

Correct footnote 5. H to identify the securities on deposit with the State of Ohio.



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

Cincinnati Equitable Insurance Company

NAIC Group Code 0838 0838 NAIC Company Code 16721 Employer's ID Number 31-0239840
(Current) (Prior)

Organized under the Laws of _____, State of Domicile or Port of Entry _____
Country of Domicile _____ Ohio _____ United States of America

Incorporated/Organized 01/24/1827 Commenced Business 04/17/1826

Statutory Home Office 525 Vine Street, Suite 1925, Cincinnati, OH, US 45202
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 525 Vine Street, Suite 1925, Cincinnati, OH, US 45202
(Street and Number) (City or Town, State, Country and Zip Code) 513-621-1826
(Area Code) (Telephone Number)

Mail Address 525 Vine Street, Suite 1925, Cincinnati, OH, US 45202
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 525 Vine Street, Suite 1925, Cincinnati, OH, US 45202
(Street and Number) 513-621-1826
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.cineqlife.com

Statutory Statement Contact Gregory A. Baker, 513-621-1826
(Name) (Area Code) (Telephone Number)
gbaker@cineqlife.com, 513-621-4531
(E-mail Address) (FAX Number)

OFFICERS

Chairman of the Board Peter A Alpaugh President/CFO/Treasurer Gregory A Baker
Secretary Linda S Bales

OTHER

DIRECTORS OR TRUSTEES

Peter A Alpaugh Andrea A Kessel Gregory A Baker
James W Ketring Drew F Knowles

State of Ohio SS: _____
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.

Peter A. Alpaugh
Chairman of the Board

Linda S. Bales
Secretary

Gregory A. Baker
Treasurer

Subscribed and sworn to before me this
10th day of February 2014

a. Is this an original filing? Yes [] No [X]
b. If no,
1. State the amendment number.....1
2. Date filed 05/09/2014
3. Number of pages attached..... 1

Richard H. Hansman, Jr.

11/8/2014

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Cincinnati Equitable Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. The State of Ohio has not adopted and prescribed or permitted practices that differ from NAIC SAP.

	State of Domicile	2013	2012
<u>NET INCOME</u>			
(1) Cincinnati Equitable Ins Co state basis (pg 4, line 35 Col. 2)	Ohio	62,765	339,866
(2) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(4) NAIC SAP (1-2-3=4)		62,765	339,866
<u>SURPLUS</u>			
(5) Cincinnati Equitable Ins Co state basis (Page 3, Line 38, Columns 1&2)	Ohio	4,194,492	4,698,699
(6) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(8) NAIC SAP (5-6-7=8)		4,194,492	4,698,699

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 certain 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

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest.
- (6) Loan-backed securities are stated at either amortized cost or the lower or amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, these are valued using the prospective method.
- (7) The Company owns no subsidiaries.
- (8) The Company has no interest in Joint Ventures.
- (9) All derivatives, if any, are stated at fair value.
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors

A. Changes in accounting practices

The Company implemented SSAP 101, accounting for income taxes, in 2012, which resulted in no change in the prior year's admissible Deferred Tax Asset.

B. Correction of errors

The Company made no corrections of prior period financial statements.

3. Business Combinations and Goodwill

The Company had no Business Combinations occurring during the periods reported in this statement.

4. Discontinued Operations

The Company had no discontinued operations in the current year.

5. Investments

A. Mortgage Loans

The Company has no Mortgage Loans

B. Debt Restructuring

The Company has not restructured any debt in the current year.

C. Reverse Mortgages

The Company has no Reverse Mortgages.

D. Loan-Backed Securities

1. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or NAIC RMBS/ CMBS modeling.
2. The Company had no securities with a recognized other-than-temporary impairment.
3. The Company had no securities with a recognized other-than-temporary impairment.
4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

- a. The aggregate amount of unrealized losses:

1. Less than 12 Months \$ 0
2. 12 Months or Longer \$ 0

- b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months \$ 0
2. 12 Months or Longer \$ 0

E. Repurchase Agreements/ Securities Lending

The Company has no Repurchase Agreements and no Security Lending program.

F. Real Estate

The Company has no Real Estate investments.

G. Low Income Housing

The Company has no investments in low income housing

H. Restricted Assets

(1) Restricted Assets

Restricted Asset Category	Gross Restricted							8	Percentage		
	Current Year					6	7		9	10	
	1	2	3	4	5						
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$	\$	%	%	
b. Collateral held under security lending agreements											
c. Subject to repurchase agreements											
d. Subject to reverse repurchase agreements											
e. Subject to dollar repurchase agreements											
f. Subject to dollar reverse repurchase agreements											
g. Placed under option contracts											
h. Letter stock or securities restricted as to sale											
i. On deposit with states	1,562,075				1,562,075	1,565,467	(3,392)	1,562,075	35.2%	36.4%	
j. On deposit with other regulatory bodies											
k. Pledged as collateral not captured in other categories											
l. Other restricted assets											
m. Total Restricted Assets	\$1,562,075				\$1,562,075	\$1,565,467	\$ (3,392)	\$1,562,075	35.2%	36.4%	

(a) subset of column 1

(b) subset of column 3

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no Joint Ventures, Partnerships or Limited Liability Companies.

