951,300	.0	.0	18,540,143	.0	.0	.0	.0
RENEWAL											
11. Uncollected.....	.0										
12. Deferred and accrued.....	.0										
13. Deferred, accrued and uncollected:											
13.1 Direct.....	.0										
13.2 Reinsurance assumed.....	.0										
13.3 Reinsurance ceded.....	.0										
13.4 Net (Line 11 + Line 12).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Advance.....	.0										
15. Line 13.4 - Line 14.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
16. Collected during year:											
16.1 Direct.....	155,762,209			141,807,916			13,954,293				
16.2 Reinsurance assumed.....	.0										
16.3 Reinsurance ceded.....	.0										
16.4 Net.....	155,762,209	.0	.0	141,807,916	.0	.0	13,954,293	.0	.0	.0	.0
17. Line 15 + Line 16.4.....	155,762,209	.0	.0	141,807,916	.0	.0	13,954,293	.0	.0	.0	.0
18. Prior year (uncollected + deferred and accrued - advance).....	.0										
19. Renewal premiums and considerations:											
19.1 Direct.....	155,762,209			141,807,916			13,954,293				
19.2 Reinsurance assumed.....	.0										
19.3 Reinsurance ceded.....	.0										
19.4 Net (Line 17 - Line 18).....	155,762,209	.0	.0	141,807,916	.0	.0	13,954,293	.0	.0	.0	.0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct.....	267,749,124	.0	.0	234,008,064	.0	.0	33,741,060	.0	.0	.0	.0
20.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	267,749,124	.0	.0	234,008,064	.0	.0	33,741,060	.0	.0	.0	.0

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	0										
22. All other.....	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded.....	0										
23.2 Reinsurance assumed.....	0										
23.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded.....	0										
24.2 Reinsurance assumed.....	0										
24.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded.....	0										
25.2 Reinsurance assumed.....	0										
25.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	0	0	0	0	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 22).....	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	1,254,128			1,118,501			135,627				
28. Single.....	7,938,347			7,286,772			651,575				
29. Renewal.....	7,965,937			7,438,910			527,027				
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	17,158,412	0	0	15,844,183	0	0	1,314,229	0	0	0	0

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE 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.....	1,304,205					1,304,205
2. Salaries and wages.....	8,330,679					8,330,679
3.11 Contributions for benefit plans for employees.....	1,177,378					1,177,378
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.....	493,487					493,487
3.32 Other agent welfare.....	64,120					64,120
4.1 Legal fees and expenses.....	175,861					175,861
4.2 Medical examination fees.....	3,447					3,447
4.3 Inspection report fees.....	1,978					1,978
4.4 Fees of public accountants and consulting actuaries.....	164,159					164,159
4.5 Expense of investigation and settlement of policy claims.....	6,996					6,996
5.1 Traveling expenses.....	363,039					363,039
5.2 Advertising.....	506,900					506,900
5.3 Postage, express, telegraph and telephone.....	492,770					492,770
5.4 Printing and stationery.....	320,712					320,712
5.5 Cost or depreciation of furniture and equipment.....	20,937					20,937
5.6 Rental of equipment.....						0
5.7 Cost or depreciation of EDP equipment and software.....	363,147					363,147
6.1 Books and periodicals.....	47,968					47,968
6.2 Bureau and association fees.....	250,034					250,034
6.3 Insurance, except on real estate.....						0
6.4 Miscellaneous losses.....	(4,720)					(4,720)
6.5 Collection and bank service charges.....	190,527					190,527
6.6 Sundry general expenses.....	335,259					335,259
6.7 Group service and administration fees.....	809,594					809,594
6.8 Reimbursements by uninsured plans.....						0
7.1 Agency expense allowance.....	182,000					182,000
7.2 Agents' balances charged off (less \$.....0 recovered).....	4,844					4,844
7.3 Agency conferences other than local meetings.....	415,454					415,454
9.1 Real estate expenses.....						0
9.2 Investment expenses not included elsewhere.....				559,188		559,188
9.3 Aggregate write-ins for expenses.....	1,698,960	0	0	0	0	1,698,960
10. General expenses Incurred.....	17,719,735	0	0	0	559,188	(a) 18,278,923
11. General expenses unpaid December 31, prior year.....	327,883					327,883
12. General expenses unpaid December 31, current year.....	345,848					345,848
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).....	17,701,770	0	0	0	559,188	18,260,958

DETAILS OF WRITE-INS

09.301. PC & EDP Expenses.....	1,031,518					1,031,518
09.302. Consulting.....	667,442					667,442
09.303.						0
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).....	1,698,960	0	0	0	0	1,698,960

(a) Includes management fees of \$....408,776 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.....	196,056				196,056
3. State taxes on premiums.....	209,200				209,200
4. Other state taxes, including \$.....0 for employee benefits.....	230,939				230,939
5. U.S. Social Security taxes.....	557,289				557,289
6. All other taxes.....	11,500				11,500
7. Taxes, licenses and fees incurred.....	1,204,984	0	0	0	1,204,984
8. Taxes, licenses and fees unpaid December 31, prior year.....	549,080				549,080
9. Taxes, licenses and fees unpaid December 31, current year.....	431,857				431,857
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	1,322,207	0	0	0	1,322,207

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums.....	
2. Applied to shorten the endowment or premium-paying period.....		
3. Applied to provide paid-up additions.....		
4. Applied to provide paid-up annuities.....		
5. Total Lines 1 through 4.....	0	0
6. Paid-in cash.....		
7. Left on deposit.....		
8. Aggregate write-ins for dividend or refund options.....	0	0
9. Total Lines 5 through 8.....	0	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).....	0	0

NONE

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

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
Annuities (excluding supplementary contracts with life contingencies):					
0200001. a-2000 6.25% (IMM) 1999.....	47,849	XXX	47,849	XXX	
0200002. a-2000 7.00% (IMM) 2000.....	102,055	XXX	102,055	XXX	
0200003. a-2000 6.75% (IMM) 2001.....	185,533	XXX	185,533	XXX	
0200004. a-2000 6.50% (IMM) 2002.....	203,155	XXX	203,155	XXX	
0200005. a-2000 6.00% (IMM) 2003.....	177,499	XXX	177,499	XXX	
0200006. a-2000 5.50% (IMM) 2004.....	698,390	XXX	698,390	XXX	
0200007. a-2000 5.25% (IMM) 2005-2006.....	884,510	XXX	884,510	XXX	
0200008. a-2000 5.50% (IMM) 2007-2008.....	990,889	XXX	990,889	XXX	
0200009. a-2000 6.00% (IMM) 2009.....	446,208	XXX	446,208	XXX	
0200010. a-2000 5.25% (IMM) 2010.....	596,398	XXX	596,398	XXX	
0200011. a-2000 5.00% (IMM) 2011.....	1,311,232	XXX	1,311,232	XXX	
0200012. a-2000 4.25% (IMM) 2012.....	1,818,093	XXX	1,818,093	XXX	
0200013. 83IAM 5.50% (DEF CARVM) 1997.....	1,394,240	XXX	1,394,240	XXX	
0200014. 83IAM 5.25% (DEF CARVM) 1998.....	8,246,369	XXX	8,246,369	XXX	
0200015. a-2000 5.25% (DEF CARVM) 1999.....	5,904,439	XXX	5,904,439	XXX	
0200016. a-2000 5.75% (DEF CARVM) 2000.....	9,283,396	XXX	9,283,396	XXX	
0200017. a-2000 5.50% (DEF CARVM) 2001-2002.....	46,901,252	XXX	46,901,252	XXX	
0200018. a-2000 5.00% (DEF CARVM) 2003.....	77,953,984	XXX	77,953,984	XXX	
0200019. a-2000 4.75% (DEF CARVM) 2004.....	111,627,643	XXX	111,627,643	XXX	
0200020. a-2000 4.50% (DEF CARVM) 2005-2006.....	360,580,416	XXX	338,365,035	XXX	22,215,381
0200021. a-2000 4.75% (DEF CARVM) 2007-2008.....	520,731,854	XXX	494,356,007	XXX	26,375,847
0200022. a-2000 5.00% (DEF CARVM) 2009.....	292,936,196	XXX	281,965,183	XXX	10,971,013
0200023. a-2000 4.50% (DEF CARVM) 2010.....	123,995,916	XXX	121,977,897	XXX	2,018,019
0200024. a-2000 4.25% (DEF CARVM) 2011.....	69,994,475	XXX	69,100,326	XXX	894,149
0200025. a-2000 3.75% (DEF CARVM) 2012.....	46,999,547	XXX	46,777,310	XXX	222,237
0200026. 1994 MGDB 6.00% 1996-1997.....	1,133,505	XXX	726,780	XXX	406,725
0200027. 1994 MGDB 5.75% 1998.....	1,696,131	XXX	666,812	XXX	1,029,319
0200028. 1994 MGDB 5.50% 1999.....	23,061,535	XXX	19,201,147	XXX	3,860,388
0200029. 1994 MGDB 5.75% 2000.....	2,285,100	XXX	1,499,305	XXX	785,795
0200030. 1994 MGDB 6.00% 2001-2002.....	13,916,470	XXX	11,045,107	XXX	2,871,363
0200031. 1994 MGDB 5.50% 2003.....	15,833,059	XXX	13,997,936	XXX	1,835,123
0200032. 1994 MGDB 5.00% 2004.....	9,763,364	XXX	6,264,612	XXX	3,498,752
0200033. 1994 MGDB 4.75% 2005-2007.....	20,435,345	XXX	15,309,778	XXX	5,125,567
0200034. 1994 MGDB 5.00% 2008.....	14,970,066	XXX	12,122,885	XXX	2,847,181
0200035. 1994 MGDB 5.25% 2009.....	14,086,793	XXX	11,843,450	XXX	2,243,343
0200036. 1994 MGDB 4.75% 2010.....	26,286,012	XXX	24,217,561	XXX	2,068,451
0200037. 1994 MGDB 4.50% 2011.....	8,812,735	XXX	5,401,434	XXX	3,411,301
0200038. 1994 MGDB 4.25% 2012.....	47,080,224	XXX	40,436,635	XXX	6,643,589
0200039. Guaranteed Minimum Income Benefit.....	18,833	XXX	18,833	XXX	
0299997. Totals (Gross).....	1,883,390,710	XXX	1,784,067,167	XXX	99,323,543
0299999. Totals (Net).....	1,883,390,710	XXX	1,784,067,167	XXX	99,323,543
9999999. Totals (Net) - Page 3, Line 1.....	1,883,390,710	0	1,784,067,167	0	99,323,543

