



ANNUAL STATEMENT

For the Year Ended December 31, 2015

of the Condition and Affairs of the

Loyal American Life Insurance Company

NAIC Group Code.....0901, 0901
(Current Period) (Prior Period)

NAIC Company Code..... 65722

Employer's ID Number..... 63-0343428

Organized under the Laws of Ohio

State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized..... May 18, 1955

Commenced Business..... July 4, 1955

Statutory Home Office

1300 East Ninth Street..... Cleveland OH US 44114
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

11200 Lakeline Blvd., Suite 100..... Austin TX US..... 78717
(Street and Number) (City or Town, State, Country and Zip Code)

(512) 451-2224
(Area Code) (Telephone Number)

Mail Address

11200 Lakeline Blvd., Suite 100..... Austin TX US 78717
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

11200 Lakeline Blvd., Suite 100..... Austin TX US 78717
(Street and Number) (City or Town, State, Country and Zip Code)

(512) 451-2224
(Area Code) (Telephone Number)

Internet Web Site Address

www.CignaSupplementalBenefits.com

Statutory Statement Contact

Jesse Navarrete
(Name)
CSBFinRpt@cigna.com
(E-Mail Address)

(512) 807-4801
(Area Code) (Telephone Number) (Extension)
(512) 467-1399
(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Brian Case Evanko	President	2. Byron Keith Buescher	Treasurer and Chief Accounting Officer
3. Brenda Weigilia Hardison	Secretary	4. James Monroe Garvin III	Vice President and Appointed Actuary

Jessica Kierulf Tutwiler	Chief Financial Officer	David Lawrence Chambers
Mark Fleming	Vice President and Assistant Treasurer	Maureen Hardiman Ryan
Scott Ronald Lambert	Vice President and Assistant Treasurer	Eric Paul Palmer
Joanne Ruth Hart	Vice President and Assistant Treasurer	Man-Kit Simon Tang

Vice President-Sales and Marketing	
Vice President and Assistant Treasurer	
Vice President	
Vice President and Chief Actuary	

OTHER

Jessica Kierulf Tutwiler	Chief Financial Officer
Mark Fleming	Vice President and Assistant Treasurer
Scott Ronald Lambert	Vice President and Assistant Treasurer
Joanne Ruth Hart	Vice President and Assistant Treasurer

Vice President-Sales and Marketing	
Vice President and Assistant Treasurer	
Vice President	
Vice President and Chief Actuary	

DIRECTORS OR TRUSTEES

Brian Case Evanko	Jessica Kierulf Tutwiler	James Yablecki	Eric Paul Palmer
Frank Sataline Jr.			

State of..... Texas
County of.... Williamson

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

(Signature)	(Signature)	(Signature)
Brian Case Evanko	Byron Keith Buescher	Brenda Weigilia Hardison
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Treasurer and Chief Accounting Officer	Secretary
(Title)	(Title)	(Title)

(Signature)	(Signature)	(Signature)
Byron Keith Buescher	James Yablecki	Eric Paul Palmer
2. (Printed Name)	3. (Printed Name)	4. (Printed Name)
Treasurer and Chief Accounting Officer	James Yablecki	Eric Paul Palmer
(Title)	(Title)	(Title)

(Signature)	(Signature)	(Signature)
Brenda Weigilia Hardison	James Yablecki	Eric Paul Palmer
3. (Printed Name)	4. (Printed Name)	5. (Printed Name)
Secretary	James Yablecki	Eric Paul Palmer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This _____ day of February 2016

a. Is this an original filing?

Yes [X] No []

b. If no 1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	180,072,104		180,072,104	189,039,193
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	47,303,783		47,303,783	31,011,488
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....(832,825), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$....13,727,649, Schedule DA).....	12,894,824		12,894,824	6,719,425
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	240,270,711	0	240,270,711	226,770,106
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	2,020,753		2,020,753	2,138,132
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	(4,105,053)	54,634	(4,159,687)	(4,336,950)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	3,712,127		3,712,127	5,004,320
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....	1,394,204		1,394,204	912,450
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	67,359,753	46,801,135	20,558,618	17,185,152
19. Guaranty funds receivable or on deposit.....	279,786		279,786	174,140
20. Electronic data processing equipment and software.....	32,399		32,399	
21. Furniture and equipment, including health care delivery assets (\$.....0).....	749,642	749,642	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	2,595,231		2,595,231	1,501,884
24. Health care (\$.....0) and other amounts receivable.....	1,861,364	1,861,364	0	
25. Aggregate write-ins for other than invested assets.....	99,228	99,228	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	316,270,145	49,566,003	266,704,142	249,349,234
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	316,270,145	49,566,003	266,704,142	249,349,234

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Other Receivables and Prepaid Expenses.....	99,228	99,228	0	
2502.....			0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	99,228	99,228	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....11,258 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	11,258	16
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	123,429,371	120,565,404
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	1,823	8,861
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	46,698	606,177
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	28,772,626	26,167,703
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$....4,251,414 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	4,252,070	4,065,783
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....	257,680	860,000
9.3 Other amounts payable on reinsurance, including \$....1,829,639 assumed and \$.....0 ceded.....	1,829,639	2,161,049
9.4 Interest Maintenance Reserve (IMR, Line 6).....	4,139,913	5,815,544
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	397,324	399,998
11. Commissions and expense allowances payable on reinsurance assumed.....	658	994
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	5,109,208	4,042,673
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	1,261,310	771,653
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....	1,020,605	894,902
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....	2,973	5,181
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	577,164	1,107,879
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR Line 16, Col. 7).....	1,228,898	1,203,381
24.02 Reinsurance in unauthorized and certified (\$.....0) companies.....		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....	6,916,186	4,896,011
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....		
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	1,821,194	2,231,934
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	181,076,598	175,805,143
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	181,076,598	175,805,143
29. Common capital stock.....	5,640,000	5,640,000
30. Preferred capital stock.....	0	0
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	85,994,712	74,994,712
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	(6,007,168)	(7,090,621)
36. Less treasury stock, at cost:		
36.1 ....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 ....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	79,987,544	67,904,091
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	85,627,544	73,544,091
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	266,704,142	249,349,234

DETAILS OF WRITE-INS

2501. Escheat.....	1,488,064	1,885,869
2502. Deferred Lease Liability.....	325,000	325,000
2503. Other Liabilities.....	8,130	21,065
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,821,194	2,231,934
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

Loyal American Life Insurance Company

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	278,545,801	243,679,278
2. Considerations for supplementary contracts with life contingencies	6,618,886	6,807,567
3. Net investment income (Exhibit of Net Investment Income, Line 17)	1,684,127	1,719,518
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5)	5,310,232	5,383,166
5. Separate Accounts net gain from operations excluding unrealized gains or losses	13,917	142
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	292,462,070	257,896,713
7. Reserve adjustments on reinsurance ceded	186,188,506	156,643,423
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	303,024	307,184
8.2 Charges and fees for deposit-type contracts	13,917	142
8.3 Aggregate write-ins for miscellaneous income	2,875,208	1,800,832
9. Totals (Lines 1 to 8.3)	189,077,555	158,444,388
10. Death benefits	(76)	(9)
11. Matured endowments (excluding guaranteed annual pure endowments)	18,913	(46,879)
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	33,579,651	28,084,985
13. Disability benefits and benefits under accident and health contracts	6,795,814	6,261,069
14. Coupons, guaranteed annual pure endowments and similar benefits	18,913	72,228
15. Surrender benefits and withdrawals for life contracts	23,060,323	27,421,075
16. Group conversions	(4,393)	(20,201,180)
17. Interest and adjustments on contract or deposit-type contract funds	2,875,208	1,800,832
18. Payments on supplementary contracts with life contingencies	16,469,081	16,024,894
19. Increase in aggregate reserves for life and accident and health contracts	16,469,081	21,634,953
20. Totals (Lines 10 to 19)	16,469,081	20,201,180
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	269,401,747	230,475,638
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	23,060,323	27,421,075
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	(18,707,705)	(18,415,199)
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	(884,700)	(5,999,892)
25. Increase in loading on deferred and uncollected premiums	4,314,592	6,398,802
26. Net transfers to or (from) Separate Accounts net of reinsurance	(25,517)	(52,472)
27. Aggregate write-ins for deductions	(12,083,453)	(2,022,461)
28. Totals (Lines 20 to 27)	85,627,544	73,544,091
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	0	0
30. Dividends to policyholders	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	0	0
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	0	0
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)	0	0
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$....4,575 transferred to the IMR)	0	0
35. Net income (Line 33 plus Line 34)	0	0
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	73,544,091	71,521,630
37. Net income (Line 35)	16,469,081	20,201,180
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(18,707,705)	(18,415,199)
39. Change in net unrealized foreign exchange capital gain (loss)	0	0
40. Change in net deferred income tax	0	0
41. Change in nonadmitted assets	0	0
42. Change in liability for reinsurance in unauthorized and certified companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease	0	0
44. Change in asset valuation reserve	(25,517)	(52,472)
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	0	0
47. Other changes in surplus in Separate Accounts Statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles	0	0
50. Capital changes:		
50.1 Paid in	0	0
50.2 Transferred from surplus (Stock Dividend)	0	0
50.3 Transferred to surplus	0	0
51. Surplus adjustment:		
51.1 Paid in	11,000,000	0
51.2 Transferred to capital (Stock Dividend)	0	0
51.3 Transferred from capital	0	0
51.4 Change in surplus as a result of reinsurance	(82,298)	(109,958)
52. Dividends to stockholders	0	0
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	12,083,453	2,022,461
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	85,627,544	73,544,091

