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QUARTERLY STATEMENT

As of March 31, 2013

of the Condition and Affairs of the

Family Heritage Life Insurance Company of America

NAIC Group Code.....0290, 0290 (Current Period) (Prior Period) NAIC Company Code..... 77968 Employer's ID Number..... 34-1626521

Organized under the Laws of Ohio State of Domicile or Port of Entry Ohio Country of Domicile US

Incorporated/Organized..... August 22, 1989 Commenced Business..... November 17, 1989

Statutory Home Office	6001 East Royalton Road, Suite 200….. Cleveland ..... OH ..... US ..... 44147-3529 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	6001 East Royalton Road, Suite 200….. Cleveland ..... OH ..... US ..... 44147-3529 *(Street and Number) (City or Town, State, Country and Zip Code)*	440-922-5200 *(Area Code) (Telephone Number)*
Mail Address	P. O. Box 470608….. Cleveland ..... OH ..... US ..... 44147-0608 *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	6001 East Royalton Road, Suite 200….. Cleveland ..... OH ..... US ..... 44147-3529 *(Street and Number) (City or Town, State, Country and Zip Code)*	440-922-5200 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.FamilyHeritageLife.com	
Statutory Statement Contact	John A. Wise *(Name)*	440-922-5200 *(Area Code) (Telephone Number) (Extension)*
	acctdept@familyheritagelife.com *(E-Mail Address)*	440-922-5120 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Howard L. Lewis	President/Chief Executive Officer	2. Ronald L. Sarosy	Treasurer/Chief Financial Officer
3. Edward J. Rocheck	Secretary	4. Jeffrey S. Morris	Actuary

OTHER

Kenneth J. Matson	Executive Vice President	Jeffrey S. Morris	Senior Vice President
Edward J. Rocheck	Senior Vice President	Alan S. Hintz	Senior Vice President
Douglas B. Kelly	Vice President	Henry G. Grendell	Vice President
Ronald L. Sarosy	Vice President	W. Michael Pressley	Vice President
Joel P. Scarborough	Vice President, Assistant Secretary	David K. Carlson	Vice President
John A. Wise	Assistant Vice President	Carol A. McCoy	Assistant Secretary

DIRECTORS OR TRUSTEES

Howard L. Lewis	Ben W. Lutek	Kenneth J. Matson	Jeffrey S. Morris
R. Brian Mitchell	Edward J. Rocheck	Frank M. Svoboda	

State of........ Ohio
County of..... Cuyahoga

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)	(Signature)	(Signature)
Howard L. Lewis	Ronald L. Sarosy	Edward J. Rocheck
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President/Chief Executive Officer	Treasurer/Chief Financial Officer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This ______ day of May, 2013

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	526,293,542		526,293,542	534,489,901
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
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 $..........0 encumbrances)			0	
5. Cash ($.....(541,498)), cash equivalents ($.....9,115,427) and short-term investments ($.....9,305,961)	17,879,890		17,879,890	11,218,598
6. Contract loans (including $..........0 premium notes)	1,405		1,405	1,405
7. Derivatives			0	
8. Other invested assets	604,643		604,643	604,313
9. Receivables for securities	31,611,528		31,611,528	8,600,000
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	576,391,008	0	576,391,008	554,914,217
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	2,706,595		2,706,595	1,580,275
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	3,473,223		3,473,223	3,208,713
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	248,383		248,383	215,111
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	35,183		35,183	36,296
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	58,588,000	43,841,000	14,747,000	9,856,000
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	411,712	232,896	178,816	206,997
21. Furniture and equipment, including health care delivery assets ($..........0)	23,428	23,428	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 ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	8,333,565	8,333,406	159	1,044,679
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	650,211,097	52,430,730	597,780,367	571,062,288
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	650,211,097	52,430,730	597,780,367	571,062,288

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. Agent Balances	7,410,085	7,410,085	0	
2502. Prepaid Expenses	882,824	882,824	0	
2503. Other Assets Non-Admitted	40,497	40,497	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	159	0	159	1,044,679
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	8,333,565	8,333,406	159	1,044,679

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts $..........0 less $..........0 included in Line 6.3 (including $..........0 Modco Reserve)	1,532,639	1,427,160
2. Aggregate reserve for accident and health contracts (including $.........0 Modco Reserve)	489,301,826	473,170,134
3. Liability for deposit-type contracts (including $..........0 Modco Reserve)		
4. Contract claims:		
4.1 Life	34,500	47,500
4.2 Accident and health	13,166,841	12,948,172
5. Policyholders' dividends $..........0 and coupons $..........0 due and unpaid		
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		
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 $.....64,796 ceded	64,796	52,249
9.4 Interest Maintenance Reserve	2,323,817	182,022
10. Commissions to agents due or accrued - life and annuity contracts $.....11,600, accident and health $.....751,100 and deposit-type contract funds $..........0	762,700	735,200
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued	3,801,915	4,148,261
13. Transfers to Separate Accounts due or accrued (net) (including $..........0 accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	1,141,000	1,373,000
15.1 Current federal and foreign income taxes, including $..........0 on realized capital gains (losses)	3,696,561	2,039,927
15.2 Net deferred tax liability		
16. Unearned investment income		
17. Amounts withheld or retained by company as agent or trustee		
18. Amounts held for agents' account, including $..........0 agents' credit balances		
19. Remittances and items not allocated	811,739	530,199
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 $..........0		
23. Dividends to stockholders declared and unpaid	1,000,000	
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	1,644,430	1,600,000
24.02 Reinsurance in unauthorized and certified ($..........0) companies		
24.03 Funds held under reinsurance treaties with unauthorized and certified ($..........0) reinsurers		
24.04 Payable to parent, subsidiaries and affiliates		
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	5,581,887	10,068,902
24.10 Payable for securities lending		
24.11 Capital notes $..........0 and interest thereon $..........0		
25. Aggregate write-ins for liabilities	623,020	595,278
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	525,487,671	508,918,004
27. From Separate Accounts statement		
28. Total liabilities (Lines 26 and 27)	525,487,671	508,918,004
29. Common capital stock	2,556,950	2,556,950
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes		
33. Gross paid in and contributed surplus	32,646,050	32,646,050
34. Aggregate write-ins for special surplus funds	0	0
35. Unassigned funds (surplus)	37,089,696	26,941,284
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)	69,735,746	59,587,334
38. Totals of Lines 29, 30 and 37	72,292,696	62,144,284
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	597,780,367	571,062,288

DETAILS OF WRITE-INS

2501. Unclaimed Property	623,020	595,278
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	623,020	595,278
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)	0	0
3401.		
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