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes [] No [X]
 1.2 If not, state which kind is issued
 Non-participating
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes [] No [X]
 2.2 If not, state which kind is issued
 Non-participating
3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes [X] No []
 If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
4. Has the reporting entity any assessment or stipulated premium contracts in force? If so, state: Yes [] No [X]
 4.1 Amount of insurance: \$.....
 4.2 Amount of reserve: \$.....
 4.3 Basis of reserve:

 4.4 Basis of regular assessments:

 4.5 Basis of special assessments:

 4.6 Assessments collected during 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. Not Applicable
6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [] No [X]
 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$.....
 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$.....
 Attach statement of methods employed in their valuation.
7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes [] No [X]
 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: \$.....
 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:

 7.3 State the amount of reserves established for this business: \$.....
 7.4 Identify where the reserves are reported in the blank.
8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December of the current year? Yes [] No [X]
 8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements. \$.....
 8.2 State the amount of reserves established for this business. \$.....
 8.3 Identify where the reserves are reported in the blank.
9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? Yes [X] No []
 9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders. \$.....39,924,175
 9.2 State the amount of reserves established for this business. \$.....38,204,914
 9.3 Identify where the reserves are reported in the blank.
 The reserves for the Guaranteed Lifetime Income Benefit are included in the deferred annuity reserves shown in the Annuities section of Exhibit 5.

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.....	.0								
2. Additional contract reserves (a).....	.0								
3. Additional actuarial reserves - Asset/Liability analysis.....	.0								
4. Reserve for future contingent benefits.....	.0								
5. Reserve for rate credits.....	.0								
6. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Totals (Gross).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Reinsurance ceded.....	.0								
9. Totals (Net).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	.0								
11. Additional actuarial reserves - Asset/Liability analysis.....	.0								
12. Reserve for future contingent benefits.....	.0								
13. Aggregate write-ins for reserves.....	.0	.0	NONE	.0	.0	.0	.0	.0	.0
14. Totals (Gross).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Reinsurance ceded.....	.0								
16. Totals (Net).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. TOTALS (Net).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
18. TABULAR FUND INTEREST.....	.0								

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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 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	30,449,276		30,449,276			
2. Deposits received during the year.....	10,806		10,806			
3. Investment earnings credited to the account.....	1,699,314		1,699,314			
4. Other net change in reserves.....	14,426,687		14,426,687			
5. Fees and other charges assessed.....	1,164,164		1,164,164			
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	10,364,404		10,364,404			
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).....	35,057,515	0	35,057,515	0	0	0
10. Reinsurance balance at the beginning of the year.....	0					
11. Net change in reinsurance assumed.....	0					
12. Net change in reinsurance ceded.....	0					
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	0	0	0	0	0	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	35,057,515	0	35,057,515	0	0	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.....	6,106,867			6,106,867							
2.22 Reinsurance assumed.....	0										
2.23 Reinsurance ceded.....	0										
2.24 Net.....	6,106,867	0	(b) 0	(b) 6,106,867	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 0
3. Incurred but unreported:											
3.1 Direct.....	0										
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	0										
3.4 Net.....	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 0
4. Totals:											
4.1 Direct.....	6,106,867	0	0	6,106,867	0	0	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	6,106,867	(a) 0	(a) 0	6,106,867	0	0	(a) 0	0	0	0	0

(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.....	18,300,527			18,144,742				155,785			
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net..... (d)	18,300,527	0	0	18,144,742	0	0	0	155,785	0	0	0
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	6,106,867			6,106,867							
2.2 Reinsurance assumed.....	0										
2.3 Reinsurance ceded.....	0										
2.4 Net.....	6,106,867	0	0	6,106,867	0	0	0	0	0	0	0
3. Amounts recoverable from reinsurers December 31, current year.....	0										
4. Liability December 31, prior year:											
4.1 Direct.....	6,033,805			6,033,805							
4.2 Reinsurance assumed.....	0										
4.3 Reinsurance ceded.....	0										
4.4 Net.....	6,033,805	0	0	6,033,805	0	0	0	0	0	0	0
5. Amounts recoverable from reinsurers December 31, prior year.....	0										
6. Incurred benefits:											
6.1 Direct.....	18,373,589	0	0	18,217,804	0	0	0	155,785	0	0	0
6.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0
6.4 Net.....	18,373,589	0	0	18,217,804	0	0	0	155,785	0	0	0

(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 \$.....0 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.....	163,423	343,810	180,387
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
15.3 Accrued retrospective premiums.....			.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.0
16.2 Funds held by or deposited with reinsured companies.....			.0
16.3 Other amounts receivable under reinsurance contracts.....			.0
17. Amounts receivable relating to uninsured plans.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....	.948,008	.727,683	.(220,325)
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.....			.0
25. Aggregate write-ins for other than invested assets.....	.280,880	.307,543	.26,663
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.1,392,311	.1,379,036	.(13,275)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	.1,392,311	.1,379,036	.(13,275)

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. Accounts receivable.....	.280,880	.307,543	.26,663
2502. ....			.0
2503. ....			.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.280,880	.307,543	.26,663

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The financial statements of the Annuity Investors Life Insurance Company (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* 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 Statutory Accounting Principles and the state of Ohio basis, as shown below:

Net Income	State of Domicile	2012	2011
(1) State basis	Ohio	\$ 29,499,887	\$ 20,575,302
(2) State prescribed practices that increase/(decrease) NAIC SAP	Ohio	-	-
(3) State permitted practices that increase/(decrease) NAIC SAP	Ohio	-	-
(4) NAIC SAP		\$ 29,499,887	\$ 20,575,302
Surplus			
(5) Statutory surplus state basis	Ohio	\$ 178,505,044	\$ 157,357,610
(6) State prescribed practices that increase/(decrease) NAIC SAP	Ohio	-	-
(7) State permitted practices that increase/(decrease) NAIC SAP	Ohio	-	-
(8) NAIC SAP		\$ 178,505,044	\$ 157,357,610

B. Use of Estimates in 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

Annuity considerations are recognized as revenue when received. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. The Company does not pay dividends to policyholders.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds with a NAIC rating 1 through 5 are stated at amortized cost using the interest method; all others are stated at the lower of amortized cost or fair value.
- (3) Common stocks are stated at fair value.
- (4) The Company has no investments in redeemable preferred stocks.
- (5) Policy loans are stated at the aggregate unpaid balance. The Company has no mortgage loans or real estate.
- (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) The Company has no investments in a parent, subsidiary or affiliate.
- (8) The Company has no ownership interests in joint ventures, partnerships or limited liability companies.
- (9) Derivatives to hedge the Company's fixed indexed annuities are valued at fair value consistent with the hedged items. The change in the fair value is recorded as an unrealized gain or loss to surplus.
- (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) The Company has no accident and health contracts.
- (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 CORRECTION OF ERRORS

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.