DETAILS OF WRITE-INS

08.301. Interest on Agent's Balances	162,467	156,445
08.302. Express Script Rebates	70,186	71,931
08.303. Other Miscellaneous Income	70,371	78,808
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)	303,024	307,184
2701. Penalties	(4,393)	72,228
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	(4,393)	72,228
5301.	0	0
5302.	0	0
5303.	0	0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above)	0	0

Loyal American Life Insurance Company

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	276,810,091	243,082,210
2. Net investment income.....	8,452,216	9,633,154
3. Miscellaneous income.....	5,530,958	5,580,392
4. Total (Lines 1 through 3).....	290,793,265	258,295,756
5. Benefit and loss related payments.....	182,966,949	156,139,528
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....	.....
7. Commissions, expenses paid and aggregate write-ins for deductions.....	77,304,418	71,967,563
8. Dividends paid to policyholders.....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	6,470,114	8,774,707
10. Total (Lines 5 through 9).....	266,741,481	236,881,798
11. Net cash from operations (Line 4 minus Line 10).....	24,051,784	21,413,958
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:	.....	.....
12.1 Bonds.....	26,397,098	35,346,106
12.2 Stocks.....	.....	.....
12.3 Mortgage loans.....	.....	.....
12.4 Real estate.....	.....	.....
12.5 Other invested assets.....	.....	.....
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	.....	.....
12.7 Miscellaneous proceeds.....	.....	.....
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	26,397,098	35,346,106
13. Cost of investments acquired (long-term only):	.....	.....
13.1 Bonds.....	19,132,888	7,178,397
13.2 Stocks.....	35,000,000	41,000,000
13.3 Mortgage loans.....	.....	.....
13.4 Real estate.....	.....	.....
13.5 Other invested assets.....	.....	.....
13.6 Miscellaneous applications.....	.....	.....
13.7 Total investments acquired (Lines 13.1 to 13.6).....	54,132,888	48,178,397
14. Net increase (decrease) in contract loans and premium notes.....	.....	.....
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(27,735,790)	(12,832,291)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):	.....	.....
16.1 Surplus notes, capital notes.....	.....	.....
16.2 Capital and paid in surplus, less treasury stock.....	11,000,000	.....
16.3 Borrowed funds.....	.....	.....
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(7,038)	(296)
16.5 Dividends to stockholders.....	.....	.....
16.6 Other cash provided (applied).....	(1,133,557)	758,610
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	9,859,405	758,314
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	6,175,399	9,339,981
19. Cash, cash equivalents and short-term investments:	.....	.....
19.1 Beginning of year.....	6,719,425	(2,620,556)
19.2 End of year (Line 18 plus Line 19.1).....	12,894,824	6,719,425

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

20.0001
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	278,545,801		192,053						3,725,249		274,628,499	
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	6,618,886		.575						.205,277		6,413,034	
4. Amortization of Interest Maintenance Reserve (IMR).....	1,684,127		.146						.52,231		1,631,750	
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	5,310,232		174,022	2,040					2,067,763		3,066,407	
7. Reserve adjustments on reinsurance ceded.....	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	0											
8.2 Charges and fees for deposit-type contracts.....	0											
8.3 Aggregate write-ins for miscellaneous income.....	303,024	0	.0	.0	0	.0	.0	.0	.0	0	303,024	0
9. Totals (Lines 1 to 8.3).....	292,462,070	0	366,796	2,040	0	.0	.0	.0	6,050,520	0	286,042,714	0
10. Death benefits.....	13,917		13,917									
11. Matured endowments (excluding guaranteed annual pure endowments).....	0											
12. Annuity benefits.....	0											
13. Disability benefits and benefits under accident and health contracts.....	186,188,506									1,767,996		184,420,510
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	0											
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	(76)									(2)		(74)
18. Payments on supplementary contracts with life contingencies.....	0											
19. Increase in aggregate reserves for life and accident and health contracts.....	2,875,208		11,242							625,451		2,238,515
20. Totals (Lines 10 to 19).....	189,077,555	0	25,159	.0	0	.0	.0	.0	2,393,445	0	186,658,951	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	28,822,235		385,776	2,040					2,058,298		26,376,121	
22. Commissions and expense allowances on reinsurance assumed.....	11,111,972		1,788						.279,828		10,830,356	
23. General insurance expenses.....	33,579,651		.85,917						.311,146		33,109,392	73,196
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	6,795,814		.36,966						.173,815		.6,585,033	
25. Increase in loading on deferred and uncollected premiums.....	18,913		3,977						(5,687)		20,623	
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0											
27. Aggregate write-ins for deductions.....	(4,393)	0	(11)	0	0	.0	.0	.0	(41)	0	(4,341)	0
28. Totals (Lines 20 to 27).....	269,401,747	0	539,572	2,040	0	.0	.0	.0	5,210,804	0	263,576,135	73,196
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	23,060,323	0	(172,776)	.0	0	.0	.0	.0	839,716	0	22,466,579	(73,196)
30. Dividends to policyholders.....	0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	23,060,323	0	(172,776)	.0	0	.0	.0	.0	839,716	0	22,466,579	(73,196)
32. Federal income taxes incurred (excluding tax on capital gains).....	6,591,242		(49,384)						240,063		6,421,484	(20,921)
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).....	16,469,081	0	(123,392)	.0	0	.0	.0	.0	599,653	0	16,045,095	(52,275)

DETAILS OF WRITE-INS

08.301. Interest on Agent's Balances.....	162,467										162,467	
08.302. Express Script Rebates.....	70,186										70,186	
08.303. Other Miscellaneous Income.....	70,371										70,371	
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. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	303,024	0	0	0	0	0	0	0	0	0	303,024	0
2701. Penalties.....	(4,393)		(11)							(41)		(4,341)
2702.	0											
2703.	0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	(4,393)	0	(11)	0	0	0	0	0	0	(41)	0	(4,341)

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group				
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities			
Involving Life or Disability Contingencies (Reserves)											
(Net of Reinsurance Ceded)											
1. Reserve December 31, prior year.....	..16			16							
2. Tabular net premiums or considerations.....	51,185			51,185							
3. Present value of disability claims incurred.....	0					XXX					
4. Tabular interest.....	197			197							
5. Tabular less actual reserve released.....	0										
6. Increase in reserve on account of change in valuation basis.....	0										
7. Other increases (net).....	0										
8. Totals (Lines 1 to 7).....	51,398	0	51,398	0	0	0	0	0			
9. Tabular cost.....	38,193		38,193			XXX					
10. Reserves released by death.....	0			XXX	XXX			XXX			
11. Reserves released by other terminations (net).....	1,947		1,947								
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	0										
13. Net transfers to or (from) Separate Accounts.....	0										
14. Total deductions (Lines 9 to 13).....	40,140	0	40,140	0	0	0	0	0			
15. Reserve December 31, current year.....	11,258	0	11,258	0	0	0	0	0			

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....82,964	.....80,483
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....6,891,152	.....6,776,254
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	(b).....	.....
2.21 Common stocks of affiliates.....	(b).....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	(d).....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....19,954	.....19,954
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....38	.....38
10. Total gross investment income.....	.....6,994,108	.....6,876,729
11. Investment expenses.....	(g).....257,843	.....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....0	.....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....
16. Total deductions (Lines 11 through 15).....	.....	.....257,843
17. Net investment income (Line 10 minus Line 16).....	.....	.....6,618,886

DETAILS OF WRITE-INS

0901. Miscellaneous Investment Income.....	.....38	.....38
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....38	.....38
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....0	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....0	.....0

