



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014
OF THE CONDITION AND AFFAIRS OF THE

The Western and Southern Life Insurance Company

| | | | | | | |
|---------------------------------------|---|-----------------|-------------------|--|----------------------|------------|
| NAIC Group Code | 0836 (Current) | 0836 (Prior) | NAIC Company Code | 70483 | Employer's ID Number | 31-0487145 |
| Organized under the Laws of | Ohio | | | State of Domicile or Port of Entry | Ohio | |
| Country of Domicile | United States of America | | | | | |
| Incorporated/Organized | 02/23/1888 | | | Commenced Business | 04/30/1888 | |
| Statutory Home Office | 400 Broadway (Street and Number) | | | Cincinnati , OH, US 45202 (City or Town, State, Country and Zip Code) | | |
| Main Administrative Office | 400 Broadway (Street and Number) | | | Cincinnati , OH, US 45202 (City or Town, State, Country and Zip Code) | | |
| | | | | 513-629-1800 (Area Code) (Telephone Number) | | |
| Mail Address | 400 Broadway (Street and Number or P.O. Box) | | | Cincinnati , OH, US 45202 (City or Town, State, Country and Zip Code) | | |
| Primary Location of Books and Records | 400 Broadway (Street and Number) | | | Cincinnati , OH, US 45202 (City or Town, State, Country and Zip Code) | | |
| | | | | 513-629-1800 (Area Code) (Telephone Number) | | |
| Internet Website Address | WWW.WesternSouthernLife.com | | | | | |
| Statutory Statement Contact | Bradley J. Hunkler (Name) | | | 513-629-2980 (Area Code) (Telephone Number) | | |
| | CompAcctGrp@WesternSouthernLife.com (E-mail Address) | | | 513-629-1871 (FAX Number) | | |

OFFICERS

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

OTHER

| | | |
|--|---|---|
| Edward Joseph Babbitt VP & Sr Counsel | Troy Dale Brodie # Sr VP, Chf Marketing Off | Karen Ann Chamberlain # Sr VP, Chf Information Off |
| Kim Rehling Chiodi Sr VP | Keith Terrill Clark, MD VP & Medical Director | Robert John DalSanto VP |
| James Joseph DeLuca VP | Bryan Chalmer Dunn Sr VP | Lisa Beth Fangman VP |
| Stephen Paul Hamilton VP | Daniel Wayne Harris # VP, Chief Actuary | Noreen Joyce Hayes Sr VP |
| David Todd Henderson VP & Chief Risk Officer | Kevin Louis Howard VP & Assoc Gen Counsel | Bradley Joseph Hunkler VP, Chief Accounting Officer |
| Stephen Gale Hussey Jr # VP | Robert Scott Kahn VP | Narendra Varma Kanteti # VP |
| Phillip Earl King VP & Auditor | Steven Kenneth Kreider # Sr VP & Chf Inv Off | Michael Joseph Laatsch VP |
| Daniel Roger Larsen # VP, Taxes | Harold Victor Lyons VP | Constance Marie Maccarone Sr VP |
| Jill Tripp McGruder Sr VP | Jimmy Joe Miller Sr VP | Oscar Oneal Nelson Jr # VP |
| Jonathan David Niemeyer Sr VP & General Counsel | Mario Joseph San Marco VP | Nicholas Peter Sargen Sr VP |
| Luc Paul Sicotte VP | Lawrence Robert Silverstein # VP, Chief Underwriter | Denise Lynn Sparks VP |
| Jeffrey Laurence Stainton VP & Assoc Gen Counsel | Thomas Martin Stapleton VP | David Eugene Theurich VP |
| Gerald Joseph Ulland # VP | James Joseph Vance VP & Treasurer | Robert Lewis Walker Sr VP & Chf Fin Off |
| | | |
| | | |

DIRECTORS OR TRUSTEES

| | | |
|---------------------------|----------------------|-------------------------|
| John Finn Barrett | Donald Allen Bliss | James Norman Clark |
| Jo Ann Davidson | James Kirby Risk III | George Victor Voinovich |
| George Herbert Walker III | Thomas Luke Williams | John Peter Zanotti |
| | | |

| | | |
|-----------|----------|-----|
| 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.

| | | |
|---|--|--|
| John Finn Barrett Chairman of Board, President & CEO | Donald Joseph Wuebbling Secretary and Counsel | Bradley Joseph Hunkler VP, Chief Accounting Officer |
| Subscribed and sworn to before me this | a. Is this an original filing? | Yes [X] No [] |
| 20th day of February, 2015 | b. If no, | |
| | 1. State the amendment number..... | |
| | 2. Date filed | |
| | 3. Number of pages attached..... | |

ASSETS

| | Current Year | | | Prior Year |
|--|----------------|--------------------|--------------------------------------|------------------------|
| | 1 | 2 | 3 | 4 |
| | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | Net Admitted Assets |
| 1. Bonds (Schedule D) | 3,431,372,367 | 0 | 3,431,372,367 | 3,220,000,098 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | 26,967,500 | 0 | 26,967,500 | 11,577,362 |
| 2.2 Common stocks | 3,556,051,553 | 187,280 | 3,555,864,273 | 3,660,445,446 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | 16,854,538 | 0 | 16,854,538 | 17,821,295 |
| 3.2 Other than first liens..... | | | 0 | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$0 encumbrances) | 27,374,691 | 0 | 27,374,691 | 27,273,642 |
| 4.2 Properties held for the production of income (less \$0 encumbrances) | 3,598,252 | 0 | 3,598,252 | 3,268,776 |
| 4.3 Properties held for sale (less \$0 encumbrances) | | | 0 | 0 |
| 5. Cash (\$(2,573,764) , Schedule E - Part 1), cash equivalents (\$13,399,328 , Schedule E - Part 2) and short-term investments (\$92,960,466 , Schedule DA) | 103,786,030 | 0 | 103,786,030 | 225,013,992 |
| 6. Contract loans (including \$ premium notes) | 171,738,741 | 0 | 171,738,741 | 174,287,550 |
| 7. Derivatives (Schedule DB) | 25,364,700 | 0 | 25,364,700 | 36,960,146 |
| 8. Other invested assets (Schedule BA) | 1,110,918,426 | 82,724,525 | 1,028,193,901 | 910,242,304 |
| 9. Receivables for securities | 81,293,539 | 0 | 81,293,539 | 1,822,667 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | 118,951,386 | 0 | 118,951,386 | 24,147,326 |
| 11. Aggregate write-ins for invested assets | 122,438,897 | 0 | 122,438,897 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 8,796,710,620 | 82,911,805 | 8,713,798,815 | 8,312,860,604 |
| 13. Title plants less \$ charged off (for Title insurers only) | | | 0 | |
| 14. Investment income due and accrued | 46,443,416 | 0 | 46,443,416 | 43,430,495 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection..... | 2,924,152 | 0 | 2,924,152 | 2,849,626 |
| 15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums) | 49,463,322 | | 49,463,322 | 50,225,959 |
| 15.3 Accrued retrospective premiums | | | 0 | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 183,899 | 0 | 183,899 | 93,285 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 | |
| 16.3 Other amounts receivable under reinsurance contracts | 17,524,816 | 0 | 17,524,816 | 16,605,570 |
| 17. Amounts receivable relating to uninsured plans | | | 0 | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | 0 | 5,658,116 |
| 18.2 Net deferred tax asset | 62,339,055 | 0 | 62,339,055 | 0 |
| 19. Guaranty funds receivable or on deposit | 1,638,458 | 0 | 1,638,458 | 1,696,635 |
| 20. Electronic data processing equipment and software | 16,062,829 | 11,428,838 | 4,633,991 | 2,029,333 |
| 21. Furniture and equipment, including health care delivery assets (\$) | 6,472,231 | 6,472,231 | 0 | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | |
| 23. Receivables from parent, subsidiaries and affiliates | 33,308,246 | 13,380,812 | 19,927,434 | 19,301,855 |
| 24. Health care (\$) and other amounts receivable | 1,900,303 | 1,300,160 | 600,143 | 1,266 |
| 25. Aggregate write-ins for other than invested assets | 5,686,120 | 5,686,120 | 0 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 9,040,657,467 | 121,179,966 | 8,919,477,501 | 8,454,752,744 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 998,798,086 | 0 | 998,798,086 | 950,529,683 |
| 28. Total (Lines 26 and 27) | 10,039,455,553 | 121,179,966 | 9,918,275,587 | 9,405,282,427 |
| DETAILS OF WRITE-INS | | | | |
| 1101. Receivable for Collateral on Derivatives | 122,438,897 | | 122,438,897 | 0 |
| 1102. | | | | |
| 1103. | | | | |
| 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) | 122,438,897 | 0 | 122,438,897 | 0 |
| 2501. Prepaid Expense | 5,686,120 | 5,686,120 | 0 | 0 |
| 2502. | | | | |
| 2503. | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 5,686,120 | 5,686,120 | 0 | 0 |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| 1. Aggregate reserve for life contracts \$ 2,642,900,383 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve) | 2,642,900,383 | 2,648,765,103 |
| 2. Aggregate reserve for accident and health contracts (including \$ 0 Modco Reserve) | 228,318,129 | 221,970,288 |
| 3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve) | 240,364,483 | 243,597,997 |
| 4. Contract claims: | | |
| 4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) | 63,281,545 | 67,909,561 |
| 4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) | 3,507,682 | 2,852,920 |
| 5. Policyholders' dividends \$ 260,001 and coupons \$ due and unpaid (Exhibit 4, Line 10) | 260,001 | 265,000 |
| 6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts: | | |
| 6.1 Dividends apportioned for payment (including \$ Modco) | 930,876 | 1,402,331 |
| 6.2 Dividends not yet apportioned (including \$ Modco) | 40,109,753 | 39,751,033 |
| 6.3 Coupons and similar benefits (including \$ Modco) | | |
| 7. Amount provisionally held for deferred dividend policies not included in Line 6 | | |
| 8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ 94,133 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14) | 5,104,377 | 5,235,652 |
| 9. Contract liabilities not included elsewhere: | | |
| 9.1 Surrender values on canceled contracts | 6,616,511 | 7,131,521 |
| 9.2 Provision for experience rating refunds, including the liability of \$ 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 \$ assumed and \$ 435,095 ceded | 435,095 | 435,480 |
| 9.4 Interest maintenance reserve (IMR, Line 6) | 34,892,763 | 37,788,274 |
| 10. Commissions to agents due or accrued-life and annuity contracts \$ 1,130,997 accident and health \$ 121,405 and deposit-type contract funds \$ | 1,252,402 | 1,196,261 |
| 11. Commissions and expense allowances payable on reinsurance assumed | 353,243 | 373,090 |
| 12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6) | 242,274,899 | 219,993,964 |
| 13. Transfers to Separate Accounts due or accrued (net) (including \$ 0 accrued for expense allowances recognized in reserves, net of reinsured allowances) | (22,780) | (895,630) |
| 14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) | 4,166,094 | 4,070,387 |
| 15.1 Current federal and foreign income taxes, including \$ 11,929,125 on realized capital gains (losses) | 6,528,771 | |
| 15.2 Net deferred tax liability | | 41,644,812 |
| 16. Unearned investment income | 3,317,212 | 3,527,562 |
| 17. Amounts withheld or retained by company as agent or trustee | 896,369 | 244,516 |
| 18. Amounts held for agents' account, including \$ agents' credit balances | | |
| 19. Remittances and items not allocated | 4,553,898 | 3,470,460 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | | |
| 21. Liability for benefits for employees and agents if not included above | 192,153,492 | 158,612,752 |
| 22. Borrowed money \$ 0 and interest thereon \$ | | |
| 23. Dividends to stockholders declared and unpaid | | |
| 24. Miscellaneous liabilities: | | |
| 24.01 Asset valuation reserve (AVR, Line 16, Col. 7) | 345,397,768 | 312,001,031 |
| 24.02 Reinsurance in unauthorized and certified (\$ 0) companies | 0 | |
| 24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers | | |
| 24.04 Payable to parent, subsidiaries and affiliates | 0 | 0 |
| 24.05 Drafts outstanding | | |
| 24.06 Liability for amounts held under uninsured plans | | |
| 24.07 Funds held under coinsurance | | |
| 24.08 Derivatives | 72,400,617 | 10,606,632 |
| 24.09 Payable for securities | 79,609,985 | 766,246 |
| 24.10 Payable for securities lending | 259,001,464 | 191,275,707 |
| 24.11 Capital notes \$ and interest thereon \$ | | |
| 25. Aggregate write-ins for liabilities | 146,662,596 | 19,748,891 |
| 26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) | 4,625,267,628 | 4,243,741,841 |
| 27. From Separate Accounts Statement | 998,798,086 | 950,529,683 |
| 28. Total liabilities (Lines 26 and 27) | 5,624,065,714 | 5,194,271,524 |
| 29. Common capital stock | 1,000,000 | 1,000,000 |
| 30. Preferred capital stock | | |
| 31. Aggregate write-ins for other than special surplus funds | 0 | 0 |
| 32. Surplus notes | 0 | |
| 33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) | 55,002,515 | 55,002,515 |
| 34. Aggregate write-ins for special surplus funds | 0 | 0 |
| 35. Unassigned funds (surplus) | 4,238,207,358 | 4,155,008,388 |
| 36. Less treasury stock, at cost: | | |
| 36.1 shares common (value included in Line 29 \$) | | |
| 36.2 shares preferred (value included in Line 30 \$) | | |
| 37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ 0 in Separate Accounts Statement) | 4,293,209,873 | 4,210,010,903 |
| 38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) | 4,294,209,873 | 4,211,010,903 |
| 39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) | 9,918,275,587 | 9,405,282,427 |
| DETAILS OF WRITE-INS | | |
| 2501. Pension Liability | 141,501,537 | 0 |
| 2502. Uncashed drafts and checks pending escheatment to a state | 2,711,228 | 2,859,060 |
| 2503. Interest on policy and contract funds | 1,876,660 | 716,660 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 573,171 | 16,173,171 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 146,662,596 | 19,748,891 |
| 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 | 2 Prior Year |
|---|-------------------|-----------------|
| 1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11) | 263,212,338 | 266,831,078 |
| 2. Considerations for supplementary contracts with life contingencies | 87,719 | 25,789 |
| 3. Net investment income (Exhibit of Net Investment Income, Line 17) | 685,561,290 | 322,805,145 |
| 4. Amortization of Interest Maintenance Reserve (IMR, Line 5) | 2,818,886 | 3,051,265 |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | 0 | |
| 6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1) | 227,561 | 248,213 |
| 7. Reserve adjustments on reinsurance ceded | 0 | |
| 8. Miscellaneous Income: | | |
| 8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts | 0 | 0 |
| 8.2 Charges and fees for deposit-type contracts | 0 | |
| 8.3 Aggregate write-ins for miscellaneous income | 755,304 | 4,966,079 |
| 9. Total (Lines 1 to 8.3) | 952,663,098 | 597,927,569 |
| 10. Death benefits | 152,472,714 | 178,355,639 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | 6,846,159 | 15,627,594 |
| 12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) | 95,124,598 | 93,837,308 |
| 13. Disability benefits and benefits under accident and health contracts | 19,006,982 | 19,492,153 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | 0 | |
| 15. Surrender benefits and withdrawals for life contracts | 81,811,206 | 81,890,693 |
| 16. Group conversions | 0 | |
| 17. Interest and adjustments on contract or deposit-type contract funds | 15,720,083 | 9,352,791 |
| 18. Payments on supplementary contracts with life contingencies | 578,360 | 649,900 |
| 19. Increase in aggregate reserves for life and accident and health contracts | 532,528 | 12,309,838 |
| 20. Totals (Lines 10 to 19) | 372,092,630 | 411,515,916 |
| 21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) | 27,456,551 | 29,109,639 |
| 22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) | 1,589,550 | 1,699,516 |
| 23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4) | 117,036,962 | 108,622,750 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3) | 17,173,061 | 16,257,451 |
| 25. Increase in loading on deferred and uncollected premiums | (1,072,811) | (964,181) |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | (50,283,551) | (49,708,756) |
| 27. Aggregate write-ins for deductions | (21,775,467) | 9,545,266 |
| 28. Totals (Lines 20 to 27) | 462,216,925 | 526,077,601 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | 490,446,173 | 71,849,968 |
| 30. Dividends to policyholders | 57,433,564 | 58,403,710 |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | 433,012,609 | 13,446,258 |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) | 35,578,001 | 20,886,616 |
| 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) | 397,434,608 | (7,440,358) |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 66,717,200 (excluding taxes of \$ (41,260) transferred to the IMR) | 122,027,111 | 98,014,481 |
| 35. Net income (Line 33 plus Line 34) | 519,461,719 | 90,574,123 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) | 4,211,010,903 | 3,728,536,809 |
| 37. Net income (Line 35) | 519,461,719 | 90,574,123 |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$ (40,434,922) | (212,164,991) | 389,294,033 |
| 39. Change in net unrealized foreign exchange capital gain (loss) | | |
| 40. Change in net deferred income tax | 4,904,507 | 37,817,380 |
| 41. Change in nonadmitted assets | 13,305,571 | 396,890,109 |
| 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 | 0 | 5,730,684 |
| 44. Change in asset valuation reserve | (33,396,737) | (74,097,354) |
| 45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1) | 0 | 0 |
| 46. Surplus (contributed to) withdrawn from Separate Accounts during period | | |
| 47. Other changes in surplus in Separate Accounts Statement | | |
| 48. Change in surplus notes | | |
| 49. Cumulative effect of changes in accounting principles | | 10,272,370 |
| 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 | 0 | 0 |
| 51.2 Transferred to capital (Stock Dividend) | | |
| 51.3 Transferred from capital | | |
| 51.4 Change in surplus as a result of reinsurance | | |
| 52. Dividends to stockholders | (100,000,000) | (50,000,000) |
| 53. Aggregate write-ins for gains and losses in surplus | (108,911,099) | (324,007,251) |
| 54. Net change in capital and surplus for the year (Lines 37 through 53) | 83,198,970 | 482,474,094 |
| 55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) | 4,294,209,873 | 4,211,010,903 |
| DETAILS OF WRITE-INS | | |
| 08.301. Miscellaneous Income | 755,304 | 4,966,079 |
| 08.302. | | |
| 08.303. | | |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | 0 | 0 |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above) | 755,304 | 4,966,079 |
| 2701. Reserve adjustment on reinsurance assumed - integrity | (75,403,316) | (71,842,875) |
| 2702. Benefits for employees and agents not included elsewhere | 50,947,344 | 81,073,753 |
| 2703. Securities lending interest expense | 581,791 | 368,758 |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | 2,098,714 | (54,370) |
| 2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above) | (21,775,467) | 9,545,266 |
| 5301. Change in pension liability from adoption of SSAP 102 | 0 | (428,390,401) |
| 5302. Change in unrecognized pension liability, net of tax | (91,682,236) | 103,259,008 |
| 5303. Change in unrecognized other post retirement employee benefits liability, net of tax | (14,908,525) | 4,408,729 |
| 5398. Summary of remaining write-ins for Line 53 from overflow page | (2,320,338) | (3,284,587) |
| 5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above) | (108,911,099) | (324,007,251) |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

CASH FLOW

| | 1 | 2 |
|--|---------------|---------------|
| | Current Year | Prior Year |
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | 264,929,704 | 273,413,908 |
| 2. Net investment income | 428,421,809 | 299,503,267 |
| 3. Miscellaneous income | 982,865 | 5,214,292 |
| 4. Total (Lines 1 through 3) | 694,334,378 | 578,131,467 |
| 5. Benefit and loss related payments | 376,188,772 | 400,130,358 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | (51,156,401) | (48,813,126) |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 84,281,420 | 69,361,061 |
| 8. Dividends paid to policyholders | 57,551,298 | 57,992,863 |
| 9. Federal and foreign income taxes paid (recovered) net of \$51,814,551 tax on capital gains (losses) | 90,216,508 | 51,664,175 |
| 10. Total (Lines 5 through 9) | 557,081,597 | 530,335,331 |
| 11. Net cash from operations (Line 4 minus Line 10) | 137,252,781 | 47,796,136 |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 724,949,324 | 705,755,392 |
| 12.2 Stocks | 1,065,984,030 | 934,191,780 |
| 12.3 Mortgage loans | 966,757 | 13,971,670 |
| 12.4 Real estate | 0 | 0 |
| 12.5 Other invested assets | 137,027,875 | 99,765,224 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | (25,084) | 8,852 |
| 12.7 Miscellaneous proceeds | 80,090,325 | 11,855,696 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 2,008,993,227 | 1,765,548,614 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 722,392,916 | 596,233,168 |
| 13.2 Stocks | 1,022,947,063 | 1,076,368,878 |
| 13.3 Mortgage loans | 0 | 0 |
| 13.4 Real estate | 1,988,930 | 1,014,643 |
| 13.5 Other invested assets | 185,210,909 | 143,590,365 |
| 13.6 Miscellaneous applications | 291,955,716 | 8,874,485 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 2,224,495,534 | 1,826,081,539 |
| 14. Net increase (decrease) in contract loans and premium notes | (2,548,809) | (902,211) |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (212,953,498) | (59,630,714) |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock | 0 | 0 |
| 16.3 Borrowed funds | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | (3,233,514) | (10,702,196) |
| 16.5 Dividends to stockholders | 100,000,000 | 230,606 |
| 16.6 Other cash provided (applied) | 57,706,269 | 129,343,238 |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | (45,527,245) | 118,410,436 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (121,227,962) | 106,575,858 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 225,013,992 | 118,438,134 |
| 19.2 End of year (Line 18 plus Line 19.1) | 103,786,030 | 225,013,992 |

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

| | | |
|---|-------------|------------|
| 20.0001.Dividend to Western Southern Financial Group in the form of common stock | 0 | 49,769,394 |
| 20.0002.Capital contribution to Columbus Life Insurance Company in the form of common stock | 0 | 49,012,289 |
| 20.0003.Dividend from Integrity Life Insurance Company in the form of debt securities | 24,982,653 | 0 |
| 20.0004.Dividend from Western-Southern Assurance Company in the form of debt securities | 184,073,925 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 | 2 | Ordinary | | | 6 | Group | | Accident and Health | | | 12 |
|--|--------------|-----------------|----------------|----------------------|-------------------------|------------------------------------|--------------------|--------------|---------------------|-------------------------------|-------------|--|
| | | | 3 | 4 | 5 | | 7 | 8 | 9 | 10 | 11 | |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Supplementary Contracts | Credit Life (Group and Individual) | Life Insurance (a) | Annuities | Group | Credit (Group and Individual) | Other | Aggregate of All Other Lines of Business |
| 1. Premiums and annuity considerations for life and accident and health contracts | 263,212,338 | 13,216,113 | 219,652,442 | 1,719,647 | | 0 | 4,740,028 | 0 | 0 | 0 | 23,884,108 | |
| 2. Considerations for supplementary contracts with life contingencies | 87,719 | | | | 87,719 | | | | | | | |
| 3. Net investment income | 685,561,290 | 22,679,895 | 144,219,591 | 470,714 | 252,879 | | 2,484,849 | | | | 13,436,628 | 502,016,734 |
| 4. Amortization of Interest Maintenance Reserve (IMR) | 2,818,886 | 85,775 | 545,439 | 1,780 | 956 | | 20,697 | | | | 50,817 | 2,113,422 |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | 0 | | | | | | | | | | | |
| 6. Commissions and expense allowances on reinsurance ceded | 227,561 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 227,561 | |
| 7. Reserve adjustments on reinsurance ceded | 0 | | | | | | | | | | | |
| 8. Miscellaneous Income: | | | | | | | | | | | | |
| 8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts | 0 | | | | | | | | | | | |
| 8.2 Charges and fees for deposit-type contracts | 0 | | | | | | | | | | | |
| 8.3 Aggregate write-ins for miscellaneous income | 755,304 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 755,304 |
| 9. Totals (Lines 1 to 8.3) | 952,663,098 | 35,981,783 | 364,417,472 | 2,192,141 | 341,554 | 0 | 7,245,574 | 0 | 0 | 0 | 37,599,114 | 504,885,460 |
| 10. Death benefits | 152,472,714 | 33,322,120 | 113,659,551 | | | | 5,491,043 | | | | | |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | 6,846,159 | 5,609,787 | 1,236,372 | | | | | | | | | |
| 12. Annuity benefits | 95,124,598 | | | 44,834,956 | | | | 50,289,642 | | | | |
| 13. Disability benefits and benefits under accident and health contracts | 19,006,982 | 36,087 | 2,632,124 | | | | | | 0 | 0 | 16,338,771 | |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | 0 | | | | | | | | | | | |
| 15. Surrender benefits and withdrawals for life contracts | 81,811,206 | 3,247,559 | 51,820,867 | 25,849,488 | | | 893,292 | | | | | |
| 16. Group conversions | 0 | | | | | | | | | | | |
| 17. Interest and adjustments on contract or deposit-type contract funds | 15,720,083 | 3,829,334 | 11,767,671 | 3,428 | 115,001 | | | | | | 4,649 | |
| 18. Payments on supplementary contracts with life contingencies | 578,360 | | | | 578,360 | | | | | | | |
| 19. Increase in aggregate reserves for life and accident and health contracts | 532,528 | (32,906,999) | 27,069,933 | (1,077,853) | (86,765) | | 1,186,372 | | | | 6,347,840 | |
| 20. Totals (Lines 10 to 19) | 372,092,630 | 13,137,888 | 208,186,518 | 69,610,019 | 606,596 | 0 | 7,570,707 | 50,289,642 | 0 | 0 | 22,691,260 | 0 |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) | 27,456,551 | 0 | 25,525,664 | 2 | | 0 | 0 | 0 | 0 | 0 | 1,930,885 | 0 |
| 22. Commissions and expense allowances on reinsurance assumed | 1,589,550 | 0 | 320,844 | 1,256,429 | | 0 | 7,021 | 5,256 | 0 | 0 | 0 | 0 |
| 23. General insurance expenses | 117,036,962 | 3,740,503 | 63,534,074 | 124,301 | 1,278 | | 505,893 | 714,443 | 0 | 0 | 15,034,769 | 33,381,701 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes | 17,173,061 | 190,484 | 7,828,252 | 3,373 | 60 | | 128,704 | 1,559 | | | 1,136,174 | 7,884,455 |
| 25. Increase in loading on deferred and uncollected premiums | (1,072,811) | (10) | (1,070,459) | | | | | | | | (2,342) | |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | (50,283,551) | | | | | | | (50,283,551) | | | | |
| 27. Aggregate write-ins for deductions | (21,775,467) | 469,495 | 2,088,438 | (67,066,020) | 268 | 0 | (1,048,280) | (419,618) | 0 | 0 | 1,990,622 | 42,209,628 |
| 28. Totals (Lines 20 to 27) | 462,216,925 | 17,538,360 | 306,413,331 | 3,928,104 | 608,202 | 0 | 7,164,045 | 307,731 | 0 | 0 | 42,781,368 | 83,475,784 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | 490,446,173 | 18,443,423 | 58,004,141 | (1,735,963) | (266,648) | 0 | 81,529 | (307,731) | 0 | 0 | (5,182,254) | 421,409,676 |
| 30. Dividends to policyholders | 57,433,564 | 13,839,468 | 43,584,835 | 4,192 | 5,057 | | | | | | 0 | 12 |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | 433,012,609 | 4,603,955 | 14,419,306 | (1,740,155) | (271,705) | 0 | 81,529 | (307,731) | 0 | 0 | (5,182,254) | 421,409,664 |
| 32. Federal income taxes incurred (excluding tax on capital gains) | 35,578,001 | 1,611,384 | 5,046,757 | (609,054) | (95,097) | | 28,535 | (107,706) | | | (1,813,789) | 31,516,971 |
| 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) | 397,434,608 | 2,992,571 | 9,372,549 | (1,131,101) | (176,608) | 0 | 52,994 | (200,025) | 0 | 0 | (3,368,465) | 389,892,693 |
| DETAILS OF WRITE-INS | | | | | | | | | | | | |
| 08.301. Miscellaneous Income | 755,304 | | | | | | | | | | | 755,304 |
| 08.302. | | | | | | | | | | | | |
| 08.303. | | | | | | | | | | | | |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) | 755,304 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 755,304 |
| 2701. Reserve Adjustment on Reinsurance Assumed - Integrity | (75,403,316) | | (6,705,506) | (67,089,691) | | | (1,098,960) | (509,159) | | | | |
| 2702. Benefits for Employees and Agents not Included Elsewhere | 50,947,344 | 469,495 | 8,793,944 | 23,671 | 268 | | 50,680 | 89,541 | | | 1,990,622 | 39,529,123 |
| 2703. General Litigation Reserve Increase | 2,110,111 | | | | | | | | | | | 2,110,111 |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | 570,394 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 570,394 |
| 2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) | (21,775,467) | 469,495 | 2,088,438 | (67,066,020) | 268 | 0 | (1,048,280) | (419,618) | 0 | 0 | 1,990,622 | 42,209,628 |