The Company recorded a charge to surplus of \$1,800,861 in the Summary of Operations (Page 4, Line 53) at June 30, 2012 for a correction of the annuity reserves. The adjustment is the result of correcting variable annuity reserve surrender charges and standard scenario lapse rates.

Notes to Financial Statements**3. BUSINESS COMBINATIONS AND GOODWILL**

- A. The Company has no business combinations accounted for under the statutory purchase method.
- B. The Company was not involved in any statutory mergers.
- C. The Company did not enter into any assumption reinsurance agreements.
- D. The Company did not recognize any impairment losses related to business combinations or goodwill.

4. DISCONTINUED OPERATIONS

The Company has no discontinued operations.

5. INVESTMENTS

- A. The Company has no mortgage loans or mezzanine real estate loans.
- B. The Company has no restructured debt.
- C. The Company has no investment in reverse mortgages.
- 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 the effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
- (2) The Company has no aggregate loan-backed securities with an other-than-temporary impairment ("OTTI") in which the Company has the intent to sell or the inability or lack of intent to retain the investment in the security for a period of time to recover the amortized cost basis.
- (3) The following table shows each loan-backed security with an OTTI 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
12641QAF9	\$ 80,216	\$ 76,290	\$ 3,926	\$ 76,290	\$ 25,250	3/31/2012
46627MAD9	680,191	616,582	63,609	616,582	552,095	3/31/2012
46627MEC7	1,553,055	1,462,509	90,546	1,462,509	1,312,914	3/31/2012
46635BAD3	1,147,991	1,132,944	15,047	1,132,944	987,840	3/31/2012
47232DAK8	35,470	28,552	6,918	28,552	26,290	3/31/2012
47232DBB7	112,298	97,216	15,082	97,216	142,713	3/31/2012
47232DBJ0	385,591	360,346	25,245	360,346	297,620	3/31/2012
47232VAJ1	66,221	42,122	24,099	42,122	74,137	3/31/2012
47232VCN0	174,314	157,013	17,301	157,013	63,635	3/31/2012
47232VDS8	106,472	89,365	17,107	89,365	46,350	3/31/2012
47232VEG3	16,558	9,008	7,550	9,008	21,208	3/31/2012
47232VGK2	161,285	109,757	51,528	109,757	143,490	3/31/2012
525241AL9	509,188	323,855	26,511	482,677	482,676	3/31/2012
472321AD0	48,012	25,806	22,206	25,806	25,806	6/30/2012
472321AH1	14,404	4,201	10,203	4,201	4,201	6/30/2012
47232VEA6	334,201	198,811	4,775	329,426	198,811	6/30/2012
525241AL9	480,814	317,048	5,878	474,936	474,942	6/30/2012
93934NAR6	199,874	193,671	6,203	193,671	184,379	6/30/2012
472321AD0	45,498	27,607	17,891	27,607	27,607	9/30/2012
74951PDQ8	1,866,782	1,669,462	197,320	1,669,462	1,671,201	12/31/2012
Total			<u>\$ 628,945</u>			

- (4) The following table shows all loan-backed securities with an unrealized loss:

- a. The aggregate amount of unrealized losses:
- | | |
|------------------------|------------|
| 1. Less than 12 Months | \$ 185,025 |
| 2. 12 Months or Longer | 4,361,265 |
- b. The aggregate related fair value of securities with unrealized losses:
- | | |
|------------------------|---------------|
| 1. Less than 12 Months | \$ 20,072,454 |
| 2. 12 Months or Longer | 42,167,801 |

- (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 securities in an unrealized loss position until they recover in value or mature.

- E. The Company has no repurchase agreements and is not engaged in securities lending.
- F. The Company has no real estate investments.
- G. The Company has no investments in low-income housing tax credits ("LIHTC").

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

The Company has no investments in joint ventures, partnerships or limited liability companies.

Notes to Financial Statements**7. INVESTMENT INCOME****A. Due and accrued income is excluded from surplus on the following bases:**

All investment income due and accrued with amounts that are over 90 days past due.

B. The amount of investment income due and accrued that is excluded from surplus is \$0.**8. DERIVATIVE INSTRUMENTS**

The Company uses S&P 500 equity index call options purchased in the over-the-counter market as economic hedging transactions for financial accounting, regulatory and tax purposes for the S&P 500 index liabilities of its fixed indexed annuity products. Under the fixed indexed annuity products, the crediting rate is linked to changes in the S&P 500 index at specified periods and participation rates. The prices of the call options purchased are calculated with reference to the participation rates, caps, durations and notional amounts of the underlying contracts. The Company pays cash at the beginning of the contract and may receive cash at expiration of the option as calculated in the option contract.

Counterparties to financial instruments expose the Company to credit-related losses in the event of nonperformance, but the Company does not expect any counterparties to fail to meet their obligations.

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 are as follows:**

	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross deferred tax assets	\$ 1,779,307	\$ 1,749,711	\$ 3,529,018	\$ 1,777,991	\$ 1,958,804	\$ 3,736,795	\$ 1,316	\$ (209,093)	\$ (207,777)
b. Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
c. Adjusted gross deferred tax assets	1,779,307	1,749,711	3,529,018	1,777,991	1,958,804	3,736,795	1,316	(209,093)	(207,777)
d. Deferred tax assets nonadmitted	948,008	-	948,008	727,683	-	727,683	220,325	-	220,325
e. Subtotal net admitted deferred tax asset	831,299	1,749,711	2,581,010	1,050,308	1,958,804	3,009,112	(219,009)	(209,093)	(428,102)
f. Deferred tax liabilities	-	2,527,020	2,527,020	-	1,575,956	1,575,956	-	951,064	951,064
g. Net admitted deferred tax assets/(net deferred tax liability)	\$ 831,299	\$ (777,309)	\$ 53,990	\$ 1,050,308	\$ 382,848	\$ 1,433,156	\$ (219,009)	\$ (1,160,157)	\$ (1,379,166)

2. Admission calculation components, SSAP No. 101:

	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 831,299	\$ 1,749,711	\$ 2,581,010	\$ 1,050,308	\$ 1,421,390	\$ 2,471,698	\$ (219,009)	\$ 328,321	\$ 109,312
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)	-	-	-	-	537,414	537,414	-	(537,414)	(537,414)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	-	537,414	537,414	-	(537,414)	(537,414)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	25,859,582	XXX	XXX	22,193,381	XXX	XXX	3,666,201
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	-	-	-	-	-	-	-	-	-
d. Deferred tax assets admitted as the result of application of SSAP No. 101	\$ 831,299	\$ 1,749,711	\$ 2,581,010	\$ 1,050,308	\$ 1,958,804	\$ 3,009,112	\$ (219,009)	\$ (209,093)	\$ (428,102)

3. Other admissibility criteria:

	2012	2011
a. Ratio percentage used to determine recovery period and threshold limitation amount	1165%	1045%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 172,397,282	\$ 147,955,874

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%	0%	0%	0%	0%	0%	0%	0%	0%
b. Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
c. Does the company's tax planning strategies include the use of reinsurance? Yes [] No [X]									

Notes to Financial Statements

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

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

1. Current Income Tax:

	2012	2011	Change
a. Federal	\$ 9,695,182	\$ 6,778,646	\$ 2,916,536
b. Foreign	-	-	-
c. Subtotal	\$ 9,695,182	\$ 6,778,646	\$ 2,916,536
d. Federal income tax on net capital gains	2,120,830	1,421,390	699,440
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	-	-
g. Federal and foreign income taxes incurred	<u>\$ 11,816,012</u>	<u>\$ 8,200,036</u>	<u>\$ 3,615,976</u>