SUMMARY OF OPERATIONS

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	46,813,332	43,252,589	176,964,575
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	6,538,387	6,470,289	25,082,691
4. Amortization of Interest Maintenance Reserve (IMR)	51,609	6,261	29,121
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	177,941	221,651	804,704
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	89,673	0	0
9. Totals (Lines 1 to 8.3)	53,670,942	49,950,790	202,881,091
10. Death benefits	26,817		194,283
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits			
13. Disability benefits and benefits under accident and health contracts	11,732,009	10,556,662	45,390,696
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	4,750	33,354	21,209
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	180	4	1,357
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health contracts	16,237,171	14,650,093	61,493,448
20. Totals (Lines 10 to 19)	28,000,927	25,240,113	107,100,993
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	11,055,614	10,663,306	43,298,859
22. Commissions and expense allowances on reinsurance assumed			
23. General insurance expenses	4,625,163	5,500,029	19,192,383
24. Insurance taxes, licenses and fees, excluding federal income taxes	1,168,493	1,029,932	4,306,432
25. Increase in loading on deferred and uncollected premiums	7,813	41,018	117,512
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions	0	0	11,156
28. Totals (Lines 20 to 27)	44,858,010	42,474,398	174,027,335
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	8,812,932	7,476,392	28,853,756
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	8,812,932	7,476,392	28,853,756
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	3,632,831	3,125,000	12,316,426
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)	5,180,101	4,351,392	16,537,330
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $.....168,803 (excluding taxes of $.....183,755 transferred to the IMR)	14,952		
35. Net income (Line 33 plus Line 34)	5,195,053	4,351,392	16,537,330
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	62,144,284	55,308,182	55,308,182
37. Net income (Line 35)	5,195,053	4,351,392	16,537,330
38. Change in net unrealized capital gains (losses) less capital gains tax of $..........0	330	(7,164)	38,836
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	(526,000)	50,000	36,115,000
41. Change in nonadmitted assets	6,523,459	(479,511)	(34,781,064)
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			
44. Change in asset valuation reserve	(44,430)	(14,000)	(1,267,000)
45. Change in treasury stock			
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			5,693,000
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	(1,000,000)		(15,500,000)
53. Aggregate write-ins for gains and losses in surplus	0	0	0
54. Net change in capital and surplus (Lines 37 through 53)	10,148,412	3,900,717	6,836,102
55. Capital and surplus as of statement date (Lines 36 + 54)	72,292,696	59,208,899	62,144,284

DETAILS OF WRITE-INS

08.301.	Misc Income	89,673		
08.302.				
08.303.				
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0
08.399.	Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	89,673	0	0
2701.	Misc Interest Expense			11,156
2702.				
2703.				
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	11,156
5301.				
5302.				
5303.				
5398.	Summary of remaining write-ins for Line 53 from overflow page	0	0	0
5399.	Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above)	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	46,612,529	43,245,951	175,313,806
2. Net investment income	954,720	1,258,002	6,792,440
3. Miscellaneous income	210,514	221,651	797,404
4. Total (Lines 1 through 3)	47,777,763	44,725,604	182,903,650
5. Benefit and loss related payments	11,543,302	10,912,579	44,361,996
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	17,726,015	17,032,604	66,881,042
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $..........0 tax on capital gains (losses)	2,145,000	2,900,000	9,983,674
10. Total (Lines 5 through 9)	31,414,317	30,845,183	121,226,712
11. Net cash from operations (Line 4 minus Line 10)	16,363,446	13,880,421	61,676,938
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	79,085,110	88,945,715	158,697,551
12.2 Stocks			
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	(23,211,528)		(8,600,000)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	55,873,582	88,945,715	150,097,551
13. Cost of investments acquired (long-term only):			
13.1 Bonds	64,054,247	107,992,302	214,755,650
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	3,981,065	(6,477,376)	(9,562,952)
13.7 Total investments acquired (Lines 13.1 to 13.6)	68,035,312	101,514,926	205,192,698
14. Net increase (decrease) in contract loans and premium notes		723	1,405
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(12,161,730)	(12,569,934)	(55,096,552)
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			
16.5 Dividends to stockholders			15,500,000
16.6 Other cash provided (applied)	2,459,576	(436,997)	(677,567)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	2,459,576	(436,997)	(16,177,567)
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)	6,661,292	873,490	(9,597,181)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	11,218,598	20,815,779	20,815,779
19.2 End of period (Line 18 plus Line 19.1)	17,879,890	21,689,269	11,218,598

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

20.0001			

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life			
2. Ordinary life insurance	282,849	212,273	935,855
3. Ordinary individual annuities			
4. Credit life (group and individual)			
5. Group life insurance			
6. Group annuities			
7. A&H - group	1,142,186	728,146	3,627,401
8. A&H - credit (group and individual)			
9. A&H - other	45,715,767	42,595,593	173,622,833
10. Aggregate of all other lines of business	0	0	0
11. Subtotal	47,140,802	43,536,012	178,186,089
12. Deposit-type contracts			
13. Total	47,140,802	43,536,012	178,186,089

DETAILS OF WRITE-INS

1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0
1099. Total (Lines 1001 thru 1003 plus 1098) (Line 10 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

This is a statement of the accounting principles and methods applied in preparing these statutory financial statements.

A. Accounting Practices

The Company presents these financial statements on the basis of accounting principles prescribed or permitted by the Ohio Insurance Department. The National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio.

	03-31-2013	*12-31-2012*
Net Income - Ohio Basis	$5,195,053	$16,537,330
State Prescribe Practices - None	-0-	-0-
State Permitted Practices - None	-0-	-0-
Net Income - NAIC SAP	**$5,195,053**	**$16,537,330**
Statutory Surplus - Ohio Basis	$72,292,696	$62,144,284
State Prescribe Practices - None	-0-	-0-
State Permitted Practices - None	-0-	-0-
Statutory Surplus - NAIC SAP	**$72,292,696**	**$62,144,284**

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

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

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Health premiums are earned ratably over the terms of the related insurance policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.

2. Bonds not backed by other loans are stated at amortized cost using yield to worst.

3. Liabilities for losses and loss/claim adjustment expenses for accident and health contracts are estimated by the Company's valuation actuary using statistical claim development models and tabular reserves employing mortality/morbidity tables.

4. The Company has a 50% ownership interest in the joint venture which owns the company's home office site. This investment is carried at equity at March 31, 2013. The Company's liability is limited to its amount invested.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

Not applicable.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	03/31/2013			12/31/2012			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	34,432,000	24,249,000	58,681,000	33,780,000	25,419,000	59,199,000	652,000	(1,170,000)	(518,000)
b. Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
c. Adjusted gross deferred tax assets (1a-1b)	34,432,000	24,249,000	58,681,000	33,780,000	25,419,000	59,199,000	652,000	(1,170,000)	(518,000)
d. Deferred tax assets nonadmitted	24,679,000	19,162,000	43,841,000	24,080,000	25,178,000	49,258,000	599,000	(6,016,000)	(5,417,000)
e. Subtotal net admitted deferred tax asset (1c-1d)	9,753,000	5,087,000	14,840,000	9,700,000	241,000	9,941,000	53,000	4,846,000	4,899,000
f. Deferred tax liabilities	93,000	-	93,000	85,000	-	85,000	8,000	-	8,000
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	9,660,000	5,087,000	14,747,000	9,615,000	241,000	9,856,000	45,000	4,846,000	4,891,000

The company has not established a statutory valuation allowance in determining its adjusted gross deferred tax assets as management believes that it is more likely than not that all of its gross deferred tax assets will be realized.