(a) Includes \$....476,416 accrual of discount less \$....2,192,367 amortization of premium and less \$....65,150 paid for accrued interest on purchases.
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....13,071	.....	.....13,071	.....	.....
1.3 Bonds of affiliates.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....0	.....	.....
2.11 Preferred stocks of affiliates.....0	.....	.....
2.2 Common stocks (unaffiliated).....0	.....	.....
2.21 Common stocks of affiliates.....0	.....(18,707,705)	.....
3. Mortgage loans.....0	.....	.....
4. Real estate.....0	.....	.....
5. Contract loans.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....0	.....	.....
7. Derivative instruments.....0	.....	.....
8. Other invested assets.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....13,071	.....0	.....13,071	.....(18,707,705)	.....0

DETAILS OF WRITE-INS

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

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

	1 Total	2 Industrial Life	Ordinary			5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	6 Life Insurance		7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other		
FIRST YEAR (other than single)												
1. Uncollected.....	180,500		6,871								173,629	
2. Deferred and accrued.....	0											
3. Deferred, accrued and uncollected:												
3.1 Direct.....	343,103		6,871								235,377	
3.2 Reinsurance assumed.....	4,173										4,173	
3.3 Reinsurance ceded.....	166,775										65,920	
3.4 Net (Line 1 + Line 2).....	180,500	0	6,871	0	0		0	0	0	0	173,629	
4. Advance.....	1,898,010		656								1,897,354	
5. Line 3.4 - Line 4.....	(1,717,510)	0	6,215	0	0		0	0	0	0	(1,723,725)	
6. Collected during year:												
6.1 Direct.....	63,837,967		183,257								61,983,607	
6.2 Reinsurance assumed.....	2,695,750										2,671,564	
6.3 Reinsurance ceded.....	3,229,369		(121)								1,558,387	
6.4 Net.....	63,304,348	0	183,378	0	0		0	0	0	0	63,096,784	
7. Line 5 + Line 6.4.....	61,586,838	0	189,593	0	0		0	0	0	0	61,373,059	
8. Prior year (uncollected + deferred and accrued - advance).....	(1,171,421)										(1,173,391)	
9. First year premiums and considerations:												
9.1 Direct.....	63,420,414		189,472								61,553,605	
9.2 Reinsurance assumed.....	2,581,900										2,559,684	
9.3 Reinsurance ceded.....	3,244,054		(121)								1,566,838	
9.4 Net (Line 7 - Line 8).....	62,758,259	0	189,593	0	0		0	0	0	0	62,546,450	
SINGLE												
10. Single premiums and considerations:												
10.1 Direct.....	0											
10.2 Reinsurance assumed.....	0											
10.3 Reinsurance ceded.....	0											
10.4 Net.....	0	0	0	0	0		0	0	0	0	0	
RENEWAL												
11. Uncollected.....	(3,779,997)								(1,465)		(3,778,532)	
12. Deferred and accrued.....	0											
13. Deferred, accrued and uncollected:												
13.1 Direct.....	1,710,705		805,663						286,797		.618,245	
13.2 Reinsurance assumed.....	(4,090,041)		8,706						(1,914)		(4,096,833)	
13.3 Reinsurance ceded.....	1,400,661		814,369						286,348		.299,944	
13.4 Net (Line 11 + Line 12).....	(3,779,997)	0	0	0	0		0	0	(1,465)	0	(3,778,532)	
14. Advance.....	2,354,059								.51,027		2,303,032	
15. Line 13.4 - Line 14.....	(6,134,056)	0	0	0	0		0	0	(52,492)	0	(6,081,564)	
16. Collected during year:												
16.1 Direct.....	110,558,951		5,719,724	456,193					4,169,105		100,213,929	
16.2 Reinsurance assumed.....	125,641,872		27,754						3,621,889		121,992,229	
16.3 Reinsurance ceded.....	20,841,548		5,745,017	456,193					4,083,125		10,557,213	
16.4 Net.....	215,359,275	0	2,461	0	0		0	0	3,707,869	0	211,648,945	
17. Line 15 + Line 16.4.....	209,225,219	0	2,461	0	0		0	0	3,655,377	0	205,567,381	
18. Prior year (uncollected + deferred and accrued - advance).....	(6,562,323)								(47,656)		(6,514,667)	
19. Renewal premiums and considerations:												
19.1 Direct.....	110,294,130		5,605,961	456,193					4,135,663		100,096,313	
19.2 Reinsurance assumed.....	125,987,188		27,259						3,617,822		122,342,107	
19.3 Reinsurance ceded.....	20,493,776		5,630,759	456,193					4,050,452		10,356,372	
19.4 Net (Line 17 - Line 18).....	215,787,542	0	2,461	0	0		0	0	3,703,033	0	212,082,048	
TOTAL												
20. Total premiums and annuity considerations:												
20.1 Direct.....	173,714,544	0	5,795,433	456,193					5,813,000	0	161,649,918	
20.2 Reinsurance assumed.....	128,569,088	0	27,259	0	0		0	0	3,640,038	0	124,901,791	
20.3 Reinsurance ceded.....	23,737,830	0	5,630,638	456,193					5,727,789	0	11,923,210	
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	278,545,801	0	192,054	0	0		0	0	3,725,249	0	274,628,498	

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	0										
22. All other.....	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded.....	2,699,456								1,326,090		1,373,366
23.2 Reinsurance assumed.....	2,185,758								11,176		2,174,582
23.3 Net ceded less assumed.....	513,698	0	0	0	0	0	0	1,314,914	0	(801,216)	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.....	2,610,775		174,022	2,040				741,673		1,693,040	
25.2 Reinsurance assumed.....	8,926,213		1,788					268,652		8,655,773	
25.3 Net ceded less assumed.....	(6,315,438)	0	172,234	2,040	0	0	0	473,021	0	(6,962,733)	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	5,310,231	0	174,022	2,040	0	0	0	2,067,763	0	3,066,406	0
26.2 Reinsurance assumed (Page 6, Line 22).....	11,111,971	0	1,788	0	0	0	0	279,828	0	10,830,355	0
26.3 Net ceded less assumed.....	(5,801,740)	0	172,234	2,040	0	0	0	1,787,935	0	(7,763,949)	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	15,561,939		213,256					1,327,493		14,021,190	
28. Single.....	0										
29. Renewal.....	13,260,296		172,520	2,040				730,804		12,354,932	
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	28,822,235	0	385,776	2,040	0	0	0	2,058,297	0	26,376,122	0

Loyal American Life Insurance Company
EXHIBIT 2 - GENERAL EXPENSES

	Insurance			5	6		
	1 Life	Accident and Health					
		2 Cost Containment	3 All Other				
1. Rent.....	2,223		.835,880		.838,103		
2. Salaries and wages.....	32,303		15,685,814		15,698,494		
3.11 Contributions for benefit plans for employees.....	5,355		2,182,298		2,187,653		
3.12 Contributions for benefit plans for agents.....					0		
3.21 Payments to employees under non-funded benefit plans.....					0		
3.22 Payments to agents under non-funded benefit plans.....					0		
3.31 Other employee welfare.....	479		.156,586		.157,065		
3.32 Other agent welfare.....					0		
4.1 Legal fees and expenses.....			.662		.662		
4.2 Medical examination fees.....			.65,924		.65,924		
4.3 Inspection report fees.....					0		
4.4 Fees of public accountants and consulting actuaries.....	219		.313,883		.314,102		
4.5 Expense of investigation and settlement of policy claims.....		.606,379	.1,344,684		.1,951,063		
5.1 Traveling expenses.....	1,840		.287,321	.9,681	.298,842		
5.2 Advertising.....	7,301		.492,771		.500,072		
5.3 Postage, express, telegraph and telephone.....	4,703		.1,878,605		.1,883,308		
5.4 Printing and stationery.....	6,953		.374,550		.381,503		
5.5 Cost or depreciation of furniture and equipment.....	.361		.215,279		.215,640		
5.6 Rental of equipment.....	2,257		.734,008	-(10,381)	.725,884		
5.7 Cost or depreciation of EDP equipment and software.....	234		.453,597		.453,831		
6.1 Books and periodicals.....	.97		.46,118		.46,215		
6.2 Bureau and association fees.....	.26		.26,584		.26,610		
6.3 Insurance, except on real estate.....					0		
6.4 Miscellaneous losses.....	-(6)		-(13,449)		-(13,455)		
6.5 Collection and bank service charges.....	641		.822,537		.823,178		
6.6 Sundry general expenses.....	8,440		.1,911,136		.1,919,576		
6.7 Group service and administration fees.....	.2		.2,257		.2,259		
6.8 Reimbursements by uninsured plans.....					0		
7.1 Agency expense allowance.....					0		
7.2 Agents' balances charged off (less \$.....0 recovered).....					0		
7.3 Agency conferences other than local meetings.....	4,758		.164,381		.169,139		
9.1 Real estate expenses.....					0		
9.2 Investment expenses not included elsewhere.....				257,843	.257,843		
9.3 Aggregate write-ins for expenses.....	7,731	0	.4,832,733	.93,519	.0		
10. General expenses Incurred.....	85,917	.606,379	.32,814,159	.73,196	.257,843		
11. General expenses unpaid December 31, prior year.....			.4,042,673		.4,042,673		
12. General expenses unpaid December 31, current year.....	380	.48,139	.5,060,689		.5,109,208		
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).....	85,537	.558,240	.31,796,143	.73,196	.257,843		
					.32,770,959		