2. Deferred Tax Assets:

	2012	2011	Change
a. Ordinary			
1 Discounting of unpaid losses	\$ -	\$ -	\$ -
2 Unearned premium reserve	-	-	-
3 Policyholder reserve	526,194	161,565	364,629
4 Investments	-	-	-
5 Deferred acquisition costs	761,579	920,009	(158,430)
6 Policyholder dividends accrual	-	-	-
7 Fixed assets	-	-	-
8 Compensation and benefits accrual	-	-	-
9 Pension accrual	-	-	-
10 Receivables - nonadmitted	49,002	100,905	(51,903)
11 Net operating loss carry-forward	-	-	-
12 Tax credit carry-forward	-	-	-
13 Other	49,306	6,734	42,572
14 Accruals	-	-	-
15 Amortization of intangibles	-	-	-
16 Underwriting expenses	-	-	-
17 Accrued expenses	231,028	363,445	(132,417)
18 Bad debt expense	105,000	105,000	-
19 Agent balances	57,198	120,333	(63,135)
99 Subtotal	<u>\$ 1,779,307</u>	<u>\$ 1,777,991</u>	<u>\$ 1,316</u>
b. Statutory valuation allowance adjustment	-	-	-
c. Nonadmitted	948,008	727,683	220,325
d. Admitted ordinary deferred tax assets	<u>\$ 831,299</u>	<u>\$ 1,050,308</u>	<u>\$ (219,009)</u>
e. Capital			
1 Investments	\$ 1,749,711	\$ 1,958,804	\$ (209,093)
2 Net capital loss carry-forward	-	-	-
3 Real estate	-	-	-
4 Other	-	-	-
99 Subtotal	<u>\$ 1,749,711</u>	<u>\$ 1,958,804</u>	<u>\$ (209,093)</u>
f. Statutory valuation allowance adjustment	-	-	-
g. Nonadmitted	-	-	-
h. Admitted capital deferred tax assets	<u>\$ 1,749,711</u>	<u>\$ 1,958,804</u>	<u>\$ (209,093)</u>
i. Admitted deferred tax assets	<u>\$ 2,581,010</u>	<u>\$ 3,009,112</u>	<u>\$ (428,102)</u>

3. Deferred Tax Liabilities:

	2012	2011	Change
a. Ordinary			
1 Investments	\$ -	\$ -	\$ -
2 Fixed assets	-	-	-
3 Deferred and uncollected premium	-	-	-
4 Policyholder reserves	-	-	-
5 Other	-	-	-
99 Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
b. Capital			
1 Investments	\$ 2,527,020	\$ 1,575,956	\$ 951,064
2 Real estate	-	-	-
3 Other	-	-	-
99 Subtotal	<u>\$ 2,527,020</u>	<u>\$ 1,575,956</u>	<u>\$ 951,064</u>
c. Deferred tax liabilities	<u>\$ 2,527,020</u>	<u>\$ 1,575,956</u>	<u>\$ 951,064</u>
4. Net deferred tax assets	<u>\$ 53,990</u>	<u>\$ 1,433,156</u>	<u>\$ (1,379,166)</u>

Notes to Financial Statements

- D. The provision for federal income taxes incurred on operations is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	<u>2012</u>	<u>2011</u>
Provision computed at statutory rate (operations and realized gains/losses)	\$ 14,896,797	\$ 10,571,456
Permanent differences:		
Dividend received deduction	(881,205)	(823,951)
Other	<u>(41,432)</u>	<u>(35,963)</u>
Total permanent differences	(922,637)	(859,914)
Timing adjustments:		
Investment differences	(2,628,978)	90,320
Reserves	(397,115)	169,224
DAC tax adjustment	(158,430)	(162,026)
Other	<u>(135,940)</u>	<u>236,520</u>
Total timing adjustments	(3,320,463)	334,038
Other adjustments		
Unrealized gain (loss) on options	<u>1,162,315</u>	<u>(1,845,544)</u>
Total other adjustments	1,162,315	(1,845,544)
Federal income tax expense on operations and realized gains/losses	<u>\$ 11,816,012</u>	<u>\$ 8,200,036</u>
Gross change in deferred tax asset		
Timing adjustments offset in current taxes	\$ 3,320,463	\$ (334,038)
Impact of non-admitted assets	72,467	4,151
Unrealized gains/losses	(1,563,617)	(550,024)
Other timing adjustments	<u>(670,472)</u>	<u>244,210</u>
Total change in deferred tax asset recorded directly to surplus	1,158,841	(635,701)
Total statutory income tax expense	<u>\$ 12,974,853</u>	<u>\$ 7,564,335</u>

E.

- (1) At December 31, 2012, the Company had no pre-tax capital loss carryforwards.
- (2) The following are income taxes on operations and realized gains incurred in the current and prior years that will be available for recoupment in the event of future net losses:

<u>Period</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
2012	\$ 10,146,090	\$ 2,464,239	\$ 12,610,329
2011	5,362,150	1,817,139	7,179,289
2010	1,123,429	-	1,123,429

- (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 Southwest Corporation
American Retirement Life Insurance Company	Hangar Acquisition Corp.
American Signare Underwriters, Inc.	Indianapolis Union Railway 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	Loyal American Life Insurance Company
Brothers Property Corporation	Magnolia Alabama Holdings, Inc.
Brothers Property Management Corporation	Manhattan National Holding Corporation
Cal Coal, Inc.	Manhattan National Life Insurance Company
Central Reserve Life Insurance Company	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.	Owasco River Railway, 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 Towers, 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.	Provident American Life & Health Insurance Company
Great American Agency of Texas, Inc.	Purity Financial Corporation
Great American Alliance Insurance Company	QQAgency of Texas, Inc.
Great American Assurance Company	Republic Indemnity Company of America
Great American Casualty Insurance Company	Republic Indemnity Company of California
Great American Claims Services, Inc.	Risiko Management Corporation
Great American Contemporary Insurance Company	Skipjack Marina Corp.
Great American E & S Insurance Company	Superior NWVN of Ohio, Inc.
Great American Fidelity Insurance Company	TEJ Holdings, Inc.
Great American Financial Resources, Inc.	Terminal Realty Penn Co.
Great American Holding, Inc.	Three East Fourth, Inc.
Great American Insurance Agency, Inc.	United Benefit Life Insurance Company
Great American Insurance Company	United Teacher Associates Insurance Company
Great American Insurance Company of New York	United Teacher Associates, Ltd.
Great American Life Assurance Company	Waynesburg Southern Railroad 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.

G. Federal or Foreign Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

A.,B.

The Company is an indirect subsidiary of Great American Financial Resources, Inc. ("GAFRI"), which is a subsidiary of American Financial Group ("AFG"); 100% of the Company's outstanding common stock is directly owned by Great American Life Insurance Company ("GALIC"). See Schedule Y, Part 1, Organizational Chart.

Notes to Financial Statements

During 2012, the Company paid (received) federal income tax payments in cash to (from) GALIC:

3/13/2012	\$	3,096,000
4/17/2012	\$	2,265,000
6/14/2012	\$	5,581,000
9/14/2012	\$	(1,116,460)
12/14/2012	\$	3,565,000

- C. During 2012 the Company received no capital contributions from GALIC.
- D. At December 31, 2012, the Company reported \$0 as receivable from parents and affiliated companies and \$498,404 as amounts due to the parent and affiliated companies. The terms of the agreement require that any outstanding amounts are settled within 90 days.
- E. The Company has no material guarantees or undertakings for the benefit of an affiliate.
- F. Management or service contracts and all cost sharing arrangements involving the Company or any affiliate:
- (1) The Company has an agreement with GAFRI, subject to the direction of the Finance Committee of the Company, whereby GAFRI, along with services provided by American Money Management Corporation (an affiliate), provides for money management and accounting services related to the investment portfolio.
 - (2) The Company has an agreement with Great American Advisors, Inc. ("GAA"), a wholly owned subsidiary of GAFRI, whereby GAA is the principal underwriter and distributor of the Company's variable contracts. The Company pays GAA for acting as underwriter under a distribution agreement.
 - (3) Certain administrative, management, 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's outstanding shares are 100% owned by GALIC.
- H. The Company does not own shares of an upstream intermediate entity or its ultimate parent.
- I. The Company has no investment in a subsidiary.
- J. The Company did not recognize any impairment write down for its investments in subsidiary, controlled or affiliated companies during the statement period.
- K. The Company has no investment in a foreign insurance subsidiary.
- L. The Company does not hold an investment in a downstream non-insurance holding company.