2. Admission Calculation Components

	03/31/2013			12/31/2012			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	9,660,000	5,087,000	14,747,000	2,040,000	-	2,040,000	7,620,000	5,087,000	12,707,000
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	-		-	7,575,000	241,000	7,816,000	(7,575,000	(241,000	(7,816,000)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date		-	-	7,575,000	650,000	8,225,000	(7,575,000	(650,000)	(8,225,000)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	8,605,000	XXX	XXX	7,816,000	XXX	XXX	789,000
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	93,000	-	93,000	85,000	-	85,000	8,000	-	8,000
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	9,753,000	5,087,000	14,840,000	9,700,000	241,000	9,941,000	53,000	4,846,000	4,899,000

3. Other Admissibility Criteria

		2013	2012
a.	Ratio percentage used to determine recovery period and threshold limitation amount	1766 %	1355%
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	59,190,126	53,888,284

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies

	03/31/2013			12/31/2012			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Adjusted gross DTAs (% of total adjusted gross DTAs)	0 %	0%	0%	0 %	100%	43%	0 %	(100 %)	(43 %)
b. Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0 %	0%	0%	0 %	100%	2%	0 %	(100 %)	(2 %)

c. Does the Company's tax planning strategies include the use of reinsurance? - NO

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

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

	03/31/2013			12/31/2012			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
Net deferred tax asset (liability)	34,339,000	24,249,000	58,588,000	33,695,000	25,419,000	59,114,000	644,000	(1,170,000)	(526,000)
- Tax - effect of unrealized gains and losses	-	-	-	-	-	-	-	-	-
- Tax - effect of other surplus gains and losses	-	-	-	-	-	-		-	-
- Prior period adjustment, unrealized gain and losses	-	-	-	-	-	-	-	-	-
Net tax effect without unrealized gains and losses and prior period adjustments	34,339,000	24,249,000	58,588,000	33,695,000	25,419,000	59,114,000	644,000	(1,170,000)	(526,000)

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 03/31/2013	2 12/31/2012	3 (Col 1-2) Change
a. Federal	3,632,831	12,072,087	(8,439,256)
b. Foreign	-	-	-
c. Subtotal	3,632,831	12,072,087	(8,439,256)
d. Federal income tax on net capital gains	168,803	-	168,803
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	244,339	(244,339)
g. Federal and Foreign income taxes incurred	3,801,634	12,316,426	(8,514,792)

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets

	1 03/31/2013	2 12/31/2012	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	-	-	-
2. Unearned premium reserve	-	-	-
3. Policyholder reserves	9,425,000	9,104,000	321,000
4. Investments	-	-	-
5. Deferred acquisition costs	12,178,000	11,350,000	828,000
6. Policyholder dividends accrual	-	-	-
7. Fixed assets	8,000	98,000	(90,000)
8. Compensation and benefits accrual	-	-	-
9. Pension accrual	-	-	-
10. Receivables - nonadmitted	-	-	-
11. Net operating loss carry-forward	-	-	-
12. Tax credit carry-forward	-	-	-
13. Agent Balances	2,594,000	2,976,000	(382,000)
14. Intangible Assets	9,461,000	9,623,000	(162,000)
15.Other (including items <5% of total ordinary tax assets)	766,000	629,000	137,000
99. Subtotal	34,432,000	33,780,000	652,000
b. Statutory valuation allowance adjustment	-	-	-
c. Nonadmitted	24,679,000	24,080,000	599,000
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	9,753,000	9,700,000	53,000
e. Capital:			
1. Investments	23,857,000	25,017,000	(1,160,000)
2. Net capital loss carry-forward		10,000	(10,000)
3. Real estate	-	-	-
4. Other (including items <5% of total capital tax assets)	392,000	392,000	
99. Subtotal	24,249,000	25,419,000	(1,170,000)
f. Statutory valuation allowance adjustment	-	-	-
g. Nonadmitted	19,162,000	25,178,000	(6,016,000)
h. Admitted capital deferred tax assets (2e99-2f-2g)	5,087,000	241,000	4,846,000
i. Admitted deferred tax assets (2d+2h)	14,840,000	9,941,000	4,899,000

3. Deferred Tax Liabilities

	1 03/31/2013	2 12/31/2012	3 (Col 1–2) Change
a. Ordinary:			
1. Investments	-	-	-
2. Fixed assets	-	-	-
3. Deferred and uncollected premium	93,000	80,000	13,000
4. Policyholder reserves	-	-	-
5. Prepaid Expenses	-	-	-
6. Other (including items <5% of total ordinary tax assets)	-	5,000	(5,000)
99. Subtotal	93,000	85,000	8,00
b. Capital:			
1. Investments	-	-	-
2. Real estate	-	-	-
3. Other (including items <5% of total capital tax assets)	-	-	-
99. Subtotal	-	-	-
c. Deferred tax liabilities (3a99+3b99)	93,000	85,000	8,000

4.

Net Deferred Tax Assets (2i – 3c)	14,747,000	9,856,000	4,891,000

NOTES TO FINANCIAL STATEMENTS

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

	03/31/2013	12/31/2012	Change
(1) Current income taxes incurred	3,801,634	12,316,426	(8,514,792)
(2) Change in deferred income tax (without tax on unrealized gains and losses or foreign exchange gains and losses	526,000	(39,648,532)	40,174,532
(3) Total income tax reported	4,327,634	(27,332,106)	31,659,740
(4) Net gain from operations before federal income tax and realized gains	8,812,932	28,853,756	(20,040,824)
(5) Realized capital gains (losses) before federal income tax, after transfer to IMR	184,081	0	184,081
(6) Income before taxes	8,997,013	28,853,756	(19,856,743)
	35%	35%	35%
Expected income tax expense (benefit) at 35% statutory rate	3,148,955	10,098,815	(6,949,860)
Increase (decrease) in actual tax reported resulting from:			
a. Nondeductible expenses for meals, penalties and lobbying	44,000	715,657	(671,657)
b. Tax-exempt income	(2,000)	(3,257)	1,257
c. Tax adjustment for IMR	750,000	8,000	742,000
d. Deferred tax benefit on nonadmitted assets	387,000	(3,393,666)	3,780,666
e. Deferred tax assets Transferred/Created as a result of sale	0	(34,518,000)	34,518,000
f. Other	(321)	(239,655)	239,334
(7) Total income tax reported	4,327,634	(27,332,106)	31,659,740

E. Operating Loss and Tax Credt Carryforwards and Protective Tax Deposits

(1) As of 03/31/2013, the Company has no tax credit or operating loss carryforwards.

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

$ 15,206,537	for 2013
$ 2,039,928	for 2012
$ 0	for 2011

(3) The aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Code - None

F. Consolidated Federal Income Tax Return - Not Applicable

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant change.

Note 11 - Debt

No significant change.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

	Declared	Paid
$1,000,000 ordinary dividend	03/22/2013	04/08/2013

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No significant change.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

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

No significant change.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No significant change.

Note 20 - Fair Value

A, B & D - The company does not value any assets or liabilities at fair value.

C.

Type of Financial Instrument	*Aggregate Fair Value*	*Admitted Assets*	*Level 1*	*Level 2*	Level 3	*Not Practicable (Carrying Value)*
Bonds	581,483,799	526,293,542	-	581,293,542	-	-

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves on accident and health contracts for incurred losses and loss adjustment expenses attributable to insured events or prior years developed as anticipated during 2012. See Schedule H - Part 3 and the Five Year Historical Data. Original estimates are increased or decreased as additional information becomes known regarding individual claims. However, no significant trends or unanticipated events were noted in 2012. None of the Company's accident and health contracts are subject to retrospective rating or experience refunds.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - Reserves for Life Contracts and Annuity Contracts

No significant change.

Note 32 - Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

No significant change.

Note 33 - Premiums and Annuity Considerations Deferred and Uncollected

No significant change.

Note 34 - Separate Accounts

No significant change.

Note 35 - Loss/Claim Adjustment Expenses

No significant change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change: ....

3.1 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

3.2 If the response to 3.1 is yes, provide a brief description of those changes.

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011......................

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

6.3 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). 7/16/2008........................

6.4 By what department or departments?
Ohio Department of Insurance

6.5 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]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]

7.1 Has this 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]

7.2 If yes, give full information:

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

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

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

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

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

9.1 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.