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

| | 1 | 2 | Ordinary | | | 6 | Group | |
|--|---------------|-----------------|----------------|----------------------|-------------------------|------------------------------------|----------------|-----------|
| | | | 3 | 4 | 5 | | 7 | 8 |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Supplementary Contracts | Credit Life (Group and Individual) | Life Insurance | Annuities |
| Involving Life or Disability Contingencies (Reserves) | | | | | | | | |
| (Net of Reinsurance Ceded) | | | | | | | | |
| 1. Reserve December 31, prior year | 2,648,765,103 | 392,301,840 | 2,156,132,204 | 9,203,118 | 1,843,351 | 0 | 89,284,590 | 0 |
| 2. Tabular net premiums or considerations | 174,097,783 | 13,039,443 | 158,906,157 | 89,679 | 51,998 | | 2,010,506 | |
| 3. Present value of disability claims incurred | 1,700,341 | 0 | 1,029,063 | 0 | XXX | | 671,278 | |
| 4. Tabular interest | 110,102,704 | 10,259,889 | 95,143,928 | 377,556 | 92,531 | | 4,228,800 | |
| 5. Tabular less actual reserve released | 1,487,699 | 0 | 501,016 | 0 | (34,201) | | 1,020,884 | |
| 6. Increase in reserve on account of change in valuation basis | 0 | 0 | 0 | 0 | 0 | | 0 | |
| 7. Other increases (net) | (1,035,895) | 0 | (694,970) | (340,925) | 0 | | 0 | |
| 8. Totals (Lines 1 to 7) | 2,935,117,735 | 415,601,172 | 2,411,017,398 | 9,329,428 | 1,953,679 | 0 | 97,216,058 | 0 |
| 9. Tabular cost | 130,560,817 | 7,803,726 | 120,576,826 | 0 | XXX | | 2,180,265 | |
| 10. Reserves released by death | 95,940,754 | 33,154,341 | 59,369,761 | XXX | XXX | | 3,416,652 | XXX |
| 11. Reserves released by other terminations (net) | 61,375,434 | 15,248,264 | 45,239,630 | 887,540 | 0 | | 0 | |
| 12. Annuity, supplementary contract and disability payments involving life contingencies | 4,340,347 | 0 | 2,614,139 | 380,936 | 197,093 | | 1,148,179 | |
| 13. Net transfers to or (from) Separate Accounts | 0 | 0 | 0 | 0 | 0 | | 0 | |
| 14. Total Deductions (Lines 9 to 13) | 292,217,352 | 56,206,331 | 227,800,356 | 1,268,476 | 197,093 | 0 | 6,745,096 | 0 |
| 15. Reserve December 31, current year | 2,642,900,383 | 359,394,841 | 2,183,217,042 | 8,060,952 | 1,756,586 | 0 | 90,470,962 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

| | | 1 | 2 |
|----------------------|---|-----------------------|---------------------|
| | | Collected During Year | Earned During Year |
| 1. | U.S. Government bonds | (a) .....4,332,115 |4,270,898 |
| 1.1 | Bonds exempt from U.S. tax | (a) ..... | ..... |
| 1.2 | Other bonds (unaffiliated) | (a) .....165,002,137 |168,114,251 |
| 1.3 | Bonds of affiliates | (a) .....0 |0 |
| 2.1 | Preferred stocks (unaffiliated) | (b) .....1,449,969 |1,514,963 |
| 2.11 | Preferred stocks of affiliates | (b) ..... | ..... |
| 2.2 | Common stocks (unaffiliated) |51,283,322 |50,751,290 |
| 2.21 | Common stocks of affiliates |350,000,000 |350,000,000 |
| 3. | Mortgage loans | (c) .....1,094,188 |1,091,638 |
| 4. | Real estate | (d) .....13,448,906 |13,466,608 |
| 5 | Contract loans |11,954,410 |12,354,946 |
| 6 | Cash, cash equivalents and short-term investments | (e) .....324,276 |432,594 |
| 7 | Derivative instruments | (f) ..... | ..... |
| 8. | Other invested assets |100,781,598 |100,851,695 |
| 9. | Aggregate write-ins for investment income |1,076,708 |1,076,708 |
| 10. | Total gross investment income | 700,747,629 | 703,925,591 |
| 11. | Investment expenses | | (g) .....15,684,200 |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g) .....1,121,695 |
| 13. | Interest expense | | (h) .....0 |
| 14. | Depreciation on real estate and other invested assets | | (i) .....1,558,406 |
| 15. | Aggregate write-ins for deductions from investment income | |0 |
| 16. | Total deductions (Lines 11 through 15) | |18,364,301 |
| 17. | Net investment income (Line 10 minus Line 16) | | 685,561,290 |
| DETAILS OF WRITE-INS | | | |
| 0901. | Securities Lending Fee Income |919,984 |919,984 |
| 0902. | Miscellaneous |156,724 |156,724 |
| 0903. | ..... |  |  |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page |0 |0 |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | 1,076,708 | 1,076,708 |
| 1501. | ..... |  |  |
| 1502. | ..... |  |  |
| 1503. | ..... |  |  |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page | |0 |
| 1599. | Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) | | 0 |

- (a) Includes \$2,590,748 accrual of discount less \$6,748,840 amortization of premium and less \$5,616,144 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$10,904,203 for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$28 accrual of discount less \$199,011 amortization of premium and less \$299,876 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1 | 2 | 3 | 4 | 5 |
|----------------------|---|--|-------------------------------|--|--|---|
| | | Realized Gain (Loss) On Sales or Maturity | Other Realized Adjustments | Total Realized Capital Gain (Loss) (Columns 1 + 2) | Change in Unrealized Capital Gain (Loss) | Change in Unrealized Foreign Exchange Capital Gain (Loss) |
| 1. | U.S. Government bonds | (90,830) |0 | (90,830) |62,557 |0 |
| 1.1 | Bonds exempt from U.S. tax | | |0 | | |
| 1.2 | Other bonds (unaffiliated) |9,087,473 |(105,954) |8,981,519 |76,932 |0 |
| 1.3 | Bonds of affiliates |0 |0 |0 |0 |0 |
| 2.1 | Preferred stocks (unaffiliated) |35,258 |0 |35,258 |0 |0 |
| 2.11 | Preferred stocks of affiliates |0 |0 |0 |0 |0 |
| 2.2 | Common stocks (unaffiliated) |195,383,773 |(7,738,286) |187,645,487 |(76,128,571) |0 |
| 2.21 | Common stocks of affiliates |0 |0 |0 |(157,706,219) |0 |
| 3. | Mortgage loans |0 |0 |0 |0 |0 |
| 4. | Real estate | |0 |0 | |0 |
| 5. | Contract loans |(40,698) | |(40,698) | | |
| 6. | Cash, cash equivalents and short-term investments |15,614 | |15,614 | | |
| 7. | Derivative instruments |6,104,012 | |6,104,012 |(75,722,607) | |
| 8. | Other invested assets |79,982 |(13,926,056) |(13,846,074) |56,817,994 |0 |
| 9. | Aggregate write-ins for capital gains (losses) |0 |(177,850) |(177,850) |0 |0 |
| 10. | Total capital gains (losses) | 210,574,584 | (21,948,146) | 188,626,438 | (252,599,914) | 0 |
| DETAILS OF WRITE-INS | | | | | | |
| 0901. | Other Asset Impairment | |(177,850) |(177,850) | | |
| 0902. | ..... |  |  |  |  |  |
| 0903. | ..... |  |  |  |  |  |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page |0 |0 |0 |0 |0 |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | 0 | (177,850) | (177,850) | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

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

| | 1 | 2 | Ordinary | | 5 | Group | | Accident and Health | | | 11 |
|--|-------------|-----------------|----------------|----------------------|------------------------------------|----------------|-----------|---------------------|-------------------------------|------------|--|
| | | | 3 | 4 | | 6 | 7 | 8 | 9 | 10 | |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Credit Life (Group and Individual) | Life Insurance | Annuities | Group | Credit (Group and Individual) | Other | Aggregate of All Other Lines of Business |
| FIRST YEAR (other than single) | | | | | | | | | | | |
| 1. Uncollected | 303,171 | | 303,171 | | | | | | | | |
| 2. Deferred and accrued | 6,958,747 | | 6,958,747 | | | | | | | | |
| 3. Deferred , accrued and uncollected: | | | | | | | | | | | |
| 3.1 Direct | 7,262,527 | | 7,262,527 | | | | | | | | |
| 3.2 Reinsurance assumed | 0 | | 0 | | | | | | | | |
| 3.3 Reinsurance ceded | 609 | | 609 | | | | | | | | |
| 3.4 Net (Line 1 + Line 2) | 7,261,918 | 0 | 7,261,918 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Advance | 147,284 | | 147,284 | | | | | | | | |
| 5. Line 3.4 - Line 4 | 7,114,634 | 0 | 7,114,634 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Collected during year: | | | | | | | | | | | |
| 6.1 Direct | 14,512,936 | | 14,512,936 | | | | | | | | |
| 6.2 Reinsurance assumed | 0 | | 0 | | | | | | | | |
| 6.3 Reinsurance ceded | 2,138 | | 2,138 | | | | | | | | |
| 6.4 Net | 14,510,798 | 0 | 14,510,798 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Line 5 + Line 6.4 | 21,625,432 | 0 | 21,625,432 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Prior year (uncollected + deferred and accrued - advance) .. | 7,397,620 | 0 | 7,397,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. First year premiums and considerations: | | | | | | | | | | | |
| 9.1 Direct | 14,230,093 | | 14,230,093 | | | | | | | | |
| 9.2 Reinsurance assumed | 0 | | 0 | | | | | | | | |
| 9.3 Reinsurance ceded | 2,281 | | 2,281 | | | | | | | | |
| 9.4 Net (Line 7 - Line 8) | 14,227,812 | 0 | 14,227,812 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SINGLE | | | | | | | | | | | |
| 10. Single premiums and considerations: | | | | | | | | | | | |
| 10.1 Direct | 42,378,287 | 13,049,373 | 29,328,068 | 846 | | | | | | | |
| 10.2 Reinsurance assumed | 0 | | | | | | | | | | |
| 10.3 Reinsurance ceded | 0 | | | | | | | | | | |
| 10.4 Net | 42,378,287 | 13,049,373 | 29,328,068 | 846 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RENEWAL | | | | | | | | | | | |
| 11. Uncollected | 3,824,363 | | 3,361,391 | 329,391 | | | | | | 133,581 | |
| 12. Deferred and accrued | 71,885,113 | 36 | 71,885,077 | | | | | | | 0 | |
| 13. Deferred, accrued and uncollected: | | | | | | | | | | | |
| 13.1 Direct | 75,666,024 | 36 | 75,207,431 | | | | | | | 458,557 | |
| 13.2 Reinsurance assumed | 477,938 | 0 | 148,547 | 329,391 | | | | | | 0 | |
| 13.3 Reinsurance ceded | 434,486 | 0 | 109,510 | | | | | | | 324,976 | |
| 13.4 Net (Line 11 + Line 12) | 75,709,476 | 36 | 75,246,468 | 329,391 | 0 | 0 | 0 | 0 | 0 | 133,581 | 0 |
| 14. Advance | 4,957,093 | 37 | 4,862,923 | | | | | | | 94,133 | |
| 15. Line 13.4 - Line 14 | 70,752,383 | (1) | 70,383,545 | 329,391 | 0 | 0 | 0 | 0 | 0 | 39,448 | 0 |
| 16. Collected during year: | | | | | | | | | | | |
| 16.1 Direct | 210,559,101 | 166,790 | 177,601,497 | 28,907 | | 4,740,028 | | | | 28,021,879 | |
| 16.2 Reinsurance assumed | 2,985,236 | | 1,172,803 | 1,812,433 | | | | | | 0 | |
| 16.3 Reinsurance ceded | 5,591,821 | | 1,460,116 | 0 | | | | | | 4,131,705 | |
| 16.4 Net | 207,952,516 | 166,790 | 177,314,184 | 1,841,340 | 0 | 4,740,028 | 0 | 0 | 0 | 23,890,174 | 0 |
| 17. Line 15 + Line 16.4 | 278,704,899 | 166,789 | 247,697,729 | 2,170,731 | 0 | 4,740,028 | 0 | 0 | 0 | 23,929,622 | 0 |
| 18. Prior year (uncollected + deferred and accrued - advance) .. | 72,098,660 | 49 | 71,601,167 | 451,930 | 0 | 0 | 0 | 0 | 0 | 45,514 | 0 |
| 19. Renewal premiums and considerations: | | | | | | | | | | | |
| 19.1 Direct | 209,216,434 | 166,740 | 176,264,946 | 28,907 | | 4,740,028 | | | | 28,015,813 | |
| 19.2 Reinsurance assumed | 2,985,237 | 0 | 1,295,343 | 1,689,894 | | | | | | 0 | |
| 19.3 Reinsurance ceded | 5,595,432 | 0 | 1,463,727 | | | | | | | 4,131,705 | |
| 19.4 Net (Line 17 - Line 18) | 206,606,239 | 166,740 | 176,096,562 | 1,718,801 | 0 | 4,740,028 | 0 | 0 | 0 | 23,884,108 | 0 |
| TOTAL | | | | | | | | | | | |
| 20. Total premiums and annuity considerations: | | | | | | | | | | | |
| 20.1 Direct | 265,824,814 | 13,216,113 | 219,823,107 | 29,753 | 0 | 4,740,028 | 0 | 0 | 0 | 28,015,813 | 0 |
| 20.2 Reinsurance assumed | 2,985,237 | 0 | 1,295,343 | 1,689,894 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20.3 Reinsurance ceded | 5,597,713 | 0 | 1,466,008 | 0 | 0 | 0 | 0 | 0 | 0 | 4,131,705 | 0 |
| 20.4 Net (Lines 9.4 + 10.4 + 19.4) | 263,212,338 | 13,216,113 | 219,652,442 | 1,719,647 | 0 | 4,740,028 | 0 | 0 | 0 | 23,884,108 | 0 |

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

| | 1 | 2 | Ordinary | | 5 | Group | | Accident and Health | | | 11 |
|--|-------------|-----------------|----------------|----------------------|------------------------------------|----------------|-----------|---------------------|-------------------------------|-----------|--|
| | | | 3 | 4 | | 6 | 7 | 8 | 9 | 10 | |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Credit Life (Group and Individual) | Life Insurance | Annuities | Group | Credit (Group and Individual) | Other | Aggregate of All Other Lines of Business |
| DIVIDENDS AND COUPONS APPLIED (included in Part 1) | | | | | | | | | | | |
| 21. To pay renewal premiums | 1,858,879 | | 1,858,767 | 112 | | | | | | | |
| 22. All other | 41,749,257 | 13,049,373 | 28,699,038 | 846 | | | | | | | |
| REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED | | | | | | | | | | | |
| 23. First year (other than single): | | | | | | | | | | | |
| 23.1 Reinsurance ceded | 0 | | | | | | | | | | |
| 23.2 Reinsurance assumed | 0 | | | | | | | | | | |
| 23.3 Net ceded less assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24. Single: | | | | | | | | | | | |
| 24.1 Reinsurance ceded | 0 | | | | | | | | | | |
| 24.2 Reinsurance assumed | 0 | | | | | | | | | | |
| 24.3 Net ceded less assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25. Renewal: | | | | | | | | | | | |
| 25.1 Reinsurance ceded | 227,561 | | | | | | | | | 227,561 | |
| 25.2 Reinsurance assumed | 1,589,550 | | 320,844 | 1,256,429 | | 7,021 | 5,256 | | | | |
| 25.3 Net ceded less assumed | (1,361,989) | 0 | (320,844) | (1,256,429) | 0 | (7,021) | (5,256) | 0 | 0 | 227,561 | 0 |
| 26. Totals: | | | | | | | | | | | |
| 26.1 Reinsurance ceded (Page 6, Line 6) | 227,561 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 227,561 | 0 |
| 26.2 Reinsurance assumed (Page 6, Line 22) | 1,589,550 | 0 | 320,844 | 1,256,429 | 0 | 7,021 | 5,256 | 0 | 0 | 0 | 0 |
| 26.3 Net ceded less assumed | (1,361,989) | 0 | (320,844) | (1,256,429) | 0 | (7,021) | (5,256) | 0 | 0 | 227,561 | 0 |
| COMMISSIONS INCURRED (direct business only) | | | | | | | | | | | |
| 27. First year (other than single) | 15,159,666 | | 13,701,446 | | | | | | | 1,458,220 | |
| 28. Single | 0 | | | | | | | | | | |
| 29. Renewal | 12,296,885 | | 11,824,218 | 2 | | | | | | 472,665 | |
| 30. Deposit-type contract funds | 0 | | | | | | | | | | |
| 31. Totals (to agree with Page 6, Line 21) | 27,456,551 | 0 | 25,525,664 | 2 | 0 | 0 | 0 | 0 | 0 | 1,930,885 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

EXHIBIT 2 - GENERAL EXPENSES

| | Insurance | | | | 5 | 6 |
|--|-------------|---------------------|------------|----------------------------------|------------|----------------------|
| | 1 | Accident and Health | | 4 All Other Lines of Business | | |
| | | 2 | 3 | | | |
| | Life | Cost Containment | All Other | | Investment | Total |
| 1. Rent | 6,476,631 | .0 | 1,073,504 | 2,573,490 | 120,392 | 10,244,017 |
| 2. Salaries and wages | 33,616,988 | 296,563 | 6,659,508 | 5,441,906 | 1,900,185 | 47,915,150 |
| 3.11 Contributions for benefit plans for employees | 2,668,022 | .0 | 704,686 | 13,376,189 | 440,994 | 17,189,891 |
| 3.12 Contributions for benefit plans for agents | 9,475,691 | .0 | 1,254,800 | .0 | .0 | 10,730,491 |
| 3.21 Payments to employees under non-funded benefit plans | | | | | | .0 |
| 3.22 Payments to agents under non-funded benefit plans | | | | | | .0 |
| 3.31 Other employee welfare | 306,414 | .0 | 77,329 | 249,457 | 3,171 | 636,371 |
| 3.32 Other agent welfare | 220,348 | .0 | 31,298 | 21,095 | 41 | 272,782 |
| 4.1 Legal fees and expenses | 562,875 | .0 | 79,105 | 149,998 | .0 | 791,978 |
| 4.2 Medical examination fees | 753,346 | .0 | 182,672 | 751 | .0 | 936,769 |
| 4.3 Inspection report fees | 308,019 | .0 | 56,563 | 5,177 | 67 | 369,826 |
| 4.4 Fees of public accountants and consulting actuaries | 63,549 | .0 | 5,796 | 434,474 | .0 | 503,819 |
| 4.5 Expense of investigation and settlement of policy claims | 433,286 | 24,208 | 1,260,943 | 84,271 | .0 | 1,802,708 |
| 5.1 Traveling expenses | 1,537,081 | .0 | 223,339 | 420,004 | 42,921 | 2,223,345 |
| 5.2 Advertising | 535,365 | .0 | 81,805 | 1,601,037 | 4 | 2,218,211 |
| 5.3 Postage, express, telegraph and telephone | 2,050,034 | .0 | 483,520 | 713,020 | 1,243 | 3,247,817 |
| 5.4 Printing and stationery | 851,967 | .0 | 161,167 | (264,951) | 96 | 748,279 |
| 5.5 Cost or depreciation of furniture and equipment | 365,069 | .0 | 52,550 | 130,452 | 1,448 | 549,519 |
| 5.6 Rental of equipment | 457,734 | .0 | 62,962 | 306,574 | 639 | 827,909 |
| 5.7 Cost or depreciation of EDP equipment and software | 942,918 | .0 | 464,720 | 308,586 | 401 | 1,716,625 |
| 6.1 Books and periodicals | 39,077 | .0 | 5,984 | 30,533 | 124 | 75,718 |
| 6.2 Bureau and association fees | 41,004 | .0 | 17,589 | 210,089 | 323 | 269,005 |
| 6.3 Insurance, except on real estate | 232,845 | .0 | 76,701 | 133,440 | .0 | 442,986 |
| 6.4 Miscellaneous losses | 29,830 | .0 | 4,720 | 44,011 | (1) | 78,560 |
| 6.5 Collection and bank service charges | 687,336 | .0 | 94,001 | 85,981 | .0 | 867,318 |
| 6.6 Sundry general expenses | 1,711,534 | .0 | 780,581 | 747,979 | 474,676 | 3,714,770 |
| 6.7 Group service and administration fees | (151) | .0 | (41) | 28,782 | .0 | 28,590 |
| 6.8 Reimbursements by uninsured plans | | | | | | .0 |
| 7.1 Agency expense allowance | | | | | | .0 |
| 7.2 Agents' balances charged off (less \$ recovered) | | | | | | .0 |
| 7.3 Agency conferences other than local meetings | 1,478,588 | .0 | 206,659 | .0 | .0 | 1,685,247 |
| 9.1 Real estate expenses | 844 | .0 | 136 | 3,348 | 9,944,762 | 9,949,090 |
| 9.2 Investment expenses not included elsewhere | 284 | .0 | 26 | 741 | 138,391 | 139,442 |
| 9.3 Aggregate write-ins for expenses | 2,774,071 | 406,253 | 205,123 | 6,545,159 | 2,614,323 | 12,544,929 |
| 10. General expenses incurred | 68,620,599 | 727,024 | 14,307,746 | 33,381,593 | 15,684,200 | (a) .....132,721,162 |
| 11. General expenses unpaid December 31, prior year | 124,500,107 | | 23,768,666 | 47,955,701 | 23,769,490 | 219,993,964 |
| 12. General expenses unpaid December 31, current year | 125,263,097 | | 27,445,113 | 60,936,082 | 28,630,607 | 242,274,899 |
| 13. Amounts receivable relating to uninsured plans, prior year | | | | | | .0 |
| 14. Amounts receivable relating to uninsured plans, current year | | | | | | .0 |
| 15. General expenses paid during year (Lines 10+11-12-13+14) | 67,857,609 | 727,024 | 10,631,299 | 20,401,212 | 10,823,083 | 110,440,227 |
| DETAILS OF WRITE-INS | | | | | | |
| 09.301. Equipment and software maintenance | 2,283,206 | .0 | 501,686 | 1,363,407 | 63,563 | 4,211,862 |
| 09.302. Real estate partnership expenses | | | | | 1,922,485 | 1,922,485 |
| 09.303. Consulting | 490,865 | 406,253 | (296,563) | 5,181,752 | 628,275 | 6,410,582 |
| 09.398. Summary of remaining write-ins for Line 9.3 from overflow page | .0 | .0 | .0 | .0 | .0 | .0 |
| 09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above) | 2,774,071 | 406,253 | 205,123 | 6,545,159 | 2,614,323 | 12,544,929 |

(a) Includes management fees of \$ 6,399,564 to affiliates and \$ 2,072,993 to non-affiliates.