11. DEBT

- A. The Company has no capital notes or reverse repurchase agreements outstanding.
- B. The Company has no Federal Home Bank Loan Agreements.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

- A. The Company does not participate in a defined benefit plan.
- B. Defined Contribution Plan – See item D below.
- C. The Company does not participate in multiemployer plans.
- D. Consolidated/Holding Company Plans:

1. Employees' Retirement Plan

American Financial Group, Inc. has established the American Financial Group, Inc. 401(k) Retirement and Savings Plan for the benefit of employees of American Financial Group, Inc. and its participating subsidiaries. Substantially all employees meeting minimum requirements regarding service are eligible to participate in this Plan. The Plan is a defined contribution plan in which participating employees are entitled to share in contributions made by the Company on their behalf. The Plan has three types of contributions, including (1) Retirement Contributions made by the Company, (2) 401(k) Contributions made by participating employees, and (3) Matching Contributions made by the Company. The benefits for the Retirement Contributions are based on eligible compensation as defined by the Plan for each year of participation. Funding is determined annually. Each Company contributes an amount for Retirement Contributions based upon the relationship of its total eligible compensation to total eligible compensation under the Plan for all participating subsidiaries. In addition, participating employees are permitted to make 401(k) Contributions to the Plan. Matching Contributions may be made by the Company based on the amount of 401(k) Contributions made by the participating employees. Plan costs are funded as they accrue and vested benefits are fully funded. Both Retirement Contributions and Matching 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 to the Plan. At December 31, 2012, the fair market value of the Plan's Retirement Contributions assets was \$343,838,568 and the fair market value of the Plan's Matching Contributions assets was \$129,176,449. GAFRI's share of the expense for the Plan during 2012 was \$2,221,385.

2. Deferred Compensation Plans

Effective October 1, 1994, GAFRI offered to its officers and selected employees the opportunity to defer receipt of a specific percentage of the employee's compensation. Amounts deferred were credited either with a fixed rate of interest or a rate based on the performance of GAFRI's common stock, based on the participant's election. Effective November 1, 2007, this plan was merged into a similar plan maintained by AFG and existing balances were transferred to that plan. The AFG plan offers additional options into which participants may elect to invest their balances.

Notes to Financial Statements

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. All eligible future retirees receive a flat dollar amount contributed to a Retiree Health Reimbursement Arrangement Account. 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 \$768,751 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 \$62,065 credit 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 would have an immaterial impact on the postretirement benefit obligation at December 31, 2012.

E. Postemployment Benefits and Compensated Absences

The Company accrues obligations for postemployment benefits and compensated absences in accordance with SSAP No. 11.

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) & (3) The Medicare Modernization Act had no impact on the Company's postretirement benefits.

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

(1) The Company's capital is common stock. There are 25,000 shares authorized and 20,000 shares issued and outstanding, with a per share par value of \$125.00. There are no other classes of capital stock.

(2) The Company has no preferred stock outstanding.

(3) 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 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 \$4,455,044, based on earned surplus.

(4) The Company did not pay dividends for the year ended December 31, 2012.

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) The Company has placed no restrictions on unassigned surplus funds.

(7) The total amount of advances to surplus not repaid is \$0. The Company is not organized as a mutual insurer or similar entity.

(8) The amounts of stock held by the Company, including stock of affiliated companies, for special purposes are:

a. For conversion of preferred stock:	0 shares
b. For employee stock options:	0 shares
c. For stock purchase warrants:	0 shares

(9) The Company has no special surplus funds.

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

a. Unrealized gains and losses:	\$ 1,673,024
b. Nonadmitted asset values:	\$ (1,392,311)
c. Separate account business:	\$ 8,567,354
d. Asset valuation reserves:	\$ (5,091,036)
e. Provision for reinsurance:	\$ -

(11) The Company has not issued any surplus debentures or similar obligations.

(12) & (13) There has been no restatement of surplus due to quasi-reorganization.

14. CONTINGENCIES

A. The Company is not aware of any material contingent liabilities and has committed no reserves to cover any contingent liabilities.

B. At December 31, 2012, the Company held a guaranty fund assessment liability for future assessments of \$9,623.

C. The Company has no gain contingencies to report.

D. The Company is not aware of any claims related to extra contractual obligations and bad faith losses stemming from lawsuits.

E. The Company is not aware of any other material loss contingencies as of the Balance Sheet date, or any date subsequent up to the filing of this statement.

Notes to Financial Statements

15. LEASES

- A. The Company does not have any material lease obligations. Leasing agreements are held by AFG.
- B. Leasing is not part of the Company's business activities.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The Company does not have financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk, except as described in Note 8 – Derivative Instruments.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. The Company had no transfers of receivables reported as sales.
- B. The Company had no transfers and servicing of financial assets or extinguishments of liabilities.
- C. The Company had no wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

The Company had no gain or loss to the reporting entity from uninsured A&H plans and the uninsured portion of partially insured plans.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

The Company had no direct premiums written by managing general agents or third party administrators.

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 three 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	-	170,862	-	170,862
Commerical MBS	-	-	-	-
All other bonds	-	71	-	71
Total bonds	-	170,933	-	170,933
Non-affiliated common stock	640,087	-	-	640,087
Non-affiliated preferred stock	-	-	-	-
Equity index call options	-	8,812,108	-	8,812,108
Variable annuity assets (separate accounts) (a)	-	579,688,201	-	579,688,201
Total assets accounted for at fair value	<u>\$ 640,087</u>	<u>\$ 588,671,242</u>	<u>\$ -</u>	<u>\$ 589,311,329</u>

(a) Separate account liabilities equal the fair value for separate account assets.

2. The Company does not have any Level 3 securities carried at fair value.

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 RMBS, separate account assets 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 does not have any Level 3 assets or liabilities.

Notes to Financial Statements

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.

- 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 fair value hierarchy as reflected in the following table. See item 4 above for a discussion of each of these three levels.

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	\$ 12,268,241	\$ 10,993,702	\$ 5,611,071	\$ 6,657,170	\$ -	\$ -
States, municipalities and political subdivisions	249,639,216	228,579,574	-	249,639,216	-	-
Foreign government	-	-	-	-	-	-
Residential MBS	338,923,445	316,154,756	-	312,224,550	26,698,895	-
Commercial MBS	316,402,988	278,405,993	-	315,204,579	1,198,409	-
All other bonds	1,267,877,438	1,158,656,110	-	1,242,458,836	25,418,602	-
Total bonds	\$ 2,185,111,328	\$ 1,992,790,135	\$ 5,611,071	\$ 2,126,184,351	\$ 53,315,906	\$ -
Non-affiliated common stock	640,087	640,087	640,087	-	-	-
Non-affiliated preferred stock	-	-	-	-	-	-
Variable annuity assets (separate accounts)	579,688,201	579,688,201	-	579,688,201	-	-
Equity index call options	8,812,108	8,812,108	-	8,812,108	-	-
Policy loans	60,209,649	60,209,649	-	-	60,209,649	-
Total financial assets	\$ 2,834,461,373	\$ 2,642,140,180	\$ 6,251,158	\$ 2,714,684,660	\$ 113,525,555	\$ -

21. OTHER ITEMS

- A. The Company had no extraordinary events or transactions.
- B. The Company had no troubled debt restructuring.
- C. Assets in the amount of \$7,233,303 and \$7,223,159 at December 31, 2012 and 2011, respectively, were on deposit with government authorities or trustees as required by law. The Company has no unusual items or exposures related to forward commitments.
- D. The Company has no material balance that is reasonably possible to be uncollectible.
- E. The Company has no business interruption insurance recoveries.
- F. The Company has no 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 collateralized 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 investments with direct exposure in subprime mortgage loans.

(3) Direct 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	\$ 43,048,034	\$ 42,015,133	\$ 45,209,073	\$ 2,801,399
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	<u>\$ 43,048,034</u>	<u>\$ 42,015,133</u>	<u>\$ 45,209,073</u>	<u>\$ 2,801,399</u>

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

- H. The Company does not have retained asset accounts.

Notes to Financial Statements

22. EVENTS SUBSEQUENT

There have been no events subsequent to December 31, 2012 that have had a material financial effect on the Company.