9.11 If the response to 9.1 is No, please explain:

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

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

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

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

PART 1 - FINANCIAL

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

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

PART 1 - INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $...................................0

13. Amount of real estate and mortgages held in short-term investments: $...................................0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

16. For the reporting entity's security lending program, state the amount of the following as current statement date:
16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $...................................0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $...................................0
16.3 Total payable for securities lending reporting on the liability page: $...................................0

17. 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 [ ]

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

1 Name of Custodian(s)	2 Custodian Address
PNC Bank, National Association	PO Box 5756, Cleveland OH 44101

17.2 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)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

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

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

17.5 Identify all investment advisors, broker/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	2 Name(s)	3 Address

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

18.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - LIFE & HEALTH

1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:

		Amount
1.1	Long-term mortgages in good standing	
1.11	Farm mortgages	$
1.12	Residential mortgages	$
1.13	Commercial mortgages	$
1.14	Total mortgages in good standing	$ 0
1.2	Long-term mortgages in good standing with restructured terms	
1.21	Total mortgages in good standing with restructured terms	$
1.3	Long-term mortgage loans upon which interest is overdue more than three months	
1.31	Farm mortgages	$
1.32	Residential mortgages	$
1.33	Commercial mortgages	$
1.34	Total mortgages with interest overdue more than three months	$ 0
1.4	Long-term mortgage loans in process of foreclosure	
1.41	Farm mortgages	$
1.42	Residential mortgages	$
1.43	Commercial mortgages	$
1.44	Total mortgages in process of foreclosure	$ 0
1.5	Total mortgage loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)	$ 0
1.6	Long-term mortgages foreclosed, properties transferred to real estate in current quarter	
1.61	Farm mortgages	$
1.62	Residential mortgages	$
1.63	Commercial mortgages	$
1.64	Total mortgages foreclosed and transferred to real estate	$ 0

2. Operating Percentages:

2.1	A&H loss percent	59.6
2.2	A&H cost containment percent	
2.3	A&H expense percent excluding cost containment expenses	35.7

3.1	Do you act as a custodian for health savings accounts?	Yes [ ] No [X]
3.2	If yes, please provide the amount of custodial funds held as of the reporting date	$
3.3	Do you act as an administrator for health savings accounts?	Yes [ ] No [X]
3.4	If yes, please provide the balance of the funds administered as of the reporting date	$

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (YES or NO)

NONE

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only					
		Life Contracts		4	5	6	7
		2	3	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees			
States, Etc.	Active Status	Life Insurance Premiums	Annuity Considerations		Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1. Alabama AL	L	2,822		712,637		715,459	
2. Alaska AK	L			10,244		10,244	
3. Arizona AZ	L	3,154		994,978		998,132	
4. Arkansas AR	L	12,831		1,669,853		1,682,684	
5. California CA	L	5,583		733,031		738,614	
6. Colorado CO	L	3,088		1,218,341		1,221,429	
7. Connecticut CT	L			2,402		2,402	
8. Delaware DE	L	131		49,016		49,147	
9. District of Columbia DC	L			5,112		5,112	
10. Florida FL	L	4,047		679,380		683,427	
11. Georgia GA	L	4,841		1,911,255		1,916,096	
12. Hawaii HI	L			3,182		3,182	
13. Idaho ID	L	330		185,422		185,752	
14. Illinois IL	L	5,156		2,630,033		2,635,189	
15. Indiana IN	L	852		2,181,340		2,182,192	
16. Iowa IA	L	283		546,761		547,044	
17. Kansas KS	L	2,496		1,342,040		1,344,536	
18. Kentucky KY	L	5,049		1,289,408		1,294,457	
19. Louisiana LA	L	599		1,041,832		1,042,431	
20. Maine ME	L			82,474		82,474	
21. Maryland MD	L	644		300,538		301,182	
22. Massachusetts MA	L	292		7,670		7,962	
23. Michigan MI	L	485		243,020		243,505	
24. Minnesota MN	L	1,151		1,118,887		1,120,038	
25. Mississippi MS	L	442		196,658		197,100	
26. Missouri MO	L	4,911		981,708		986,619	
27. Montana MT	L	3,088		491,501		494,589	
28. Nebraska NE	L	3,402		1,619,657		1,623,059	
29. Nevada NV	L	862		256,642		257,504	
30. New Hampshire NH	L	2,303		121,258		123,561	
31. New Jersey NJ	L	161		6,035		6,196	
32. New Mexico NM	L	2,609		502,646		505,255	
33. New York NY	N					0	
34. North Carolina NC	L	15,899		1,601,431		1,617,330	
35. North Dakota ND	L	875		328,374		329,249	
36. Ohio OH	L	10,051		4,293,516		4,303,567	
37. Oklahoma OK	L	283		687,563		687,846	
38. Oregon OR	L	518		151,725		152,243	
39. Pennsylvania PA	L	3,095		546,022		549,117	
40. Rhode Island RI	L			1,906		1,906	
41. South Carolina SC	L	2,183		469,972		472,155	
42. South Dakota SD	L	3,262		902,960		906,222	
43. Tennessee TN	L	3,046		1,011,484		1,014,530	
44. Texas TX	L	102,911		9,609,320		9,712,231	
45. Utah UT	L			755,870		755,870	
46. Vermont VT	L	2,220		15,143		17,363	
47. Virginia VA	L	4,766		995,596		1,000,362	
48. Washington WA	L	11,044		637,936		648,980	
49. West Virginia WV	L	3,614		506,092		509,706	
50. Wisconsin WI	L	936		310,632		311,568	
51. Wyoming WY	L	748		633,642		634,390	
52. American Samoa AS	N					0	
53. Guam GU	N					0	
54. Puerto Rico PR	L			2,804		2,804	
55. US Virgin Islands VI	N					0	
56. Northern Mariana Islands MP	N					0	
57. Canada CAN	N					0	
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
59. Subtotal	(a) 51	237,063	0	46,596,949	0	46,834,012	0
90. Reporting entity contributions for employee benefit plans	XXX					0	
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX					0	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX					0	
93. Premium or annuity considerations waived under disability or other contract provisions	XXX					0	
94. Aggregate other amounts not allocable by State	XXX	0	0	0	0	0	0
95. Totals (Direct Business)	XXX	237,063	0	46,596,949	0	46,834,012	0
96. Plus Reinsurance Assumed	XXX					0	
97. Totals (All Business)	XXX	237,063	0	46,596,949	0	46,834,012	0
98. Less Reinsurance Ceded	XXX	7,615		328,497		336,112	
99. Totals (All Business) less Reinsurance Ceded	XXX	229,448	0	46,268,452	0	46,497,900	0