DETAILS OF WRITE-INS

09.301. Consulting fees.....	.3,524		.3,108,045		.3,111,569
09.302. TPA service fees.....	3,827		.574,701		.578,528
09.303. Outside sales expense.....			.1,229,219		.1,229,219
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	.380	0	-(79,232)	.93,519	.0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	7,731	0	.4,832,733	.93,519	.0

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

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

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes.....					0
2. State insurance department licenses and fees.....	14,954	.1,007,169			.1,022,123
3. State taxes on premiums.....	19,601	.4,812,105			.4,831,706
4. Other state taxes, including \$.....0 for employee benefits.....	.194	.35,543			.35,737
5. U.S. Social Security taxes.....	.2,180	.857,149			.859,329
6. All other taxes.....	.37	.46,882			.46,919
7. Taxes, licenses and fees incurred.....	36,966	.6,758,848	.0	0	.6,795,814
8. Taxes, licenses and fees unpaid December 31, prior year.....		.771,653			.771,653
9. Taxes, licenses and fees unpaid December 31, current year.....	.6,919	.1,254,391			.1,261,310
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	30,047	.6,276,110	.0	0	.6,306,157

EXHIBIT 4 - DIVIDENDS OR REFUNDS

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

DETAILS OF WRITE-INS

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

Loyal American Life Insurance Company
EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard		2	3	4	5	6
		Total	Industrial	Ordinary	Credit (Group and Individual)	Group
Life Insurance:						
0100001. AM(5)	3.00% ANB.....	19,911		19,911		
0100002. 41 CET	3.00%	26,327		26,327		
0100003. 41 CSO	2.50%	16,124		16,124		
0100004. 41 CSO	2.50% CRVM.....	842		842		
0100005. 41 CSO	2.75% CRVM.....	53,861		53,861		
0100006. 41 CSO	3.00%	3,371,631		3,371,631		
0100007. 41 CSO	3.00% CRVM.....	586,940		586,940		
0100008. 58 CET	2.50%	113,952		113,952		
0100009. 58 CET	3.00%	953,300		953,300		
0100010. 58 CET	3.50%	1,582,350		1,582,350		
0100011. 58 CET	3.50% ALB.....	41,690		41,690		
0100012. 58 CET	3.50% ANB.....	396,816		396,816		
0100013. 58 CET	4.00%	5,798		5,798		
0100014. 58 CET	4.00% ALB	20,028		20,028		
0100015. 58 CET	4.50%	107,736		107,736		
0100016. 58 CSO	2.00%	35,245		35,245		
0100017. 58 CSO	2.50%	143,440		143,440		
0100018. 58 CSO	2.50% CRVM	31,671		31,671		
0100019. 58 CSO	2.75% CRVM.....	0				
0100020. 58 CSO	3.00%	4,077,346		4,077,346		
0100021. 58 CSO	3.00% CRVM.....	32,226,209		32,226,209		
0100022. 58 CSO	3.00% CRVM ANB.....	72,228		72,228		
0100023. 58 CSO	3.50%	600,338		600,338		
0100024. 58 CSO	3.50% ALB	61,237		61,237		
0100025. 58 CSO	3.50% ANB	8		8		
0100026. 58 CSO	3.50% CRVM	9,666,427		9,666,427		
0100027. 58 CSO	3.50% CRVM ALB.....	2,645		2,645		
0100028. 58 CSO	3.50% CRVM ANB.....	30,071		30,071		
0100029. 58 CSO	4.00%	91,604		91,604		
0100030. 58 CSO	4.00% ALB	686		686		
0100031. 58 CSO	4.00% CRVM	6,428,601		6,428,601		
0100032. 58 CSO	4.00% CRVM ALB.....	942		942		
0100033. 58 CSO	4.50%	407,606		407,606		
0100034. 58 CSO	4.50% CRVM	21,278,254		21,278,254		
0100035. 58 CSO	4.50% CRVM ALB.....	22,588		22,588		
0100036. 58 CSO	4.50%/20/3.50% CRVM.....	3,334,634		3,334,634		
0100037. 58 CSO	5.50% CRVM ALB.....	10,404		10,404		
0100038. 80 CET	3.50%	5,914		5,914		
0100039. 80 CET	4.50%	108,717		108,717		
0100040. 80 CET	5.00%	18,324		18,324		
0100041. 80 CET	5.50%	104,313		104,313		
0100042. 80 CET	6.00%	4,999		4,999		
0100043. 80 CSO	3.50%	1,107		1,107		
0100044. 80 CSO	3.50% CRVM	200,320		200,320		
0100045. 80 CSO	4.00%	311		311		
0100046. 80 CSO	4.00% CRVM	238,828		238,828		
0100047. 80 CSO	4.00% CRVM ALB.....	255,107		255,107		
0100048. 80 CSO	4.50%	252,584		252,584		
0100049. 80 CSO	4.50% CRVM	12,488,465		12,488,465		
0100050. 80 CSO	4.50% CRVM ALB.....	100,104		100,104		
0100051. 80 CSO	5.00%	52,805		52,805		
0100052. 80 CSO	5.00% CRVM	4,124,891		4,124,891		
0100053. 80 CSO	5.25% CRVM	11,798,769		11,798,769		
0100054. 80 CSO	5.50%	108,121		108,121		
0100055. 80 CSO	5.50% CRVM	7,759,368		7,759,368		
0100056. 80 CSO	6.00% ALB	57,757		57,757		
0100057. 80 CSO	6.00% CRVM	2,132,615		2,132,615		
0100058. 01 CSO	3.50% CRVM ALB.....	11,258		11,258		
0100059. 01 CSO	4.00% CRVM ANB.....	1,458,567		1,458,567		
0100060. Unearned Premium.....		10,625				10,625
0100061. a-2000 6.00% NLP.....		224,527		224,527		
0199997. Totals (Gross).....		127,337,886	0	127,327,261	0	10,625
0199998. Reinsurance ceded.....		127,326,628		127,316,003		10,625
0199999. Totals (Net).....		11,258	0	11,258	0	0

Annuities (excluding supplementary contracts with life contingencies):

0200001. 71 IAM 11.25% 1983-1984 (Imm).....		1,975	XXX	1,975	XXX	
0200002. 71 IAM 11.00% 1985 (Imm).....		44,712	XXX	44,712	XXX	
0200003. 83 IAM 9.25% 1986 (Imm).....		1,667	XXX	1,667	XXX	
0200004. 83 IAM 8.00% 1987 (Imm).....		12,569	XXX	12,569	XXX	
0200005. 83 IAM 8.75% 1988-1989 (Imm).....		41,069	XXX	41,069	XXX	
0200006. 83 IAM 8.25% 1990-1991 (Imm).....		311,674	XXX	311,674	XXX	
0200007. 83 IAM 7.00% 1993 (Imm).....		191,126	XXX	191,126	XXX	