23. REINSURANCE

A. Ceded Reinsurance Report Section 1 – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?
Yes () No (x) : (If yes, give full details)
2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes () No (x) : (If yes, give full details)

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
Yes () No (x)
 - a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the Company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the Company may consider the current or anticipated experience the business reinsured in making this estimate. \$0.
 - b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$0.
2. Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
Yes () No (x) : (If yes, give full details)

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0.
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?
Yes () No (x)

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

B. Uncollectible Reinsurance

The Company did not write off any uncollectible reinsurance during 2012.

C. Commutation of Ceded Reinsurance

The Company was not involved in any commutation of ceded reinsurance during 2012.

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

The Company does not have any retrospectively rated contracts or contracts subject to redetermination.

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

The Company had no changes in the provision for incurred loss or loss adjustment expense attributable to insured events of prior years.

26. INTERCOMPANY POOLING ARRANGEMENTS

The Company does not participate in intercompany pooling arrangements.

27. STRUCTURED SETTLEMENTS

The Company has no structured settlement policies.

28. HEALTH CARE RECEIVABLES

The Company has no health care receivables.

29. PARTICIPATING POLICIES

The Company has no participating policies.

30. PREMIUM DEFICIENCY RESERVES

The Company has no premium deficiency reserves for 2012.

Notes to Financial Statements**31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS**

- (1) The Company has no life insurance business in force.
- (2) The Company has no substandard policies in force.
- (3) As of December 31, 2012 the Company had no insurance in force for which the gross premiums are less than the net premiums according to the valuation standard.
- (4) The tabular interest has been determined by the formula as described in the instructions. The tabular less actual reserve released has been determined by the formula as described in the instructions. The tabular cost has been determined by the formula as described in the instructions.
- (5) The method for determining tabular interest on funds not involving life contingencies (Exhibit 7, line 3) and individual and group annuities in their accumulation phase is as described in the formula for tabular interest contained in the instructions.
- (6) Other reserve changes include primarily the change in Commissioners Annuity Reserve Valuation Method (CARVM) allowance not captured elsewhere. The Company recorded a charge to surplus of \$1,800,861 in the Summary of Operations (Page 4, Line 53) at June 30, 2012 for a correction of the annuity reserves. The adjustment is the result of correcting variable annuity reserve surrender charges and standard scenario lapse rates.

Item	Total	Ordinary				Credit Life Group and Individual	Group	
		Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts		Life Insurance	Annuities
Correction of annuity reserves	\$ -	\$ -	\$ -	\$ (1,800,861)	\$ -	\$ -	\$ -	\$ -
3106999 Total	\$ -	\$ -	\$ -	\$ (1,800,861)	\$ -	\$ -	\$ -	\$ -

32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICSWithdrawal Characteristics of Annuity Actuarial Reserves and Deposit – Type Contract Funds and Other Liabilities Without Life or Disability Contingencies

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	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	1,257,470,646	-	-	1,257,470,646	50.5%
(3) At fair value	-	-	571,120,847	571,120,847	23.0%
(4) Total with adjustment or at fair value (total of 1 through 3)	1,257,470,646	-	571,120,847	1,828,591,493	73.5%
(5) At book value without adjustment (minimal or no charge or adjustment)	637,408,420	-	-	637,408,420	25.6%
B. Not subject to discretionary withdrawal	23,569,159	-	-	23,569,159	0.9%
C. Total (gross: direct + assumed)	1,918,448,225	-	571,120,847	2,489,569,072	100.0%
D. Reinsurance ceded	-	-	-	-	
E. Total (net)* (C) - (D)	\$ 1,918,448,225	\$ -	\$ 571,120,847	\$ 2,489,569,072	

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

	Amount
F.	
Life & Accident & Health Annual Statement:	
1. Exhibit 5, Annuities Section, Total (net)	\$ 1,883,390,710
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	-
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	35,057,515
4. Subtotal	1,918,448,225
Separate Accounts Annual Statement:	
5. Exhibit 3, Line 0299999, Column 2	571,120,847
6. Exhibit 3, Line 0399999, Column 2	-
7. Policyholder dividend and coupon accumulations	-
8. Policyholder premiums	-
9. Guaranteed interest contracts	-
10. Other contract deposit funds	-
11. Subtotal	571,120,847
12. Combined Total	\$ 2,489,569,072

33. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

The Company has no deferred and uncollected premium or annuity considerations.

34. SEPARATE ACCOUNTS**A. Separate Account Activity**

1. The Company utilizes separate accounts to record and account for assets and liabilities for individual and group variable annuities. The separate accounts are registered under the Investment Company Act of 1940, as amended, as a unit investment trust. In accordance with the state of Ohio procedures for approving items within the separate accounts, the separate accounts classification of the individual and group variable annuities are supported by Section 3907.15 of the Ohio Revised Code.

Notes to Financial Statements

2. In accordance with the products and transactions recorded within the separate accounts, all assets are considered legally insulated from the general account and are not chargeable with liabilities incurred in any other business operation of the Company. As of December 31, 2012 and 2011, the Company separate account statement included legally insulated variable annuity assets of \$579,688,201 and \$548,310,891, respectively.
3. In accordance with the products/transactions recorded within the separate accounts, some separate account liabilities are guaranteed by the general account. To compensate the general account for the risk taken, the separate account has paid risk charges for guaranteed withdrawal benefits for variable annuity contracts as follows for the past five years:
- | | | | |
|---------|----|---------|---|
| a. 2012 | \$ | 355,366 | ; |
| b. 2011 | | 253,602 | ; |
| c. 2010 | | 218,694 | ; |
| d. 2009 | | - | ; |
| e. 2008 | | - | . |

As of December 31, 2012, the general account of the Company had a maximum guarantee for separate account liabilities of \$39,619,583 for the guaranteed minimum death benefit of the variable annuity contracts. The total separate account guarantees paid by the general account for the past five years are as follows:

f. 2012	\$	468,359	;
g. 2011		656,191	;
h. 2010		529,784	;
i. 2009		-	;
j. 2008		-	.

4. The Company does not engage in securities lending transactions with the separate accounts.

B. General Nature and Characteristics of Separate Accounts Business

The separate and variable accounts held by the Company relate to individual and group variable annuities of a nonguaranteed return nature. The net investment experience of the separate accounts is credited directly to the policyholder and can be positive or negative. These variable annuities generally provide a death benefit of the greater of account value or premium paid, accumulated at 0% to 5%. A minimum guaranteed death benefit is also provided on some contracts which is the highest account value (reduced for partial withdrawals) on a prior contract anniversary. The minimum guaranteed death benefit reserve is held in Exhibit 5. The assets and liabilities of these accounts are carried at fair value.

Information regarding the separate accounts of the Company is as follows:

	Index	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	Total
(1) Premiums, considerations or deposits for year ended 12/31/2012	\$ -	\$ -	\$ -	\$ 49,384,115	\$ 49,384,115
Reserves at 12/31/2012					
(2) For accounts with assets at:					
a. Fair value	\$ -	\$ -	\$ -	\$ 571,120,847	\$ 571,120,847
b. Amortized cost	-	-	-	-	-
c. Total reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,120,847</u>	<u>\$ 571,120,847</u>
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal	\$ -	\$ -	\$ -	\$ -	\$ -
b. With fair value adjustment	-	-	-	-	-
c. At book value without fair value adjustment and with current surrender charge of 5% or more	-	-	-	-	-
d. At fair value	-	-	-	571,120,847	571,120,847
e. At book value without fair value adjustment and with current surrender charge less than 5%	-	-	-	-	-
f. Subtotal	-	-	-	571,120,847	571,120,847
g. Not subject to discretionary withdrawal	-	-	-	-	-
h. Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,120,847</u>	<u>\$ 571,120,847</u>
(4) Reserves for asset default risk in Lieu of AVR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

C. The following is a reconciliation of the net transfer to or (from) Separate Accounts:

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement:	
a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$ 49,384,115
b. Transfers from Separate Accounts (Page 4, Line 10)	83,254,434
c. Net transfers to or (from) Separate Accounts (a) - (b)	<u>\$ (33,870,319)</u>
(2) Reconciling Adjustments	\$ -
(3) Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) = (Page 4, Line 26)	\$ (33,870,319)

35. LOSS/CLAIM ADJUSTMENT EXPENSES

Not Applicable.