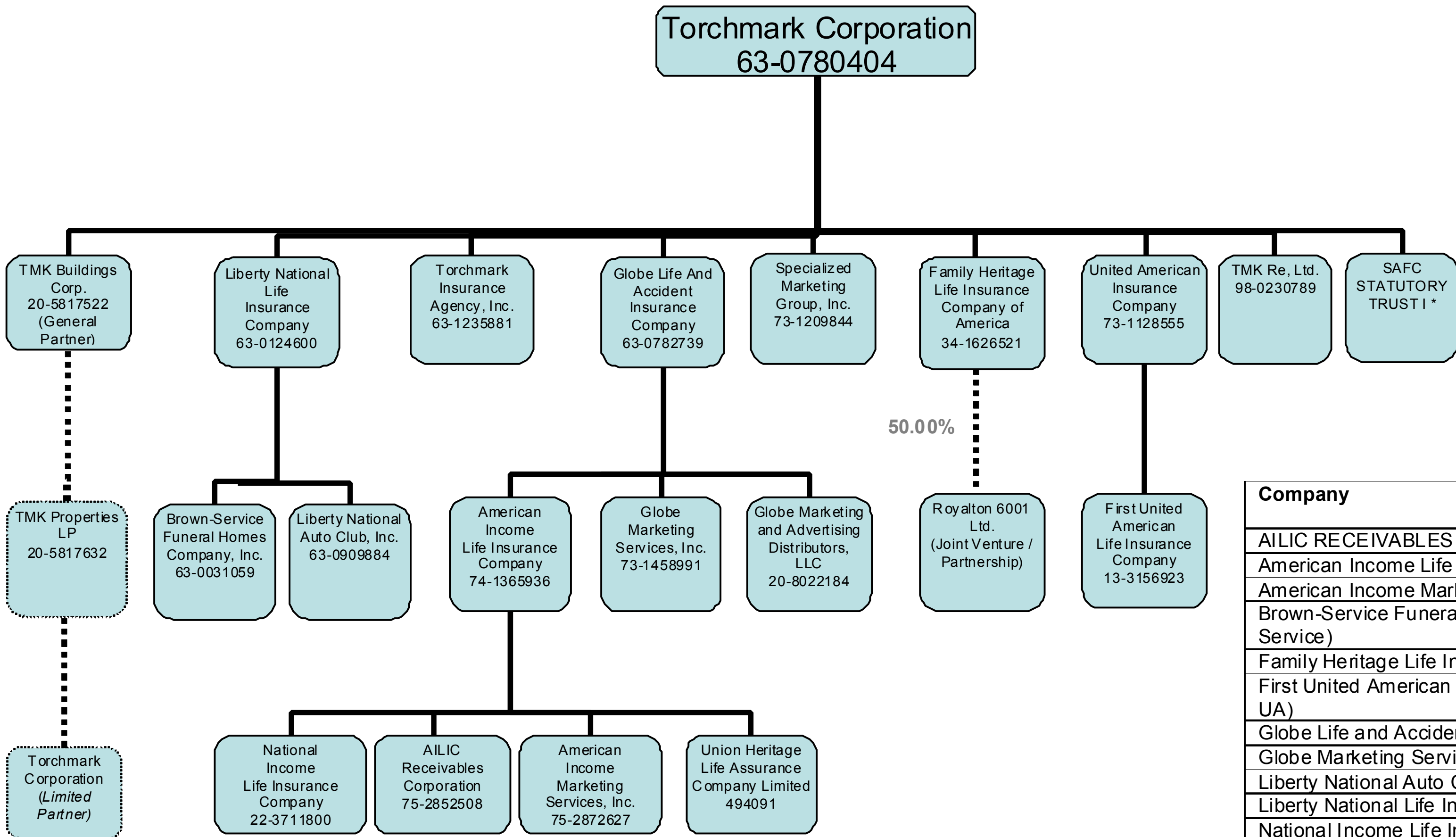
DETAILS OF WRITE-INS

58001.	XXX					0	
58002.	XXX					0	
58003.	XXX					0	
58998. Summary of remaining write-ins for line 58 from overflow page	XXX	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0
9401.	XXX					0	
9402.	XXX					0	
9403.	XXX					0	
9498. Summary 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 Domicilied 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.
(a) Insert the number of L responses except for Canada and Other Alien.

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

PART 1 – ORGANIZATIONAL CHART



Company	State of Domicile
AILIC RECEIVABLES Corporation (ARC)	Indiana
American Income Life Insurance Company (AIL)	Indiana
American Income Marketing Services, Inc. (AIMS)	Texas
Brown-Service Funeral Homes Company, Inc. (Brown Service)	Alabama
Family Heritage Life Insurance Company of America	Ohio
First United American Life Insurance Company (First UA)	New York
Globe Life and Accident Insurance Company (Globe)	Nebraska
Globe Marketing Services, Inc. (Globe Marketing)	Oklahoma
Liberty National Auto Club, Inc. (Auto Club)	Alabama
Liberty National Life Insurance Company (LNL)	Nebraska
National Income Life Insurance Company (NILCO)	New York
Specialized Marketing Group, Inc.	Arkansas
TMK Buildings Corporation (TBC)	Texas
TMK Re, Ltd. (TMK Re)	Bermuda
Torchmark Corporation (TMK)	Delaware
Torchmark Insurance Agency, Inc. (TIA)	Alabama
Union Heritage Life Assurance Company Limited	Ireland
United American Life Insurance Company (UA)	Nebraska

* Special purpose business trust whose obligations were assumed by Torchmark in the acquisition of Family Heritage, common securities of which are owned by Torchmark and preferred securities publicly held.
**Limited liability company, in which Family Heritage has a 50% interest, which leases home office property to Family Heritage; remaining 50% interest held by an unaffiliated entity.

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
Members														
	Torchmark Corporation		63-0780404		0000320335	NYSE	Torchmark Corporation	DE	UDP					
			20-5817522				TMK Buildings Corp	TX	NIA	Torchmark Corporation	Ownership	100.000	Torchmark Corporation	
			20-5817632				TMK Properties LLP	TX	NIA	Torchmark Corporation	Ownership	99.000	Torchmark Corporation	
			98-0230789				TMK RE Ltd.		NIA	Torchmark Corporation	Ownership	100.000	Torchmark Corporation	
			63-1235881				Torchmark Insurance Agency, Inc.		NIA	Torchmark Corporation	Ownership	100.000	Torchmark Corporation	
			73-1209844				Specialized Marketing Group, Inc.	AR	NIA	Torchmark Corporation	Ownership	100.000	Torchmark Corporation	
0290	Torchmark Corporation	77968	34-1626521				Family Heritage Life Insurance Company of America	OH		Torchmark Corporation	Ownership	100.000	Torchmark Corporation	
							Royalton 6001Ltd. (Joint Venture)	OH	DS	Family Heritage Life Insurance Company of America	Ownership	50.000	Torchmark Corporation	
0290	Torchmark Corporation	65331	63-0124600				Liberty National Life Insurance Company	NE	IA	Torchmark Corporation	Ownership	100.000	Torchmark Corporation	
			63-0031059				Brown-Service Funeral Homes Company Inc.	AL	NIA	Liberty National Life Insurance Company	Ownership	100.000	Torchmark Corporation	
			63-0909884				Liberty National Auto Club, Inc.	AL	NIA	Liberty National Life Insurance Company	Ownership	100.000	Torchmark Corporation	
0290	Torchmark Corporation	91472	63-0782739	1610611			Globe Life and Accident Insurance Company	NE	IA	Torchmark Corporation	Ownership	100.000	Torchmark Corporation	
			73-1458991				Globe Marketing Services, Inc.		NIA	Globe Life and Accident Insurance Company	Ownership	100.000	Torchmark Corporation	
			20-8022184				Globe Marketing and Advertising Distributors, LLC.		NIA	Globe Life and Accident Insurance Company	Ownership	100.000	Torchmark Corporation	
0290	Torchmark Corporation	60577	74-1365936	1102198			American Income Life Insurance Company	IN	IA	Globe Life and Accident Insurance Company	Ownership	100.000	Torchmark Corporation	
0290	Torchmark Corporation	10093	22-3711800				National Income Life Insurance Company	NY	IA	American Income Life Insurance Company	Ownership	100.000	Torchmark Corporation	
			75-2852508				AILIC Receivables Corporation		NIA	American Income Life Insurance Company	Ownership	100.000	Torchmark Corporation	
			75-2872627				American Income Marketing Services, Inc.		NIA	American Income Life Insurance Company	Ownership	100.000	Torchmark Corporation	
							Union Heritage Life Assurance Limited		IA	American Income Life Insurance Company	Ownership	100.000	Torchmark Corporation	
0290	Torchmark Corporation	92916	73-1128555				United American Insurance Company	NE	IA	Torchmark Corporation	Ownership	100.000	Torchmark Corporation	
0290	Torchmark Corporation	74101	13-3156923				First United American Life Insurance Company	NY	DS	United American Insurance Company	Ownership	100.000	Torchmark Corporation	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

		Response
1.	Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
3.	Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
4.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
5.	Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	NO
6.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	NO
7.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?	NO

Explanations:

1.
2.
3.
4.
5.
6.
7.