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

| | Insurance | | | 4 | 5 |
|---|-----------|---------------------|-----------------------------|------------|------------|
| | 1 | 2 | 3 | | |
| | Life | Accident and Health | All Other Lines of Business | Investment | Total |
| 1. Real estate taxes | | | | 1,108,689 | 1,108,689 |
| 2. State insurance department licenses and fees | 652,640 | 80,822 | | | 733,462 |
| 3. State taxes on premiums | 3,048,086 | 450,990 | | | 3,499,076 |
| 4. Other state taxes, including \$ for employee benefits | 1,346,968 | 169,089 | 339,032 | 559 | 1,855,648 |
| 5. U.S. Social Security taxes | 2,705,311 | 385,808 | 7,545,423 | 12,447 | 10,648,989 |
| 6. All other taxes | 399,427 | 49,465 | | | 448,892 |
| 7. Taxes, licenses and fees incurred | 8,152,432 | 1,136,174 | 7,884,455 | 1,121,695 | 18,294,756 |
| 8. Taxes, licenses and fees unpaid December 31, prior year | 1,106,967 | 120,253 | .0 | 1,146,532 | 2,373,752 |
| 9. Taxes, licenses and fees unpaid December 31, current year | 1,209,225 | 149,749 | | 1,168,662 | 2,527,636 |
| 10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9) | 8,050,174 | 1,106,678 | 7,884,455 | 1,099,565 | 18,140,872 |

EXHIBIT 4 - DIVIDENDS OR REFUNDS

| | 1 | 2 |
|---|------------|---------------------|
| | Life | Accident and Health |
| 1. Applied to pay renewal premiums | 1,858,879 | .0 |
| 2. Applied to shorten the endowment or premium-paying period | | |
| 3. Applied to provide paid-up additions | 41,749,257 | |
| 4. Applied to provide paid-up annuities | | |
| 5. Total Lines 1 through 4 | 43,608,136 | .0 |
| 6. Paid in cash | 8,091,340 | |
| 7. Left on deposit | 5,851,822 | |
| 8. Aggregate write-ins for dividend or refund options | 0 | 0 |
| 9. Total Lines 5 through 8 | 57,551,298 | .0 |
| 10. Amount due and unpaid | 260,000 | |
| 11. Provision for dividends or refunds payable in the following calendar year | 36,338,630 | |
| 12. Terminal dividends | 4,702,000 | |
| 13. Provision for deferred dividend contracts | | |
| 14. Amount provisionally held for deferred dividend contracts not included in Line 13 | | |
| 15. Total Lines 10 through 14 | 41,300,630 | .0 |
| 16. Total from prior year | 41,418,364 | 0 |
| 17. Total dividends or refunds (Lines 9 + 15 - 16) | 57,433,564 | 0 |
| DETAILS OF WRITE-INS | | |
| 0801. | | |
| 0802. | | |
| 0803. | | |
| 0898. Summary of remaining write-ins for Line 8 from overflow page | .0 | .0 |
| 0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) | 0 | 0 |

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---------------|-------------|---------------|----------------------------------|------------|
| Valuation Standard | Total | Industrial | Ordinary | Credit (Group and Individual) | Group |
| 0100001. AE 3.5%, 01-59 | 6,530,979 | 4,048,976 | 2,482,003 | | |
| 0100002. AE 3%, 41-66 | 3,974,239 | | 3,974,239 | | |
| 0100003. AM (5) 3.5%, 01-62 | 18,433,224 | | 18,433,224 | | |
| 0100004. AM (5) 3.25%, 40-42 | 8,441 | | 8,441 | | |
| 0100005. AM (5) 3%, 74-81 | 15 | | 15 | | |
| 0100006. AM (5) 2.5%, 74-81 | 27,141 | | 27,141 | | |
| 0100007. STD IND 3.5%, 07-67 | 8,490,392 | 8,490,392 | | | |
| 0100008. 41 CSO 3.5%, 32-67 | 244,772,515 | | 244,772,515 | | |
| 0100009. 41 CSO 3% CRVM, 48-66 | 6,948,752 | | 6,948,752 | | |
| 0100010. 41 CSO 3%, 47-67 | 1,108,392 | | 1,108,392 | | |
| 0100011. 41 CSO 2.5% CRVM, 48-65 | 13,772,355 | | 13,772,355 | | |
| 0100012. 41 CSO 2.5%, 43-66 | 18,166,741 | | 18,166,741 | | |
| 0100013. 41 CSO 2.25%, 50-57 | 301,595 | | 301,595 | | |
| 0100014. 41 STD IND 3.5%, 56-71 | 706,791 | 706,791 | | | |
| 0100015. 41 STD IND 3% CRVM, 57 | 137,106 | 137,106 | | | |
| 0100016. 41 STD IND 3%, 46-88 | 60,713,603 | 60,712,003 | 1,600 | | |
| 0100017. 41 STD IND 2.5%, 48-67 | 273,707,473 | 273,706,023 | 1,450 | | |
| 0100018. 58 CSO/CET 6%, 83-86 | 91,125,686 | | 91,125,686 | | |
| 0100019. 58 CSO/CET 5.5%, 80-85 | 42,492,350 | | 42,492,350 | | |
| 0100020. 58 CSO/CET 5%, 80-85, 87-94 | 228 | | 228 | | |
| 0100021. 58 CSO/CET 4.5% CRVM, 83-89 | 161,518,331 | | 161,518,331 | | |
| 0100022. 58 CSO/CET 4.5%, 79-88 | 103,147,776 | | 103,147,776 | | |
| 0100023. 58 CSO/CET 4% CRVM, 79-88 | 5,474,261 | | 5,474,261 | | |
| 0100024. 58 CSO/CET 4%, 75-88 | 82,854,408 | | 82,854,408 | | |
| 0100025. 58 CSO/CET 3.5% CRVM, 77-88 | 172,977 | | 172,977 | | |
| 0100026. 58 CSO/CET 3.5%, 61-88 | 287,159,798 | | 287,159,798 | | |
| 0100027. 58 CSO/CET 3% CRVM, 65-77 | 1,059,080 | | 1,059,080 | | |
| 0100028. 58 CSO/CET 3%, 65-84 | 16,317,562 | | 16,317,562 | | |
| 0100029. 58 CSO/CET 2.5% CRVM, 77-84 | 43,470,385 | | 43,470,385 | | |
| 0100030. 58 CSO/CET 2.5%, 62-88 | 72,133,817 | | 72,133,817 | | |
| 0100031. 60 CSG 6%, 83-86 | 3,155,819 | | | | 3,155,819 |
| 0100032. 60 CSG 5.5%, 87-92 | 20,576,885 | | | | 20,576,885 |
| 0100033. 60 CSG 5.0%, 93-94 | 4,589,330 | | | | 4,589,330 |
| 0100034. 60 CSG 4.5%, 80-82, 92-14 | 53,295,390 | | | | 53,295,390 |
| 0100035. 60 CSG 4%, 75-79 | 129,809 | | | | 129,809 |
| 0100036. 60 CSG 3%, 55-60 | 6,072,877 | | 224,510 | | 5,848,367 |
| 0100037. 61 CSI/CIET 2.5%, 67-82 | 10,508,487 | 10,508,487 | | | |
| 0100038. 80 CSO/CET 6% CRVM, 83-86 | 15,636,329 | | 15,636,329 | | |
| 0100039. 80 CSO/CET 6%, 83-91 | 52,956 | | 52,956 | | |
| 0100040. 80 CSO/CET 5.5% CRVM, 87-92 | 239,635,756 | | 239,635,756 | | |
| 0100041. 80 CSO/CET 5.5%, 87-92 | 51,660,946 | | 51,660,946 | | |
| 0100042. 80 CSO/CET 5.25%, 87-92 | 333,710 | | 333,710 | | |
| 0100043. 80 CSO/CET 5% CRVM, 88-89, 93-94 | 81,466,538 | | 81,466,538 | | |
| 0100044. 80 CSO/CET 5%, 88-89, 93-94 | 29,534,784 | | 29,534,784 | | |
| 0100045. 80 CSO/CET 4.5% CRVM, 57-05 | 577,415,922 | | 577,415,922 | | |
| 0100046. 80 CSO/CET 4.5%, 90-05 | 78,071,293 | | 78,071,293 | | |
| 0100047. 80 CSO/CET 4% CRVM, 89-02 | 60,411,209 | | 60,411,209 | | |
| 0100048. 80 CSO/CET 4%, 88-01 | 5,669,272 | | 5,669,272 | | |
| 0100049. 80 CSO/CET 3.5%, 83-84 | 3,932 | | 3,932 | | |
| 0100050. 2001 CSO 4.5% CRVM, 05 | 31,362,882 | | 31,362,882 | | |
| 0100051. 2001 CSO 4.0% CRVM, 06-12 | 195,329,349 | | 195,329,349 | | |
| 0100052. 2001 CSO 3.5% CRVM, 13-14 NB | 19,179,676 | | 19,179,676 | | |
| 0199997. Totals (Gross) | 3,048,819,564 | 358,309,778 | 2,602,914,186 | 0 | 87,595,600 |
| 0199998. Reinsurance ceded | 450,349,051 | | 450,349,051 | | |
| 0199999. Life Insurance: Totals (Net) | 2,598,470,513 | 358,309,778 | 2,152,565,135 | 0 | 87,595,600 |
| 0200001. 55 AA 4% IMMEDIATE | 1,523 | XXX | 1,523 | XXX | |
| 0200002. 71 IAM 7% PROJ. SCALE B IMMEDIATE | 49,069 | XXX | 49,069 | XXX | |
| 0200003. 71 IAM 7.5% IMMEDIATE | 56,802 | XXX | 56,802 | XXX | |
| 0200004. 83a 8.25% PROJ. SCALE G IMMEDIATE | 208,640 | XXX | 208,640 | XXX | |
| 0200005. 83a 7.75% PROJ. SCALE G IMMEDIATE | 77,342 | XXX | 77,342 | XXX | |
| 0200006. 83a 7.4% PROJ. SCALE G IMMEDIATE | 6,312 | XXX | 6,312 | XXX | |
| 0200007. 83a 7.25% PROJ. SCALE G IMMEDIATE | 208,969 | XXX | 208,969 | XXX | |
| 0200008. 83a 6.75% PROJ. SCALE G IMMEDIATE | 523,314 | XXX | 523,314 | XXX | |
| 0200009. 83a 6.7% PROJ. SCALE G IMMEDIATE | 126,153 | XXX | 126,153 | XXX | |
| 0200010. 83a 6.2% PROJ. SCALE G IMMEDIATE | 145,891 | XXX | 145,891 | XXX | |
| 0200011. 83a 7% IMMEDIATE | 23,152 | XXX | 23,152 | XXX | |
| 0200012. ANNUITY 2000 IAM 6.25% PROJ. SCALE G | 330,712 | XXX | 330,712 | XXX | |
| 0200013. ANNUITY 2000 IAM 6% PROJ. SCALE G | 56,277 | XXX | 56,277 | XXX | |
| 0200014. ANNUITY 2000 IAM 5.75% PROJ. SCALE G | 205,474 | XXX | 205,474 | XXX | |
| 0200015. ANNUITY 2000 IAM 5.5% PROJ. SCALE G | 320,664 | XXX | 320,664 | XXX | |
| 0200016. ANNUITY 2000 IAM 5.4% PROJ. SCALE G | 6,453 | XXX | 6,453 | XXX | |
| 0200017. ANNUITY 2000 IAM 4.9% PROJ. SCALE G | 74,977 | XXX | 74,977 | XXX | |
| 0200018. ANNUITY 2000 IAM 4.25% PROJ. SCALE G | 25,069 | XXX | 25,069 | XXX | |
| 0200019. ANNUITY 2000 IAM 3.75% PROJ. SCALE G | 18,180 | XXX | 18,180 | XXX | |
| 0200020. ANNUITY 2000 IAM 3.5% PROJ. SCALE G | 120,524 | XXX | 120,524 | XXX | |
| 0200021. ANNUITY PURCHASE FUNDS DEFERRED | 4,365,911 | XXX | 4,365,911 | XXX | |
| 0200022. ACCUM FOR DEF AT 5%; ULT BASIS a-1949 2.5% PROJ 30 YRS | 201,598 | XXX | 201,598 | XXX | |
| 0200023. ACCUM FOR DEF AT 3.5%; ULT BASIS a-1949 2.5% PROJ 30 YRS | 161,366 | XXX | 161,366 | XXX | |
| 0200024. ACCUM FOR DEF AT 3%; ULT BASIS a-1949 2.5% PROJ 30 YRS | 4,558 | XXX | 4,558 | XXX | |
| 0200025. ACCUM FOR DEF AT 2.5%; ULT BASIS a-1949 2.5% PROJ 30 YRS | 235,120 | XXX | 235,120 | XXX | |
| 0200026. DEFERRED 6% CARVM : 83a 3% | 13,659 | XXX | 13,659 | XXX | |
| 0200027. DEFERRED 5.75% CARVM : 83a 3% | 29,233 | XXX | 29,233 | XXX | |
| 0200028. DEFERRED 5.5% CARVM : 83a 3% | 45,909 | XXX | 45,909 | XXX | |
| 0200029. DEFERRED 5.25% CARVM : 83a 3% | 356,764 | XXX | 356,764 | XXX | |
| 0200030. DEFERRED 4% CARVM : 83a 3% | 119,662 | XXX | 119,662 | XXX | |
| 0200031. 3.5% DEFERRED FLEXIBLE | 233,046 | XXX | 233,046 | XXX | |
| 0200032. 3.5% DEFERRED | 2,392 | XXX | 2,392 | XXX | |
| 0200033. 2.5% DEFERRED | 117 | XXX | 117 | XXX | |

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---------------|-------------|---------------|----------------------------------|------------|
| Valuation Standard | Total | Industrial | Ordinary | Credit (Group and Individual) | Group |
| 0200034. 6%/5/4% DEFERRED FLEXIBLE | 100,344,966 | XXX | 100,344,966 | XXX | |
| 0200035. 5.5%/2/5%/3/4% DEFERRED FLEXIBLE | 93,021 | XXX | 93,021 | XXX | |
| 0200036. 4%/10/3.5% DEFERRED FLEXIBLE | 4,641,180 | XXX | 4,641,180 | XXX | |
| 0200037. 71 GAM 6% IMMEDIATE | 252,214 | XXX | | XXX | 252,214 |
| 0200038. 83 GAM 6% IMMEDIATE | 4,393,574 | XXX | | XXX | 4,393,574 |
| 0299997. Totals (Gross) | 118,079,787 | XXX | 113,433,999 | XXX | 4,645,788 |
| 0299998. Reinsurance ceded | 110,018,835 | XXX | 105,373,047 | XXX | 4,645,788 |
| 0299999. Annuities: Totals (Net) | 8,060,952 | XXX | 8,060,952 | XXX | 0 |
| 0300001. a-1949 2.5%, PROJ. 30 YEARS | 43,439 | | 43,439 | | |
| 0300002. 55 AA 4% | 11,612 | | 11,612 | | |
| 0300003. 71 IAM 7.5% | 121,040 | | 121,040 | | |
| 0300004. 71 IAM 7%, PROJ. SCALE B | 32,016 | | 32,016 | | |
| 0300005. 71 IAM 6%, PROJ. SCALE B | 1,562 | | 1,562 | | |
| 0300006. 71 IAM 6% | 43,229 | | 43,229 | | |
| 0300007. 83a 7.5% | 49,282 | | 49,282 | | |
| 0300008. 83a 8.25%, PROJ. SCALE G | 124,473 | | 124,473 | | |
| 0300009. 83a 7.75%, PROJ. SCALE G | 85,042 | | 85,042 | | |
| 0300010. 83a 7.4%, PROJ. SCALE G | 32,440 | | 32,440 | | |
| 0300011. 83a 7.25%, PROJ. SCALE G | 108,622 | | 108,622 | | |
| 0300012. 83a 7%, NO PROJ. | 1,786 | | 1,786 | | |
| 0300013. 83a 6.75%, PROJ. SCALE G | 111,330 | | 111,330 | | |
| 0300014. 83a 6.7%, PROJ. SCALE G | 82,341 | | 82,341 | | |
| 0300015. 83a 6.2%, PROJ. SCALE G | 87,178 | | 87,178 | | |
| 0300016. ANNUITY 2000 IAM 6.25%, PROJ. SCALE G | 134,489 | | 134,489 | | |
| 0300017. ANNUITY 2000 IAM 6%, PROJ. SCALE G | 32,933 | | 32,933 | | |
| 0300018. ANNUITY 2000 IAM 5.75%, PROJ. SCALE G | 12,632 | | 12,632 | | |
| 0300019. ANNUITY 2000 IAM 5.5%, PROJ. SCALE G | 52,032 | | 52,032 | | |
| 0300020. ANNUITY 2000 IAM 5.4%, PROJ. SCALE G | 2,437 | | 2,437 | | |
| 0300021. ANNUITY 2000 IAM 3.5%, PROJ. SCALE G | 628,869 | | 628,869 | | |
| 0300022. ANNUITY 2000 IAM 3.10%, NO PROJ. | 97,053 | | 97,053 | | |
| 0300023. ANNUITY 2000 IAM 3.05%, NO PROJ. | 10,411 | | 10,411 | | |
| 0300024. ANNUITY 2000 IAM [2.75%-3.00%], NO PROJ. | 24,454 | | 24,454 | | |
| 0300025. ANNUITY 2000 IAM [2.50%-2.75%], NO PROJ. NB .. | 51,047 | | 51,047 | | |
| 0399997. Totals (Gross) | 1,981,749 | 0 | 1,981,749 | 0 | 0 |
| 0399998. Reinsurance ceded | 225,163 | | 225,163 | | |
| 0399999. SCWLC: Totals (Net) | 1,756,586 | 0 | 1,756,586 | 0 | 0 |
| 0400001. INTERCO DI & 41 CSO 2.5% | 118,338 | 75 | 118,263 | | |
| 0400002. INTERCO DI & 41 STD IND 2.5% | 219,669 | 219,669 | | | |
| 0400003. 59 ADB & 58 CSO/CET 3% | 67,559 | 0 | 67,559 | | |
| 0400004. 59 ADB & 58 CSO/CET 2.5% | 1,184,017 | 0 | 1,184,017 | | |
| 0400005. 59 ADB & 61 CSI 2.5% | 216,202 | 216,202 | 0 | | |
| 0400006. 59 ADB & 80 CSO/CET 4.5% | 591 | 0 | 591 | | |
| 0400007. 59 ADB & 80 CSO/CET 2.5% NB | 1,742,508 | | 1,742,508 | | |
| 0499997. Totals (Gross) | 3,548,884 | 435,946 | 3,112,938 | 0 | 0 |
| 0499998. Reinsurance ceded | 68,558 | | 68,558 | | |
| 0499999. Accidental Death Benefits: Totals (Net) | 3,480,326 | 435,946 | 3,044,380 | 0 | 0 |
| 0500001. 75% 30-31 MET & 41 STD IND 2.5% | 410,892 | 410,200 | 692 | | |
| 0500002. 75% 30-31 MET & 58 CSO/CET 2.5% | 2,505,524 | 127 | 2,505,397 | | |
| 0500003. 75% 30-31 MET & 80 CSO/CET 2.5% NB | 259,964 | | 259,964 | | |
| 0500004. 75% 30-31 MET & 61 CSI 2.5% | 238,790 | 238,790 | | | |
| 0500005. 52 BEN 5, PERIOD 2 & 41 CSO 2.5% | 18,267 | | 18,267 | | |
| 0500006. 52 BEN 5, PERIOD 2 & 58 CSO/CET 3% | 264,121 | | 264,121 | | |
| 0500007. 52 BEN 5, PERIOD 2 & 58 CSO/CET 2.5% | 1,133,630 | | 1,133,630 | | |
| 0500008. 52 BEN 5, PERIOD 2 & 80 CSO/CET 4.5% | 40,299 | | 40,299 | | |
| 0500009. 52 BEN 5, PERIOD 2 & 80 CSO/CET 4% | 1,008 | | 1,008 | | |
| 0500010. 52 BEN 5, PERIOD 2 & 80 CSO/CET 2.5% NB | 2,447,248 | | 2,447,248 | | |
| 0500011. 52 BEN 5, PERIOD 2 3.5% | 67,498 | | | | 67,498 |
| 0500012. 52 INTERCO DISA 4.5% | 18,312 | | 18,312 | | |
| 0500013. SPECIAL - RELATED TO PREMIUM | 73,011 | | 73,011 | | |
| 0599997. Totals (Gross) | 7,478,564 | 649,117 | 6,761,949 | 0 | 67,498 |
| 0599998. Reinsurance ceded | 311,476 | | 311,476 | | |
| 0599999. Disability-Active Lives: Totals (Net) | 7,167,088 | 649,117 | 6,450,473 | 0 | 67,498 |
| 0600001. 26 CLASS (3) 2.5 | 44,157 | | 44,157 | | |
| 0600002. 52 BEN 5, PERIOD 2 3.5% | 4,713,593 | | 4,713,593 | | |
| 0600003. 52 BEN 5, PERIOD 2 2.5% | 23,859,798 | | 21,051,934 | | 2,807,864 |
| 0699997. Totals (Gross) | 28,617,548 | 0 | 25,809,684 | 0 | 2,807,864 |
| 0699998. Reinsurance ceded | 4,713,593 | | 4,713,593 | | |
| 0699999. Disability-Disabled Lives: Totals (Net) | 23,903,955 | 0 | 21,096,091 | 0 | 2,807,864 |
| 0700001. Accelerated Death Benefit | 60,963 | | 60,963 | | |
| 0799997. Totals (Gross) | 60,963 | 0 | 60,963 | 0 | 0 |
| 0799998. Reinsurance ceded | 0 | | | | |
| 0799999. Miscellaneous Reserves: Totals (Net) | 60,963 | 0 | 60,963 | 0 | 0 |
| 9999999. Totals (Net) - Page 3, Line 1 | 2,642,900,383 | 359,394,841 | 2,193,034,580 | 0 | 90,470,962 |

EXHIBIT 5 - INTERROGATORIES

1.1

Has the reporting entity ever issued both participating and non-participating contracts?

Yes [X] No []

1.2

If not, state which kind is issued.

2.1

Does the reporting entity at present issue both participating and non-participating contracts?

Yes [] No [X]

2.2

If not, state which kind is issued.

Non-participating

3.

Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?

Yes [X] No []

If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

4.

Has the reporting entity any assessment or stipulated premium contracts in force?

Yes [X] No []

If so, state:

4.1

Amount of insurance?

\$151,310

4.2

Amount of reserve?

\$131,839

4.3

Basis of reserve:

AE 3.5%

4.4

Basis of regular assessments:

4.5

Basis of special assessments:

4.6

Assessments collected during the year

\$

5.

If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.

6.

Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis?

Yes [] No [X]

6.1

If so, state the amount of reserve on such contracts on the basis actually held:

\$

6.2

That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:

\$

Attach statement of methods employed in their valuation.

7.

Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?

Yes [] No [X]

7.1

If yes, state the total dollar amount of assets covered by these contracts or agreements

\$

7.2

Specify the basis (fair value, amortized cost, etc.) for determining the amount:

7.3

State the amount of reserves established for this business:

\$

7.4

Identify where the reserves are reported in the blank:

8.

Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year?

Yes [] No [X]

8.1

If yes, state the total dollar amount of account value covered by these contracts or agreements:

\$

8.2

State the amount of reserves established for this business:

\$

8.3

Identify where the reserves are reported in the blank:

9.

Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year?

Yes [] No [X]

9.1

If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders:

\$

9.2

State the amount of reserves established for this business:

\$

9.3

Identify where the reserves are reported in the blank:

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

| 1 | Valuation Basis | | 4 |
|----------------------------------|-----------------|------------|---|
| | 2 | 3 | |
| Description of Valuation Class | Changed From | Changed To | Increase in Actuarial Reserve Due to Change |
| | | | |
| | | | |
| | | | |
| | | | |
| 9999999 - Total (Column 4, only) | | | |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

| | 1 Total | 2 Group Accident and Health | 3 Credit Accident and Health (Group and Individual) | 4 Collectively Renewable | Other Individual Contracts | | | | |
|---|----------------|---------------------------------------|--|------------------------------------|----------------------------|----------------------------------|---|------------------------------|--------------------|
| | | | | | 5 Non-Cancelable | 6 Guaranteed Renewable | 7 Non-Renewable for Stated Reasons Only | 8 Other Accident Only | 9 All Other |
| ACTIVE LIFE RESERVE | | | | | | | | | |
| 1. Unearned premium reserves | 2,200,107 | | | | 10,594 | 2,189,513 | | | |
| 2. Additional contract reserves (a) | 222,204,408 | | | | 260,771 | 221,943,637 | | | |
| 3. Additional actuarial reserves-Asset/Liability analysis | 0 | | | | | | | | |
| 4. Reserve for future contingent benefits | 0 | | | | | | | | |
| 5. Reserve for rate credits | 0 | | | | | | | | |
| 6. Aggregate write-ins for reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Totals (Gross) | 224,404,515 | 0 | 0 | 0 | 271,365 | 224,133,150 | 0 | 0 | 0 |
| 8. Reinsurance ceded | 22,348,161 | | | | 271,365 | 22,076,796 | | | |
| 9. Totals (Net) | 202,056,354 | 0 | 0 | 0 | 0 | 202,056,354 | 0 | 0 | 0 |
| CLAIM RESERVE | | | | | | | | | |
| 10. Present value of amounts not yet due on claims | 28,067,245 | | | | 1,744,465 | 26,322,780 | | | |
| 11. Additional actuarial reserves-Asset/Liability analysis | 0 | | | | | | | | |
| 12. Reserve for future contingent benefits | 0 | | | | | | | | |
| 13. Aggregate write-ins for reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Totals (Gross) | 28,067,245 | 0 | 0 | 0 | 1,744,465 | 26,322,780 | 0 | 0 | 0 |
| 15. Reinsurance ceded | 1,805,471 | | | | 1,744,465 | 61,006 | | | |
| 16. Totals (Net) | 26,261,774 | 0 | 0 | 0 | 0 | 26,261,774 | 0 | 0 | 0 |
| 17. TOTAL (Net) | 228,318,128 | 0 | 0 | 0 | 0 | 228,318,128 | 0 | 0 | 0 |
| 18. TABULAR FUND INTEREST | 9,746,803 | | | | | 9,746,803 | | | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 0601. | | | | | | | | | |
| 0602. | | | | | | | | | |
| 0603. | | | | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1301. | | | | | | | | | |
| 1302. | | | | | | | | | |
| 1303. | | | | | | | | | |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--|--------------|----------------------------------|-------------------|---------------------------|---|---------------------------------------|
| | Total | Guaranteed Interest Contracts | Annuities Certain | Supplemental Contracts | Dividend Accumulations or Refunds | Premium and Other Deposit Funds |
| 1. Balance at the beginning of the year before reinsurance | 273,156,561 | 0 | 0 | 3,852,608 | 237,255,172 | 32,048,781 |
| 2. Deposits received during the year | 29,948,226 | | | 338,648 | 6,520,949 | 23,088,629 |
| 3. Investment earnings credited to the account | 9,554,032 | | | 102,726 | 9,222,995 | 228,311 |
| 4. Other net change in reserves | 0 | | | | | |
| 5. Fees and other charges assessed | 0 | | | | | |
| 6. Surrender charges | 0 | | | | | |
| 7. Net surrender or withdrawal payments | 43,485,239 | | | 760,127 | 20,026,589 | 22,698,523 |
| 8. Other net transfers to or (from) Separate Accounts | 0 | | | | | |
| 9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) | 269,173,580 | 0 | 0 | 3,533,855 | 232,972,527 | 32,667,198 |
| 10. Reinsurance balance at the beginning of the year | (29,558,562) | 0 | 0 | (791,627) | (28,412,618) | (354,317) |
| 11. Net change in reinsurance assumed | 0 | | | | | |
| 12. Net change in reinsurance ceded | (749,465) | | | (27,311) | (713,410) | (8,744) |
| 13. Reinsurance balance at the end of the year (Lines 10+11-12) | (28,809,097) | 0 | 0 | (764,316) | (27,699,208) | (345,573) |
| 14. Net balance at the end of current year after reinsurance (Lines 9 + 13) | 240,364,483 | 0 | 0 | 2,769,539 | 205,273,319 | 32,321,625 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

| | 1 | 2 | Ordinary | | | 6 | Group | | Accident and Health | | |
|--------------------------------|------------|-----------------|----------------|----------------------|-------------------------|------------------------------------|----------------|-----------|---------------------|-------------------------------|---------------|
| | | | 3 | 4 | 5 | | 7 | 8 | 9 | 10 | 11 |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Supplementary Contracts | Credit Life (Group and Individual) | Life Insurance | Annuities | Group | Credit (Group and Individual) | Other |
| 1. Due and unpaid: | | | | | | | | | | | |
| 1.1 Direct | 9,004,193 | 8,945,649 | 58,544 | | | | | | | | |
| 1.2 Reinsurance assumed | 0 | | | | | | | | | | |
| 1.3 Reinsurance ceded | 0 | | | | | | | | | | |
| 1.4 Net | 9,004,193 | 8,945,649 | 58,544 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. In course of settlement: | | | | | | | | | | | |
| 2.1 Resisted | 0 | | | | | | | | | | |
| 2.11 Direct | 0 | | | | | | | | | | |
| 2.12 Reinsurance assumed | 0 | | | | | | | | | | |
| 2.13 Reinsurance ceded | 0 | | | | | | | | | | |
| 2.14 Net | 0 | 0 | (b) 0 | (b) 0 | 0 | (b) 0 | (b) 0 | 0 | 0 | 0 | 0 |
| 2.2 Other | | | | | | | | | | | |
| 2.21 Direct | 33,186,208 | 15,511,054 | 15,496,260 | | | | 351,628 | | | | 1,827,266 |
| 2.22 Reinsurance assumed | 11,635,286 | | 1,151,630 | 10,483,656 | | | | | | | |
| 2.23 Reinsurance ceded | 630,919 | | 172,524 | | | | | | | | 458,395 |
| 2.24 Net | 44,190,575 | 15,511,054 | (b) 16,475,366 | (b) 10,483,656 | 0 | (b) 0 | (b) 351,628 | 0 | (b) 0 | (b) 0 | (b) 1,368,871 |
| 3. Incurred but unreported: | | | | | | | | | | | |
| 3.1 Direct | 14,503,668 | 39,766 | 11,508,685 | | | | | | | | 2,955,217 |
| 3.2 Reinsurance assumed | 0 | 0 | 0 | | | | | | | | 0 |
| 3.3 Reinsurance ceded | 909,209 | 0 | 92,803 | | | | | | | | 816,406 |
| 3.4 Net | 13,594,459 | 39,766 | (b) 11,415,882 | (b) 0 | 0 | (b) 0 | (b) 0 | 0 | (b) 0 | (b) 0 | (b) 2,138,811 |
| 4. TOTALS | | | | | | | | | | | |
| 4.1 Direct | 56,694,069 | 24,496,469 | 27,063,489 | 0 | 0 | 0 | 351,628 | 0 | 0 | 0 | 4,782,483 |
| 4.2 Reinsurance assumed | 11,635,286 | 0 | 1,151,630 | 10,483,656 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded | 1,540,128 | 0 | 265,327 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,274,801 |
| 4.4 Net | 66,789,227 | (a) 24,496,469 | (a) 27,949,792 | 10,483,656 | 0 | 0 | (a) 351,628 | 0 | 0 | 0 | 3,507,682 |