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State regulating? Ohio
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: 12/31/2011
- 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). 11/20/2012
- 3.4 By what department or departments?
State of 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 [X] No []
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Great American Advisors	Cincinnati, Ohio	NO	NO	NO	YES

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 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?
Eugene Michael Breen, 301 East Fourth Street, Cincinnati, OH 45202, Appointed Actuary

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
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 [X]

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

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

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

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

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

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

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

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

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

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

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

1 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 [] No [X]

22.2 If answer is yes:

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

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

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

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.

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).
 The Company does not engage in securities lending.

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]

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 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 \$.....0
 25.28 On deposit with state or other regulatory body \$.....7,233,303
 25.29 Other \$.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [X] No []
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [X] No [] N/A []
 If no, attach a description with this statement.

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon	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.....	2,012,188,171	2,204,509,364	192,321,193
30.2 Preferred stocks.....			0
30.3 Totals.....	2,012,188,171	2,204,509,364	192,321,193

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

Fair values for Bonds 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.

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.

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
PART 1 - COMMON INTERROGATORIES - INVESTMENT

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
 32.2 If no, list exceptions:

Yes [X] No []

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....0

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

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? \$.....0

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

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....5,085

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
American Council of Life Insurers	5,085

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.

- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned
- 1.62 Total incurred claims
- 1.63 Number of covered lives
- All years prior to most current three years:
- 1.64 Total premium earned
- 1.65 Total incurred claims
- 1.66 Number of covered lives

- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned
- 1.72 Total incurred claims
- 1.73 Number of covered lives
- All years prior to most current three years:
- 1.74 Total premium earned
- 1.75 Total incurred claims
- 1.76 Number of covered lives

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	.....0	.....0
2.2 Premium Denominator.....	...267,749,124	...300,252,315
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	.....0	.....0
2.5 Reserve Denominator.....	.1,889,497,577	.1,785,617,393
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

- 3.1 Does this reporting entity have Separate Accounts? Yes [X] No []
- 3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes [X] No [] N/A []
- 3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$.....8,567,354
- 3.4 State the authority under which Separate Accounts are maintained:
State of Ohio Department of Insurance. Also, registered with the Securities and Exchange Commission

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

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

- 4.2 Net reimbursement of such expenses between reporting entities:
- 4.21 Paid \$.....18,540,839
- 4.22 Received \$.....0

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

6. For stock reporting entities only:
- 6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$.....171,550,000

7. Total dividends paid stockholders since organization of the reporting entity:
- 7.11 Cash \$.....3,800,000
- 7.12 Stock \$.....0

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

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

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

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium.....	0.....	0.....	0.....
8.32 Paid claims.....	0.....	0.....	0.....
8.33 Claim liability and reserve (beginning of year).....	0.....	0.....	0.....
8.34 Claim liability and reserve (end of year).....	0.....	0.....	0.....
8.35 Incurred claims.....	0.....	0.....	0.....

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

Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41 < \$25,000.....	0.....	0.....
8.42 \$25,000 -- 99,999.....	0.....	0.....
8.43 \$100,000 -- 249,999.....	0.....	0.....
8.44 \$250,000 -- 999,999.....	0.....	0.....
8.45 \$1,000,000 or more.....	0.....	0.....

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 [X] No []

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

Type		3 Waiting Period Remaining	4 Account Value Related to Col. 3	5 Total Related Account Values	6 Gross Amount of Reserve	7 Location of Reserve	8 Portion Reinsured	9 Reinsurance Reserve Credit
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit							
Return of Premium	None	N/A	N/A	254,632,751		N/A	None	
Ratchet/MAV	None	N/A	N/A	227,195,882		N/A	None	
Greater of 5 yr Ratchet and 3% Roll-up	None	N/A	N/A	260,785,885		N/A	None	
Ratchet/MAV	GMIB-- MAV, 10 yr Waiting period	5 years 4 years Total	1,096,426 283,323 1,379,749	1,379,749	18,833	Exhibit 5	None	
Greater of 5 yr Ratchet and 5% Roll-up	GLWB, 0 yr Waiting period	N/A	N/A	1,204,509		N/A	None	
Ratchet/MAV	GMWB, 0 yr Waiting period	N/A	N/A	8,791,287		N/A	None	
Greater of Ratchet and 10 yr 6% Roll-up	GLWB, 0 yr Waiting period	N/A	N/A	24,374,790		N/A	None	

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	2
P&C Insurance Company and Location	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.

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
FIVE-YEAR HISTORICAL DATA

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

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

	1 2012	2 2011	3 2010	4 2009	5 2008
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....					
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....					
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....					
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	0	0	0	0	0
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....					
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....					
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	0	0	0	0	0
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).....					
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....	234,008,064	263,289,427	311,009,101	380,331,801	373,026,235
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....					
17.2 Group annuities (Line 20.4, Col. 7).....	33,741,060	36,962,888	40,275,837	41,612,637	44,346,384
18.1 A&H - group (Line 20.4, Col. 8).....					
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....					
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	267,749,124	300,252,315	351,284,939	421,944,438	417,372,619
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	2,114,118,232	1,972,282,719	1,824,278,342	1,618,434,231	1,330,342,402
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	1,935,613,188	1,814,925,109	1,682,266,202	1,488,838,564	1,247,934,574
23. Aggregate life reserves (Page 3, Line 1).....	1,883,390,710	1,779,583,588	1,653,226,858	1,460,364,511	1,212,423,154
24. Aggregate A&H reserves (Page 3, Line 2).....					
25. Deposit-type contract funds (Page 3, Line 3).....	35,057,515	30,449,276	30,156,335	30,933,128	34,758,255
26. Asset valuation reserve (Page 3, Line 24.01).....	5,091,036	858,139	1,822,413	1,309,983	149,520
27. Capital (Page 3, Lines 29 & 30).....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
28. Surplus (Page 3, Line 37).....	176,005,044	154,857,610	139,512,140	127,095,667	79,907,828
Cash Flow (Page 5)					
29. Net Cash from operations (Line 11).....	138,105,167	162,778,970	218,955,767	266,222,566	278,686,674
Risk-Based Capital Analysis					
30. Total adjusted capital.....	183,596,080	158,215,749	143,834,553	130,905,650	82,557,348
31. Authorized control level risk-based capital.....	15,747,874	14,992,959	15,099,962	14,307,558	12,530,173
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).....	95.4	95.0	94.8	88.5	89.0
33. Stocks (Lines 2.1 and 2.2).....	0.0	0.4	0.5	0.4	0.4
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....					
35. Real estate (Line 4.1, 4.2 and 4.3).....					
36. Cash, cash equivalents and short-term investments (Line 5).....	1.3	1.2	0.9	7.0	6.5
37. Contract loans (Line 6).....	2.9	3.1	3.3	3.5	3.9
38. Derivatives (Line 7).....	0.4	0.3	0.6	XXX	XXX
39. Other invested assets (Line 8).....					
40. Receivables for securities (Line 9).....		0.0	0.0	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10).....				XXX	XXX
42. Aggregate write-ins for invested assets (Line 11).....				0.5	0.1
43. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE 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).....	1,392,311	1,379,036	1,393,707	3,725,268	9,595,085
53. Total admitted assets (Page 2, Line 28, Col. 3).....	2,693,806,433	2,520,593,610	2,440,028,453	2,167,232,613	1,746,238,792
Investment Data					
54. Net investment income (Exhibit of Net Investment Income).....	115,302,249	113,937,793	107,090,301	81,172,990	65,277,730
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....	6,345,935	(6,050,673)	(4,259,856)	(9,759,913)	(18,827,667)
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	417,038	(6,294,454)	2,218,376	10,931,343	(1,688,456)
57. Total of above Lines 54, 55 and 56.....	122,065,222	101,592,666	105,048,821	82,344,420	44,761,607
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).....	242,535,594	257,524,965	206,229,545	182,654,484	212,636,096
59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....					
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....					
61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....					
62. Dividends to policyholders (Line 30, Col 1).....					
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.....	13.0	11.7	13.3	11.3	11.5
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.....					
65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....					
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).....					
A&H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....					
69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....					
70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....					
71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....					
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2).....					
73. Ordinary - life (Col. 3).....					
74. Ordinary - individual annuities (Col. 4).....	19,882,192	24,196,448	17,238,789	13,812,839	(1,996,700)
75. Ordinary - supplementary contracts (Col. 5).....					
76. Credit life (Col. 6).....					
77. Group life (Col. 7).....					
78. Group annuities (Col. 8).....	3,271,760	2,429,527	579,330	(2,800,062)	(1,034,004)
79. A&H - group (Col. 9).....					
80. A&H - credit (Col. 10).....					
81. A&H - other (Col. 11).....					
82. Aggregate of all other lines of business (Col. 12).....					
83. Total (Col. 1).....	23,153,952	26,625,975	17,818,119	11,012,777	(3,030,704)

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 [X]

If no, please explain:

The Company was not party to a merger.