Bar Code:

* 7 7 9 6 8 2 0 1 3 4 9 0 0 0 0 0 1 *

* 7 7 9 6 8 2 0 1 3 3 6 5 0 0 0 0 1 *

* 7 7 9 6 8 2 0 1 3 4 4 5 0 0 0 0 1 *

* 7 7 9 6 8 2 0 1 3 4 4 6 0 0 0 0 1 *

* 7 7 9 6 8 2 0 1 3 4 4 7 0 0 0 0 1 *

* 7 7 9 6 8 2 0 1 3 4 4 8 0 0 0 0 1 *

* 7 7 9 6 8 2 0 1 3 4 4 9 0 0 0 0 1 *

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Receivable	159		159	1,044,679
2597. Summary of remaining write-ins for Line 25	159	0	159	1,044,679

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	604,313	565,477
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	25,330	63,836
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	25,000	25,000
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	604,643	604,313
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	604,643	604,313

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	534,489,901	460,236,713
2. Cost of bonds and stocks acquired	64,054,247	214,755,650
3. Accrual of discount	4,547,079	18,413,642
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	2,377,158	78,379
6. Deduct consideration for bonds and stocks disposed of	79,085,110	158,697,551
7. Deduct amortization of premium	89,733	296,932
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	526,293,542	534,489,901
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	526,293,542	534,489,901

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	526,455,890	40,993,013	73,822,493	4,437,962	498,064,372			526,455,890
2. Class 2 (a)	13,027,739	27,373,466	2,885,459	19,385	37,535,131			13,027,739
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	539,483,629	68,366,479	76,707,952	4,457,347	535,599,503	0	0	539,483,629
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	539,483,629	68,366,479	76,707,952	4,457,347	535,599,503	0	0	539,483,629

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$..........0; NAIC 2 \$..........0; NAIC 3 \$..........0; NAIC 4 \$..........0; NAIC 5 \$..........0; NAIC 6 \$..........0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	9,305,961	XXX	9,305,961	855	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	4,993,728	25,245
2. Cost of short-term investments acquired	4,312,233	4,968,483
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	9,305,961	4,993,728
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	9,305,961	4,993,728

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	9,265,021	21,986,008
2. Cost of cash equivalents acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	149,594	12,720,987
7. Deduct amortization of premium		
8. Total foreign exchange change in book/ adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	9,115,427	9,265,021
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	9,115,427	9,265,021

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership

NONE

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1	2	Location		5	6	7	8	Changes in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																			
	Royalton 6001 LTD	Broadview Heights	OH		04/14/2003		604,313	25,330				25,330			25,000			0	25,000
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated							604,313	25,330	0	0	0	25,330	0	0	25,000	0	0	0	25,000
3999999. Subtotal - Unaffiliated							604,313	25,330	0	0	0	25,330	0	0	25,000	0	0	0	25,000
4199999. Totals							604,313	25,330	0	0	0	25,330	0	0	25,000	0	0	0	25,000