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0200008. 83 IAM 6.50% 1994 (Imm)	9,106	XXX	9,106	XXX	
0200009. 83 IAM 7.25% 1995 (Imm)	3,977	XXX	3,977	XXX	
0200010. 83 IAM 6.75% 1996-1997 (Imm)	20,726	XXX	20,726	XXX	
0200011. 83 IAM 6.25% 1998 (Imm)	20,281	XXX	20,281	XXX	
0200012. Annuity 2000 6.25% 1999 (Imm)	69,146	XXX	69,146	XXX	
0200013. Annuity 2000 6.75% 2001 (Imm)	44,069	XXX	44,069	XXX	
0200014. Annuity 2000 6.50% 2002 (Imm)	16,086	XXX	16,086	XXX	
0200015. Annuity 2000 6.00% 2003 (Imm)	29,327	XXX	29,327	XXX	
0200016. Annuity 2000 5.50% 2004 (Imm)	21,536	XXX	21,536	XXX	
0200017. Annuity 2000 5.25% 2006 (Imm)	41,219	XXX	41,219	XXX	
0200018. Annuity 2000 5.50% 2007-2008 (Imm)	206,549	XXX	206,549	XXX	
0200019. Annuity 2000 6.00% 2009 (Imm)	86,045	XXX	86,045	XXX	
0200020. Annuity 2000 5.25% 2010 (Imm)	47,308	XXX	47,308	XXX	
0200021. Annuity 2000 5.00% 2011 (Imm)	102,234	XXX	102,234	XXX	
0200022. Annuity 2000 4.25% 2012 (Imm)	1,032,483	XXX	1,032,483	XXX	
0200023. Annuity 2000 4.00% 2013 (Imm)	67,343	XXX	67,343	XXX	
0200024. Annuity 2000 4.50% 2014 (Imm)	87,820	XXX	87,820	XXX	
0200025. Annuity 2000 4.00% 2015 (Imm)	593,092	XXX	593,092	XXX	
0200026. 71 IAM 6.00% 1970-1985 (Def)	1,019,057	XXX	1,019,057	XXX	
0200027. Annuity 2000 5.25% 1999 (Def)	242,690	XXX	242,690	XXX	
0200028. Annuity 2000 5.75% 2000 (Def)	154,061	XXX	154,061	XXX	
0200029. Annuity 2000 5.50% 2001-2002 (Def)	18,496,905	XXX	18,496,905	XXX	
0200030. Annuity 2000 5.00% 2003 (Def)	19,209,219	XXX	19,209,219	XXX	
0200031. Annuity 2000 4.75% 2004 (Def)	3,986,786	XXX	3,986,786	XXX	
0200032. Annuity 2000 4.50% 2005-2006 (Def)	2,405,836	XXX	2,405,836	XXX	
0200033. Annuity 2000 4.75% 2007-2008 (Def)	99,830,600	XXX	99,830,600	XXX	
0200034. Annuity 2000 5.00% 2009 (Def)	9,841,310	XXX	9,841,310	XXX	
0200035. Annuity 2000 4.50% 2010 (Def)	4,205,202	XXX	4,205,202	XXX	
0200036. Annuity 2000 4.25% 2011 (Def)	34,546	XXX	34,546	XXX	
0200037. Annuity 2000 3.75% 2013 (Def)	96,510	XXX	96,510	XXX	
0299997. Totals (Gross)	162,625,861	XXX	162,625,861	XXX	0
0299998. Reinsurance ceded	162,625,861	XXX	162,625,861	XXX	
0299999. Totals (Net)	0	XXX	0	XXX	0

Supplementary Contracts with Life Contingencies:

0300001. 71 IAM 6.00% 1971-1973	327		327		
0300002. 71 IAM 11.25% 1983-1984	7,139		7,139		
0300003. 83 IAM 9.25% 1986	9,953		9,953		
0300004. 83 IAM 8.00% 1987	1,855		1,855		
0300005. 83 IAM 8.75% 1988-1989	13,635		13,635		
0300006. 83 IAM 8.25% 1990-1991	6,690		6,690		
0300007. 83 IAM 7.75% 1992	1,577		1,577		
0300008. 83 IAM 7.00% 1993	16,976		16,976		
0300009. 83 IAM 6.50% 1994	24,559		24,559		
0300010. 83 IAM 7.25% 1995	6,822		6,822		
0300011. 83 IAM 6.75% 1996-1997	10,587		10,587		
0300012. 83 IAM 6.25% 1998	2,667		2,667		
0300013. Annuity 2000 7.00% 2000	11,616		11,616		
0300014. Annuity 2000 5.25% 2006	177,089		177,089		
0399997. Totals (Gross)	291,492	0	291,492	0	0
0399998. Reinsurance ceded	291,492		291,492		
0399999. Totals (Net)	0	0	0	0	0

Accidental Death Benefits:

0400001. 59 ADB 3%	101,214		101,214		
0400002. 59 ADB 58 CSO 3.0% NET LEVEL	199		199		
0400003. 1959 ADB with 1980 CSO 4%	3		3		
0499997. Totals (Gross)	101,416	0	101,416	0	0
0499998. Reinsurance ceded	101,416		101,416		
0499999. Totals (Net)	0	0	0	0	0

Disability - Active Lives:

0500001. 52 DIS / 58 CSO 3% NL	35,410		35,410		
0500002. Unearned Premium - Payor	2,100		2,100		
0500003. 52 DIS 58 CSO 3.0%	372		372		
0500004. 1952 Dis Study, Per 2 Ben 5 with 1980 CSO 4%	0				
0599997. Totals (Gross)	37,882	0	37,882	0	0
0599998. Reinsurance ceded	37,882		37,882		
0599999. Totals (Net)	0	0	0	0	0

Disability - Disabled Lives:

0600001. 52 DIS / 58 CSO 3% BEN 4	126,227		126,227		
0600002. 52 DIS / 58 CSO 3% BEN 5	395,110		395,110		
0600003. 70 GROUP DIS 3.5%	0				
0600004. 52 DIS 58 CSO 3.5%	1,133		1,133		
0699997. Totals (Gross)	522,470	0	522,470	0	0
0699998. Reinsurance ceded	522,470		522,470		
0699999. Totals (Net)	0	0	0	0	0

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0699999. Totals (Net).....	.....0	.....0	.....0	.....0	.....0
Miscellaneous Reserves:					
0700001. Deficiency Reserves.....	.....13,135		.....13,135		
0700002. Non-Deduction Reserves.....	.....443,513		.....438,541		.....4,972
0700003. IPC Reserves.....	.....2,176,802		.....2,176,407		.....395
0700004. Guaranteed Insurability Riders.....	.....49,729		.....49,729		
0700005. Substandard Extra.....	.....7,715		.....7,715		
0799997. Totals (Gross).....	.....2,690,894	.....0	.....2,685,527	.....0	.....5,367
0799998. Reinsurance ceded.....	.....2,690,894		.....2,685,527		.....5,367
0799999. Totals (Net).....	.....0	.....0	.....0	.....0	.....0
9999999. Totals (Net) - Page 3, Line 1.....	.....11,258	.....0	.....11,258	.....0	.....0

Loyal American Life Insurance Company
EXHIBIT 5 - INTERROGATORIES

1.1 Has the reporting entity ever issued both participating and non-participating contracts?
 1.2 If not, state which kind is issued

Yes [] No []

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

Yes [] No []

2.2 If not, state which kind is issued
 NON-PARTICIPATING

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

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

Yes [] No []

4. Has the reporting entity any assessment or stipulated premium contracts in force? If so, state:

4.1 Amount of insurance:

Yes [] No []

4.2 Amount of reserve:

\$.....

4.3 Basis of reserve:

\$.....

4.4 Basis of regular assessments:

4.5 Basis of special assessments:

4.6 Assessments collected during year:

\$.....

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

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

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

Yes [] No []

\$.....

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?

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

Yes [] No []

\$.....

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

7.3 State the amount of reserves established for this business:

\$.....

7.4 Identify where the reserves are reported in the blank.

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

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

Yes [] No []

\$.....

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?

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

Yes [] No []

\$.....

9.2 State the amount of reserves established for this business:

\$.....

9.3 Identify where the reserves are reported in the blank.

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

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due To Change
	2 Changed From	3 Changed To	

NONE

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	13,866,812	143,562		34,504	121,324	13,474,894	84,955		7,573
2. Additional contract reserves (a).....	106,119,143	5,851,472		256,976	2,529,242	97,435,814			45,639
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).....	119,985,955	5,995,034	0	291,480	2,650,566	110,910,708	84,955	0	53,212
8. Reinsurance ceded.....	11,755,474	684,353				11,071,121			
9. Totals (Net).....	108,230,481	5,310,681	0	291,480	2,650,566	99,839,587	84,955	0	53,212
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	15,294,104	117,457		73,453	8,282,696	6,505,071	10,352		305,075
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).....	15,294,104	117,457	0	73,453	8,282,696	6,505,071	10,352	0	305,075
15. Reinsurance ceded.....	95,214			3,704		91,510			
16. Totals (Net).....	15,198,890	117,457	0	69,749	8,282,696	6,413,561	10,352	0	305,075
17. TOTALS (Net).....	123,429,371	5,428,138	0	361,229	10,933,262	106,253,148	95,307	0	358,287
18. TABULAR FUND INTEREST.....	5,381,225	227,094		34,999	556,771	4,540,014	4,414		17,933