Ex. of Life Ins.-(Lines 1-23)
NONE

Ex. of Life Ins.-(Lines 24-26)
NONE

Ex. of Life Ins.-(Lines 27-35)
NONE

Ex. of Life Ins.-(Lines 36-40)
NONE

Ex. of Life Ins.-(Lines 41-45)
NONE

Ex. of Life Ins.-(Line 46)
NONE

Ex. of Life Ins.-(Line 47)
NONE

Ex. of Life Ins.-(Lines 48-52)
NONE

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.....	NONE			
2. Issued during year.....	NONE			
3. Reinsurance assumed.....	NONE			
4. Increased during year (net).....	NONE			
5. Total (Lines 1 to 4).....	.0	.0	.0	.0
Deductions during year:				
6. Decreased (net).....	NONE			
7. Reinsurance ceded.....	NONE			
8. Totals (Lines 6 and 7).....	.0	.0	.0	.0
9. In force end of year.....	.0	.0	.0	.0
10. Amount on deposit.....	(a)	(a)	(a)	(a)
11. Income now payable.....	(a)	(a)	(a)	(a)
12. Amount of income payable.....	(a)	(a)	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....	1,318	124,606	701	10,891
2. Issued during year.....	240	4,714	4	292
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	1,558	129,320	705	11,183
Deductions during year:				
6. Decreased (net).....	359	7,341	28	1,720
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	359	7,341	28	1,720
9. In force end of year.....	1,199	121,979	677	9,463
Income now payable:				
10. Amount of income payable.....	(a) 12,562,263	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance.....	XXX	(a) 141,220,401	XXX	(a)
Deferred not fully paid:				
12. Account balance.....	XXX	(a) 2,191,102,811	XXX	(a) 221,089,178

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.....	NONE					
2. Issued during year.....	NONE					
3. Reinsurance assumed.....	NONE					
4. Increased during year (net).....	NONE					
5. Total (Lines 1 to 4).....	.0	.0	.0	.0	.0	.0
Deductions during year:						
6. Conversions.....		XXX	XXX	XXX	XXX	XXX
7. Decreased (net).....		XXX	XXX	XXX	XXX	XXX
8. Reinsurance ceded.....		XXX	XXX	XXX	XXX	XXX
9. Totals (Lines 6 to 8).....	.0	XXX	.0	XXX	.0	XXX
10. In force end of year.....	.0	(a)	.0	(a)	.0	(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year.....	NONE	
2. Issued during year.....	NONE	
3. Reinsurance assumed.....	NONE	
4. Increased during year (net).....	NONE	
5. Total (Lines 1 to 4).....	.0	.0
Deductions during year:		
6. Decreased (net).....	NONE	
7. Reinsurance ceded.....	NONE	
8. Totals (Lines 6 and 7).....	.0	.0
9. In force end of year.....	.0	.0
10. Amount of account balance.....	(a)	(a)

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

Annual Statement for the year 2012 of the **ANNUITY INVESTORS LIFE INSURANCE COMPANY**
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

1	States, Etc.	Active Status	Direct Business Only						
			Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts	
			2 Life Insurance Premiums	3 Annuity Considerations					
1.	Alabama.....	AL	L		412,287			412,287	
2.	Alaska.....	AK	L		247,990			247,990	
3.	Arizona.....	AZ	L		4,290,590			4,290,590	
4.	Arkansas.....	AR	L		818,855			818,855	
5.	California.....	CA	L		53,072,503			53,072,503	
6.	Colorado.....	CO	L		499,620			499,620	
7.	Connecticut.....	CT	L		3,378,506			3,378,506	
8.	Delaware.....	DE	L		447,699			447,699	
9.	District of Columbia.....	DC	L		208,645			208,645	
10.	Florida.....	FL	L		25,536,618			25,536,618	
11.	Georgia.....	GA	L		1,646,454			1,646,454	
12.	Hawaii.....	HI	L		2,519,445			2,519,445	
13.	Idaho.....	ID	L		875,709			875,709	
14.	Illinois.....	IL	L		5,392,279			5,392,279	
15.	Indiana.....	IN	L		3,622,777			3,622,777	
16.	Iowa.....	IA	L		1,371,594			1,371,594	
17.	Kansas.....	KS	L		494,810			494,810	
18.	Kentucky.....	KY	L		2,249,662			2,249,662	
19.	Louisiana.....	LA	L		847,246			847,246	
20.	Maine.....	ME	L		1,446,437			1,446,437	
21.	Maryland.....	MD	L		1,079,759			1,079,759	
22.	Massachusetts.....	MA	L		6,896,122			6,896,122	9,681
23.	Michigan.....	MI	L		14,688,820			14,688,820	
24.	Minnesota.....	MN	L		2,473,385			2,473,385	562
25.	Mississippi.....	MS	L		296,179			296,179	
26.	Missouri.....	MO	L		419,106			419,106	
27.	Montana.....	MT	L		401,450			401,450	
28.	Nebraska.....	NE	L		255,737			255,737	
29.	Nevada.....	NV	L		4,414,654			4,414,654	
30.	New Hampshire.....	NH	L		488,780			488,780	
31.	New Jersey.....	NJ	L		11,444,339			11,444,339	
32.	New Mexico.....	NM	L		631,497			631,497	
33.	New York.....	NY	N		270,981			270,981	
34.	North Carolina.....	NC	L		19,775,835			19,775,835	
35.	North Dakota.....	ND	L		1,144,251			1,144,251	
36.	Ohio.....	OH	L		24,807,058			24,807,058	
37.	Oklahoma.....	OK	L		624,867			624,867	
38.	Oregon.....	OR	L		245,405			245,405	
39.	Pennsylvania.....	PA	L		7,260,186			7,260,186	
40.	Rhode Island.....	RI	L		2,701,241			2,701,241	
41.	South Carolina.....	SC	L		1,433,799			1,433,799	
42.	South Dakota.....	SD	L		325,234			325,234	
43.	Tennessee.....	TN	L		3,865,670			3,865,670	563
44.	Texas.....	TX	L		36,546,662			36,546,662	
45.	Utah.....	UT	L		6,543,149			6,543,149	
46.	Vermont.....	VT	N		80,409			80,409	
47.	Virginia.....	VA	L		2,469,599			2,469,599	
48.	Washington.....	WA	L		5,749,204			5,749,204	
49.	West Virginia.....	WV	L		142,033			142,033	
50.	Wisconsin.....	WI	L		643,442			643,442	
51.	Wyoming.....	WY	L		112,641			112,641	
52.	American Samoa.....	AS	N					0	
53.	Guam.....	GU	N					0	
54.	Puerto Rico.....	PR	N					0	
55.	US Virgin Islands.....	VI	N		17,653			17,653	
56.	Northern Mariana Islands.....	MP	N					0	
57.	Canada.....	CAN	N					0	
58.	Aggregate Other Alien.....	OT	XXX	0	120,251	0	0	120,251	0
59.	Subtotal.....	(a)	49	0	267,749,124	0	0	267,749,124	10,806
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						0	
94.	Aggregate other amounts not allocable by State.....	XXX		0	0	0	0	0	0
95.	Totals (Direct Business).....	XXX		0	267,749,124	0	0	267,749,124	10,806
96.	Plus reinsurance assumed.....	XXX						0	
97.	Totals (All Business).....	XXX		0	267,749,124	0	0	267,749,124	10,806
98.	Less reinsurance ceded.....	XXX						0	
99.	Totals (All Business) less reinsurance ceded.....	XXX		0	267,749,124	(b)	0	267,749,124	10,806

DETAILS OF WRITE-INS

58001.	Other Foreign.....	XXX			120,251			120,251	
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	120,251	0	0	120,251	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 on the residences of policyholders.

(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	

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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		
Financiadora 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

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Participant in Lloyd's Syndicate 2468

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^ Total percentage owned by respective parent and other affiliated companies

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