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous									
00206R BJ 0	AT&T INC.		02/27/2013	HSBC		1,912,660	2,000,000	18,608	1FE
039483 BH 4	ARCHER-DANIELS-MIDLAND COMPANY		02/26/2013	BANK OF NEW YORK MELLON		1,936,020	2,000,000	30,120	1FE
04621X AF 5	ASSURANT INC.		03/25/2013	BANK OF AMERICA		1,992,700	2,000,000		2FE
049560 AL 9	ATMOS ENERGY CORPORATION		01/08/2013	JP MORGAN		2,994,360	3,000,000		2FE
12189L AK 7	BURLINGTON NORTHERN SANTA FE LLC		02/26/2013	DEUTSCHE BANK		2,046,840	2,000,000		2FE
141781 BC 7	CARGILL INC.		02/26/2013	BARCLAYS CAPITAL		1,960,840	2,000,000	27,789	1FE
260543 CG 6	DOW CHEMICAL COMPANY		03/20/2013	VARIOUS		1,570,747	1,640,000	26,109	2FE
263534 CJ 6	E.I. DU PONT DE NEMOURS & COMPANY		02/12/2013	CREDIT SUISSE		4,994,050	5,000,000		1FE
277432 AL 4	EASTMAN CHEMICAL COMPANY		02/26/2013	BANK OF AMERICA		2,099,320	2,000,000		2FE
31428X AT 3	FEDEX CORP.		03/07/2013	DEUTSCHE BANK		1,874,720	2,000,000	8,826	2FE
341081 FH 5	FLORIDA POWER & LIGHT COMPANY		01/03/2013	CANTOR FITZGERALD		1,993,240	2,000,000	3,800	1FE
370334 BP 8	GENERAL MILLS INC.		01/28/2013	SEAPORT GROUP		3,014,730	3,000,000		2FE
373334 JW 2	GEORGIA POWER COMPANY		02/26/2013	SUNTRUST		2,083,500	2,000,000	39,656	1FE
452308 AQ 2	ILLINOIS TOOL WORKS INC.		03/08/2013	JANNEY MONTGOMERY SCOTT LLC		2,203,540	2,000,000	48,208	1FE
494550 BP 0	KINDER MORGAN ENERGY PARTNERS LP		03/20/2013	JEFFERIES & CO		2,018,440	2,000,000	6,944	2FE
548661 CX 3	LOWE'S COMPANIES INC.		03/01/2013	WELLS FARGO SECURITIES		2,107,040	2,000,000	36,425	1FE
570535 AP 9	MARKEL CORPORATION		03/05/2013	WELLS FARGO SECURITIES		1,963,600	2,000,000		2FE
655844 BM 9	NORFOLK SOUTHERN CORP.		03/06/2013	CREDIT SUISSE		1,899,500	2,000,000	40,378	2FE
68233J AT 1	ONCOR ELECTRIC DELIVERY COMPANY LLC		02/26/2013	KEY BANC		1,759,190	1,725,000	19,622	2FE
72650R BC 5	PLAINS ALL AMERICAN PIPELINE LP		02/26/2013	SUNTRUST		1,939,320	2,000,000	19,589	2FE
74251V AJ 1	PRINCIPAL FINANCIAL GROUP INC.		02/27/2013	SUSQUEHANNA		2,013,340	2,000,000	26,100	1FE
74456Q BB 1	PUBLIC SERVICE ELECTRIC & GAS COMPANY		01/07/2013	BARCLAYS CAPITAL		4,968,150	5,000,000		1FE
76720A AG 1	RIO TINTO FINANCE USA PLC		03/18/2013	RBS SECURITIES		2,869,290	3,000,000	10,313	1FE
78573A AC 4	SABMILLER HOLDINGS INC.		02/15/2013	JEFFERIES & CO		2,200,000	2,000,000	9,900	2FE
92343V BG 8	VERIZON COMMUNICATIONS INC.		03/07/2013	BANK OF AMERICA		2,659,110	3,000,000	40,104	1FE
927804 FL 3	VIRGINIA ELECTRIC & POWER COMPANY		01/03/2013	BANK OF AMERICA		4,980,000	5,000,000		1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					64,054,247	64,365,000	412,491	XXX
8399997.	Total - Bonds - Part 3					64,054,247	64,365,000	412,491	XXX
8399999.	Total - Bonds					64,054,247	64,365,000	412,491	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					64,054,247	XXX	412,491	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
006449 CV 2	ADAMS COLORADO		02/21/2013	WELLS FARGO SECURITIES		901,500	1,500,000	643,530	829,397		5,546		5,546		834,943		66,557	66,557		12/15/2025	1FE
010824 GS 3	ALAMEDA CALIFORNIA		02/21/2013	FTN FINANCIAL		1,103,588	1,585,000	744,982	959,428		6,978		6,978		966,406		137,182	137,182		08/01/2023	1FE
03667P CX 8	ANTELOPE CALIFORNIA		02/21/2013	FTN FINANCIAL		481,900	1,000,000	353,420	461,246		3,554		3,554		464,800		17,100	17,100		08/01/2027	1FE
090874 FP 8	BIRDVILLE TEXAS		02/21/2013	UBS FINANCIAL SERVICES		1,486,777	2,010,000	1,046,547	1,331,342		8,797		8,797		1,340,140		146,637	146,637		02/15/2022	1FE
097552 PA 5	BOLINGBROOK ILLINOIS		02/21/2013	FTN FINANCIAL		704,813	1,125,000	494,764	681,206		5,159		5,159		686,365		18,447	18,447		01/01/2023	1FE
127109 MQ 6	CABRILLO CALIFORNIA		02/21/2013	FTN FINANCIAL		1,175,625	2,500,000	886,225	1,148,513		8,060		8,060		1,156,572		19,053	19,053		08/01/2029	1FE
137087 JY 9	CANAL WINCHESTER OHIO		02/21/2013	FTN FINANCIAL		420,000	840,000	264,768	371,677		2,593		2,593		374,270		45,730	45,730		12/01/2030	1FE
150429 K4 9	CEDAR HILL TEXAS		02/21/2013	WELLS FARGO SECURITIES		71,705	105,000	62,818	64,752		451		451		65,204		6,501	6,501		08/15/2022	1
150429 K6 4	CEDAR HILL TEXAS		02/21/2013	UBS FINANCIAL SERVICES		602,022	895,000	535,452	551,936		3,848		3,848		555,784		46,238	46,238		08/15/2022	1
151847 DJ 6	CENTER UNIFIED CALIFORNIA		02/21/2013	FTN FINANCIAL		1,112,860	2,000,000	835,740	1,088,945		8,067		8,067		1,097,013		15,847	15,847		08/01/2025	2FE
15722T DF 5	CHABOT CALIFORNIA		02/21/2013	FTN FINANCIAL		598,130	1,000,000	461,840	580,405		3,872		3,872		584,278		13,852	13,852		08/01/2024	1FE
15722T DH 1	CHABOT-LAS POSITAS CALIFORNIA		02/21/2013	FTN FINANCIAL		723,843	1,350,000	531,320	685,681		5,245		5,245		690,925		32,918	32,918		08/01/2026	1FE
167484 QT 4	CHICAGO ILLINOIS		02/21/2013	UBS FINANCIAL SERVICES		843,296	1,600,000	629,136	802,904		5,659		5,659		808,562		34,734	34,734		01/01/2028	1FE
215723 HX 8	COOK COUNTY ILLINOIS		02/21/2013	FTN FINANCIAL		512,187	690,000	383,364	492,690		3,213		3,213		495,903		16,284	16,284		12/01/2020	2FE
223093 PZ 2	COVINA-VALLEY CALIFORNIA		02/21/2013	FTN FINANCIAL		464,835	875,000	349,764	449,228		3,287		3,287		452,515		12,320	12,320		08/01/2026	1FE
223093 QB 4	COVINA-VALLEY CALIFORNIA		02/21/2013	FTN FINANCIAL		282,114	600,000	211,992	273,963		2,054		2,054		276,018		6,096	6,096		08/01/2028	1FE
293443 TX 5	ENNIS TEXAS		02/21/2013	UBS FINANCIAL SERVICES		565,380	1,000,000	385,530	506,972		3,611		3,611		510,583		54,797	54,797		08/15/2027	1FE
358802 WE 2	FRISCO TEXAS		02/21/2013	FTN FINANCIAL		786,283	1,500,000	389,730	555,512		4,101		4,101		559,616		226,668	226,668		08/15/2033	1FE
364190 U6 3	GALVESTON TEXAS		02/21/2013	WELLS FARGO SECURITIES		1,202,788	1,515,000	799,981	1,020,282		6,807		6,807		1,027,089		175,700	175,700		02/01/2022	1FE
364190 U9 7	GALVESTON TEXAS		02/21/2013	FTN FINANCIAL		852,800	1,250,000	553,550	704,676		5,125		5,125		709,801		142,999	142,999		02/01/2025	1FE
366658 NK 4	GARVEY CALIFORNIA		02/21/2013	FTN FINANCIAL		527,500	1,000,000	407,910	517,381		3,584		3,584		520,965		6,535	6,535		08/01/2027	1FE
484062 HH 0	KENDALL & KANE ILLINOIS		02/21/2013	UBS FINANCIAL SERVICES		705,890	1,000,000	508,270	684,133		4,770		4,770		688,903		16,987	16,987		12/15/2020	1FE
484242 EZ 1	KANKAKEE & WILL ILLINOIS		02/21/2013	FTN FINANCIAL		1,410,811	2,185,000	958,778	1,290,592		9,193		9,193		1,299,785		111,026	111,026		05/01/2024	1FE
508759 HT 7	LAKE COUNTY ILLINOIS		02/21/2013	FTN FINANCIAL		648,668	975,000	514,032	600,461		4,087		4,087		604,549		44,119	44,119		12/01/2023	1FE
521840 L2 2	LEANDER TEXAS		02/21/2013	WELLS FARGO SECURITIES		785,345	1,310,000	505,044	723,684		5,264		5,264		728,948		56,397	56,397		08/15/2024	1FE
521840 V4 7	LEANDER TEXAS		02/21/2013	UBS FINANCIAL SERVICES		894,445	1,320,000	610,685	795,053		5,818		5,818		800,871		93,574	93,574		08/15/2023	1FE
528828 QL 3	LEWISVILLE TEXAS		02/21/2013	UBS FINANCIAL SERVICES		654,010	1,000,000	474,480	602,943		4,403		4,403		607,347		46,663	46,663		08/15/2023	1FE
533067 FS 8	LINCOLN CALIFORNIA		02/21/2013	FTN FINANCIAL		678,500	1,150,000	503,022	637,015		4,585		4,585		641,600		36,900	36,900		08/01/2025	1FE
533067 FT 6	LINCOLN CALIFORNIA		02/21/2013	FTN FINANCIAL		671,550	1,210,000	501,327	636,120		4,617		4,617		640,737		30,813	30,813		08/01/2026	1FE
542411 DJ 9	LONG BEACH CALIFORNIA		02/21/2013	FTN FINANCIAL		1,512,189	2,450,000	1,111,460	1,400,136		9,737		9,737		1,409,873		102,316	102,316		05/01/2025	1FE
586596 BR 8	MENDOCINO CALIFORNIA		02/21/2013	FTN FINANCIAL		577,421	1,165,000	451,554	579,651		3,981		3,981		583,631		(6,211)	(6,211)		08/01/2028	1FE
630360 DX 0	NAPA VALLEY CALIFORNIA		02/21/2013	FTN FINANCIAL		435,980	1,000,000	319,020	413,148		3,099		3,099		416,247		19,733	19,733		08/01/2030	1FE
645002 VG 8	NEW HAVEN CALIFORNIA		02/21/2013	FTN FINANCIAL		927,125	1,250,000	629,863	867,845		6,403		6,403		874,248		52,877	52,877		08/01/2020	1FE
671579 UD 0	OAK PARK ILLINOIS		02/21/2013	FTN FINANCIAL		486,840	1,000,000	358,880	475,039		3,291		3,291		478,330		8,510	8,510		11/01/2027	1FE
752147 FH 6	RANCHO SANTIAGO CALIFORNIA		02/21/2013	FTN FINANCIAL		624,542	1,150,000	453,951	577,656		4,158		4,158		581,814		42,728	42,728		09/01/2027	1FE