DETAILS OF WRITE-INS

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

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

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	11,382,155		3,206,981	58,999	5,770,895	2,345,280
2. Deposits received during the year.....	214,316				159,454	54,862
3. Investment earnings credited to the account.....	329,253		135,444	2,580	86,939	104,290
4. Other net change in reserves.....	634,740		535,684	(1)	101,682	(2,625)
5. Fees and other charges assessed.....	51,045		51,045			
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	1,823,345		1,074,837	10,828	377,615	360,065
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).....	10,686,074	0	2,752,227	50,750	5,741,355	2,141,742
10. Reinsurance balance at the beginning of the year.....	(11,366,642)		(3,206,981)	(58,999)	(5,770,895)	(2,329,767)
11. Net change in reinsurance assumed.....	(6,652)					(6,652)
12. Net change in reinsurance ceded.....	(689,043)		(454,754)	(8,249)	(29,540)	(196,500)
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	(10,684,251)	0	(2,752,227)	(50,750)	(5,741,355)	(2,139,919)
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	1,823	0	0	0	0	1,823

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct.....	0										
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	0										
2.12 Reinsurance assumed.....	0										
2.13 Reinsurance ceded.....	0										
2.14 Net.....	0	0	(b).....0	(b).....0	0	(b).....0	(b).....0	0	0	0	0
2.2 Other:											
2.21 Direct.....	5,544,508		2,538,771	2,181,284			21,100		11,737		791,616
2.22 Reinsurance assumed.....	1,206,384								44,446		1,161,938
2.23 Reinsurance ceded.....	4,764,625		2,499,177	2,181,284			21,100		10,943		52,121
2.24 Net.....	1,986,267	0	(b).....39,594	(b).....0	0	(b).....0	(b).....0	0	(b).....45,240	(b).....0	(b).....1,901,433
3. Incurred but unreported:											
3.1 Direct.....	17,726,755		1,834,365				27,936		607,544		15,256,910
3.2 Reinsurance assumed.....	14,067,334								465,672		13,601,662
3.3 Reinsurance ceded.....	4,961,031		1,827,261				27,936		598,457		2,507,377
3.4 Net.....	26,833,058	0	(b).....7,104	(b).....0	0	(b).....0	(b).....0	0	(b).....474,759	(b).....0	(b).....26,351,195
4. Totals:											
4.1 Direct.....	23,271,263	0	4,373,136	2,181,284	0	0	49,036	0	619,281	0	16,048,526
4.2 Reinsurance assumed.....	15,273,718	0	0	0	0	0	0	0	510,118	0	14,763,600
4.3 Reinsurance ceded.....	9,725,656	0	4,326,438	2,181,284	0	0	49,036	0	609,400	0	2,559,498
4.4 Net.....	28,819,325	(a).....0	(a).....46,698	0	0	0	(a).....0	0	519,999	0	28,252,628

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

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for

Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....0,

are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....0, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....0

are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**PART 2 - Incurred During the Year**

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct.....	127,377,604		10,749,347	7,630,953					1,662,314		107,334,990
1.2 Reinsurance assumed.....	81,039,990		17,269						2,059,877		78,962,844
1.3 Reinsurance ceded.....	25,554,927		10,766,616	7,630,953					1,644,949		5,512,409
1.4 Net.....(d)	182,862,667	0	0	0	0	0	0	0	2,077,242	0	180,785,425
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	23,271,263	0	4,373,136	2,181,284	0	0	49,036	0	619,281	0	16,048,526
2.2 Reinsurance assumed.....	15,273,718	0	0	0	0	0	0	0	510,118	0	14,763,600
2.3 Reinsurance ceded.....	9,725,656	0	4,326,438	2,181,284	0	0	49,036	0	609,400	0	2,559,498
2.4 Net.....	28,819,325	0	46,698	0	0	0	0	0	519,999	0	28,252,628
3. Amounts recoverable from reinsurers Dec. 31, current year.....	3,710,008		32,639						32,695		3,644,674
4. Liability December 31, prior year:											
4.1 Direct.....	18,480,706		4,672,638	2,189,435			44,538		376,382		11,197,713
4.2 Reinsurance assumed.....	17,582,688								834,302		16,748,386
4.3 Reinsurance ceded.....	9,290,264		4,066,461	2,189,435			44,538		373,746		2,616,084
4.4 Net.....	26,773,130	0	606,177	0	0	0	0	0	836,938	0	25,330,015
5. Amounts recoverable from reinsurers Dec. 31, prior year.....	5,003,570		606,035						40,389		4,357,146
6. Incurred benefits:											
6.1 Direct.....	132,168,161	0	10,449,845	7,622,802	0	0	4,498	0	1,905,213	0	112,185,803
6.2 Reinsurance assumed.....	78,731,020	0	17,269	0	0	0	0	0	1,735,693	0	76,978,058
6.3 Reinsurance ceded.....	24,696,757	0	10,453,197	7,622,802	0	0	4,498	0	1,872,909	0	4,743,351
6.4 Net.....	186,202,424	0	13,917	0	0	0	0	0	1,767,997	0	184,420,510

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

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

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

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	.54,634	.98,237	.43,603
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	46,801,135	51,059,301	4,258,166
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....	749,642	.958,191	.208,549
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....	1,861,364	1,462,719	-(398,645)
25. Aggregate write-ins for other than invested assets.....	.99,228	.302,149	.202,921
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	49,566,003	53,880,597	.4,314,594
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	49,566,003	53,880,597	.4,314,594

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Other Receivables and Prepaid Expenses.....	.99,228	.302,149	.202,921
2502.			0
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.99,228	.302,149	.202,921

NOTES TO FINANCIAL STATEMENTS**1. Summary of Significant Accounting Policies**

On July 23, 2015, the Company's ultimate parent entity, Cigna Corporation ("Cigna"), entered into a definitive agreement to merge with Anthem, Inc. ("Anthem"), subject to certain terms, conditions and customary operating covenants, with Anthem continuing as the surviving company. At special shareholders' meetings held in December 2015, Cigna shareholders approved the merger with Anthem and Anthem shareholders approved the issuance of shares of Anthem common stock according to the merger agreement. Consummation of the merger remains subject to certain customary conditions, including the receipt of certain necessary governmental and regulatory approvals, and the absence of a legal restraint prohibiting the consummation of the merger. The merger is expected to close in the second half of 2016.

a. Accounting Practices and Procedures

The financial statements of Loyal American Life Insurance Company ("LALIC" or "the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures* manual, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Ohio.

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

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

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	2015	2014
Net Income				
1)	Loyal American Life Insurance Company state basis (Page 4, Line 35, Columns 1 & 2)	OH	\$ 16,469,081	\$ 20,201,180
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	\$ 16,469,081	\$ 20,201,180
Surplus				
5)	Loyal American Life Insurance Company state basis (Page 3, line 38, Columns 1 & 2)	OH	\$ 85,627,544	\$ 73,544,091
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	\$ 85,627,544	\$ 73,544,091

c. Accounting Policy

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

The Company uses the following accounting policies:

(1) - (2) Bonds and Short-term Investments. Investments in bonds and short-term investments are carried at amortized cost, except those in or near default, that are carried at the lesser of cost or fair value. Amortization of bond premium or discount is calculated using the scientific (constant yield) interest method. Bonds containing call provisions are amortized to call date which produces the lowest asset value (yield to worst). Investments with original maturities of one year or less from the time of purchase are classified as short-term. Bonds are considered impaired and their cost basis is written down to fair value through an asset valuation reserve for credit-related losses or an interest maintenance reserve for interest-related losses, when management expects a decline in value to persist (i.e., the decline is other-than-temporary).

(3) Common stocks are carried at fair value except for common stock of affiliates which are valued using methods described below.

(4) – (5) Not applicable

(6) Loan-Backed Securities. Loan-backed bonds and structured securities are valued at amortized cost using the constant level yield method. Significant changes in estimated cash flows from the original purchase assumptions are accounted for generally using the retrospective adjustment method. Significant changes in estimated cash flows from the original purchase assumptions for loan-backed and structured securities that have potential for loss of a significant portion of the original investment are accounted for using the prospective method. These securities are presented on the balance sheet as bonds.

Prepayment assumptions for loan-backed and other structured securities were obtained from external financial data sources. These assumptions are consistent with the current interest rate and economic environment.

In accordance with SSAP No. 43R, when the Company determines it does not expect to recover the amortized cost basis of loan-backed or structured securities with declines in fair value (even if it does not intend to sell and has the intent and ability to hold), the non-interest portion of the impairment loss is recognized in realized investment losses. The non-interest portion is the difference between the amortized cost basis of the loan-backed or structured security and the net present value of its expected

NOTES TO FINANCIAL STATEMENTS

future cash flows. Expected future cash flows are based on assumptions about the collateral attributes, including prepayment speeds, default rates and changes in value.

(7) Investments in subsidiaries, controlled and affiliated entities are reported using the statutory equity method based on the entity's audited equity prepared using NAIC SAP in accordance with SSAP No. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities*. These entities are presented on the balance sheet as common stock.