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ 8,945,650 in Column 2, \$ 58,544 in Column 3 and \$ in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$ 1,589,885

Individual Annuities \$, Credit Life (Group and Individual) \$, and Group Life \$, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$

Credit (Group and Individual) Accident and Health \$, and Other Accident and Health \$ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

| | 1 Total | 2 Industrial Life (a) | Ordinary | | | 6 Credit Life (Group and Individual) | Group | | Accident and Health | | |
|--|-----------------|---------------------------------|----------------------------|---------------------------|---------------------------------|--|----------------------------|----------------|---------------------|--|-------------|
| | | | 3 Life Insurance (b) | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance (c) | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other |
| 1. Settlements During the Year: | | | | | | | | | | | |
| 1.1 Direct | 230,082,024 | 26,470,814 | 128,839,564 | (47,935) | 578,360 | | 6,171,027 | 50,289,641 | | | 17,780,553 |
| 1.2 Reinsurance assumed | 51,260,141 | | 5,967,185 | 45,292,956 | | | | 0 | | | |
| 1.3 Reinsurance ceded | 3,249,485 | | 1,234,807 | | | | | | | | 2,014,678 |
| 1.4 Net | (d) 278,092,680 | 26,470,814 | 133,571,942 | 45,245,021 | 578,360 | 0 | 6,171,027 | 50,289,641 | 0 | 0 | 15,765,875 |
| 2. Liability December 31, current year from Part 1: | | | | | | | | | | | |
| 2.1 Direct | 56,694,069 | 24,496,469 | 27,063,489 | 0 | 0 | 0 | 351,628 | 0 | 0 | 0 | 4,782,483 |
| 2.2 Reinsurance assumed | 11,635,286 | 0 | 1,151,630 | 10,483,656 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.3 Reinsurance ceded | 1,540,128 | 0 | 265,327 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,274,801 |
| 2.4 Net | 66,789,227 | 24,496,469 | 27,949,792 | 10,483,656 | 0 | 0 | 351,628 | 0 | 0 | 0 | 3,507,682 |
| 3. Amounts recoverable from reinsurers December 31, current year | 183,899 | | 8,747 | | | | | | | | 175,152 |
| 4. Liability December 31, prior year: | | | | | | | | | | | |
| 4.1 Direct | 60,553,764 | 17,645,163 | 37,991,926 | 0 | 0 | 0 | 1,031,612 | 0 | 0 | 0 | 3,885,063 |
| 4.2 Reinsurance assumed | 11,490,903 | 0 | 597,182 | 10,893,721 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded | 1,282,186 | 0 | 250,043 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,032,143 |
| 4.4 Net | 70,762,481 | 17,645,163 | 38,339,065 | 10,893,721 | 0 | 0 | 1,031,612 | 0 | 0 | 0 | 2,852,920 |
| 5. Amounts recoverable from reinsurers December 31, prior year | 93,286 | | 0 | | | | | | | | 93,286 |
| 6. Incurred Benefits | | | | | | | | | | | |
| 6.1 Direct | 226,222,329 | 33,322,120 | 117,911,127 | (47,935) | 578,360 | 0 | 5,491,043 | 50,289,641 | 0 | 0 | 18,677,973 |
| 6.2 Reinsurance assumed | 51,404,524 | 0 | 6,521,633 | 44,882,891 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.3 Reinsurance ceded | 3,598,040 | 0 | 1,258,838 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,339,202 |
| 6.4 Net | 274,028,813 | 33,322,120 | 123,173,922 | 44,834,956 | 578,360 | 0 | 5,491,043 | 50,289,641 | 0 | 0 | 16,338,771 |

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$1,771,459 in Line 1.1, \$1,771,459 in Line 1.4.
\$5,609,787 in Line 6.1, and \$5,609,787 in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$1,203,968 in Line 1.1, \$1,222,200 in Line 1.4.
\$1,218,140 in Line 6.1, and \$1,236,372 in Line 6.4.

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

(d) Includes \$2,589,643 premiums waived under total and permanent disability benefits.

EXHIBIT OF NON-ADMITTED ASSETS

| | 1 | 2 | 3 |
|---|--|--|--|
| | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) | 0 | 0 | 0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | 0 | 0 | 0 |
| 2.2 Common stocks | 187,280 | 187,301 | 21 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | 0 | 0 | 0 |
| 3.2 Other than first liens..... | | | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | 0 | 0 | 0 |
| 4.2 Properties held for the production of income..... | 0 | 0 | 0 |
| 4.3 Properties held for sale | | | 0 |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) | 0 | 0 | 0 |
| 6. Contract loans | 0 | 0 | 0 |
| 7. Derivatives (Schedule DB) | 0 | 0 | 0 |
| 8. Other invested assets (Schedule BA) | 82,724,525 | 60,758,988 | (21,965,537) |
| 9. Receivables for securities | 0 | 0 | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | 0 | 0 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 82,911,805 | 60,946,289 | (21,965,516) |
| 13. Title plants (for Title insurers only) | | | 0 |
| 14. Investment income due and accrued | 0 | 0 | 0 |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 0 | 0 | 0 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | 0 |
| 15.3 Accrued retrospective premiums | | | 0 |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | 0 | 0 | 0 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | 0 | 0 | 0 |
| 17. Amounts receivable relating to uninsured plans | | | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | 0 | 0 |
| 18.2 Net deferred tax asset | 0 | 0 | 0 |
| 19. Guaranty funds receivable or on deposit | 0 | 0 | 0 |
| 20. Electronic data processing equipment and software | 11,428,838 | 12,234,127 | 805,289 |
| 21. Furniture and equipment, including health care delivery assets | 6,472,231 | 5,870,639 | (601,592) |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | 13,380,812 | 24,973,709 | 11,592,897 |
| 24. Health care and other amounts receivable | 1,300,160 | 1,240,033 | (60,127) |
| 25. Aggregate write-ins for other than invested assets | 5,686,120 | 29,220,740 | 23,534,620 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 121,179,966 | 134,485,537 | 13,305,571 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 |
| 28. Total (Lines 26 and 27) | 121,179,966 | 134,485,537 | 13,305,571 |
| DETAILS OF WRITE-INS | | | |
| 1101. | | | |
| 1102. | | | |
| 1103. | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) | 0 | 0 | 0 |
| 2501. Pension asset | | 21,642,346 | 21,642,346 |
| 2502. Prepaid expense | 5,686,120 | 7,578,394 | 1,892,274 |
| 2503. | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 5,686,120 | 29,220,740 | 23,534,620 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

1. A Summary of Significant Accounting Policies

A. Accounting Practices

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

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

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below:

| | State of Domicile | 2014 | 2013 |
|--|----------------------|---------------|---------------|
| NET INCOME | | | |
| (1) State basis (Page 4, Line 35, Columns 1 & 2) | OH | 519,461,719 | 90,574,123 |
| (2) State Prescribed Practices that increase/(decrease) NAIC SAP | | | |
| (3) State Permitted Practices that increase/(decrease) NAIC SAP | | | |
| (4) NAIC SAP (1-2-3-4) | OH | 519,461,719 | 90,574,123 |
| SURPLUS | | | |
| (5) State basis (Page 3, Line 38, Columns 1 & 2) | OH | 4,294,209,873 | 4,211,010,903 |
| (6) State Prescribed Practices that increase/(decrease) NAIC SAP | | | |
| (7) State Permitted Practices that increase/(decrease) NAIC SAP | | | |
| (8) NAIC SAP (5-6-7-8) | OH | 4,294,209,873 | 4,211,010,903 |

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

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

C. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Amounts received on deposit-type contracts are entered directly as a liability when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at either amortized cost using the interest method or the lower of amortized cost or fair market value.
- (3) Common stocks of life insurance subsidiaries are carried at statutory equity. Unaffiliated common stocks are stated at fair market value. Common stocks of non-life subsidiaries and non-life affiliates in which the Company has an interest of 10% or more are carried on the GAAP equity basis.
- (4) Preferred stocks are stated at either cost or the lower of cost or fair market value.
- (5) Mortgage loans on real estate are stated at the aggregate unpaid principal balance plus unamortized premium less unaccrued discount.
- (6) Loan-backed and structured securities are stated at amortized cost, except those with an initial NAIC designation of 6, which are stated at the lower of amortized cost or fair value. Loan backed and structured securities with an initial NAIC designation of 6 could have a final designation of 1 through 5 as determined by the SV0 financial modeling process or the SV0 modified filing exempt process. The retrospective adjustment method is used to determine amortized cost for all loan-backed and structured securities, except for those which an other-than-temporary impairment has been recognized, which use the prospective adjustment method to determine amortized cost.
- (7) The Company owns 100% of the capital stock of its non-life insurance subsidiaries, which are stated at GAAP equity.
- (8) The Company has investments in private equity and real estate limited partnerships and limited liability companies (including hedge funds). The Company carries these interests based on the underlying GAAP equity of the investee. Undistributed earnings allocated to the Company are reported in the change in net unrealized capital gains or losses. Distributions from earnings of the entity are reported as net investment income when received. Because of the indirect nature of these investments, there is an inherent reduction in transparency and liquidity and increased complexity in valuing the underlying investments. As a result, these investments are actively managed by Company management via detailed evaluation of the investment performance relative to risk.
- (9) The Company has entered into an interest rate swap and swaptions in an effort to mitigate the risk of rising interest rates on long maturity bonds. The interest rate swap is forward starting and allows the Company to pay a fixed interest rate in exchange for receipt of a floating interest rate. The swaptions provide the Company an option to enter into an interest rate swap with the counterparty on specified terms. The derivative instruments are not designated as a hedge for accounting purposes. These instruments are carried at fair value on the balance sheet with changes in fair value recorded in surplus. If the instruments are terminated prior to maturity, proceeds are exchanged equal to the fair value of the contract and a realized gain or loss would be recognized.
- (10) Anticipated investment income is not a factor in calculating deficiency reserves.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

- (11) Loss liabilities for accident and health contracts are based on industry standard tables for long-term disability coverages and historical company experience for other accident and health.
- (12) The Company has not changed its capitalization policy from the prior year.
- (13) The Company has no pharmaceutical rebate receivables on its books during the statement periods.
- (14) The Company monitors investments to determine if there has been an other-than-temporary decline in fair value. Factors management considers for each identified security include the following:
- the length of time and the extent to which the fair value is below the book/adjusted carry value;
 - the financial condition and near term prospects of the issuer, including specific events that may affect its operations;
 - for equity securities and debt securities with credit related declines in fair value, the Company's intent and ability to hold the security long enough for it to recover its value to book/adjusted carry value;
 - for debt securities with interest related declines in fair value, the Company's intent to sell the security before recovery of its book/adjusted carry value;
 - for loan-backed securities, the Company's intent and ability to hold the security long enough for it to recover its value to book/adjusted carry value;
 - for loan-backed securities, the Company's intent to sell the security before recovery of its book/adjusted carry value.
- If the decline is judged to be other-than-temporary, an impairment charge is recorded as a net realized capital loss in the period the determination is made.

2. Accounting Changes and Correction of Errors

The Company did not have any accounting changes in 2014.

The Company made the following accounting changes in 2013:

Effective January 1, 2013, the Company changed its methodology of reporting the dividend accumulation liability to a policy level basis from an aggregate basis. This resulted in a change of statutory reserve valuation that is required to be recorded directly to surplus rather than as a part of the reserve change recognized in the summary of operations. The Company has recorded \$5.7 million directly as an increase to surplus as a result of the change in valuation basis through the Change in Reserve on Account of Change in Valuation Basis on the Summary of Operations.

Effective January 1, 2013, the Company adopted Statement of Statutory Accounting Principle No. 102, *Accounting for Pensions, A Replacement of SSAP No. 89* (SSAP 102).

SSAP 102 requires any underfunded defined benefit pension amounts, as determined when the projected benefit obligation exceeds the fair value of plan assets, to be recognized as a liability under SSAP No. 5R. This liability is to be reported in the first quarter statutory financial statement after the transition date with a corresponding entry directly to surplus. The Company elected to utilize the minimum transition option reflected in paragraph 85 of SSAP No. 102 which requires the initial transition liability to be the greater of paragraphs 85bi, 85bii, and 85biii:

Minimum Transition Liability Disclosure

| | | |
|---------|---|--------------|
| 85b.i | 10% of Calculated Surplus Impact | \$12,322,038 |
| 85b.ii | Estimated Annual Amortization of "Unrecognized Items" | \$48,732,676 |
| 85b.iii | Difference Between Accumulated Benefit Obligation and Fair Value of Plan Assets | \$90,626,898 |

Minimum Transition Liability

\$90,626,898

The Company had recorded an additional minimum pension liability at December 31, 2012, of \$85,501,338, under the previous guidance for pensions, SSAP 89, *Accounting for Pensions, A Replacement of SSAP No. 8*. As a result of the adoption of SSAP 102 requiring a minimum transition liability of \$90,626,898, the Company recorded a \$5,125,560 increase to the pension liability on January 1, 2013, and a \$3,331,614 decrease to surplus, net of tax impact (included line 48, Cumulative Effect of Changes in Accounting Principles).

| Recognized Surplus Impact at Transition & Remaining Transition Liability | |
|--|----------------------|
| Underfunding at 1/1/2013 | \$ 123,220,378 |
| Amount previously recognized at 12/31/2012 | 85,501,338 |
| Amount recognized at 1/1/13 | 5,125,560 |
| Remaining Transition Liability at 3/31/2013 | \$ 32,593,480 |

Although the Company elected the transition option for surplus deferral, and SSAP 102 allows up to 10 years for deferral, the Company must continue to recognize a minimum amount of the transition liability annually. SSAP 102 requires the Company to recognize each year an amount that is at least equal to the estimated annual amortization of the unrecognized items in effect at transition. The Company's estimated annual amortization of the unrecognized items in effect at transition is \$48,732,676. As a result, the Company anticipated that the remaining \$32,593,480 surplus impact from the election of the transition deferral in SSAP 102 would be recognized in 2014. However, due to favorable assumption changes at December 31, 2013, the entire amount was recognized in 2013.

The following provides the status of the pension plan as of Dec, 31, 2012 and the transition date (Jan. 1, 2013):

| | December 31, 2012 | January 1, 2013 |
|--|----------------------|------------------------|
| Accumulated Benefit Obligation | \$875,739,690 | \$875,739,690 |
| Projected Benefit Obligation | \$905,715,854 | \$905,715,854 |
| Plus: Non-Vested Liability | 7,742,876 | 7,742,876 |
| Total PBO | \$913,458,730 | \$913,458,730 |
| Plan Assets at Fair Value | <u>\$790,238,352</u> | <u>\$790,238,352</u> |
| Funded Status | \$(123,220,378) | \$(123,220,378) |
| Transition Obligation / (Asset) | \$- | \$32,593,480 |
| Prior Service Cost | (37,696,168) | - |
| Prior Service Cost (Non-Vested) | - | - |
| Unrecognized Losses / (Gains) | 581,564,115 | - |
| Total Unrecognized Items | \$543,867,947 | \$32,593,480 |
| Overfunded Plan Asset / (Liability for Benefits) | <u>\$420,647,569</u> | <u>\$ (90,626,898)</u> |

In the March 31, 2013 financial statements, the \$90,626,898 liability for pension benefits was reflected in the financial statements as an Aggregate Write-In for Liabilities.

In addition, as a result of the adoption of SSAP 102, the Company will no longer carry a non-admitted prepaid pension asset on the balance sheet unless the plan assets exceed the plan obligation. This results in a change in non-admitted assets through surplus (line 41 on the Summary of Operations) of \$428,390,401 which is offset by an aggregate write-in for gains and losses to surplus (line 5301 on the Summary of Operations) of \$428,390,401 at January 1, 2013:

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

Effective January 1, 2013, the Company adopted Statement of Statutory Accounting Principle No. 92, *Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14* (SSAP 92). The adoption of SSAP 92 increased surplus by \$13,603,984, net of tax impact (included line 48, Cumulative Effect of Changes in Accounting Principles).

SSAP 92 requires any underfunded defined benefit amounts, as determined when the accumulated benefit obligation exceeds the fair value of plan assets, to be recognized as a liability under SSAP No. 5R. This liability is to be reported in the first quarter statutory financial statement after the transition date with a corresponding entry directly to surplus. The Company elected to recognize the full impact SSAP 92 immediately upon adoption.

The following provides the status of the post-retirement benefit plan as of Dec, 31, 2012 and the transition date (Jan. 1, 2013):

| | December 31, 2012 | January 1, 2013 |
|---|-------------------|-----------------|
| Accumulated Benefit Obligation, including non-vesteds | \$209,292,065 | \$209,292,065 |
| Plan Assets at Fair Value | - | - |
| Funded Status | \$(209,292,065) | \$(209,292,065) |
| Prior Service Cost | \$(35,669,226) | - |
| Prior Service Cost (Non-Vested) | 31,145,595 | - |
| Unrecognized Losses / (Gains) | (16,309,108) | - |
| Total Unrecognized Items | \$20,832,739 | - |
| Overfunded Plan Asset / (Liability for Benefits) | \$(230,124,804) | \$(209,292,065) |

In the March 31, 2013 financial statements, the \$209,292,065 liability for post-retirement benefits was reflected in the financial statements on General Expenses Due or Accrued line

3. Business Combinations and Goodwill. None.

4. Discontinued Operations. None.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

(1) The minimum and maximum lending rates for mortgage loans issued during 2014 were.

| | |
|--------------------------|------|
| Farm Loans | None |
| City Loans | None |
| Purchase money mortgages | None |
| Mezzanine Loans | None |

(2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was: 80%

| | Current Year | Prior Year |
|---|--------------|------------|
| (3) Taxes, assessments and any amounts advanced and not included in the mortgage loan total | | |

(4) Age Analysis of Mortgage Loans

| | Farm | Residential | | Commercial | | Mezzanine | Total |
|---|------|-------------|-----------|------------|------------|-----------|------------|
| | | Insured | All Other | Insured | All Other | | |
| a. Current Year | | | | | | | |
| 1. Recorded Investment (All) | | | | | | | |
| (a) Current | | | | | 16,854,539 | | 16,854,539 |
| (b) 30 – 59 Days Past Due | | | | | | | 0 |
| (c) 60 – 89 Days Past Due | | | | | | | 0 |
| (d) 90 – 179 Days Past Due | | | | | | | 0 |
| (e) 180+ Days Past Due | | | | | | | 0 |
| 2. Accruing Interest 90 – 179 Days Past Due | | | | | | | |
| (a) Recorded Investment | | | | | | | 0 |
| (b) Interest Accrued | | | | | | | 0 |
| 3. Accruing Interest 180+ Days Past Due | | | | | | | |
| (a) Recorded Investment | | | | | | | 0 |
| (b) Interest Accrued | | | | | | | 0 |
| 4. Interest Reduced | | | | | | | |
| (a) Recorded Investment | | | | | | | 0 |
| (b) Number of Loans | | | | | | | 0 |
| (c) Percent Reduced | | | | | | | |
| b. Prior Year | | | | | | | |
| 1. Recorded Investment | | | | | | | |
| (a) Current | | | | | 17,821,295 | | 17,821,295 |
| (b) 30 – 59 Days Past Due | | | | | | | 0 |
| (c) 60 – 89 Days Past Due | | | | | | | 0 |
| (d) 90 – 179 Days Past Due | | | | | | | 0 |
| (e) 180+ Days Past Due | | | | | | | 0 |
| 2. Accruing Interest 90 – 179 Days Past Due | | | | | | | |
| (a) Recorded Investment | | | | | | | 0 |
| (b) Interest Accrued | | | | | | | 0 |
| 3. Accruing Interest 180+ Days Past Due | | | | | | | |
| (a) Recorded Investment | | | | | | | 0 |
| (b) Interest Accrued | | | | | | | 0 |
| 4. Interest Reduced | | | | | | | |
| (a) Recorded Investment | | | | | 87,615 | | 87,615 |
| (b) Number of Loans | | | | | 5 | | 5 |
| (c) Percent Reduced | | | | | 7.000 | | 7.000 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

(5) Investment in Impaired Loans With or Without Allowance for Credit Losses:

| | Farm | Residential | | Commercial | | Mezzanine | Total |
|--|-------|-------------|-----------|------------|-----------|-----------|--------|
| | | Insured | All Other | Insured | All Other | | |
| a.Current Year | | | | | | | |
| 1. With Allowance for Credit Losses .. | | | | | | |0 |
| 2. No Allowance for Credit Losses | | | | | | |0 |
| b.Prior Year | | | | | | | |
| 1. With Allowance for Credit Losses .. | | | | | | |0 |
| 2. No Allowance for Credit Losses | | | | | | |0 |

(6) Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting:

| | Farm | Residential | | Commercial | | Mezzanine | Total |
|---|-------|-------------|-----------|------------|-----------|-----------|--------|
| | | Insured | All Other | Insured | All Other | | |
| a.Current Year | | | | | | | |
| 1. Average Recorded Investment | | | | | | |0 |
| 2. Interest Income Recognized | | | | | | |0 |
| 3. Recorded Investments on Nonaccrual Status | | | | | | |0 |
| 4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting | | | | | | |0 |
| b.Prior Year | | | | | | | |
| 1. Average Recorded Investment | | | | | | |0 |
| 2. Interest Income Recognized | | | | | | |0 |
| 3. Recorded Investments on Nonaccrual Status | | | | | | |0 |
| 4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting | | | | | | |0 |

(7) Allowance for credit losses:

| | Current Year | Prior Year |
|--|--------------|------------|
| a) Balance at beginning of period | 0 |0 |
| b) Additions charged to operations ..... |  | ..... |
| c) Direct write-downs charged against the allowances ..... |  | ..... |
| d) Recoveries of amounts previously charged off ..... |  | ..... |
| e) Balance at end of period | 0 |0 |

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

- B. Debt Restructuring. None.
- C. Reverse Mortgages. None.
- D. Loan-Backed Securities

(1) Prepayment assumptions are derived from Bloomberg and broker dealer prepayment models or from empirical data.

(2) The Company had no other-than-temporary impairments on loan-backed and structured securities for the year ended December 31, 2014, due to the intent to sell the security or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis of the security.

(3) The following is a list of each loan-backed and structured security with a recognized other-than-temporary impairment, for the year ended December 31, 2014, as the present value of future cash flows expected to be collected is less than the amortized cost basis of the securities:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-------------------|--|---------------------------------------|--|--|----------------------------|--|
| CUSIP | Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI | Present Value of Projected Cash Flows | Recognized Other-Than-Temporary Impairment | Amortized Cost After Other-Than-Temporary Impairment | Fair Value at time of OTTI | Date of Financial Statement Where Reported |
| 12668B-YF-4 | 1,002,275 | 996,864 | 5,411 | 996,864 | 993,921 | .09/30/2014 |
| 32051G-RW-7 | 2,620,317 | 2,519,776 | 100,541 | 2,519,776 | 2,511,568 | .12/31/2014 |
| Total | XXX | XXX | 105,952 | XXX | XXX | XXX |

(4) The following is an aggregate total of all impaired loan-backed securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss, including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains as of December 31, 2014:

- a.The aggregate amount of unrealized losses:
1. Less than 12 Months1,828,159
2. 12 Months or Longer2,930,902
- b.The aggregate related fair value of securities with unrealized losses:
1. Less than 12 Months172,061,497
2. 12 Months or Longer107,339,634

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

(5) See Note 1C (14) for the factors management considers when evaluating for an other-than-temporary decline in fair value.

E. Repurchase Agreements and/or Securities Lending Transactions

At December 31, 2014, the Company has loaned \$252.9 million and \$91.8 million (fair value) in the general and separate account, respectively, of various debt securities, preferred stocks and common stocks as part of a securities lending program administered by Deutsche Bank. At December 31, 2013, the Company had loaned \$186.7 million and \$61.0 million (fair value) in the general and separate account, respectively, of various debt securities, preferred stocks and common stocks as part of a securities lending program administered by Deutsche Bank. The Company maintains effective control over all loaned securities and, therefore, continues to report such securities as invested assets in the balance sheets. The general account collateral is managed by both an affiliated and unaffiliated agent. The separate account collateral is managed by an unaffiliated agent.

(1) The Company requires at the initial transaction that the fair value of the cash collateral received must be equal to 102% of the fair value of the loaned securities. The Company monitors the ratio of the fair value of the collateral to loaned securities to ensure it does not fall below 100%. If the fair value of the collateral falls below 100% of the fair value of the securities loaned, the Company non-admits that portion of the loaned security. At December 31, 2014 and 2013, the Company did not non-admit any portion of the loaned securities.

(2) Not Applicable.

(3) Collateral Received

a. Aggregate Amount Collateral Received

(1)
Fair Value

1.Repurchase Agreement

| | |
|-------------------------------|---------|
| (a) Open | ..... |
| (b) 30 Days or Less | ..... |
| (c) 31 to 60 Days | ..... |
| (d) 61 to 90 Days | ..... |
| (e) Greater Than 90 Days | ..... |
| (f) Subtotal | 0 |
| (g) Securities Received | ..... |
| (h) Total Collateral Received | 0 |

2.Securities Lending

| | |
|-------------------------------|-------------------|
| (a) Open | 351,944,571 |
| (b) 30 Days or Less | ..... |
| (c) 31 to 60 Days | ..... |
| (d) 61 to 90 Days | ..... |
| (e) Greater Than 90 Days | ..... |
| (f) Subtotal | 351,944,571 |
| (g) Securities Received | ..... |
| (h) Total Collateral Received | 351,944,571 |

3.Dollar Repurchase Agreement

| | |
|-------------------------------|---------|
| (a) Open | ..... |
| (b) 30 Days or Less | ..... |
| (c) 31 to 60 Days | ..... |
| (d) 61 to 90 Days | ..... |
| (e) Greater Than 90 Days | ..... |
| (f) Subtotal | 0 |
| (g) Securities Received | ..... |
| (h) Total Collateral Received | 0 |

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged is \$258.1 million and \$93.8 million in the general and separate accounts, respectively.

c. The Company receives cash collateral in an amount in excess of the fair value of the securities lent. The Company reinvests the cash collateral primarily in investment-grade debt securities and cash equivalents.