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
800851 LJ 4	SANGER CALIFORNIA		02/21/2013	FTN FINANCIAL		1,610,125	3,650,000	1,211,800	1,615,647		11,481		11,481		1,627,129		(17,004)	(17,004)		08/01/2030	1FE
802385 FS 8	SANTA MONICA CALIFORNIA		02/21/2013	UBS FINANCIAL SERVICES		757,700	1,000,000	566,580	708,131		4,618		4,618		712,749		44,951	44,951		08/01/2020	1FE
802385 FU 3	SANTA MONICA CALIFORNIA		02/21/2013	FTN FINANCIAL		680,700	1,000,000	511,010	639,408		4,266		4,266		643,674		37,026	37,026		08/01/2022	1FE
802385 FV 1	SANTA MONICA CALIFORNIA		02/21/2013	FTN FINANCIAL		1,073,490	1,650,000	709,847	983,416		7,374		7,374		990,790		82,700	82,700		08/01/2023	1FE
806640 QW 1	SCHERTZ TEXAS		02/21/2013	UBS FINANCIAL SERVICES		565,880	1,000,000	423,490	536,144		3,456		3,456		539,600		26,280	26,280		02/01/2026	1FE
964559 NP 9	WHITE SETTLEMENT TEXAS		02/21/2013	FTN FINANCIAL		328,425	755,000	212,404	304,055		2,246		2,246		306,300		22,125	22,125		08/15/2030	1FE
969078 NK 6	WILL COUNTY ILLINOIS		02/21/2013	FTN FINANCIAL		667,300	1,000,000	488,900	614,224		4,236		4,236		618,460		48,840	48,840		11/01/2023	1FE
983068 XD 4	WYLIE TEXAS		02/21/2013	UBS FINANCIAL SERVICES		577,820	1,000,000	372,170	531,147		3,919		3,919		535,066		42,754	42,754		08/15/2025	1FE
988176 BQ 5	YUBA CALIFORNIA		02/21/2013	FTN FINANCIAL		749,385	1,500,000	574,605	744,186		5,301		5,301		749,486		(101)	(101)		08/01/2027	1FE
2499999.	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions					33,444,087	56,660,000	23,943,535	31,037,970	0	219,914	0	219,914	0	31,257,889	0	2,186,198	2,186,198	0	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
31331J 6V 0	FEDERAL FARM CREDIT BANK		01/03/2013	CALLED BY ISSUER at 100.000		5,000,000	5,000,000	5,000,000	5,000,000				0		5,000,000			0	124,500	01/03/2031	1FE
3134G1 UN 2	FEDERAL HOME LOAN MTG CORP - STRIPPED		03/28/2013	CALLED BY ISSUER at 29.412		29,411,528	100,000,000	26,314,860	29,095,119		316,409		316,409		29,411,528			0		09/28/2040	1FE
3134G3 ST 8	FEDERAL HOME LOAN MTG CORP		03/22/2013	CALLED BY ISSUER at 100.000		5,000,000	5,000,000	4,987,500	4,987,831		12,169		12,169		5,000,000			0	93,750	03/22/2032	1FE
3136FT 7H 6	FEDERAL NATIONAL MTG ASSOC		03/29/2013	CALLED BY ISSUER at 100.000		2,000,000	2,000,000	2,000,000	2,000,000				0		2,000,000			0	40,000	03/29/2032	1FE
407287 KP 5	HAMILTON COUNTY OHIO		02/21/2013	FTN FINANCIAL		724,625	1,250,000	452,675	650,225		4,682		4,682		654,907		69,718	69,718		12/01/2026	1FE
49130T PQ 3	KENTUCKY HOUSING CORPORATION (TAXABLE)		01/01/2013	CALLED BY ISSUER at 100.000		10,000	10,000	10,000	10,000				0		10,000			0	218	01/01/2028	1FE
658207 PA 7	NORTH CAROLINA HOUSING FIN AGY (TAXABLE)		02/01/2013	CALLED BY ISSUER at 100.000		5,000	5,000	5,005	5,005		(5)		(5)		5,000			0	115	01/01/2029	1FE
724568 GD 6	PITTSBURG CALIFORNIA		02/21/2013	FTN FINANCIAL		787,980	1,500,000	633,105	814,104		5,615		5,615		819,719		(31,739)	(31,739)		08/01/2026	2FE
882762 AT 4	TEXAS TURNPIKE SYSTEM		02/21/2013	FTN FINANCIAL		500,200	1,000,000	333,170	469,550		3,274		3,274		472,824		27,376	27,376		08/15/2029	2FE
917565 GA 5	UTAH TRANSIT AUTHORITY		02/21/2013	UBS FINANCIAL SERVICES		1,192,940	2,000,000	854,860	1,092,646		8,111		8,111		1,100,758		92,182	92,182		06/15/2025	1FE
917565 GD 9	UTAH TRANSIT AUTHORITY		02/21/2013	FTN FINANCIAL		508,750	1,000,000	370,480	471,937		3,390		3,390		475,327		33,423	33,423		06/15/2028	1FE
97689P X2 9	WISCONSIN HSG & ECONOMIC DEV AUTH		03/01/2013	CALLED BY ISSUER at 100.000		500,000	500,000	499,250	499,386		614		614		500,000			0	12,750	09/01/2024	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					45,641,023	119,265,000	41,460,905	45,095,803	0	354,259	0	354,259	0	45,450,063	0	190,960	190,960	271,333	XXX	XXX
8399997.	Total - Bonds - Part 4					79,085,110	175,925,000	65,404,440	76,133,773	0	574,173	0	574,173	0	76,707,952	0	2,377,158	2,377,158	271,333	XXX	XXX
8399999.	Total - Bonds					79,085,110	175,925,000	65,404,440	76,133,773	0	574,173	0	574,173	0	76,707,952	0	2,377,158	2,377,158	271,333	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					79,085,110	XXX	65,404,440	76,133,773	0	574,173	0	574,173	0	76,707,952	0	2,377,158	2,377,158	271,333	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:...............0.

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1B-Broker List
NONE

Sch. DB-Pt D-Sn 1
NONE

Sch. DB-Pt D-Sn 2
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
			Rate	Amount of Interest	Amount of Interest Accrued	6	7	8	
Depository		Code	of Interest	Received During Current Quarter	at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
PNC - Checking	Cleveland, OH					1,129,005	1,313,995	1,473,379	XXX
SunTrust - Checking	Nashville, TN					1,986	1,986	1,986	XXX
American Founders Bank - Checking	Frankfort, KY					23,600	63,673	72,217	XXX
Wells Fargo Bank, N.A. - DDA & Cont. Disb	Cleveland, OH					3,200,669	(2,081,251)	(2,092,480)	XXX
0199999. Total Open Depositories		XXX	XXX	0	0	4,355,260	(701,597)	(544,898)	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	4,355,260	(701,597)	(544,898)	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	XXX	3,400	3,400	3,400	XXX
0599999. Total Cash		XXX	XXX	0	0	4,358,660	(698,197)	(541,498)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Sweep Accounts							
Wells Fargo - Stagecoach Sweep Preferred		03/22/2013	0.100	03/25/2013	9,115,427	200	1,951
8499999. Total - Sweep Accounts					9,115,427	200	1,951
8699999. Total - Cash Equivalents					9,115,427	200	1,951