7. Investment Income

The Company has no excluded investment income due and accrued.

8. Derivative Instruments

The Company has no investments in derivative financial instruments.

9. Income Taxes

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

2.	12/31/2013			12/31/2012			Change		
	-1-	-2-	-3- (Col 1+2) Total	-4-	-5-	-6- (Col 4+5) Total	-7-	-8- (Col 2-5) Capital	-9- (Col 7+8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid in Prior years Recoverable Through Loss Carry backs.									
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount in 2(a) above) After Application of the Threshold Limitation (the lesser of 2(b)1 and 2(b)2 below.									
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.									
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold									
(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 Total 2(a)+2(b)+2(c).									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0

3.	2013		2012		Change				
	-1-	-2-	-3- (Col 1+2) Total	-4-	-5-	-6- (Col 4+5) Total	-7- (Col 1-4) Ordinary	-8- (Col 2-5) Capital	-9- (Col 7+8) Total
(a) Ratio Percentage Used to Determine Recovery Period And Threshold Limitation Amount									
			6,721,081%		7,393,239%				
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above									
			\$ 4,194,492		\$ 4,692,816				
1.	12/31/2013			12/31/2012			Change		
	-1-	-2-	-3- (Col 1+2) Total	-4-	-5-	-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	\$ 155,000	\$ 7,000	\$ 162,000	\$ 285,000	\$ -	\$ 285,000	\$ (130,000)	\$ 7,000	\$ (123,000)
(b) Statutory Valuation Allowance	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	155,000	7,000	162,000	285,000	-	285,000	(130,000)	7,000	(123,000)
(d) Deferred Tax Assets Nonadmitted	122,000	7,000	129,000	253,000	-	253,000	(131,000)	7,000	(124,000)
(e) Subtotal Net Admitted Deferred Tax Asset									
(f) (1c - 1d) Deferred Tax Liabilities	33,000	-	33,000	32,000	-	32,000	1,000	-	1,000
(g) Net Admitted Deferred Tax Assets(Net Deferred Tax Liability) (1e - 1f)	33,000	-	33,000	32,000	-	32,000	1,000	-	1,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

4.	12/31/2013		12/31/2012		Change	
	(1)	(2)	(4)	(5)	(7)	(9) (Col 7+8) Total
Impact of Tax-Planning Strategies						

(a) Determination of Adjusted Gross Deferred Tax Assets Net Admitted Deferred Tax Assets, By Tax Character As A Percentage	155,000	7,000	285,000	0	(130,000)	7,000
1. Adjusted Gross DTAs Amount From Note 9A1(c)	100%	0%	100%	0%	0%	0%
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies						
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	33,000	0	32,000	0	1,000	0
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because of The Impact Of Tax Planning Strategies	100%	0%	100%	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes _____ No X _____

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

1. Current Income Tax
 - (a) Federal
 - (b) Foreign
 - (c) Subtotal
 - (d) Federal income tax on net capital gains
 - (e) Utilization of capital loss carry-forwards
 - (f) Other
 - (g) Federal and foreign income taxes incurred

(1)	(2)	(3) (Col 1-2) Change
12/31/2013	12/31/2012	
650	3,000	(2,350)
650	3,000 87,000 (87,000)	(2,350) (87,000) 87,000
650	3,000	(2,350)

2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses			
(2) Unearned premium reserve			
(3) Policyholder reserves			
(4) Investments			
(5) Deferred acquisition costs			
(6) Policyholder dividends accrual			
(7) Fixed assets			
(8) Compensation and benefits accrual			
(9) Pension accrual			
(10) Receivables – nonadmitted			
(11) Net operating loss carry-forward			
(12) Tax credit carry-forward			
(13) Other (including items <5% of total ordinary tax assets			
(99) Subtotal	155,000	285,000	(130,000)
	155,000	285,000	(130,000)
(b) Statutory valuation allowance adjustment			
(c) Nonadmitted			
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	122,000	253,000	(131,000)
(e) Capital	33,000	32,000	1,000
(1) Investments	7,000	0	7,000
(2) Net capital loss carry-forward	-	-	-
(3) Real Estate			
(4) Other (including items <5% of total capital tax assets			
(99) Subtotal	7,000	0	7,000
(f) Statutory valuation allowance adjustment	7,000		7,000
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	33,000	32,000	1,000
(i) Admitted deferred tax assets (2d + 2h)			
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	28,000	29,000	(1,000)
(2) Fixed assets	5,000	3,000	2,000
(3) Deferred and uncollected premium			
(4) Policyholder reserves			
(5) Other (including items <5% of total ordinary tax liabilities			
(99) Subtotal	33,000	32,000	1,000
(b) Capital			
(1) Investments	-	-	-
(2) Real estate			
(3) Other (including items <5% of total capital tax liabilities			
(99) Subtotal	-	-	-
(c) Deferred tax liabilities (3a99 + 3b99)	33,000	32,000	1,000
4. Net Deferred tax assets/liabilities (2i – 3c)	-	-	-