(4) The Company reports all collateral on the balance sheet with an offsetting liability recognized for the obligation to return the collateral. Collateral for the securities lending program is either managed by an affiliated agent of the Company or is managed by Deutsche Bank, an unaffiliated agent. Collateral managed by an affiliated agent is invested primarily in investment-grade debt securities and cash equivalents and is included in the applicable amount on the balance sheet because the funds are available for the general use of the Company. Collateral managed by an unaffiliated agent is invested in cash equivalents and is included in securities lending reinvested collateral assets on the balance sheet at December 31, 2014 and 2013.

(5) Collateral Reinvestment

a.Aggregate Amount Collateral Reinvested

(1)
Amortized Cost

(2)
Fair Value

1. Repurchase Agreement

| | | |
|---------------------------------|---------|---------|
| (a) Open | ..... | ..... |
| (b) 30 Days or Less | ..... | ..... |
| (c) 31 to 60 Days | ..... | ..... |
| (d) 61 to 90 Days | ..... | ..... |
| (e) 91 to 120 Days | ..... | ..... |
| (f) 121 to 180 Days | ..... | ..... |
| (g) 181 to 365 Days | ..... | ..... |
| (h) 1 to 2 years | ..... | ..... |
| (i) 2 to 3 years | ..... | ..... |
| (j) Greater than 3 years | ..... | ..... |
| (k) Subtotal | 0 | 0 |
| (l) Securities Received | ..... | ..... |
| (m) Total Collateral Reinvested | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

2. Securities Lending

| | | |
|---------------------------------|-------------|-------------|
| (a) Open | | |
| (b) 30 Days or Less | 254,174,660 | 254,170,305 |
| (c) 31 to 60 Days | 14,015,115 | 14,013,143 |
| (d) 61 to 90 Days | 12,588,544 | 12,582,458 |
| (e) 91 to 120 Days | 6,312,017 | 6,304,691 |
| (f) 121 to 180 Days | 2,342,927 | 2,339,261 |
| (g) 181 to 365 Days | 32,714,686 | 32,665,232 |
| (h) 1 to 2 years | 1,300,470 | 1,299,481 |
| (i) 2 to 3 years | | |
| (j) Greater than 3 years | 28,570,000 | 28,570,000 |
| (k) Subtotal | 352,018,419 | 351,944,571 |
| (l) Securities Received | | |
| (m) Total Collateral Reinvested | 352,018,419 | 351,944,571 |

3. Dollar Repurchase Agreement

| | | |
|---------------------------------|---|---|
| (a) Open | | |
| (b) 30 Days or Less | | |
| (c) 31 to 60 Days | | |
| (d) 61 to 90 Days | | |
| (e) 91 to 120 Days | | |
| (f) 121 to 180 Days | | |
| (g) 181 to 365 Days | | |
| (h) 1 to 2 years | | |
| (i) 2 to 3 years | | |
| (j) Greater than 3 years | | |
| (k) Subtotal | 0 | 0 |
| (l) Securities Received | | |
| (m) Total Collateral Reinvested | 0 | 0 |

b. At December 31, 2014, all of the collateral held for the securities lending program was invested in tradable securities that could be sold and used to pay for the \$259.0 million and \$93.8 million in the general and separate accounts, respectively, in collateral calls that could come due under a worst-case scenario.

(6) The Company does not accept collateral that is not permitted by contract or custom to sell or repledge.

(7) The Company does not have any transactions that extend beyond one year from the reporting date.

F. Real Estate.

- (1) The Company did not recognize impairment losses on real estate during the statement periods.
- (2) The Company does not have any real estate assets classified as held-for-sale
- (3) The Company did not experiences changes to a plan of sale in investment in real estate
- (4) The Company does not engage in retail land sales operations
- (5) The Company does not hold any real estate investments with participating mortgage loan features.

G. Low Income Housing Tax Credit Property Investments. No significant holdings.

H. Restricted Assets

(1) Restricted Assets (Including Pledged)

| Restricted Asset Category | Gross Restricted | | | | | | | 8 | Percentage | |
|--|-----------------------------|---------------------------------|--|--|------------------|-----------------------|----------------------------------|--|----------------------------------|--|
| | Current Year | | | | | 6 | 7 | | 9 | 10 |
| | 1 | 2 | 3 | 4 | 5 | | | | | |
| | Total General Account (G/A) | G/A Supporting S/A Activity (a) | Total Separate Account (S/A) Restricted Assets | S/A 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 | | | | | 0 | 0 | 0 | | 0.00 | 0.000 |
| b. Collateral held under security lending agreements | | | | | 0 | 0 | 0 | | 0.00 | 0.000 |
| c. Subject to repurchase agreements | | | | | 0 | 0 | 0 | | 0.00 | 0.000 |
| d. Subject to reverse repurchase agreements | | | | | 0 | 0 | 0 | | 0.00 | 0.000 |
| e. Subject to dollar repurchase agreements | | | | | 0 | 0 | 0 | | 0.00 | 0.000 |
| f. Subject to dollar reverse repurchase agreements | | | | | 0 | 0 | 0 | | 0.00 | 0.000 |
| g. Placed under option contracts | | | | | 0 | 0 | 0 | | 0.00 | 0.000 |
| h. Letter stock or securities restricted as to sale – excluding FHLB capital stock | | | | | 0 | 0 | 0 | | 0.00 | 0.000 |
| i. FHLB capital stock | | | | | 0 | | 0 | | 0.00 | 0.000 |
| j. On deposit with states | 5,665,713 | | | | 5,665,713 | 5,669,371 | (3,658) | 5,665,713 | 0.05 | 0.057 |
| k. On deposit with other regulatory bodies | | | | | 0 | 0 | 0 | | 0.00 | 0.000 |
| l. Pledged collateral to FHLB (including assets backing funding agreements) | | | | | 0 | | 0 | | 0.00 | 0.000 |
| m. Pledged as collateral not captured in other categories | 122,438,897 | | | | 122,438,897 | 37,669,284 | 84,769,613 | 122,438,900 | 1.22 | 1.234 |
| n. Other restricted assets | | | | | 0 | 0 | 0 | | 0.00 | 0.000 |
| o. Total Restricted Assets | 128,104,610 | | 0 | | 128,104,610 | 43,338,655 | 84,765,955 | 128,104,613 | 1.27 | 1.292 |

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NOTES TO FINANCIAL STATEMENTS

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

| Description of Assets | Gross Restricted | | | | | | | 8 | Percentage | |
|---|-----------------------------|---------------------------------|--|--|------------------|-----------------------|----------------------------------|-------------|--|----------------------------------|
| | Current Year | | | | | 6 | 7 | | 9 | 10 |
| | 1 | 2 | 3 | 4 | 5 | | | | | |
| | Total General Account (G/A) | G/A Supporting S/A Activity (a) | Total Separate Account (S/A) Restricted Assets | S/A 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 |
| Cash Collateral for variation margin on swaps | 122,438,897 | | | | 122,438,897 | 37,669,284 | 84,769,613 | 122,438,897 | 1.220 | 1.234 |
| Total | 122,438,897 | 0 | 0 | 0 | 122,438,897 | 37,669,284 | 84,769,613 | 122,438,897 | 1.220 | 1.234 |

(a) Subset of column 1
(b) Subset of column 3

(3) Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

| | Gross Restricted | | | | | | 8 | Percentage | | |
|-----------------------|-----------------------------|---------------------------------|--|--|------------------|-----------------------|--------|----------------------------------|--|----------------------------------|
| | Current Year | | | | | 6 | | 7 | 9 | 10 |
| | 1 | 2 | 3 | 4 | 5 | | | | | |
| | Total General Account (G/A) | G/A Supporting S/A Activity (a) | Total Separate Account (S/A) Restricted Assets | S/A 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 |
| Description of Assets | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total |0 |0 |0 |0 |0 |0 |0 |0 |0.000 | |

(a) Subset of column 1
(b) Subset of column 3

- I. Working Capital Finance Investments. None.
- J. Offsetting and Netting of Assets and Liabilities

Information related to the Company’s derivative instruments and the effects of offsetting on the balance sheet are as follows:

| | Gross Amount Recognized | Amount Offset | Net Amount Presented on Financial Statements |
|-----------------------|-------------------------|---------------|--|
| (1) Assets | | | |
| Derivative Instrument | 25,364,700 | 0 | 25,364,700 |

| | Gross Amount Recognized | Amount Offset | Net Amount Presented on Financial Statements |
|-----------------------|-------------------------|---------------|--|
| (2) Liabilities | | | |
| Derivative Instrument | (72,400,617) | 0 | (72,400,617) |

K. Structured Notes

| CUSIP Identification | Actual Cost | Fair Value | Book/Adjusted Carrying Value | Mortgage-Referenced Security (Y/N) |
|----------------------|-------------|------------|------------------------------|------------------------------------|
| 111021-AE-1 | 32,650,930 | 47,101,530 | 32,380,092 | NO |
| 25156P-AC-7 | 24,374,510 | 35,451,792 | 24,788,026 | NO |
| 35177P-AL-1 | 5,959,027 | 9,152,292 | 5,847,000 | NO |
| 912810-FH-6 | 1,015,547 | 1,033,623 | 1,007,276 | NO |
| 912810-FR-4 | 737,604 | 739,633 | 736,041 | NO |
| 912828-QV-5 | 809,277 | 799,448 | 815,641 | NO |
| 912828-UH-1 | 737,304 | 745,731 | 749,810 | NO |
| 912828-UX-6 | 520,509 | 498,164 | 514,778 | NO |
| 912828-VM-9 | 498,750 | 505,108 | 507,343 | NO |
| Total | 67,303,458 | 96,027,321 | 67,346,007 | XXX |

6. Joint Ventures, Partnerships and Limited Liability Companies
- A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets.
- B. The Company recognized the following impairment/write down for its investments in limited partnerships and limited liability companies during the statement periods:

| Description | Amount of Impairment |
|-------------------------------------|----------------------|
| BEEKEN PETTY O'KEEFE FD II LP | \$159,913 |
| CARLYLE RIVERSTONE FUND REN I L.P. | 163,517 |
| CARLYLE RIVERSTONE III L.P. | 462,711 |
| SOFTBANK TECHNOLOGY VEN V L.P. | 81,333 |
| SOLAMERE CAPITAL FUND II-A SOLAMERE | 258,653 |
| WINDSOR HOTEL LLC | 4,086,074 |
| LEROY GLEN INVESTMENT, LLC | 699,524 |
| IR MALL ASSOCIATES, LTD | 1,215,993 |
| INS PROFILLMENT SOLUTIONS LLC | 6,798,338 |
| Total | \$13,926,056 |

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NOTES TO FINANCIAL STATEMENTS

7. Investment Income

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

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

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

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

8. Derivative Instruments

The Company entered into an interest rate swap and swaptions. The discussion of accounting policies, risks, and objectives are shown in Note 1C. The net loss recognized in unrealized gains and losses during the reporting period related to the derivative instruments was \$(77,417,740). The Company has entered into a collateral agreement with the counterparty whereby under certain conditions the counterparty is required to post assets on the Company's behalf. The posted amount is equal to the difference between the net positive fair value of the swap and the agreed upon thresholds that are based on the credit rating of the counterparty. Inversely, if the net fair value of the swap is negative, then the Company may be required to post assets instead using similar thresholds. At December 31, 2014, \$121,865,726 cash collateral has been posted by the Company.

9. Income Taxes

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

1.

| | As of End of Current Period | | | 12/31/2013 | | | Change | | |
|--|-----------------------------|---------------|-----------------------|-------------|---------------|-----------------------|--------------------------|-------------------------|-----------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary | Capital | (Col. 1 + 2) Total | Ordinary | Capital | (Col. 4 + 5) Total | (Col. 1 - 4) Ordinary | (Col. 2 - 5) Capital | (Col. 7 + 8) Total |
| (a)Gross Deferred Tax Assets | 326,293,870 | 24,672,608 | 350,966,478 | 274,089,750 | 14,287,465 | 288,377,215 | 52,204,120 | 10,385,143 | 62,589,263 |
| (b)Statutory Valuation Allowance Adjustment | | | 0 | | | 0 | 0 | 0 | 0 |
| (c)Adjusted Gross Deferred Tax Assets (1a - 1b) | 326,293,870 | 24,672,608 | 350,966,478 | 274,089,750 | 14,287,465 | 288,377,215 | 52,204,120 | 10,385,143 | 62,589,263 |
| (d)Deferred Tax Assets Nonadmitted | | | 0 | | | 0 | 0 | 0 | 0 |
| (e)Subtotal Net Admitted Deferred Tax Asset (1c - 1d) | 326,293,870 | 24,672,608 | 350,966,478 | 274,089,750 | 14,287,465 | 288,377,215 | 52,204,120 | 10,385,143 | 62,589,263 |
| (f)Deferred Tax Liabilities | 123,795,100 | 164,832,324 | 288,627,424 | 127,316,590 | 202,705,437 | 330,022,027 | (3,521,490) | (37,873,113) | (41,394,603) |
| (g)Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | 202,498,770 | (140,159,716) | 62,339,054 | 146,773,160 | (188,417,972) | (41,644,812) | 55,725,610 | 48,258,256 | 103,983,866 |

2.

| | As of End of Current Period | | | 12/31/2013 | | | Change | | |
|--|-----------------------------|------------|-----------------------|-------------|------------|-----------------------|--------------------------|-------------------------|-----------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary | Capital | (Col. 1 + 2) Total | Ordinary | Capital | (Col. 4 + 5) Total | (Col. 1 - 4) Ordinary | (Col. 2 - 5) Capital | (Col. 7 + 8) Total |
| Admission Calculation Components | | | | | | | | | |
| SSAP No. 101 | | | | | | | | | |
| (a)Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks. | 62,339,056 | 0 | 62,339,056 | 34,272,510 | 14,287,465 | 48,559,975 | 28,066,546 | (14,287,465) | 13,779,081 |
| (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) | | | 0 | | | 0 | 0 | 0 | 0 |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. | | | 0 | | | 0 | 0 | 0 | 0 |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. | XXX | XXX | 634,085,524 | XXX | XXX | 631,325,101 | XXX | XXX | 2,760,423 |
| (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. | 263,954,814 | 24,672,608 | 288,627,422 | 239,817,240 | | 239,817,240 | 24,137,574 | 24,672,608 | 48,810,182 |
| (d)Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c)) | 326,293,870 | 24,672,608 | 350,966,478 | 274,089,750 | 14,287,465 | 288,377,215 | 52,204,120 | 10,385,143 | 62,589,263 |

3.

| | 2014 | 2013 |
|--|-------------|-------------|
| a.Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount. | 988.182 | 1,025.000 |
| b.Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above. | 494,458,660 | 476,186,655 |

4.

| | As of End of Current Period | | 12/31/2013 | | Change | |
|---|-----------------------------|------------|-------------|------------|--------------------------|-------------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | Ordinary | Capital | Ordinary | Capital | (Col. 1 - 3) Ordinary | (Col. 2 - 4) Capital |
| Impact of Tax Planning Strategies: | | | | | | |
| (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage. | | | | | | |
| 1. Adjusted Gross DTAs amount from Note 9A1(c) | 326,293,870 | 24,672,608 | 274,089,750 | 14,287,465 | 52,204,120 | 10,385,143 |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies | 5.060 | 0.000 | 0.000 | 0.000 | 5.060 | 0.000 |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e) | 326,293,870 | 24,672,608 | 274,089,750 | 14,287,465 | 52,204,120 | 10,385,143 |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies .. | 5.060 | 0.000 | 0.000 | 0.000 | 5.060 | 0.000 |

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NOTES TO FINANCIAL STATEMENTS

b.Do the Company's tax-planning strategies include the use of reinsurance? Yes [] No [X]

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

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

| | (1) As of End of Current Period | (2) 12/31/2013 | (3) (Col. 1 - 2) Change |
|---|---------------------------------------|-------------------|-------------------------------|
| 1.Current Income Tax | | | |
| (a)Federal | 35,089,608 | 38,858,534 | (3,768,926) |
| (b)Foreign | 488,394 | 191,422 | 296,972 |
| (c)Subtotal | 35,578,002 | 39,049,956 | (3,471,954) |
| (d)Federal income tax on net capital gains | 66,675,940 | 40,160,782 | 26,515,158 |
| (e)Utilization of capital loss carry-forwards | | | 0 |
| (f)Other | | (18,163,340) | 18,163,340 |
| (g)Federal and foreign income taxes incurred | 102,253,942 | 61,047,398 | 41,206,544 |
| 2.Deferred Tax Assets: | | | |
| (a)Ordinary: | | | |
| (1) Discounting of unpaid losses | | | 0 |
| (2) Unearned premium reserve | | | 0 |
| (3) Policyholder reserves | 70,923,706 | 73,759,253 | (2,835,547) |
| (4) Investments | | | 0 |
| (5) Deferred acquisition costs | 30,739,316 | 31,301,042 | (561,726) |
| (6) Policyholder dividends accrual | 9,184,219 | 9,363,677 | (179,458) |
| (7) Fixed Assets | 1,585,873 | 1,711,636 | (125,763) |
| (8) Compensation and benefits accrual | 201,867,833 | 140,171,419 | 61,696,414 |
| (9) Pension accrual | | | 0 |
| (10) Receivables – nonadmitted | 7,128,482 | 11,878,896 | (4,750,414) |
| (11) Net operating loss carry-forward | | | 0 |
| (12) Tax credit carry-forward | | | 0 |
| (13) Other (including items <5% of total ordinary tax assets) | 4,864,441 | 5,903,827 | (1,039,386) |
| (99) Subtotal | 326,293,870 | 274,089,750 | 52,204,120 |
| (b)Statutory valuation allowance adjustment | | | 0 |
| (c)Nonadmitted | | | 0 |
| (d)Admitted ordinary deferred tax assets (2a99 – 2b – 2c) | 326,293,870 | 274,089,750 | 52,204,120 |
| (e)Capital: | | | |
| (1) Investments | 24,672,608 | 14,287,465 | 10,385,143 |
| (2) Net capital loss carry-forward | | | 0 |
| (3) Real estate | | | 0 |
| (4) Other (including items <5% of total ordinary tax assets) | | | 0 |
| (99) Subtotal | 24,672,608 | 14,287,465 | 10,385,143 |
| (f)Statutory valuation allowance adjustment | | | 0 |
| (g)Nonadmitted | | | 0 |
| (h)Admitted capital deferred tax assets (2e99 – 2f – 2g) | 24,672,608 | 14,287,465 | 10,385,143 |
| (i)Admitted deferred tax assets (2d + 2h) | 350,966,478 | 288,377,215 | 62,589,263 |
| 3.Deferred Tax Liabilities: | | | |
| (a)Ordinary: | | | |
| (1) Investments | 94,741,018 | 86,546,928 | 8,194,090 |
| (2) Fixed assets | 4,206,758 | 4,681,154 | (474,396) |
| (3) Deferred and uncollected premium | 18,168,337 | 18,320,950 | (152,613) |
| (4) Policyholder reserves | | | 0 |
| (5) Other (including items <5% of total ordinary tax liabilities) | 6,678,987 | 17,767,559 | (11,088,572) |
| (99) Subtotal | 123,795,100 | 127,316,591 | (3,521,491) |
| (b)Capital: | | | |
| (1) Investments | 164,832,324 | 202,705,436 | (37,873,112) |
| (2) Real estate | | | 0 |
| (3) Other (including items <5% of total capital tax liabilities) | | | 0 |
| (99) Subtotal | 164,832,324 | 202,705,436 | (37,873,112) |
| (c)Deferred tax liabilities (3a99 + 3b99) | 288,627,424 | 330,022,027 | (41,394,603) |
| 4.Net deferred tax assets/liabilities (2i – 3c) | 62,339,054 | (41,644,812) | 103,983,866 |

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

| | 12/31/2014 | Effective Tax Rate |
|---|----------------------|--------------------|
| Provision computed at statutory rate | \$ 217,573,662 | 35.00% |
| Dividends received deduction | (126,628,144) | –20.37% |
| Tax credits | (1,820,358) | –0.29% |
| Other invested assets and nonadmitted chage | (586,930) | –0.09% |
| Post Retirement Benefits Plans | 7,574,819 | 1.22% |
| Additional minimum pension liability | 0 | 0.00% |
| STAT Contingency Reserve | 0 | 0.00% |
| Other | 1,236,388 | 0.20% |
| Total statutory income taxes* | \$ 97,349,436 | 15.66% |
| Federal and foreign taxes incurred | \$ 102,253,942 | 16.45% |
| Change in net deferred income taxes | (4,904,506) | –0.79% |
| Total statutory income taxes | \$ 97,349,436 | 15.66% |

*The 2014 presentation was changed to reconcile federal income taxes on total statutory income, inclusive of realized capital gains (losses), computed at the statutory rate to actual statutory income taxes. Prior to 2014, the presentation reconciled federal income taxes on net gain from operations after dividends to policyholders computed at the statutory rate to actual statutory income taxes.

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| | 12/31/2013 | Effective Tax Rate |
|--|-----------------|--------------------|
| Provision computed at statutory rate | \$ 4,706,190 | 35.00% |
| Dividends received deduction | (3,352,810) | -24.93% |
| Tax credits | (2,404,432) | -17.88% |
| Other invested assets and nonadmitted chage | (1,544,827) | -11.49% |
| Post Retirement Benefits Plans | (7,574,816) | -56.34% |
| Additional minimum pension liability | 0 | 0.00% |
| STAT Contingency Reserve | (7,000,566) | -52.06% |
| Other | (2,736,431) | -20.35% |
| Total statutory income taxes on operating income | \$ (19,907,692) | -148.05% |
| Federal and foreign taxes incurred | \$ 20,886,616 | 155.33% |
| Change in net deferred income taxes** | (40,794,308) | -303.38% |
| Total statutory income taxes on operating income | \$ (19,907,692) | -148.05% |

**Excludes change in net deferred income taxes on realized gains/losses of \$2,976,929 for the year ended December 31, 2013.

E. At December 31, 2014, the Company had \$0 of operating loss carry forwards.

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

| | |
|------|----------------|
| 2014 | \$ 112,329,162 |
| 2013 | \$ 66,759,581 |
| 2012 | \$ 39,548,838 |

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

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

The Company files a consolidated income tax return, which includes all its eligible subsidiaries. The provision for federal income taxes is allocated to the individual companies using a separate return method based upon a written tax sharing agreement. Under the agreement, the benefits from losses of subsidiaries are retained by the subsidiary companies. The Company pays all federal income taxes due for all members in the consolidated return. The Company then immediately charges or reimburses, as the case may be, these members an amount consistent with the method described in the tax sharing agreement. At December 31, 2014, the Company has a net liability of \$6.5 million included on line 15.1 of page 3.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A, B &
- C. The Company has an equity interest in certain partnerships that made payments of principal and interest under mortgage financing arrangements to Western-Southern Life Assurance Company in the amount of \$37.9 million and \$123.8 million, in 2014 and 2013, respectively.
- At December 31, 2014 and 2013, the Company had \$65.7 million and \$91.5 million invested, respectively, in the Touchstone Funds, which are mutual funds administered by Touchstone Advisors, Inc., an indirect subsidiary of the Company.
- In December 2014, the Company paid a \$100.0 million dividend to its parent, Western & Southern Financial Group, Inc. The dividend was in the form of cash.
- In December 2014, the Company received a \$100.0 million dividend from its subsidiary, Integrity Life Insurance Company. The dividend consisted of \$75.0 million in cash and \$25.0 million in bonds at fair value.
- In December 2014, the Company received a \$250.0 million dividend from its subsidiary, Western-Southern Life Assurance Company. The dividend consisted of \$65.9 million in cash and \$184.1 million in bonds at fair value.
- On December 30, 2013, the Company paid a \$50.0 million dividend to its parent, Western & Southern Financial Group, Inc. The dividend consisted of \$0.2 million in cash and \$49.8 million in common stocks at fair value.
- On December 18, 2013, the Company paid a \$50.0 million capital contribution to its subsidiary, Columbus Life Insurance Company. The capital contribution consisted of \$1.0 million in cash and \$49.0 in common stocks at fair value.
- D. The Company had \$33.3 million and \$44.3 million receivable from parent, subsidiaries and affiliates as of December 31, 2014 and 2013, respectively. The Company did not have any amounts payable to parent, subsidiaries and affiliates as of December 31, 2014 or 2013. The terms of the settlement generally require that these amounts be settled in cash within 30 days.
- E. See Note 14A(2) regarding the Company's guarantees of affiliated entities.
- F. The Company performs certain administrative and special services, as well as provides facilities and equipment to its various subsidiaries and affiliates to assist with their business operations. These services, facilities and equipment include but are not limited to the following: accounting, actuarial, audit, tax and legal services, administrative support services such as payroll and personnel functions, policyholder services, underwriting and electronic data processing equipment. There are also a number of other service arrangements with affiliates where the provider renders specified services for a stated fee, including agreements for certain investment advisory services. The charges for services, facilities and equipment are considered reasonable and in accordance with the requirements of applicable insurance law and regulations.
- G. The Company is an indirect wholly-owned subsidiary of Western & Southern Mutual Holding Company, a mutual holding company formed pursuant to the insurance regulations of the state of Ohio.
- H. The Company does not own any shares of an upstream affiliate either directly or through its subsidiaries.
- I. The Company does not have an investment in an SCA entity that exceeds 10% of the admitted assets of the insurer.
- J. The Company recognized a \$6.0 million impairment write down in 2014 for its investments in 3 affiliated real estate partnerships. The Company also recognized a \$6.8 million impairment write down in 2014 for its investment in Insurance Profitment Solutions, LLC. In both cases, the impairments are based on the determination that the Company will be unable to recover the carrying amounts of the investments. Fair value is determined based on GAAP equity.

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NOTES TO FINANCIAL STATEMENTS

- K. Not applicable.
- L. Not applicable.