(8) - (9) Not applicable

(10) The Company utilizes anticipated investment income as a factor in the premium deficiency calculation.

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

(12) - (13) Not applicable

2. Accounting Changes and Corrections of Errors – Not applicable

3. Business Combinations and Goodwill – Not applicable.

4. Discontinued Operations – Not applicable.

5. Investments

a. – c. Not applicable

d. Loan-Backed Securities

(1) Prepayment assumptions for loan-backed securities and other structured securities were obtained from external financial data sources. These assumptions are consistent with the current interest rate and economic environment.

(2) As of December 31, 2015 there are no loan-backed and structured securities that have been adjusted to recognize an other-than-temporary impairment.

(3) During the twelve months ended December 31, 2015 there were no loan-backed and structured securities with a recognized other-than-temporary impairment.

(4) As of December 31, 2015 loan-backed and structured securities with a decline in fair value from amortized cost were as follows, including the length of time of such decline:

(a) The aggregate amount of unrealized losses:

1.	Less than 12 Months	\$	-
2.	12 Months or Longer	\$	42,965

(b) The aggregate related fair value of securities with unrealized losses:

1.	Less than 12 Months	\$	-
2.	12 Months or Longer	\$	1,661,920

(5) Management reviews loan-backed and structured securities with a decline in fair value from cost for impairment based on criteria that include:

- Length of time and severity of decline.
- Financial and specific near term prospects of the issuer.
- Changes in the regulatory, economic or general market environment of the issuer's industry or geographic region.
- The Company's intent to sell 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.

e. - g. Not applicable

h. Restricted Assets

(1) Restricted Assets (Including Pledged)

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	Gross Restricted					Total Gross Restricted From Prior Year	Increase/(Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Percentage				
	Current Year								9	10			
	1	2	3	4	5				G/A Supporting Protected Cell Account Assets	Protected Cell Account Assets	Total Protected Cell Account Assets	Protected G/A Activity	Total (1 plus 3)	Percenta ge Gross Restricted	Percenta ge Admitted Restricted	Total to Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%	
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	-	0%	0%	
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	-	0%	0%	
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	0%	0%	
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	-	0%	0%	
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	0%	0%	
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	-	0%	0%	
h. Letter stock or securities restricted as to sale excluding FLBY capital stock	-	-	-	-	-	-	-	-	-	-	0%	0%	
i. FHLB Capital Stock	-	-	-	-	-	-	-	-	-	-	0%	0%	
j. On deposit with states	4,397,602	-	-	-	4,397,602	4,408,456	(10,854)	4,397,602	2%	2%			
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	0%	0%			
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	0%	0%			
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	0%	0%			
n. Other restricted assets	126,084,507	-	-	-	126,084,507	125,401,385	683,122	126,084,507	52%	52%			
o. Total Restricted Assets	<u>\$130,482,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$130,482,109</u>	<u>\$129,809,841</u>	<u>\$ 672,268</u>	<u>\$130,482,109</u>	<u>53%</u>	<u>53%</u>			

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

(2) Not applicable

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

Description of Assets	Gross Restricted					Total From Prior Year	Increase/(Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Percentage						
	Current Year								9	10					
	1	2	3	4	5				G/A Supporting Protected Cell Account Assets	Total Protected Cell Account Assets	Protected G/A Activity	Total (1 plus 3)	Percenta ge Gross Restricted	Percenta ge Admitted Restricted	Total to Total Admitted Assets
Reinsurance wth Great American Life Insurance Company	Total General Account (G/A)	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets	126,084,507	\$125,401,385	\$ 683,122	\$126,084,507	\$126,084,507	\$126,084,507	\$126,084,507	52%	52%	

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

6. Joint Ventures, Partnerships and Limited Liability Companies – Not applicable

7. Investment Income

a. Due and accrued is excluded from investment income on the following basis:

(1) Bonds – When investment income due and accrued exceeds 90 days past due.

b. No income was excluded for the years ended December 31, 2015 and 2014.

8. Derivative Instruments – Not applicable

NOTES TO FINANCIAL STATEMENTS**9. Income Taxes**

a. The components of the net deferred tax asset (DTA)/liability (DTL) at December 31, are as follows:

(1)

	December 31, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross DTA	67,643,916	11,309	67,655,225	68,595,103	252	68,595,355	(951,187)	11,057	(940,130)
(b) Valuation allowance	-	-	-	-	-	-	-	-	-
(c) Adjusted gross DTA (1a - 1b)	67,643,916	11,309	67,655,225	68,595,103	252	68,595,355	(951,187)	11,057	(940,130)
(d) Nonadmitted DTA	(46,789,826)	(11,309)	(46,801,135)	(51,059,050)	(252)	(51,059,302)	4,269,224	(11,057)	4,258,167
(e) Subtotal Net Admitted DTA (1c - 1d)	20,854,090	-	20,854,090	17,536,053	-	17,536,053	3,318,037	-	3,318,037
(f) DTL	(295,472)		(295,472)	(350,902)		(350,902)	55,430		55,430
(g) Net admitted DTA (1e - 1f)	20,558,618	-	20,558,618	17,185,151	-	17,185,151	3,373,467	-	3,373,467

(2)

	December 31, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP 101, paragraphs 11a, 11b, and 11c									
(a) Admitted pursuant to ¶11.a. (loss carrybacks)	19,616,358	-	19,616,358	17,185,151	-	17,185,151	2,431,207	-	2,431,207
(b) Admitted pursuant to ¶11.b. (realization)	942,260	-	942,260	-	-	-	942,260	-	942,260
1. Realization per ¶11.b.i.	942,260	-	942,260	-	-	-	942,260	-	942,260
2. Limitation per ¶11.b.ii.	-	-	10,096,082	-	-	8,455,151	-	-	1,640,931
(c) Admitted pursuant to ¶11.c.	295,472	-	295,472	350,902	-	350,902	(55,430)	-	(55,430)
(d) Total admitted adjusted gross deferred tax asset (2a+ 20,854,090	-	20,854,090	17,536,053	-	17,536,053	3,318,037	-	3,318,037	

(3)

	2015 Percentage	2014 Percentage
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	437%	484%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	66,513,796	57,562,320

(4) Impact of tax planning strategies (TPS) on adjusted gross DTAs and net admitted DTAs:

	December 31, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Impact of Tax Planning Strategies									
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
(b) Net admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
(c) Do TPS include a reinsurance strategy?				No			No		

b. Unrecognized DTLs

All deferred tax liabilities have been properly recognized.

c. Current tax and change in deferred tax

(1) Current income tax:

	2015	2014	Change
(a) Current federal income tax expense/(benefit)	6,600,448	7,220,594	(620,146)
(b) Foreign income tax expense/(benefit)	-	-	-
(c) Subtotal	6,600,448	7,220,594	(620,146)
(d) Tax expense/(benefit) on realized capital gains/(losses)	(4,845)	(22,694)	17,849
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other, including prior year underaccrual/(overaccrual)	214	714,641	(714,427)
Federal and foreign income taxes incurred	6,595,817	7,912,541	(1,316,724)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

(2) Deferred tax assets:

	December 31, 2015	December 31, 2014	Change
Other insurance & contract holder liability	2,497,912	2,599,970	(102,058)
Goodwill & Intangibles	48,190,500	52,321,114	(4,130,614)
Deferred acquisition costs	14,401,095	10,520,393	3,880,702
Nondeductible Liabilities	769,960	813,183	(43,223)
Nonadmitted assets	967,704	987,454	(19,750)
Investment, net	652,243	1,125,256	(473,013)
Other	175,811	227,985	(52,174)
Gross DTA	67,655,225	68,595,355	(940,130)
Valuation allowance	-	-	-
Adjusted gross DTA	67,655,225	68,595,355	(940,130)
Nonadmitted DTA	(46,801,135)	(51,059,302)	4,258,167
Admitted DTA	20,854,090	17,536,053	3,318,037

(3) Deferred tax liabilities:

	December 31, 2015	December 31, 2014	Change
Other insurance & contract holder liability	281,868	339,106	(57,238)
Other	13,604	11,796	1,808
Gross DTL	295,472	350,902	(55,430)

(4)

Net Deferred Tax Assets/Liabilities	20,558,618	17,185,151	3,373,467
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The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the change in nonadmitted assets is reported separately from the change in net deferred income taxes in the surplus section of the annual statement):