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

	<u>Amount</u>	<u>Tax Effect</u>
(1) Income before taxes	\$ 63,415	\$ 21,000
(2) Dividend received deduction	(12,359)	(4,000)
(3) Non-Deductible expenses	(2,056)	(1,000)
(4) Capital Loss Carryforward Used	(49,000)	(16,000)
(5) Intercompany Transactions	-	-
(6) Taxable Income	<u>\$ -</u>	<u>\$ -</u>

E. (1) At December 31, 2013, the Company had operating loss carry forwards of \$456,000, which were generated by Lakeland Insurance Company in 1998 through 2000 and expire in 2019.

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

2013 (current year)	\$ 650
2012 (current year - 1)	\$ 3,000
2011 (current year -2)	\$ 0

F. (1) The Company's Federal Income Tax return is consolidated with the following entities:

Cincinnati Equitable Companies, Inc.
Cincinnati Equitable Life Insurance Company

(2) The method of allocation between the companies is subject to a written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled within 90 days from the date the tax return is filed or estimated payments are made.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. Cincinnati Equitable Insurance Company is a wholly owned subsidiary of Cincinnati Equitable Life Insurance Company, a life insurance company domiciled in the State of Ohio.

B. Cincinnati Equitable Insurance Company shares common management with Cincinnati Equitable Life Insurance Company. Certain processing functions are also shared between these companies, such as accounting and mail processing.

- C. Cincinnati Equitable Companies, Inc. pays processing expenses and allocates them directly to Cincinnati Equitable Life Insurance Company, Cincinnati Equitable Insurance Company, proportionate to the time worked on each company or the loss payment activity.
- D. At December 31, 2013, the Company reported a net payable of \$4,681. The terms of the settlement require that these amounts be settled within 90 days.
- E. The Company has made no guarantees on behalf of the Parent Company.
- F. Cincinnati Equitable Companies, Inc. has agreed to provide Management and certain processing functions to Cincinnati Equitable Life insurance Company, Cincinnati Equitable Insurance Company (see 10.B. above). In 2013 the allocated expenses were \$77,090.
- G. All outstanding stock of Cincinnati Equitable Insurance Company is owned by Cincinnati Equitable Life Insurance Company (see Schedule Y of this statement).
- H. The Company owns no shares of the Parent Companies' outstanding stock.
- I. The Company owns no Subsidiaries.

11. Debt

The Company has no outstanding debt.

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

- A. Defined Benefit Plan
The Company has no Defined Benefit Plan.
- E. Define Contribution Plans
The Company has no Defined Contribution Plan of its own.
- F. Multi-Employer Plans
The Company has no Multi-Employer plans
- G. Consolidated/Holding Company Plans
The Company participates in a qualified, noncontributory defined benefit pension plan sponsored by Cincinnati Equitable Companies, Inc., our parent company. In addition, the Company provides no other postretirement benefits to retired employees through a plan sponsored by Cincinnati Equitable Companies, Inc. The Company has no legal obligation for benefits under these plans. Cincinnati Equitable Companies, Inc. allocates amounts to the Company based on salary ratios. The Company's share of net expense for the qualified pension plan was \$ 1,732 and \$ 1,751 for 2013 and 2012, respectively and for other postretirement benefit plans was \$ 0 and \$ 0 for 2013 and 2012, respectively.
- H. Postemployment Benefits and Compensated Absences
The Company does not provide for post-retirement benefits. However, the Company does compensate for unused absences.
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
The Company doesn't provide for post-retirement medical benefits. Therefore, this Act will have no impact on the Company.