11. Debt

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

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

A. Defined Benefit Plan

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

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefits Plans are as follows at December 31, 2014 and 2013:

- (1) Change in benefit obligation
- a. Pension Benefits

| | Overfunded | | Underfunded | |
|--|---------------|--------------|-------------|------|
| | 2014 | 2013 | 2014 | 2013 |
| 1. Benefit obligation at beginning of year | 865,137,203 | 905,715,854 | 0 | |
| 2. Service cost | 16,174,620 | 18,130,324 | | |
| 3. Interest cost | 41,109,971 | 37,852,981 | | |
| 4. Contribution by plan participants | | | | |
| 5. Actuarial gain (loss) | 174,278,366 | (54,596,862) | | |
| 6. Foreign currency exchange rate changes | | | | |
| 7. Benefits paid | (50,271,114) | (49,707,970) | | |
| 8. Plan amendments | | 7,742,876 | | |
| 9. Business combinations, divestitures, curtailments, settlements and special termination benefits | | | | |
| 10. Benefit obligation at end of year | 1,046,429,046 | 865,137,203 | 0 | 0 |

b. Postretirement Benefits

| | Overfunded | | Underfunded | |
|--|------------|------|--------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| 1. Benefit obligation at beginning of year | 0 | 0 | 199,497,930 | 177,484,472 |
| 2. Service cost | | | 878,202 | 1,193,553 |
| 3. Interest cost | | | 9,413,012 | 8,432,801 |
| 4. Contribution by plan participants | | | 4,619,687 | 4,796,975 |
| 5. Actuarial gain (loss) | | | 30,062,766 | 39,017,856 |
| 6. Foreign currency exchange rate changes | | | | |
| 7. Benefits paid | | | (17,247,637) | (17,218,423) |
| 8. Plan amendments | | | (8,183,898) | (14,209,304) |
| 9. Business combinations, divestitures, curtailments, settlements and special termination benefits | | | | |
| 10. Benefit obligation at end of year | 0 | 0 | 219,040,062 | 199,497,930 |

c. Postemployment & Compensated Absence Benefits

| | Overfunded | | Underfunded | |
|--|------------|------|-------------|------|
| | 2014 | 2013 | 2014 | 2013 |
| 1. Benefit obligation at beginning of year | 0 | 0 | 0 | 0 |
| 2. Service cost | | | | |
| 3. Interest cost | | | | |
| 4. Contribution by plan participants | | | | |
| 5. Actuarial gain (loss) | | | | |
| 6. Foreign currency exchange rate changes | | | | |
| 7. Benefits paid | | | | |
| 8. Plan amendments | | | | |
| 9. Business combinations, divestitures, curtailments, settlements and special termination benefits | | | | |
| 10. Benefit obligation at end of year | 0 | 0 | 0 | 0 |

| | Pension Benefits | | Postretirement Benefits | | Postemployment | |
|--|------------------|--------------|-------------------------|--------------|----------------|------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| (2) Change in plan assets | | | | | | |
| a. Fair value of plan assets at beginning of year | 886,779,549 | 790,238,352 | 0 | 0 | 0 | 0 |
| b. Actual return on plan assets | 68,419,073 | 146,249,167 | | | | |
| c. Foreign currency exchange rate changes | | | | | | |
| d. Reporting entity contribution | | | 12,627,950 | 12,421,448 | | |
| e. Plan participants' contributions | | | 4,619,687 | 4,796,975 | | |
| f. Benefits paid | (50,271,114) | (49,707,970) | (17,247,637) | (17,218,423) | | |
| g. Business combinations, divestitures and settlements | | | | | | |
| h. Fair value of plan assets at end of year | 904,927,508 | 886,779,549 | 0 | 0 | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

| | | | | | | |
|---|--|------------------|---------------|-----------------------------|-----------------------------|---|
| (3) Funded status | | | | | | |
| | | Pension Benefits | | Postretirement Benefits | | |
| | | 2014 | 2013 | 2014 | 2013 | |
| Overfunded | | | | | | |
| a. Assets (nonadmitted) | | | | | | |
| 1. Prepaid benefit costs | | | 0 | | | |
| 2. Overfunded plan assets | | | 21,642,346 | | | |
| 3. Total assets (nonadmitted) | | 0 | 21,642,346 | 0 | | 0 |
| Underfunded | | | | | | |
| b. Liabilities recognized | | | | | | |
| 1. Accrued benefit costs | | 141,501,537 | | 219,040,062 | | 199,497,930 |
| 2. Liability for pension benefits | | | | | | |
| 3. Total liabilities recognized | | 141,501,537 | 0 | 219,040,062 | | 199,497,930 |
| c. Unrecognized liabilities | | | | | | |
| | | | | | | |
| | | Pension Benefits | | Postretirement Benefits | | Postemployment & Compensated Absence Benefits |
| | | 2014 | 2013 | 2014 | 2013 | 2014 |
| | | | | | | 2013 |
| (4) Components of net periodic benefit cost | | | | | | |
| a. Service cost | | 16,174,620 | 18,130,324 | 878,202 | 1,193,553 | |
| b. Interest cost | | 41,109,971 | 37,852,981 | 9,413,012 | 8,432,801 | |
| c. Expected return on plan assets | | (64,415,701) | (57,213,278) | | | |
| d. Transition asset or obligation | | | | | | |
| e. Gains and losses | | 30,244,681 | 48,732,676 | (25,005) | (134,986) | |
| f. Prior service cost or credit | | (1,019,285) | (1,019,285) | (1,074,447) | 785,530 | |
| g. Gain or loss recognized due to a settlement or curtailment | | | | | | |
| h. Total net periodic benefit cost | | 22,094,286 | 46,483,418 | 9,191,762 | 10,276,898 | 0 |
| (5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost | | | | | | |
| | | Pension Benefits | | Postretirement Benefits | | |
| | | 2014 | 2013 | 2014 | 2013 | |
| a. Items not yet recognized as a component of net periodic cost – prior year | | 360,264,681 | 0 | (28,482,324) | | 0 |
| b. Net transition asset or obligation recognized | | 0 | 543,867,947 | 28,482,324 | | (20,927,688) |
| c. Net prior service cost or credit arising during the period | | 0 | 7,742,876 | (8,183,898) | | (14,209,304) |
| d. Net prior service cost or credit recognized | | 1,019,285 | 1,019,285 | 1,074,447 | | (785,530) |
| e. Net gain and loss arising during the period | | 170,274,994 | (143,632,751) | 30,062,766 | | 7,305,212 |
| f. Net gain and loss recognized | | (30,244,681) | (48,732,676) | 25,005 | | 134,986 |
| g. Items not yet recognized as a component of net periodic cost – current year | | 501,314,279 | 360,264,681 | 22,978,320 | | (28,482,324) |
| (6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost | | | | | | |
| | | Pension Benefits | | Postretirement Benefits | | |
| | | 2014 | 2013 | 2014 | 2013 | |
| a. Net transition asset or obligation | | | | | | |
| b. Net prior service cost or credit | | (1,019,285) | (1,019,285) | (1,074,447) | | 785,530 |
| c. Net recognized gains and losses | | 41,302,149 | 28,924,036 | 7,271 | | (421,158) |
| (7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost | | | | | | |
| | | Pension Benefits | | Postretirement Benefits | | |
| | | 2014 | 2013 | 2014 | 2013 | |
| a. Net transition asset or obligation | | | | | | |
| b. Net prior service cost or credit | | (27,914,722) | (28,934,007) | (11,851,563) | | (4,742,112) |
| c. Net recognized gains and losses | | 529,229,001 | 389,198,688 | 6,347,559 | | (23,740,212) |
| (8) Weighted-average assumptions used to determine net periodic benefit cost as of the end of current period: | | | | | | |
| | | | | 2014 | 2013 | |
| a. Weighted average discount rate | | | | 4.850 | 4.200 | |
| b. Expected long-term rate of return on plan assets | | | | 7.500 | 7.500 | |
| c. Rate of compensation increase | | | | 4.600 | 4.600 | |
| Weighted average assumptions used to determine projected benefit obligations as of end of current period: | | | | | | |
| | | | | 2014 | 2013 | |
| d. Weighted average discount rate | | | | 4.050 | 4.850 | |
| e. Rate of compensation increase | | | | 4.600 | 4.600 | |
| (9) The amount of the accumulated benefit obligation for defined benefit pension plans was \$1,003,720,622 for the current year and \$836,887,283 for the prior year. | | | | | | |
| (10) For measurement purposes of the postretirement benefit obligation at December 31, 2014, a 5.750 percent annual rate of increase in the per capita cost of covered health care benefits is assumed for 2014. The rate was assumed to decrease gradually to 4.75 percent for 2023 and remain at that level thereafter. | | | | | | |
| (11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects: | | | | | | |
| | | | | 1 Percentage Point Increase | 1 Percentage Point Decrease | |
| a. Effect on total of service and interest cost components | | | | 1,345,47 | (1,105,866) | |
| b. Effect on postretirement benefit obligation | | | | 27,859,08 | (23,180,994) | |

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NOTES TO FINANCIAL STATEMENTS

(12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

| | Years | Amount |
|---------------------|-------|-------------|
| a.2015 | | 52,046,682 |
| b.2016 | | 52,588,354 |
| c.2017 | | 53,310,012 |
| d.2018 | | 53,976,055 |
| e.2019 | | 54,706,122 |
| f.2020 through 2024 | | 290,941,540 |

(13) The Company does not anticipate a required contribution during 2015.

(14) At December 31, 2014 and 2013, the plan assets included approximately \$130,881,764 and \$128,857,117, respectively, of mutual funds administered by Touchstone Advisors Inc., a wholly owned subsidiary of the Company.

During 2014, the Company did not contribute to the pension plan.

(15) Alternative method used to amortize prior service amounts or unrecognized net gains and losses. None.

(16) The Company indexes Postretirement Medical plan contributions, deductibles, and out-of-pocket limits with plan trend experience.

(17) Cost of providing special or contractual termination benefits recognized during the period. None.

(18) The Company's mortality assumption for plan participants, including future mortality improvements are generally derived from tables published by the Society of Actuaries (SOA). In the fourth quarter of 2014, the SOA issued new mortality and mortality improvement tables that raise life expectancies. The Company has incorporated the new SOA mortality improvement tables into the December 31, 2014 pension benefit obligation. The change to the mortality assumption resulted in a \$60.0 million increase in the pension benefit obligation in 2014. The Company's discount rate assumption is determined by utilizing a discounted cash flow analysis of the Company's obligations. The yield curve utilized in the cash flow analysis is comprised of highly rated (Aaa or Aa) corporate bonds. The discount rate was decreased from 4.85% at December 31, 2013 to 4.05% at December 31, 2014. This resulted in a \$104.0 million increase in the pension benefit obligation in 2014.

(19) There are no plan assets expected to be returned to the employer during the 12-months following the year ended December 31, 2014.

(20) At December 31, 2013, upon adoption of SSAP 102, there was no surplus impact of recognizing the full funding status of the Company's pension plan because the plan was overfunded and the asset was nonadmitted. At December 31, 2013, upon adoption of SSAP 92, the Company's surplus was \$28.5 million higher (before consideration of the tax effect) as result of recognizing the full funding status of the Company's postretirement benefit plan.

(21) See note 2 for discussion of adoption of SSAP No 92 and SSAP No 102.

B. The plan employs a total return investment approach whereby a mix of fixed income and equity investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The total portfolio is structured with multiple sub-portfolios, each with a specific fixed income or equity asset management discipline. Each sub-portfolio is subject to individual limitations and performance benchmarks as well as limitations at the consolidated portfolio level. Quarterly asset allocation meetings are held to evaluate portfolio asset allocation and to establish the optimal mix of assets given current market conditions and risk tolerance. Investment mix is measured and monitored on an on-going basis through regular investment reviews, annual liability measurements, and periodic asset/liability studies.

C. The fair value of each class of plan assets

(1) Fair Value Measurements of Plan Assets at Reporting Date

| Description for each class of plan assets | (Level 1) | (Level 2) | (Level 3) | Total |
|--|-------------|-------------|------------|-------------|
| Bonds | 12,879,459 | 109,015,358 | 3,317,526 | 125,212,343 |
| Common stock: Unaffiliated | 363,649,070 | | | 363,649,070 |
| Common stock: Mutual funds | 198,626,337 | | | 198,626,337 |
| Preferred stock | | 4,358,633 | | 4,358,633 |
| Cash, cash equivalents, & short-term investments | 170,834 | | | 170,834 |
| Other invested assets: Surplus notes | | 2,048,746 | | 2,048,746 |
| Other invested assets: Limited partnerships | | 135,345,770 | 51,381,604 | 186,727,374 |
| Other invested assets: Real estate | | | 17,114,339 | 17,114,339 |
| Securities lending reinvested collateral assets | 93,847,829 | | | 93,847,829 |
| Other Assets | | 3,963,367 | 3,079,212 | 7,042,579 |
| Total Plan Assets | 669,173,529 | 254,731,874 | 74,892,681 | 998,798,084 |

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

| Description for each class of plan assets | Beginning Balance at 01/01/2014 | Transfers into Level 3 | Transfers out of Level 3 | Return on Assets Still Held | Return on Assets Sold | Purchases | Issuances | Sales | Settlements | Ending Balance at 12/31/2014 |
|--|---------------------------------|------------------------|--------------------------|-----------------------------|-----------------------|------------|-----------|-------|-------------|------------------------------|
| Bonds* | 8,256,600 | | (4,894,933) | (52,728) | | | | | 8,586 | 3,317,526 |
| Other invested assets: Limited Partnerships* | 47,042,607 | | | 6,024,539 | | 4,282,177 | | | (5,967,719) | 51,381,604 |
| Other invested assets: Real estate* | 8,963,552 | | | 1,567,090 | | 6,583,697 | | | | 17,114,339 |
| Other assets | 5,549,211 | | | | | | | | (2,469,999) | 3,079,212 |
| Total Plan Assets | 69,811,970 | | (4,894,933) | 7,538,901 | 0 | 10,865,874 | 0 | | (8,429,132) | 74,892,681 |

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

D. The Company employs a prospective building block approach in determining the long-term expected rate of return for plan assets. Historical returns are determined by asset class. The historical relationships between equities, fixed income securities, and other assets are reviewed. The Company applies long-term asset return estimates to the plan's target asset allocation to determine the weighted-average long-term return. The Company's long-term asset allocation was determined through modeling long-term returns and asset return volatilities and is guided by an investment policy statement created for the plan.

E. Defined Contribution Plan

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

The Company sponsors a contributory Employee Retirement Savings Plan qualified under the provisions of IRC 401(k) covering substantially all eligible, full time employees. This plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Company's contributions to the plan are based on a combination of the employee's contributions to the plan and a percentage of the employee's earnings for the year. Total Company contributions to the defined contribution plan were \$5,942,756 and \$3,934,290 for 2014 and 2013, respectively.

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NOTES TO FINANCIAL STATEMENTS

- F. Multi-employer Plans. None.
- G. Consolidated/Holding Company Plans. None.
- H. Postemployment Benefits and Compensated Absences

Postemployment benefits and compensated absences are recorded as accrued liabilities.

- I. Impact of Medicare Modernization Act on Postretirement Benefits

- (1) Not applicable
- (2) Not applicable
- (3) With respect to the Company's postretirement medical plan, the Company paid gross benefits of \$17,876,500 in 2014 and expects to pay \$126,656,237 in 2015 and beyond. The Company received \$0 in 2014 related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act). The Company's postretirement medical plan will no longer collect the Medicare Part D Subsidy for claims activity occurring after January 1, 2013.

Future benefit payments for the postretirement medical plan are expected as follows:

| Year(s) | Amount |
|-----------------------|---------------|
| 2015 | \$ 12,630,845 |
| 2016 | \$ 12,666,516 |
| 2017 | \$ 12,574,090 |
| 2018 | \$ 12,550,827 |
| 2019 | \$ 12,601,932 |
| Five years thereafter | \$ 63,632,027 |

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

- (1) The Company has one class of common stock with a par value of \$1 per share. At December 31, 2014, the Company had 1,000,000 shares authorized, 1,000,000 shares issued and 1,000,000 shares outstanding.
- (2) The Company has no preferred stock outstanding.
- (3) The ability of the Company to pay dividends is limited by state insurance laws. Under Ohio insurance laws, the Company may pay dividends, without the approval of the Ohio Director of Insurance, only from earned surplus and those dividends may not exceed (when added to other dividends paid in the preceding 12 months) the greater of (i) 10% of the Company's surplus as of the prior December 31, or (ii) the Company's net income for the twelve month period ending the prior December 31. Dividends are noncumulative.
- (4) In December 2014, the Company paid a \$100.0 million dividend to its parent, Western & Southern Financial Group, Inc. The dividend was in the form of cash.

In December 2014, the Company received a \$100.0 million dividend from its subsidiary, Integrity Life Insurance Company. The dividend consisted of \$75.0 million in cash and \$25.0 million in bonds at fair value.

In December 2014, the Company received a \$250.0 million dividend from its subsidiary, Western-Southern Life Assurance Company. The dividend consisted of \$65.9 million in cash and \$184.1 million in bonds at fair value.

On December 30, 2013, the Company paid a \$50.0 million dividend to its parent, Western & Southern Financial Group, Inc. The dividend consisted of \$0.2 million in cash and \$49.8 million in common stocks at fair value

On December 18, 2013, the Company paid a \$50 million capital contribution to its subsidiary, Columbus Life Insurance Company. The capital contribution consisted of \$1.0 million in cash and \$49.0 in common stocks at fair value

- (5) Within the limitations of (3) above, there are no restrictions placed on the portion of company profits that may be paid as ordinary dividends to stockholders.
- (6) There were no restrictions placed on the Company's surplus.
- (7) There are no advances of surplus.
- (8) There was no stock held by the Company, including stock of affiliated companies, for special purposes.
- (9) The Company does not hold any special surplus funds.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses: \$961,315,409
- (11) There were no surplus debentures or similar item outstanding during the statement periods.
- (12) There have been no restatements of surplus due to quasi-reorganizations.
- (13) Not applicable.

14. Liabilities, Contingencies, and Assessments

A. Contingent Commitments

- (1) The Company has future commitments to joint ventures, limited partnerships and limited liability companies in the amount of \$432,869,136.
- (2) The Company guarantees the payment of all policyholder obligations of each of the following wholly-owned subsidiaries, Columbus Life Insurance Company, and Integrity Life Insurance Company. In addition, the Company guarantees all policyholder obligations of National Integrity Life Insurance Company, a wholly owned subsidiary of Integrity Life Insurance Company, and Lafayette Life Insurance Company, an affiliated entity which is wholly owned by the Company's parent, Western & Southern Financial Group. Guarantees on behalf of wholly-owned subsidiaries or on behalf of related parties that are considered to be unlimited (as in the case of the guarantee on behalf of Lafayette Life Insurance Company) are exempt from the initial liability recognition criteria in SSAP 5R and therefore no liability has been recognized in the financial statements. Due to the unlimited nature of the guarantees, the Company is unable to estimate the maximum potential amount of future payments under the guarantees. In the unlikely event the guarantees would be triggered, the Company may be permitted to take control of the underlying assets to recover all or a portion of the amounts paid under the guarantees.

B. Assessments

The Company is not aware of any material assessments.

C. Gain Contingencies

The Company is not aware of any gain contingencies.

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NOTES TO FINANCIAL STATEMENTS

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

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

E. Joint and Several Liabilities. None.

F. All Other Contingencies

The Company is currently being audited on behalf of multiple state treasurers and controllers concerning the identification, reporting and escheatment of unclaimed insurance policy benefits and other allegedly abandoned funds. The audits focus on identifying unreported death claims, matured annuities and retained asset accounts, and the use of the Social Security Death Master File to identify deceased insurance policy, annuity contract, and retained asset account holders. The Company has reached an agreement with numerous states regarding this audit activity that will result in outreach and payments to beneficiaries, escheatment of funds deemed abandoned under state laws, and accelerated escheatment of funds deemed abandoned pursuant to agreements with regulators. In 2014, the Company made payments under these agreements and released a portion of the liability it had previously recorded due to lower losses than had been estimated. As of December 31, 2014, the Company has a liability of \$5 million remaining for estimated future payments as a result of these audits.

The West Virginia Treasurer (who has not settled with the Company) has brought suit seeking to require the Company to annually check the Social Security Death Master File for deceased insureds, and alleging that the Company's previous failure to do so has rendered its unclaimed property reports incomplete and fraudulent. The Treasurer seeks attorney fees, interest and penalties for allegedly willful misconduct and fraudulent reporting, and other, varied relief (including identification and payment of death claims). In late December 2013, the trial court dismissed the actions against the Company. The Treasurer filed a notice of appeal to the Supreme Court of Appeals of West Virginia, and oral argument in this matter is scheduled for April 8, 2015. The amount of loss, if any, that the Company may ultimately recognize as a result of this litigation cannot be reasonably estimated.

The Company is also currently the subject of multistate insurance department regulatory inquiries and examinations with a similar focus as the state treasurer and controller audits regarding processes and procedures for identifying deceased insurance policy, annuity contract, and retained asset account holders. The examination activity may result in (but is not necessarily limited to) required outreach and payments to beneficiaries, changes to procedures, and administrative contributions. The amount of loss, if any, that the Company may ultimately recognize as a result of these examinations cannot be reasonably estimated.

15. Leases

A. The Company did not have any material lease obligations at December 31, 2014.

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

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

The table below summarizes the face amount of the Company's financial instruments with off balance sheet risk. The accounting policies associated with the derivative transactions are described in Note 1C.

| | ASSETS | | LIABILITIES | |
|------------|--------|-------------|-------------|------|
| | 2014 | 2013 | 2014 | 2013 |
| a. Swaps | | 327,500,000 | 467,500,000 | |
| b. Futures | | | | |
| c. Options | | | | |
| d. Total | 0 | 327,500,000 | 467,500,000 | 0 |

See the Schedule DB of the Company's annual statement for additional detail.

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

A. Transfers of Receivables as Sales. None.

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

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

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

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

20. Fair Value Measurements

A. (1) Fair Value Measurements at December 31, 2014

| Description for each class of asset or liability | (Level 1) | (Level 2) | (Level 3) | Total |
|--|---------------|-------------|------------|---------------|
| a. Assets at fair value | | | | |
| Common stock: Industrial & miscellaneous | 1,552,320,936 | 0 | 0 | 1,552,320,936 |
| Common stock: Mutual funds | 65,780,911 | 0 | 0 | 65,780,911 |
| Derivative assets: Options, purchased | 0 | 25,364,698 | 0 | 25,364,698 |
| Separate account assets | 669,173,531 | 254,731,873 | 74,892,681 | 998,798,085 |
| Total assets at fair value | 2,287,275,378 | 280,096,571 | 74,892,681 | 2,642,264,630 |

| Description for each class of asset or liability | (Level 1) | (Level 2) | (Level 3) | Total |
|--|-----------|--------------|-----------|--------------|
| b. Liabilities at fair value | | | | |
| Derivative liabilities: Interest rate contracts | 0 | (72,251,154) | 0 | (72,251,154) |
| Derivative liabilities: Options, written | 0 | (149,462) | 0 | (149,462) |
| Total liabilities at fair value | 0 | (72,400,616) | 0 | (72,400,616) |

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

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

Year Ended at 12/31/2014

| Description | Beginning Balance at 01/01/2014 | Transfers into Level 3 | Transfers out of Level 3 | Total gains and (losses) included in Net Income | Total gains and (losses) included in Surplus | Purchases | Issuances | Sales | Settlements | Ending Balance at 12/31/2014 |
|--------------------------------|---------------------------------|------------------------|--------------------------|---|--|------------|-----------|-------|-------------|------------------------------|
| a. Assets | | | | | | | | | | |
| Separate account assets* | 69,811,971 | 0 | (4,894,933) | 7,538,901 | 0 | 10,865,874 | 0 | 0 | (8,429,132) | 74,892,681 |
| Total Assets | 69,811,971 | 0 | (4,894,933) | 7,538,901 | 0 | 10,865,874 | 0 | 0 | (8,429,132) | 74,892,681 |

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

- (3) The Company's policy is to recognize transfers in and transfers out of levels at the beginning of each quarterly reporting period.
- (4) Derivative investments included in Level 2 consist of interest rate swaps and options. The fair values of these securities are determined through the use of third-party pricing services or models utilizing market observable inputs.

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

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

- B. Not applicable.
- C. The carrying amounts and fair value of the Company's significant financial instruments were as follows:

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practicable (Carrying Value) |
|--|----------------------|-----------------|---------------|---------------|-------------|----------------------------------|
| Bonds | 3,901,205,889 | 3,431,372,367 | 14,436,568 | 3,870,312,181 | 16,457,140 | |
| Common Stock: Unaffiliated | 1,552,320,937 | 1,552,320,937 | 1,552,320,937 | 0 | 0 | |
| Common Stock: Mutual funds | 65,780,911 | 65,780,911 | 65,780,911 | 0 | 0 | |
| Preferred stock | 29,939,100 | 26,967,500 | 0 | 29,939,100 | 0 | |
| Mortgage loans | 17,436,960 | 16,854,538 | 0 | 0 | 17,436,960 | |
| Cash, cash equivalents, & short-term investments | 103,756,199 | 103,786,030 | 103,756,199 | 0 | 0 | |
| Other invested assets: Surplus notes | 15,850,969 | 12,923,482 | 0 | 15,850,969 | 0 | |
| Securities lending reinvested collateral assets | 118,951,386 | 118,951,386 | 118,951,386 | 0 | 0 | |
| Derivative assets | 25,364,698 | 25,364,698 | 0 | 25,364,698 | 0 | |
| Separate account assets | 998,798,085 | 998,798,085 | 669,173,531 | 254,731,873 | 74,892,681 | |
| Life and annuity reserves for investment-type contracts and deposit fund liabilities | (5,778,490) | (5,533,781) | 0 | 0 | (5,778,490) | |
| Derivative liabilities | (72,400,616) | (72,400,616) | 0 | (72,400,616) | 0 | |
| Securities lending liability | (259,001,464) | (259,001,464) | 0 | (259,001,464) | 0 | |

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

Debt Securities and Surplus Notes

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

Equity Securities

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

Mortgage Loans

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

Cash, Cash Equivalents and Short-Term Investments

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

Derivative Instruments

The fair values of free-standing derivative instruments, primarily call options and interest rate swaps, are determined through the use of third-party pricing services or models utilizing market observable inputs.

Securities Lending Reinvested Collateral Assets

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

Assets Held in Separate Accounts

Assets held in separate accounts include debt securities, equity securities, mutual funds, private equity, and private debt fund investments. The fair values

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

of these assets have been determined using the same methodologies as similar assets held in the general account.

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

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

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

Securities Lending Liability

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

D. Not applicable.

21. Other Items

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

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

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

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

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

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

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

| | Actual Cost | Book/Adjusted Carrying Value (excluding interest) | Fair Value | Other-Than-Temporary Impairment Losses Recognized |
|---|--------------|---|--------------|---|
| a. Residential mortgage-backed securities | \$ 7,128,153 | \$ 6,531,238 | \$ 6,444,433 | \$ - |
| b. Commercial mortgage-backed securities | - | - | - | - |
| c. Collateralized debt obligations | - | - | - | - |
| d. Structured securities | - | - | - | - |
| g. Total | \$ 7,128,153 | \$ 6,531,238 | \$ 6,444,433 | \$ - |

The percentage of book value of these debt securities that have underlying loans with primarily variable interest rates is 14.10%

G. Retained Assets

- (1) The Company offered retained asset accounts as an optional form of settlement for life insurance policy proceeds in 2014. The retained asset account option provided to beneficiaries was not the default method for satisfying life insurance claims in 2014, as a signature of the beneficiary authorizing the creation of such an account was required for this method of settlement. The Company also holds the retained asset accounts of Western-Southern Life Assurance Company, its wholly-owned subsidiary.

The Company’s retained asset accounts established after 2004 are serviced internally. The Company’s retained asset accounts established prior to 2004 are serviced by an unaffiliated bank. The assets and liabilities related to retained assets accounts remain on the Company’s financial statements. These retained asset accounts are included in the liability for deposit-type contracts.

The interest rate paid to retained asset account holders during 2014 was 0.5%. This rate did not change during 2014. Accountholders are not charged for routine administrative fees associated with these retained asset accounts; provided, however, that accountholders are responsible for certain fees associated with insufficient funds checks/drafts and stop-payment orders.