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

- 1. The Company has 1,000,000 shares authorized, 1,000,000 shares issued and 1,000,000 shares outstanding.
- 2. The Company has no preferred stock outstanding.
- 3. Without the approval of the domiciliary commissioner, dividends to the shareholders are limited by the laws of the Company's state of incorporation, Ohio, to \$0, an amount that is based on restrictions related to statutory surplus.
- 4. The Company paid two extraordinary dividends of \$250,000 during 2013. These dividends were paid in June and December and totaled \$500,000 for the year.
- 5. There are no restrictions placed on the Company's surplus, including for whom the surplus is being held, other than the minimum surplus requirements of the state of Ohio.
- 6. There are no advances to surplus.
- 7. The Company holds no stock for special purposes.
- 8. The Company made no changes to special surplus balances from prior years.
- 9. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

a. Unrealized gains and losses	\$ (69,493)
b. Nonadmitted asset value	\$ (219,024)
c. Separate account business	\$ 0
d. Asst valuation reserves	\$ 0
e. Provision for reinsurance	\$ 0

14. Contingencies

- A. Contingent Commitments
The Company has no Contingent Commitments.
- B. Assessments
The Company has been notified of several insolvencies. The actual amount of these insolvencies will not be known until some time in the future. However, the Company has enough information to establish a reasonable estimate of future Guarantee Fund Assessments. The Company has established a liability of \$0 for future Guarantee Fund Assessments.
- C. Gain Contingencies
The Company has established no contingencies for gains.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits
The Company has no claims related to extra contractual obligations or bad faith losses.
- E. Product Warranties
The Company had no product warranties.
- F. All Other Contingencies
The Company has established no other contingencies.

15. Leases

The Company has no material lease commitments.

16. Information about Financial Instruments with Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

The Company has no Financial Instruments with Off-Balance Sheet Risk.

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

- A. The Company has not transferred receivable balances.
- B. The Company has no transaction in accordance with SSAP No.18.
- C. The Company has made no wash sale transactions.

18. Gains or Losses to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The Company has no such gain or loss.

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

The Company has no written premium produced by Managing General Agents or Third Party Administrators.

20. Fair Value Measure

A.

(1) Fair Value Measurements at Reporting Date

(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a). Assets at fair value				
Perpetual Preferred stock	\$ 328,000	-	-	\$ 328,000
Industrial and Misc	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	328,000	-	-	328,000
Bonds				
U.S. Governments	-	-	-	-
Industrial and Misc	-	3,906,732	-	3,906,732
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	-	3,906,732	-	3,906,732
Common Stock				
Industrial and Misc	3,934	-	-	3,934
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	3,934	-	-	3,934
Separate account assets	-	-	-	-
Total assets at fair value	\$ 331,934	\$ 3,906,732	-	\$ 4,238,666
b). Liabilities at fair value				
Other liabilities	-	-	-	-
Total liabilities at fair value	-	-	-	-

B. The Company had no assets that rely on Level 3 fair value measurement.

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bond	3,906,732	3,789,244	-	3,789,244	-	-
Common Stock	3,934	3,934	3,934	-	-	-
Perpetual Preferred Stock	328,000	326,300	326,300	-	-	-
Mortgage Loan						

21. Other Items

The Company has no other items to report.

22. Events Subsequent

The Company has no events subsequent to the date of these financial statements.

23. Reinsurance

A. Unsecured Reinsurance Recoverable

The Company has no Reinsurance Recoverable that exceeds 3% of policyholder's surplus;

B. Reinsurance Recoverable in Dispute

The Company has no reinsurance recoverable in dispute.

C. Reinsurance Assumed and Ceded

(1)	Assumed Reinsurance		Ceded Reinsurance		Net		
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Equity
a. Affiliates	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
b. All Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
c. Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
d. Direct Unearned Premium Reserves	\$ 0						

D. Uncollectible Reinsurance

The Company has no uncollectible Reinsurance.

E. Commutation of Ceded Reinsurance

The Company has no Commuted Reinsurance.

F. Retroactive Reinsurance

The Company has no Retroactive Reinsurance agreements.

24. Retrospectively rated Contracts & Contracts Subject to Redetermination

The Company has no retrospectively rated contracts or contracts subject to redetermination.

25. Change in Incurred Losses and Loss Adjustment Expenses

There have been no significant changes in the Loss and Loss Adjustment Expense reserves for losses incurred in prior accident years.

26. Intercompany Pooling Agreements

The Company has no Intercompany Pooling Agreements.

27. Structured Settlements

The Company currently has no structured settlement agreements.

28. Health Care Receivables

The Company has no health care receivables.

29. Participating Policies

The Company does not write participating policies.

30. Premium Deficiency Reserves

As of December 31, 2013 the Company had liabilities of \$0 related to premium deficiency reserves. The Company does not consider anticipated investment income when calculating its premium deficiency reserves.

31. High Deductibles

The Company has not taken a reserve credit for high deductible policies.

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company does not discount its unpaid loss or unpaid loss adjustment expense reserves.

33. Asbestos/Environmental Reserves

The Company has no reserves for asbestos/environmental claims.

34. Subscriber Savings Accounts

The Company does not offer subscriber savings accounts.

35. Multiple Peril Crop Insurance

The Company has no Multiple Peril Crop Insurance exposures.

36. Financial Guaranty Insurance

The Company does not offer Financial Guaranty Insurance.