- (2) The number and balance of retained asset accounts in force as of December 31, 2014 and December 31, 2013 are as follows:

| | In Force | | | |
|--|---------------------------|------------|-------------------------|------------|
| | As of End of Current Year | | As of End of Prior Year | |
| | Number | Balance | Number | Balance |
| a. Up to and including 12 Months | 220 | 10,189,939 | 208 | 8,091,788 |
| b. 13 to 24 Months | 125 | 4,079,815 | 169 | 4,601,220 |
| c. 25 to 36 Months | 122 | 3,427,607 | 90 | 2,317,129 |
| d. 37 to 48 Months | 72 | 1,962,042 | | |
| e. 49 to 60 Months | 0 | 0 | | |
| f. Over 60 Months | 222 | 3,219,086 | 267 | 3,754,676 |
| g. Total | 761 | 22,878,489 | 734 | 18,764,813 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

(3)

| | Individual | | Group | |
|---|---------------|-----------------------|---------------|-----------------------|
| | (1) Number | (2) Balance/Amount | (3) Number | (4) Balance/amount |
| a. Number/balance of retained asset accounts at the beginning of the year | 734 | 18,764,813 | 0 | 0 |
| b. Number/amount of retained asset accounts issued/added during the year | 344 | 20,896,955 | | |
| c. Investment earnings credited to retained asset accounts during the year | XXX | 103,668 | XXX | |
| d. Fees and other charges assessed to retained asset account during the year | XXX | 300 | XXX | |
| e. Number/amount of retained asset accounts transferred to state unclaimed property funds during the year | 0 | 0 | | |
| f. Number/amount of retained asset accounts closed/withdrawn during the year | 317 | 16,886,647 | | |
| g. Number/balance of retained asset accounts at the end of the year (g = a + b + c - d - e - f) | 761 | 22,878,489 | 0 | 0 |

22. Events Subsequent

The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the Balance Sheet date. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Company is required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. Management has evaluated subsequent events through the issuance of these financial statements on February 25, 2015.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1- General Interrogatories

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

Section 2- Ceded Reinsurance Report – Part A

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

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

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

Section 3 – Ceded Reinsurance Report – Part B

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

- B. The Company had no uncollectible reinsurance balances written off through income or expense during the year.
- C. The Company had no commutation of reinsurance reflected in income or expense during the year.
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation. None.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination.

- A. Method used to estimate accrued retrospective premium adjustments. None.
- B. None.
- C. Amount of net premiums written that are subject to retrospective rating features. None.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act. None.
- E. Risk Sharing Provisions of the Affordable Care Act

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

(1)Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? Yes [] No [X]

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

AMOUNT

| | |
|--|--|
| a. Permanent ACA Risk Adjustment Program | |
| Assets | |
| 1. Premium adjustments receivable due to ACA Risk Adjustment | |
| Liabilities | |
| 2. Risk adjustment user fees payable for ACA Risk Adjustment | |
| 3. Premium adjustments payable due to ACA Risk Adjustment | |
| Operations (Revenue & Expense) | |
| 4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment | |
| 5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) | |
| b. Transitional ACA Reinsurance Program | |
| Assets | |
| 1. Amounts recoverable for claims paid due to ACA Reinsurance | |
| 2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) | |
| 3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance | |
| Liabilities | |
| 4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium | |
| 5. Ceded reinsurance premiums payable due to ACA Reinsurance | |
| 6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance | |
| Operations (Revenue & Expense) | |
| 7. Ceded reinsurance premiums due to ACA Reinsurance | |
| 8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments | |
| 9. ACA Reinsurance contributions – not reported as ceded premium | |
| c. Temporary ACA Risk Corridors Program | |
| Assets | |
| 1. Accrued retrospective premium due to ACA Risk Corridors | |
| Liabilities | |
| 2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors | |
| Operations (Revenue & Expense) | |
| 3. Effect of ACA Risk Corridors on net premium income (paid/received) | |
| 4. Effect of ACA Risk Corridors on change in reserves for rate credits | |

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

| | Accrued During the Prior Year on Business Written Before December 31 of the Prior Year | | Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year | | Differences | | Adjustments | | Unsettled Balances as of the Reporting Date | | |
|---|--|-----------|--|-----------|--|--|------------------------|------------------------|---|---|---|
| | | | | | Prior Year Accrued Less Payments (Col 1 – 3) | Prior Year Accrued Less Payments (Col 2 – 4) | To Prior Year Balances | To Prior Year Balances | | Cumulative Balance from Prior Years (Col 1 – 3 + 7) | Cumulative Balance from Prior Years (Col 2 – 4 + 8) |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | 9 | 10 |
| | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | Ref | Receivable | (Payable) |
| a. Permanent ACA Risk Adjustment Program | | | | | | | | | | | |
| 1. Premium adjustments receivable | | | | | 0 | 0 | | | A | 0 | 0 |
| 2. Premium adjustments (payable) | | | | | 0 | 0 | | | B | 0 | 0 |
| 3. Subtotal ACA Permanent Risk Adjustment Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |
| b. Transitional ACA Reinsurance Program | | | | | | | | | | | |
| 1. Amounts recoverable for claims paid | | | | | 0 | 0 | | | C | 0 | 0 |
| 2. Amounts recoverable for claims unpaid (contra liability) | | | | | 0 | 0 | | | D | 0 | 0 |
| 3. Amounts receivable relating to uninsured plans | | | | | 0 | 0 | | | E | 0 | 0 |
| 4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium | | | | | 0 | 0 | | | F | 0 | 0 |
| 5. Ceded reinsurance premiums payable | | | | | 0 | 0 | | | G | 0 | 0 |
| 6. Liability for amounts held under uninsured plans | | | | | 0 | 0 | | | H | 0 | 0 |
| 7. Subtotal ACA Transitional Reinsurance Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |
| c. Temporary ACA Risk Corridors Program | | | | | | | | | | | |
| 1. Accrued retrospective premium | | | | | 0 | 0 | | | I | 0 | 0 |
| 2. Reserve for rate credits or policy experience rating refunds | | | | | 0 | 0 | | | J | 0 | 0 |
| 3. Subtotal ACA Risk Corridors Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |
| d. Total for ACA Risk Sharing Provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

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

26. Intercompany Pooling Arrangements. None.

27. Structured Settlements. None.

28. Health Care Receivables. None.

29. Participating Policies. None.

30. Premium Deficiency Reserves

| | | |
|----|--|--------------|
| 1. | Liability carried for premium deficiency reserves | \$56,684,563 |
| 2. | Date of the most recent evaluation of this liability | 12/31/2014 |
| 3. | Was anticipated investment income utilized in the calculation? | NO |

31. Reserves for Life Contracts and Annuity Contracts

1. The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
2. Policies issued to substandard lives are charged an extra premium plus the regular gross premium for the true age. Mean reserves are based on appropriate multiples of standard rates of mortality.
3. As of December 31, 2014, the Company had \$1,247,688,092 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the state of Ohio. Reserves to cover this insurance totaled \$23,409,080 at year-end and are reported in Exhibit 5, Life Insurance and Annuities sections.
4. The tabular interest, the tabular less actual reserve released, and the tabular cost have been determined by formula as described in the instructions.
5. The determination of tabular interest on funds not involving life has been determined by formula as described in the instructions
6. The details for other changes: None.

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

| | (1) General Account | (2) Separate Account with Guarantees | (3) Separate Account Nonguaranteed | (4) Total | (5) % of Total |
|---|---------------------------|---|---|---------------|-------------------|
| A.Subject to discretionary withdrawal: | | | | | |
| (1)With fair value adjustment | | | | 0 | 0.0 |
| (2)At book value less current surrender charge of 5% or more .. | | | | 0 | 0.0 |
| (3)At fair value | | | | 0 | 0.0 |
| (4)Total with adjustment or at fair value (Total of 1 through 3) | 0 | 0 | 0 | 0 | 0.0 |
| (5)At book value without adjustment (minimal or no charge or adjustment) | 378,624,725 | | | 378,624,725 | 29.3 |
| B.Not subject to discretionary withdrawal | 10,610,391 | | 904,927,508 | 915,537,899 | 70.7 |
| C.Total (gross: direct + assumed) | 389,235,116 | 0 | 904,927,508 | 1,294,162,624 | 100.0 |
| D.Reinsurance ceded | 139,053,095 | | | 139,053,095 | |
| E.Total (net)* (C) – (D) | 250,182,021 | 0 | 904,927,508 | 1,155,109,529 | |

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

F. Life & Accident & Health Annual Statement:

| | Amount |
|---|---------------|
| 1.Exhibit 5, Annuities Section, Total (net) | 8,060,952 |
| 2.Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net) | 1,756,586 |
| 3.Exhibit 7, Deposit-Type Contracts, Line 14, Column 1 | 240,364,483 |
| 4.Subtotal | 250,182,021 |
| Separate Accounts Annual Statement: | |
| 5.Exhibit 3, Line 0299999, Column 2 | |
| 6.Exhibit 3, Line 0399999, Column 2 | |
| 7.Policyholder dividend and coupon accumulations | |
| 8.Policyholder premiums | 904,927,508 |
| 9.Guaranteed interest contracts | |
| 10.Other contract deposit funds | |
| 11.Subtotal | 904,927,508 |
| 12.Combined Total | 1,155,109,529 |

33. Premiums and Annuity Consideration Deferred and Uncollected

A.Deferred and uncollected life insurance premiums and annuity considerations as of the end of current period, were as follows:

| Type | (1) Gross | (2) Net of Loading |
|--------------------------------|--------------|-----------------------|
| (1)Industrial | 36 | 21 |
| (2)Ordinary new business | 7,262,527 | 418,131 |
| (3)Ordinary renewal | 75,355,752 | 51,312,331 |
| (4)Credit Life | | |
| (5)Group Life | | |
| (6)Group Annuity | | |
| (7)Totals | 82,618,315 | 51,730,483 |

34. Separate Accounts

A. Separate Account Activity

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

- (1) The Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and/or transactions. For 2014, the Company reported assets and liabilities from the following product lines/transactions into a separate account:
- Deposit Administration Group Annuity Contract for the Company's Pension Plan (Group Annuity Contract)

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

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

As of December 31, 2014 and 2013, the Company's separate account statement included legally insulated assets of \$998,798,086 and \$950,529,684, respectively. The assets legally insulated from the general accounts as of December 31, 2014 are attributed to the following product:

| (1) | (1) | (2) |
|------------------------------|--------------------------|---|
| Product/Transaction | Legally Insulated Assets | Separate Account Assets (Not Legally Insulated) |
| Group Annuity Contract | 998,798,086 | ..... |
| Total | 998,798,086 | 0 |

- (3) In accordance with the products recorded within the separate account, there are no separate account liabilities that are guaranteed by the general account. (See Note 12 for further discussion on the general account's responsibility as it relates to the obligations of the Company's pension plan.)
- (4) The Company engages in securities lending transactions within the separate account. The Company has loaned \$91,169,135 (book/adjusted carrying value) of various debt and equity securities within the separate account as part of the securities lending program administered by Deutsche Bank. In accordance with such transactions conducted from the separate account, the Company follows the same policies and procedures as the general account.

B. General Nature and Characteristics of Separate Account Business

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

C. Reconciliation of Net Transfers To (From) Separate Accounts

| | | |
|---|--|--------------|
| (1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement: | | |
| a. Transfers to Separate Accounts (Page 4, Line 1.4) ..... |  | ..... |
| b. Transfers from Separate Accounts (Page 4, Line 10) | | 49,995,045 |
| c. Net transfers to or (From) Separate Accounts (a) - (b) | | (49,995,045) |
| (2) Reconciling Adjustments: | | |
| a. Miscellaneous | | (288,506) |
| (3) Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) = (Page 4, Line 26) | | |
| | | (50,283,551) |

35. Loss/Claim Adjustment Expenses

The Company has no liability for unpaid accident and health claim adjustment expenses as of December 31, 2014 and December 31, 2013.

The Company incurred \$704,000 and paid \$704,000 of claim adjustment expenses in the current year, of which \$564,000 of the paid amount was attributable to insured or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years.

The Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$0.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Ohio

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2012

3.2

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

12/31/2012

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/02/2013

3.4

By what department or departments?
Ohio Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [] No [] N/A [X]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [] No [] N/A [X]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

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

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

| | |
|-------------|----------------|
| 1 | 2 |
| Nationality | Type of Entity |
| | |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

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

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young
1900 Scripps Center
312 Walnut Street
Cincinnati, OH 45202
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Daniel Harris
400 Broadway
Cincinnati, OH 45202
Officer of the Company
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [X] No []
- 12.11

Name of real estate holding company

Various
- 12.12

Number of parcels involved

20
- 12.13

Total book/adjusted carrying value

\$ 317,666,942
- 12.2

If, yes provide explanation:
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A []
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 14.31

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

GENERAL INTERROGATORIES

- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [] No [X]
- 15.2

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

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

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
17.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
18.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person?

Yes [X] No []

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [] No [X]
- 20.1

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

20.11 To directors or other officers

20.12 To stockholders not officers

20.13 Trustees, supreme or grand (Fraternal Only)

20.21 To directors or other officers

20.22 To stockholders not officers

20.23 Trustees, supreme or grand (Fraternal Only)

\$

\$

\$

\$

\$

\$
- 20.2

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

20.21 To directors or other officers

20.22 To stockholders not officers

20.23 Trustees, supreme or grand (Fraternal Only)

\$

\$

\$
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [] No [X]
- 21.2

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

21.21 Rented from others

21.22 Borrowed from others

21.23 Leased from others

21.24 Other

\$

\$

\$

\$
- 22.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [] No [X]
- 22.2

If answer is yes:

22.21 Amount paid as losses or risk adjustment

22.22 Amount paid as expenses

22.23 Other amounts paid

\$

\$

\$
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No []
- 23.2

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

\$

18,234

INVESTMENT

- 24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes [X] No []
- 24.02

If no, give full and complete information relating thereto
- 24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided) DESCRIPTION OF PROGRAM IS PROVIDED IN NOTE 5E
- 24.04

Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [] No [X] N/A []
- 24.05

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

\$
- 24.06

If answer to 24.04 is no, report amount of collateral for other programs.

\$258,170,589
- 24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [X] No [] N/A []
- 24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [X] No [] N/A []
- 24.09

Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?

Yes [X] No [] N/A []

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

GENERAL INTERROGATORIES

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

| | | | |
|--------|--|----|-------------|
| 24.101 | Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. | \$ | 258,096,742 |
| 24.102 | Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. | \$ | 258,170,589 |
| 24.103 | Total payable for securities lending reported on the liability page. | \$ | 259,001,464 |

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes ☒ No ☐

| | | | | |
|------|--|---|----|-------------|
| 25.2 | If yes, state the amount thereof at December 31 of the current year: | 25.21 Subject to repurchase agreements | \$ | |
| | | 25.22 Subject to reverse repurchase agreements | \$ | |
| | | 25.23 Subject to dollar repurchase agreements | \$ | |
| | | 25.24 Subject to reverse dollar repurchase agreements | \$ | |
| | | 25.25 Placed under option agreements | \$ | |
| | | 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock | \$ | |
| | | 25.27 FHLB Capital Stock | \$ | |
| | | 25.28 On deposit with states | \$ | 5,665,713 |
| | | 25.29 On deposit with other regulatory bodies | \$ | |
| | | 25.30 Pledged as collateral - excluding collateral pledged to an FHLB | \$ | 122,438,900 |
| | | 25.31 Pledged as collateral to FHLB - including assets backing funding agreements | \$ | |
| | | 25.32 Other | \$ | |

25.3 For category (25.26) provide the following:

| 1 Nature of Restriction | 2 Description | 3 Amount |
|----------------------------|------------------|-------------|
| | | |

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

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

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

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

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

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

| 1 Name of Custodian(s) | 2 Custodian's Address |
|---------------------------|-----------------------------|
| BANK OF NEW YORK MELLON | ONE WALL STREET NY NY 10286 |

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

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

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

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

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 Reason |
|--------------------|--------------------|---------------------|----------------------------|
| US BANK NA | | 09/26/2014 | Trust Agreement Terminated |

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

| 1 Central Registration Depository Number(s) | 2 Name | 3 Address |
|---|-----------------------------------|---|
| 107126 | FT WASHINGTON INVESTMENT ADVISORS | 303 BROADWAY, SUITE 1200, CINCINNATI, OH 45202 |
| 109905 | ADVANTUS CAPITAL MANAGEMENT, INC | 400 ROBERT STREET NORTH, ST PAUL, MN 55101-2098 |
| 112753 | GOLDENTREE ASSET MANAGEMENT LP | 300 PARK AVENUE NY NY 10022 |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

GENERAL INTERROGATORIES

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

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

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

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

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

| | 1 | 2 | 3 |
|-----------------------------|----------------------------|---------------|---|
| | Statement (Admitted) Value | Fair Value | Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
| 30.1 Bonds | 3,537,732,161 | 4,007,535,838 | 469,803,677 |
| 30.2 Preferred stocks | 26,967,500 | 29,939,100 | 2,971,600 |
| 30.3 Totals | 3,564,699,661 | 4,037,474,938 | 472,775,277 |

- 30.4 Describe the sources or methods utilized in determining the fair values:
Fair values are generally obtained from IDC, Princeton Financial Spread Pricing Module and/or an Internal Pricing Committee/Internal Pricing Models
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No [X]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
Rates used to calculate fair value determined by a broker or custodian are reviewed by an internal pricing committee based upon asset class expertise to determine if rates are reasonable given current market conditions.
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:
.....

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$648,327

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

| 1 | 2 |
|------|-------------|
| Name | Amount Paid |
| | |

34.1 Amount of payments for legal expenses, if any?\$1,150,733

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

| 1 | 2 |
|------|-------------|
| Name | Amount Paid |
| | |

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$519,310

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

| 1 | 2 |
|-------------------------------------|-------------|
| Name | Amount Paid |
| Financial Services Roundtable | 258,750 |
| Business Roundtable | 235,560 |
| | |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

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

\$

1.3

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

\$

1.31

Reason for excluding:

1.4

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

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$0

1.62

Total incurred claims

\$0

1.63

Number of covered lives

.....0

All years prior to most current three years

1.64

Total premium earned

\$0

1.65

Total incurred claims

\$0

1.66

Number of covered lives

.....0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$0

1.72

Total incurred claims

\$0

1.73

Number of covered lives

.....0

All years prior to most current three years

1.74

Total premium earned

\$0

1.75

Total incurred claims

\$0

1.76

Number of covered lives

.....0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

20,047

.....2,133

2.2

Premium Denominator

263,212,338

.....266,831,078

2.3

Premium Ratio (2.1/2.2)

0.000

.....0.000

2.4

Reserve Numerator

5,707,789

.....5,151,889

2.5

Reserve Denominator

2,937,946,776

.....2,941,436,909

2.6

Reserve Ratio (2.4/2.5)

0.002

.....0.002

3.1

Does this reporting entity have Separate Accounts?

Yes [X] No []

3.2

If yes, has a Separate Accounts Statement been filed with this Department?

Yes [X] No [] N/A []

3.3

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

\$

3.4

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

3.5

Was any of the reporting entity's Separate Accounts business reinsured as of December 31?

Yes [] No [X]

3.6

Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?

Yes [] No [X]

3.7

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

.....

4.1

Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)?

Yes [X] No []

4.2

Net reimbursement of such expenses between reporting entities:

4.21

Paid

\$6,399,564

4.22

Received

\$185,080,068

5.1

Does the reporting entity write any guaranteed interest contracts?

Yes [] No [X]

5.2

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

5.21

Page 3, Line 1

\$

5.22

Page 4, Line 1

\$

6.

FOR STOCK REPORTING ENTITIES ONLY:

6.1

Total amount paid in by stockholders as surplus funds since organization of the reporting entity:

\$55,002,515

7.

Total dividends paid stockholders since organization of the reporting entity:

7.11

Cash

\$361,750,000

7.12

Stock

\$

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

GENERAL INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]

Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

GENERAL INTERROGATORIES

12.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [] N/A [X]

12.2 If the answer to 12.1 is yes, please provide the following:

| 1 Company Name | 2 NAIC Company Code | 3 Domiciliary Jurisdiction | 4 Reserve Credit | Assets Supporting Reserve Credit | | |
|-----------------------|------------------------------|--------------------------------------|----------------------------|----------------------------------|------------------------------|----------------|
| | | | | 5 Letters of Credit | 6 Trust Agreements | 7 Other |
| | | | | | | |

13. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

13.1 Direct Premium Written\$189,286,847

13.2 Total Incurred Claims\$126,201,230

13.3 Number of Covered Lives800,396

| *Ordinary Life Insurance Includes |
|--|
| Term (whether full underwriting,limited underwriting,jet issue,"short form app") |
| Whole Life (whether full underwriting,limited underwriting,jet issue,"short form app") |
| Variable Life (with or without secondary gurantee) |
| Universal Life (with or without secondary gurantee) |
| Variable Universal Life (with or without secondary gurantee) |

FIVE-YEAR HISTORICAL DATA

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

| | 1 2014 | 2 2013 | 3 2012 | 4 2011 | 5 2010 |
|--|---------------|---------------|---------------|---------------|---------------|
| Life Insurance in Force (Exhibit of Life Insurance) | | | | | |
| 1. Ordinary - whole life and endowment (Line 34, Col. 4) | 11,600,549 | 11,624,888 | 11,764,148 | 11,884,000 | 12,066,993 |
| 2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) | 3,302,456 | 3,511,638 | 3,687,333 | 3,866,825 | 4,042,508 |
| 3. Credit life (Line 21, Col. 6) | 0 | 0 | 0 | | |
| 4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4) | 669,858 | 683,317 | 666,253 | 691,130 | 675,645 |
| 5. Industrial (Line 21, Col. 2) | 445,046 | 484,597 | 505,096 | 515,597 | 526,829 |
| 6. FEGLI/SGLI (Lines 43 & 44, Col. 4) | 0 | 0 | 0 | | |
| 7. Total (Line 21, Col. 10) | 16,017,909 | 16,304,440 | 16,622,830 | 16,957,552 | 17,311,975 |
| New Business Issued (Exhibit of Life Insurance) | | | | | |
| 8. Ordinary - whole life and endowment (Line 34, Col. 2) | 695,564 | 716,497 | 760,142 | 790,408 | 986,160 |
| 9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2) | 160,476 | 162,237 | 198,082 | 143,740 | 162,114 |
| 10. Credit life (Line 2, Col. 6) | 0 | 0 | 0 | | |
| 11. Group (Line 2, Col. 9) | 0 | 0 | 0 | | |
| 12. Industrial (Line 2, Col. 2) | 0 | 0 | 0 | | |
| 13. Total (Line 2, Col. 10) | 856,040 | 878,734 | 958,224 | 934,148 | 1,148,274 |
| Premium Income - Lines of Business (Exhibit 1 - Part 1) | | | | | |
| 14. Industrial life (Line 20.4, Col. 2) | 13,216,113 | 14,366,946 | 14,583,336 | 14,706,824 | 14,623,072 |
| 15.1 Ordinary-life insurance (Line 20.4, Col. 3) | 219,652,442 | 223,021,001 | 227,704,664 | 230,243,650 | 234,336,859 |
| 15.2 Ordinary-individual annuities (Line 20.4, Col. 4) | 1,719,647 | 2,605,045 | 4,695,541 | 3,540,213 | 1,986,846 |
| 16 Credit life (group and individual) (Line 20.4, Col. 5) | 0 | | | | |
| 17.1 Group life insurance (Line 20.4, Col. 6) | 4,740,028 | 1,624,477 | 5,907,708 | 3,604,902 | 4,854,672 |
| 17.2 Group annuities (Line 20.4, Col. 7) | 0 | | | | |
| 18.1 A & H-group (Line 20.4, Col. 8) | 0 | | | | |
| 18.2 A & H-credit (group and individual) (Line 20.4, Col. 9) | 0 | | | | |
| 18.3 A & H-other (Line 20.4, Col. 10) | 23,884,108 | 25,213,609 | 26,278,177 | 28,261,303 | 30,326,838 |
| 19. Aggregate of all other lines of business (Line 20.4,Col. 11) | 0 | | | | |
| 20. Total | 263,212,338 | 266,831,078 | 279,169,426 | 280,356,892 | 286,128,287 |
| Balance Sheet (Pages 2 & 3) | | | | | |
| 21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3) | 8,919,477,501 | 8,454,752,744 | 7,807,174,632 | 7,558,880,498 | 7,676,073,363 |
| 22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) | 4,625,267,628 | 4,243,741,841 | 4,078,637,823 | 4,004,324,234 | 4,142,467,220 |
| 23. Aggregate life reserves (Page 3, Line 1) | 2,642,900,383 | 2,648,765,103 | 2,640,978,982 | 2,621,758,838 | 2,607,049,000 |
| 24. Aggregate A & H reserves (Page 3, Line 2) | 228,318,129 | 221,970,288 | 217,500,507 | 218,463,230 | 220,824,321 |
| 25. Deposit-type contract funds (Page 3, Line 3) | 240,364,483 | 243,597,997 | 254,300,193 | 254,727,901 | 253,350,664 |
| 26. Asset valuation reserve (Page 3, Line 24.01) | 345,397,768 | 312,001,031 | 237,903,678 | 209,625,730 | 211,916,107 |
| 27. Capital (Page 3, Lines 29 and 30) | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| 28. Surplus (Page 3, Line 37) | 4,293,209,873 | 4,210,010,903 | 3,727,536,809 | 3,553,556,264 | 3,532,606,143 |
| Cash Flow (Page 5) | | | | | |
| 29. Net Cash from Operations (Line 11) | 137,252,781 | 47,796,136 | 61,653,540 | 235,203,918 | 57,273,050 |
| Risk-Based Capital Analysis | | | | | |
| 30. Total adjusted capital | 4,948,489,265 | 4,879,702,401 | 4,259,561,063 | 3,976,287,840 | 3,928,973,462 |
| 31. Authorized control level risk - based capital | 494,458,660 | 476,203,584 | 425,100,010 | 412,942,162 | 405,906,813 |
| Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0 | | | | | |
| 32. Bonds (Line 1) | 39.4 | 38.7 | 44.9 | 46.0 | 45.7 |
| 33. Stocks (Lines 2.1 and 2.2) | 41.1 | 44.2 | 39.3 | 37.2 | 38.7 |
| 34. Mortgage loans on real estate(Lines 3.1 and 3.2) | 0.2 | 0.2 | 0.4 | 0.5 | 0.5 |
| 35. Real estate (Lines 4.1, 4.2 and 4.3) | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| 36. Cash, cash equivalents and short-term investments (Line 5) | 1.2 | 2.7 | 1.6 | 3.6 | 2.0 |
| 37. Contract loans (Line 6) | 2.0 | 2.1 | 2.3 | 2.4 | 2.3 |
| 38. Derivatives (Page 2, Line 7) | 0.3 | 0.4 | 0.0 | | |
| 39. Other invested assets (Line 8) | 11.8 | 10.9 | 10.7 | 9.6 | 9.1 |
| 40. Receivables for securities (Line 9) | 0.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| 41. Securities lending reinvested collateral assets (Line 10) | 1.4 | 0.3 | 0.3 | 0.3 | 1.3 |
| 42. Aggregate write-ins for invested assets (Line 11) | 1.4 | 0.0 | 0.0 | | |
| 43. Cash, cash equivalents and invested assets (Line 12) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

FIVE-YEAR HISTORICAL DATA

(Continued)

| | 1 2014 | 2 2013 | 3 2012 | 4 2011 | 5 2010 |
|--|---------------|---------------|---------------|---------------|---------------|
| Investments in Parent, Subsidiaries and Affiliates | | | | | |
| 44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1) | 0 | | 2,425,828 | 6,114,152 | 7,164,090 |
| 45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1) | 0 | | | 0 | 0 |
| 46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1), | 1,937,949,705 | 2,095,655,924 | 1,840,376,004 | 1,755,636,108 | 1,830,233,529 |
| 47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) | 0 | 0 | 0 | | |
| 48. Affiliated mortgage loans on real estate | | 0 | | | |
| 49. All other affiliated | 837,557,082 | 746,081,339 | 690,100,999 | 606,157,559 | 608,263,948 |
| 50. Total of above Lines 44 to 49 | 2,775,506,787 | 2,841,737,263 | 2,532,902,831 | 2,367,907,819 | 2,445,661,567 |
| 51. Total Investment in Parent included in Lines 44 to 49 above | | 0 | | | |
| Total Nonadmitted and Admitted Assets | | | | | |
| 52. Total nonadmitted assets (Page 2, Line 28, Col. 2) .. | 121,179,966 | 134,485,537 | 531,375,646 | 547,713,949 | 536,326,149 |
| 53. Total admitted assets (Page 2, Line 28, Col. 3) | 9,918,275,587 | 9,405,282,427 | 8,612,311,473 | 8,316,245,715 | 8,484,076,858 |
| Investment Data | | | | | |
| 54. Net investment income (Exhibit of Net Investment Income) | 685,561,290 | 322,805,146 | 279,173,502 | 442,613,394 | 301,204,022 |
| 55. Realized capital gains (losses) (Page 4, Line 34, Column 1) | 122,027,111 | 98,014,481 | 34,212,186 | 53,828,778 | 19,883,783 |
| 56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1) | (212,164,991) | 389,294,033 | 141,405,900 | (145,894,582) | 131,660,005 |
| 57. Total of above Lines 54, 55 and 56 | 595,423,410 | 810,113,660 | 454,791,588 | 350,547,590 | 452,747,810 |
| Benefits and Reserve Increases (Page 6) | | | | | |
| 58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11,12, 13, 14 and 15 Cols. 9, 10 and 11) | 338,922,888 | 372,350,244 | 376,079,439 | 372,048,564 | 335,112,100 |
| 59. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11) | 16,338,771 | 16,853,143 | 20,968,103 | 19,238,184 | 21,506,769 |
| 60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3) | (5,837,066) | 8,721,668 | 16,595,766 | 12,575,076 | 19,400,766 |
| 61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11) | 6,347,840 | 4,469,780 | (962,720) | (1,716,770) | (15,748,561) |
| 62. Dividends to policyholders (Line 30, Col. 1) | 57,433,564 | 58,403,710 | 58,120,943 | 58,190,992 | 59,000,507 |
| Operating Percentages | | | | | |
| 63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0 | 55.4 | 52.2 | 59.7 | 63.2 | 64.3 |
| 64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0 | 4.4 | 4.7 | 4.9 | 5.4 | 5.9 |
| 65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2) | 98.0 | 86.9 | 79.2 | 62.2 | 21.7 |
| 66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2) | 3.0 | 2.5 | 2.5 | 1.7 | 1.7 |
| 67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2) | 71.5 | 65.7 | 69.7 | 67.3 | 69.5 |
| A & H Claim Reserve Adequacy | | | | | |
| 68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2) | 0 | | | | |
| 69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2) | 0 | 0 | | | |
| 70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2) | 32,878,016 | 35,606,034 | 37,831,123 | 40,636,393 | 44,462,340 |
| 71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2) | 31,096,949 | 33,143,384 | 37,482,188 | 38,840,620 | 42,259,067 |
| Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33) | | | | | |
| 72. Industrial life (Col. 2) | 2,992,571 | (6,140,148) | 542,043 | 1,341,278 | 1,378,065 |
| 73. Ordinary - life (Col. 3) | 9,372,549 | 1,938,199 | 6,649,627 | 18,657,162 | 11,781,886 |
| 74. Ordinary - individual annuities (Col. 4) | (1,131,101) | (2,446,538) | (1,646,501) | 3,152,313 | (23,629,981) |
| 75. Ordinary-supplementary contracts (Col. 5) | (176,608) | (263,208) | (178,433) | (219,214) | 146,995 |
| 76. Credit life (Col. 6) | 0 | 0 | 0 | | |
| 77. Group life (Col. 7) | 52,994 | 89,482 | 0 | 0 | 0 |
| 78. Group annuities (Col. 8) | (200,025) | 112,341 | 0 | 0 | 0 |
| 79. A & H-group (Col. 9) | 0 | 0 | 0 | | |
| 80. A & H-credit (Col. 10) | 0 | 0 | 0 | | |
| 81. A & H-other (Col. 11) | (3,368,465) | (1,094,801) | 1,251 | 3,162,591 | 10,697,768 |
| 82. Aggregate of all other lines of business (Col. 12) | 389,892,693 | 364,315 | (28,422,666) | 196,683,152 | 32,010,302 |
| 83. Total (Col. 1) | 397,434,608 | (7,440,358) | (23,054,679) | 222,777,282 | 32,385,035 |

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

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

EXHIBIT OF LIFE INSURANCE

| | Industrial | | Ordinary | | Credit Life (Group and Individual) | | Group | | | 10 Total Amount of Insurance (a) |
|---|--------------------|-------------------------|--------------------|-------------------------|--|-------------------------|---------------|-------------------|-------------------------|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | Number of | | 9 | |
| | Number of Policies | Amount of Insurance (a) | Number of Policies | Amount of Insurance (a) | Number of Individual Policies and Group Certificates | Amount of Insurance (a) | 7 Policies | 8 Certificates | Amount of Insurance (a) | |
| 1. In force end of prior year | 295,350 | 484,597 | 1,050,017 | 15,136,526 | 0 | 0 | 21 | 6,019 | 683,317 | 16,304,440 |
| 2. Issued during year | | 0 | 27,090 | 856,040 | | 0 | | | 0 | 856,040 |
| 3. Reinsurance assumed | | | | | | | | | | 0 |
| 4. Revived during year | 3 | 1 | 409 | 10,029 | | | | | | 10,030 |
| 5. Increased during year (net) | | | | | | | | | | 0 |
| 6. Subtotals, Lines 2 to 5 | 3 | 1 | 27,499 | 866,069 | 0 | 0 | 0 | 0 | 0 | 866,070 |
| 7. Additions by dividends during year | XXX | 15,493 | XXX | 68,379 | XXX | | XXX | XXX | | 83,872 |
| 8. Aggregate write-ins for increases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Totals (Lines 1 and 6 to 8) | 295,353 | 500,091 | 1,077,516 | 16,070,974 | 0 | 0 | 21 | 6,019 | 683,317 | 17,254,382 |
| Deductions during year: | | | | | | | | | | |
| 10. Death | 21,567 | 42,769 | 21,891 | 121,648 | 0 | 0 | XXX | 172 | 5,663 | 170,080 |
| 11. Maturity | 5,093 | 6,769 | 918 | 1,402 | | | XXX | | | 8,171 |
| 12. Disability | | | 0 | | | | XXX | | | 0 |
| 13. Expiry | 1,993 | 1,511 | 9,756 | 223,172 | | | | | | 224,683 |
| 14. Surrender | 2,047 | 3,952 | 14,635 | 246,423 | | | | | | 250,375 |
| 15. Lapse | 0 | 0 | 14,215 | 415,099 | | | | | | 415,099 |
| 16. Conversion | 0 | 0 | 742 | 53,919 | | | XXX | XXX | XXX | 53,919 |
| 17. Decreased (net) | 0 | 44 | 15,722 | 57,241 | | | | 118 | 7,796 | 65,081 |
| 18. Reinsurance | 0 | | 2,556 | 49,065 | | | | | | 49,065 |
| 19. Aggregate write-ins for decreases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Totals (Lines 10 to 19) | 30,700 | 55,045 | 80,435 | 1,167,969 | 0 | 0 | 0 | 290 | 13,459 | 1,236,473 |
| 21. In force end of year (Line 9 minus Line 20) | 264,653 | 445,046 | 997,081 | 14,903,005 | 0 | 0 | 21 | 5,729 | 669,858 | 16,017,909 |
| 22. Reinsurance ceded end of year | XXX | | XXX | 1,968,933 | XXX | | XXX | XXX | | 1,968,933 |
| 23. Line 21 minus Line 22 | XXX | 445,046 | XXX | 12,934,072 | XXX | (b) 0 | XXX | XXX | 669,858 | 14,048,976 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0801. | | | | | | | | | | |
| 0802. | | | | | | | | | | |
| 0803. | | | | | | | | | | |
| 0898. Summary of remaining write-ins for Line 8 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1901. | | | | | | | | | | |
| 1902. | | | | | | | | | | |
| 1903. | | | | | | | | | | |
| 1998. Summary of remaining write-ins for Line 19 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

(b) Group \$; Individual \$

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

| | | Industrial | | Ordinary | |
|-----|--------------------------------|--------------------|-------------------------|--------------------|-------------------------|
| | | 1 | 2 | 3 | 4 |
| | | Number of Policies | Amount of Insurance (a) | Number of Policies | Amount of Insurance (a) |
| 24. | Additions by dividends | XXX | 301,261 | XXX | 859,672 |
| 25. | Other paid-up insurance | 261,619 | 141,453 | 452,803 | 1,623,857 |
| 26. | Debit ordinary insurance | XXX | XXX | 41,140 | 91,743 |

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

| | | Issued During Year (Included in Line 2) | | In Force End of Year (Included in Line 21) | |
|--|---|--|-------------------------|---|-------------------------|
| | | 1 | 2 | 3 | 4 |
| Term Insurance Excluding Extended Term Insurance | | Number of Policies | Amount of Insurance (a) | Number of Policies | Amount of Insurance (a) |
| 27. | Term policies - decreasing | 0 | 0 | 556 | 26,573 |
| 28. | Term policies - other | 933 | 15,490 | 25,669 | 1,304,215 |
| 29. | Other term insurance - decreasing | XXX | 0 | XXX | 18,530 |
| 30. | Other term insurance | XXX | 144,986 | XXX | 985,817 |
| 31. | Totals (Lines 27 to 30) | 933 | 160,476 | 26,225 | 2,335,135 |
| Reconciliation to Lines 2 and 21: | | | | | |
| 32. | Term additions | XXX | | XXX | 3,706 |
| 33. | Totals, extended term insurance | XXX | XXX | 226,384 | 963,615 |
| 34. | Totals, whole life and endowment | 26,157 | 695,564 | 744,472 | 11,600,549 |
| 35. | Totals (Lines 31 to 34) | 27,090 | 856,040 | 997,081 | 14,903,005 |

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

| | | Issued During Year (Included in Line 2) | | In Force End of Year (Included in Line 21) | |
|-----|--|--|---------------|---|---------------|
| | | 1 | 2 | 3 | 4 |
| | | Non-Participating | Participating | Non-Participating | Participating |
| 36. | Industrial | 0 | 0 | 445,046 | |
| 37. | Ordinary | 856,040 | 0 | 14,903,005 | |
| 38. | Credit Life (Group and Individual) | 0 | 0 | 0 | |
| 39. | Group | 0 | 0 | 669,858 | |
| 40. | Totals (Lines 36 to 39) | 856,040 | 0 | 16,017,909 | 0 |

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

| | | Credit Life | | Group | |
|-----|--|--|-------------------------|------------------------|-------------------------|
| | | 1 | 2 | 3 | 4 |
| | | Number of Individual Policies and Group Certificates | Amount of Insurance (a) | Number of Certificates | Amount of Insurance (a) |
| 41. | Amount of insurance included in Line 2 ceded to other companies | XXX | | XXX | |
| 42. | Number in force end of year if the number under shared groups is counted on a pro-rata basis | | XXX | 5,729 | XXX |
| 43. | Federal Employees' Group Life Insurance included in Line 21 | | | | |
| 44. | Servicemen's Group Life Insurance included in Line 21 | | | | |
| 45. | Group Permanent Insurance included in Line 21 | | | | |

ADDITIONAL ACCIDENTAL DEATH BENEFITS

| | | |
|-----|---|-----------|
| 46. | Amount of additional accidental death benefits in force end of year under ordinary policies (a) | 1,602,830 |
|-----|---|-----------|

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

| | |
|------|--|
| 47. | State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above. |
| 47.1 | CURRENT COMMUTED AMOUNT |
| 47.2 | SPOUSE-ACTUAL AMOUNT; CHILD-TOTAL AMOUNT UNDER EACH RIDER EQUALS 2 TIMES ACTUAL AMOUNT ON ONE CHILD |

POLICIES WITH DISABILITY PROVISIONS

| | | Industrial | | Ordinary | | Credit | | Group | |
|-----------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|------------------------|-------------------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Disability Provisions | | Number of Policies | Amount of Insurance (a) | Number of Policies | Amount of Insurance (a) | Number of Policies | Amount of Insurance (a) | Number of Certificates | Amount of Insurance (a) |
| 48. | Waiver of Premium | 0 | 0 | 143,628 | 2,029,777 | | | 0 | 0 |
| 49. | Disability Income | 0 | 0 | 0 | 0 | | | 3,414 | 502,875 |
| 50. | Extended Benefits | 0 | 0 | XXX | XXX | | | 0 | 0 |
| 51. | Other | 101,663 | 66,010 | 18,817 | 213,297 | | | 0 | 0 |
| 52. | Total | 101,663 | (b) 66,010 | 162,445 | (b) 2,243,074 | 0 | (b) 0 | 3,414 | (b) 502,875 |

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)
(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

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

| SUPPLEMENTARY CONTRACTS | | | | |
|--------------------------------------|--------------------------------------|--|--------------------------------------|--|
| | Ordinary | | Group | |
| | 1 Involving Life Contingencies | 2 Not Involving Life Contingencies | 3 Involving Life Contingencies | 4 Not Involving Life Contingencies |
| 1. In force end of prior year | 119 | 344 | 0 | 0 |
| 2. Issued during year | 1 | 16 | | |
| 3. Reinsurance assumed | | | | |
| 4. Increased during year (net) | | | | |
| 5. Total (Lines 1 to 4) | 120 | 360 | 0 | 0 |
| Deductions during year: | | | | |
| 6. Decreased (net) | 14 | 72 | | |
| 7. Reinsurance ceded | | | | |
| 8. Totals (Lines 6 and 7) | 14 | 72 | 0 | 0 |
| 9. In force end of year | 106 | 288 | 0 | 0 |
| 10. Amount on deposit | | (a) 2,076,122 | | (a) |
| 11. Income now payable | 106 | 44 | | |
| 12. Amount of income payable | (a) 188,644 | (a) 161,203 | (a) | (a) |

| ANNUITIES | | | | |
|--------------------------------------|----------------|-----------------|----------------|-------------------|
| | Ordinary | | Group | |
| | 1 Immediate | 2 Deferred | 3 Contracts | 4 Certificates |
| 1. In force end of prior year | 1,768 | 14,415 | 4 | 114 |
| 2. Issued during year | | | | |
| 3. Reinsurance assumed | | | | |
| 4. Increased during year (net) | | | | |
| 5. Totals (Lines 1 to 4) | 1,768 | 14,415 | 4 | 114 |
| Deductions during year: | | | | |
| 6. Decreased (net) | 81 | 1,735 | | 13 |
| 7. Reinsurance ceded | | | | |
| 8. Totals (Lines 6 and 7) | 81 | 1,735 | 0 | 13 |
| 9. In force end of year | 1,687 | 12,680 | 4 | 101 |
| Income now payable: | | | | |
| 10. Amount of income payable | (a) 48,662,751 | XXX | XXX | (a) |
| Deferred fully paid: | | | | |
| 11. Account balance | XXX | (a) 61,587,267 | XXX | (a) 2,385,244 |
| Deferred not fully paid: | | | | |
| 12. Account balance | XXX | (a) 136,580,656 | XXX | (a) |

| ACCIDENT AND HEALTH INSURANCE | | | | | | |
|--------------------------------------|-------------------|------------------------|---------------|------------------------|---------------|------------------------|
| | Group | | Credit | | Other | |
| | 1 Certificates | 2 Premiums in Force | 3 Policies | 4 Premiums in Force | 5 Policies | 6 Premiums in Force |
| 1. In force end of prior year | 1 | 38,142,012 | 0 | | 76,483 | 28,427,313 |
| 2. Issued during year | | | | | 6,303 | 2,556,485 |
| 3. Reinsurance assumed | | | | | | |
| 4. Increased during year (net) | | XXX | | XXX | | XXX |
| 5. Totals (Lines 1 to 4) | 1 | XXX | 0 | XXX | 82,786 | XXX |
| Deductions during year: | | | | | | |
| 6. Conversions | | XXX | XXX | XXX | XXX | XXX |
| 7. Decreased (net) | | XXX | | XXX | 9,376 | XXX |
| 8. Reinsurance ceded | | XXX | | XXX | | XXX |
| 9. Totals (Lines 6 to 8) | 0 | XXX | 0 | XXX | 9,376 | XXX |
| 10. In force end of year | 1 (a) | 37,097,249 | 0 (a) | | 73,410 (a) | 27,333,034 |

| DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS | | |
|--|---------------------------------|---|
| | 1 Deposit Funds Contracts | 2 Dividend Accumulations Contracts |
| 1. In force end of prior year | 65,146 | 136,735 |
| 2. Issued during year | 385 | |
| 3. Reinsurance assumed | | |
| 4. Increased during year (net) | | |
| 5. Totals (Lines 1 to 4) | 65,531 | 136,735 |
| Deductions During Year: | | |
| 6. Decreased (net) | 4,850 | 9,694 |
| 7. Reinsurance ceded | | |
| 8. Totals (Lines 6 and 7) | 4,850 | 9,694 |
| 9. In force end of year | 60,681 | 127,041 |
| 10. Amount of account balance | (a) 32,321,625 | (a) 205,273,319 |

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

| States, Etc. | | | Direct Business Only | | | | | | |
|----------------------|--|-----|-------------------------|------------------------|---|----------------------|---------------------------|------------------------|---|
| | | | 1 | Life Contracts | | 4 | 5 | 6 | 7 |
| | | | | 2 | 3 | | | | |
| Active Status | | | Life Insurance Premiums | Annuity Considerations | Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees | Other Considerations | Total Columns 2 through 5 | Deposit-Type Contracts | |
| 1. | Alabama | AL | L | 238,457 | | 38,011 | | 276,468 | |
| 2. | Alaska | AK | N | 110,297 | | 3,579 | | 113,876 | |
| 3. | Arizona | AZ | L | 1,150,585 | | 55,337 | | 1,205,922 | |
| 4. | Arkansas | AR | L | 140,221 | | 15,952 | | 156,173 | |
| 5. | California | CA | L | 10,302,748 | | 504,644 | | 10,807,392 | |
| 6. | Colorado | CO | L | 206,599 | | 13,309 | | 219,908 | |
| 7. | Connecticut | CT | N | 41,773 | | 3,360 | | 45,133 | |
| 8. | Delaware | DE | L | 53,168 | | 3,431 | | 56,599 | |
| 9. | District of Columbia | DC | L | 237,955 | | 15,305 | | 253,260 | |
| 10. | Florida | FL | L | 8,557,033 | | 1,724,788 | | 10,281,821 | |
| 11. | Georgia | GA | L | 1,256,617 | | 131,562 | | 1,388,179 | |
| 12. | Hawaii | HI | L | 31,385 | | 802 | | 32,187 | |
| 13. | Idaho | ID | L | 49,867 | | 541 | | 50,408 | |
| 14. | Illinois | IL | L | 22,242,105 | 976 | 1,406,933 | | 23,650,014 | |
| 15. | Indiana | IN | L | 15,572,990 | | 3,191,784 | | 18,764,774 | |
| 16. | Iowa | IA | L | 206,421 | | 13,892 | | 220,313 | |
| 17. | Kansas | KS | L | 842,201 | 1,000 | 223,440 | | 1,066,641 | |
| 18. | Kentucky | KY | L | 5,849,793 | 500 | 1,648,183 | | 7,498,476 | |
| 19. | Louisiana | LA | L | 6,982,207 | | 351,540 | | 7,333,747 | |
| 20. | Maine | ME | N | 7,068 | | 367 | | 7,435 | |
| 21. | Maryland | MD | L | 2,618,764 | | 82,969 | | 2,701,733 | |
| 22. | Massachusetts | MA | N | 63,883 | | 6,797 | | 70,680 | |
| 23. | Michigan | MI | L | 6,978,796 | 3,618 | 927,765 | | 7,910,179 | |
| 24. | Minnesota | MN | L | 1,466,760 | | 44,087 | | 1,510,847 | |
| 25. | Mississippi | MS | L | 154,777 | | 13,913 | | 168,690 | |
| 26. | Missouri | MO | L | 4,842,767 | 240 | 676,650 | | 5,519,657 | |
| 27. | Montana | MT | L | 15,849 | | 1,100 | | 16,949 | |
| 28. | Nebraska | NE | L | 18,556 | | 1,512 | | 20,068 | |
| 29. | Nevada | NV | L | 203,492 | | 13,287 | | 216,779 | |
| 30. | New Hampshire | NH | N | 11,054 | | 1,985 | | 13,039 | |
| 31. | New Jersey | NJ | L | 143,842 | | 10,858 | | 154,700 | |
| 32. | New Mexico | NM | L | 38,965 | | 5,183 | | 44,148 | |
| 33. | New York | NY | N | 174,583 | | 14,945 | | 189,528 | |
| 34. | North Carolina | NC | L | 17,673,496 | 6,000 | 4,507,398 | | 22,186,894 | |
| 35. | North Dakota | ND | L | 4,289 | | 168 | | 4,457 | |
| 36. | Ohio | OH | L | 52,897,247 | 10,973 | 8,150,552 | | 61,058,772 | |
| 37. | Oklahoma | OK | L | 162,295 | | 17,924 | | 180,219 | |
| 38. | Oregon | OR | L | 99,977 | | 3,775 | | 103,752 | |
| 39. | Pennsylvania | PA | L | 10,726,392 | 2,100 | 1,114,414 | | 11,842,906 | |
| 40. | Rhode Island | RI | L | 9,605 | | 259 | | 9,864 | |
| 41. | South Carolina | SC | L | 1,559,409 | 500 | 220,494 | | 1,780,403 | |
| 42. | South Dakota | SD | L | 12,723 | | 1,892 | | 14,615 | |
| 43. | Tennessee | TN | L | 1,713,045 | | 630,931 | | 2,343,976 | |
| 44. | Texas | TX | L | 6,013,108 | 3,000 | 727,342 | | 6,743,450 | |
| 45. | Utah | UT | L | 44,545 | | 54 | | 44,599 | |
| 46. | Vermont | VT | N | 3,810 | | | | 3,810 | |
| 47. | Virginia | VA | L | 704,282 | | 128,368 | | 832,650 | |
| 48. | Washington | WA | L | 174,182 | | 9,135 | | 183,317 | |
| 49. | West Virginia | WV | L | 4,735,341 | | 1,305,258 | | 6,040,599 | |
| 50. | Wisconsin | WI | L | 1,908,495 | | 56,131 | | 1,964,626 | |
| 51. | Wyoming | WY | L | 12,747 | | 1,243 | | 13,990 | |
| 52. | American Samoa | AS | N | 74 | | | | 74 | |
| 53. | Guam | GU | N | 217 | | | | 217 | |
| 54. | Puerto Rico | PR | N | 19,044 | | 348 | | 19,392 | |
| 55. | U.S. Virgin Islands | VI | N | 946 | | | | 946 | |
| 56. | Northern Mariana Islands | MP | N | | | | | 0 | |
| 57. | Canada | CAN | N | 54 | | | | 54 | |
| 58. | Aggregate Other Alien | OT | XXX | 128,122 | 0 | 2,081 | 0 | 130,203 | 0 |
| 59. | Subtotal | (a) | 44 | 189,415,023 | 28,907 | 28,025,578 | 0 | 217,469,508 | 0 |
| 90. | Reporting entity contributions for employee benefits plans | XXX | | 4,740,028 | | | | 4,740,028 | |
| 91. | Dividends or refunds applied to purchase paid-up additions and annuities | XXX | | 42,377,441 | 846 | | | 42,378,287 | |
| 92. | Dividends or refunds applied to shorten endowment or premium paying period | XXX | | | | | | 0 | |
| 93. | Premium or annuity considerations waived under disability or other contract provisions | XXX | | 2,614,126 | | 440 | | 2,614,566 | |
| 94. | Aggregate or other amounts not allocable by State | XXX | | 0 | 0 | 0 | 0 | 0 | 0 |
| 95. | Totals (Direct Business) | XXX | | 239,146,618 | 29,753 | 28,026,018 | 0 | 267,202,389 | 0 |
| 96. | Plus reinsurance assumed | XXX | | 1,295,342 | 1,689,894 | | | 2,985,236 | |
| 97. | Totals (All Business) | XXX | | 240,441,960 | 1,719,647 | 28,026,018 | 0 | 270,187,625 | 0 |
| 98. | Less reinsurance ceded | XXX | | 1,437,331 | | 4,131,705 | | 5,569,036 | |
| 99. | Totals (All Business) less Reinsurance Ceded | XXX | | 239,004,629 | 1,719,647 | (b) 23,894,313 | 0 | 264,618,589 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 58001. | Mexico | XXX | | 74,524 | | | | 74,524 | |
| 58002. | Other Foreign | XXX | | 53,598 | | 2,081 | | 55,679 | |
| 58003. | ..... | XXX | | | | | | | |
| 58998. | Summary of remaining write-ins for Line 58 from overflow page | XXX | | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. | Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) | XXX | | 128,122 | 0 | 2,081 | 0 | 130,203 | 0 |
| 9401. | ..... | XXX | | | | | | | |
| 9402. | ..... | XXX | | | | | | | |
| 9403. | ..... | XXX | | | | | | | |
| 9498. | Summary of remaining write-ins for Line 94 from overflow page | XXX | | 0 | 0 | 0 | 0 | 0 | 0 |
| 9499. | Totals (Lines 9401 through 9403 plus 9498)(Line 94 above) | XXX | | 0 | 0 | 0 | 0 | 0 | 0 |

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

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

By state of residence of the policyholder

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Liabilities Line 25

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| 2504. Payable for Collateral on Derivatives | 573,171 | 16,173,171 |
| 2597. Summary of remaining write-ins for Line 25 from overflow page | 573,171 | 16,173,171 |

Additional Write-ins for Summary of Operations Line 27

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| 2704. Miscellaneous Expense | 2,148,123 | |
| 2705. Reserve adjustment on reinsurance assumed – Lafayette | (49,409) | (54,370) |
| 2706. | | |
| 2797. Summary of remaining write-ins for Line 27 from overflow page | 2,098,714 | (54,370) |

Additional Write-ins for Summary of Operations Line 53

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| 5304. Change in unrecognized SERP liability, net of tax | (2,320,338) | (3,284,587) |
| 5397. Summary of remaining write-ins for Line 53 from overflow page | (2,320,338) | (3,284,587) |

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE The Western and Southern Life Insurance Company

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Analysis of Operations Line 27

| | 1 | 2 | Ordinary | | | 6 | Group | | Accident and Health | | | 12 |
|---|----------|-----------------|----------------|----------------------|-------------------------|------------------------------------|--------------------|-----------|---------------------|-------------------------------|-------|--|
| | | | 3 | 4 | 5 | | 7 | 8 | 9 | 10 | 11 | |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Supplementary Contracts | Credit Life (Group and Individual) | Life Insurance (a) | Annuities | Group | Credit (Group and Individual) | Other | Aggregate of All Other Lines of Business |
| 2704. Securities Lending Interest Expense | 581,791 | | | | | | | | | | | 581,791 |
| 2705. Reserve Adjustment on Reinsurance Assumed – Lafayette | (49,409) | | | | | | | | | | | (49,409) |
| 2706. Miscellaneous Expense | 38,012 | | | | | | | | | | | 38,012 |
| 2797. Summary of remaining write-ins for Line 27 from overflow page | 570,394 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 570,394 |

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