NOTES TO FINANCIAL STATEMENTS

	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>Change</u>
Total deferred tax assets	67,655,225	68,595,355	(940,130)
Total deferred tax liabilities	(295,472)	(350,902)	55,430
Net Deferred tax asset/liabilities	67,359,753	68,244,453	(884,700)
Statutory valuation allowance adjustment	-	-	-
Net deferred tax assets/liabilities after SVA	67,359,753	68,244,453	(884,700)
Change in net deferred income tax			(884,700)

d. Reconciliation of federal income tax rate to actual effective rate

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes including realized capital gains/losses. The significant items causing this difference are as follows:

	<u>December 31, 2015</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate (BFIT@35%)	8,072,714	35.00%
Change in nonadmitted assets	19,750	0.08%
Nondeductible Penalties & Fines	(1,538)	-0.01%
IMR	(586,471)	-2.54%
M&E	4,864	0.02%
Ceding Commission	(28,802)	-0.11%
Total	7,480,517	32.44%
 Federal and foreign income taxes incurred	6,595,817	28.60%
Change in deferred income taxes	884,700	3.84%
 Total statutory income taxes	7,480,517	32.44%

e. Operating loss and tax credit carryforwards

(1) At December 31, 2015, the Company has no net operating loss carry forward and a \$32,301 capital loss carry forward. The losses originate as follows:

<u>Year</u>	<u>Net Operating Loss</u>	<u>Capital Loss</u>
2015	-	32,301

(2) Income taxes, ordinary and capital, available for recoupment in the event of future losses include:

<u>Year</u>	<u>Amount</u>
2015	6,600,447
2014	7,206,056
2013	6,997,950

(3) Deposits under IRS Code Section 6603 - not applicable

f. Federal or foreign income tax loss contingencies

(1) The Internal Revenue Service began its examination of the 2011 and 2012 tax years in 2014 and is expected to continue through 2016. The Company does not expect a significant increase in federal or foreign contingent tax liability within the next twelve months.

g. Consolidated federal income tax return

(1) The Company elects to file a consolidated federal income tax return with its subsidiary American Retirement Life Insurance Company ("ARLIC").

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

a - c. Related party transactions for 2015 and 2014 include:

The Company made \$15,000,000, \$10,000,000 and \$10,000,000 cash capital contributions to American Retirement Life Insurance Company ("ARLIC"), its wholly owned subsidiary on March 30, 2015, June 24, 2015 and September 30, 2015, respectively.

The Company made \$20,000,000, \$10,000,000, \$5,000,000, and \$6,000,000 cash capital contributions to American Retirement Life Insurance Company, its wholly owned subsidiary on March 25, 2014, June 24, 2014, September 26, 2014 and December 16, 2014, respectively.

Several of Cigna Corporation's ("Cigna") subsidiaries are subject to the Health Insurance Providers Fee, "the Fee", which is imposed on each covered entity engaged in the business of providing health insurance for any United States health risk. Such entities, along with Cigna, are collectively treated as a single "covered entity" as that term is defined in Section 9010(c) and Treas. Reg. § 57.2(b). By entering into this Agreement, each Party has consented to select Cigna as its "designated entity" for the payment of this Fee. The Agreement allows Cigna to pay each year to the Treasury the Fee owed collectively by all covered entities in the group, and to perform all necessary and appropriate actions that may be required to fulfill Cigna's responsibilities as the designated entity. This Agreement further allows Cigna to delegate to a wholly owned subsidiary the authority to perform these actions on Cigna's behalf. For financial management and reporting purposes, Cigna and the Parties will allocate the Fee for each Fee Year among the Parties in proportion to estimates of each Party's Premiums for that Fee Year.

d. At December 31, 2015, the Company reported \$2,595,231 as amounts due from affiliated companies and \$6,916,186 due to affiliated companies. The terms of the agreements require that these amounts be settled within 90 days.

NOTES TO FINANCIAL STATEMENTS

- e. Not applicable
- f. Management or service contracts and all cost sharing arrangements involving the Company:
 - (1) The Company and certain related parties have entered into service contracts and cost-sharing arrangements, including an expense sharing agreement in which the parties share expenses for certain shared services. These arrangements include providing or being provided with management services, computers, data processing and other services, as well as equipment, supplies and office space. The Company also allocates a portion of its operating expenses to affiliated companies for which it performs certain administrative services. The Company paid \$47,984,784 in 2015 under these arrangements and received \$35,899,889 in 2015.
 - (2) The Company's investment portfolio is managed by Cigna Investments, Inc. ("CII"). The company paid CII \$222,842 and \$228,579 in 2015 and 2014, related to those services.
 - (3) The Company and its wholly owned domestic subsidiary, ARLIC, have entered into a Consolidated Federal Income Tax Agreement (the Agreement). The Agreement sets forth the method of allocation of federal income taxes for LALIC and ARLIC. The Agreement provides for immediate reimbursement to companies with net operating losses to the extent that their losses are utilized to reduce consolidated taxable income; while those companies with current taxable income as calculated under federal separate return provisions, are liable for payments determined as if they had each filed a separate return. However, current credit is given for any foreign tax credit, operating loss, or investment tax credit carryovers actually utilized in the current consolidated return.
 - (4) On February 19, 2013, the Company entered into a line of credit agreement with Cigna Holdings, Inc. ("CHI") under which LALIC can borrow up to \$30,000,000 from CHI. The agreement provides for two rate/maturity options; a) a variable rate payable on demand or b) a fixed rate with a stated maturity not to exceed 270 days. LALIC did not borrow under this agreement in 2015.
 - (5) On February 19, 2013, the Company also entered into a line of credit agreement with Cigna under which Cigna can borrow up to \$30,000,000 from LALIC. Borrowing terms under this agreement are identical to the terms under the LALIC/CHI agreement discussed above. Cigna did not borrow under this agreement in 2015.
 - (6) LALIC entered into an agreement with Cigna Health Management ("CHM"), effective June 5, 2015 whereby CHM will provide consultative services with respect to demand management in conjunction with the administration of health benefit plans and health insurance policies; specifically CHM provides a 24-hour health information telephone line in which nurses answer questions, explain medical options and suggest resources.
 - (7) LALIC entered into an agreement with Cigna Health and Life Insurance Company ("CHLIC"), effective November 1, 2015, whereby CHLIC will provide LALIC access to and support for the CignaPlus Savings dental discount program to be offered to LALIC customers.
- g. All of the Company's outstanding common stock is directly owned by Cigna Health and Life Insurance Company, a Connecticut domiciled insurance company, whose ultimate parent is Cigna Corporation, a Delaware domiciled insurance holding company.
- h. – i. Not applicable

11. Debt – Not applicable

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans.

- a. – c. Not applicable
- d. Consolidated/Holding Company Plans:
 - (1) Employees' Retirement Plan:
 - (a) Effective January 1, 2013, the Company participates in the Cigna 401(k) Plan (the Savings Plan) that is sponsored by Cigna. Employees are eligible to participate in the Savings Plan immediately upon hire; however, a one-year service requirement must be met to receive company contributions. Expense allocated to the Company was \$475,670 in 2015.
 - (b) Salaried officers and other key employees of the Company are eligible to be awarded shares of Cigna Common Stock in the form of stock options, restricted stock grants, dividend equivalent rights and grants of Cigna Common Stock in lieu of cash payable under various plans. The People Resources Committee of the Board of Directors of Cigna (the Committee) determines awards under these plans, including grants of restricted stock and stock options and strategic performance shares to certain employees of Cigna and its indirect subsidiaries. In 2015, the Committee awarded restricted stock and strategic performance shares to eligible officers and employees under various plans. Cost allocated to the Company for the awards was \$236,295.
 - (2) Deferred Compensation Plans:

The Company offers the Cigna Deferred Compensation Plan to officers and key employees pursuant to which they may defer receipt of all or part of their compensation. The amount of compensation deferred is not funded but represents a general liability of Cigna and participating affiliates including the Company. Currently, deferred cash compensation is credited with interest at the rate paid on contributions to the Fixed Income Fund of the Savings Plan. Certain officers and key employees also have the option of selecting to have deferred cash compensation credited with interest at the rate paid under the Savings Plan's other investment funds. Deferred compensation which would have otherwise been payable in Cigna Common Stock is hypothetically invested in the same number of Common Stock equivalent units as the number of shares which would have been paid if such compensation had not been deferred. An amount equal to cash dividends that would have been paid on such hypothetically invested Common Stock is deemed to have been paid and hypothetically invested in the same way as deferred cash compensation. At a future date or dates selected by each participant, the aggregate of amounts deferred and hypothetical investment results is distributed either in a lump sum or in installments, in which case unpaid installments continue to be credited with interest. Compensation deferred by officers and key employees that was otherwise payable in Common Stock is distributed in Common Stock.

NOTES TO FINANCIAL STATEMENTS

Effective January 25, 1995, the Committee approved a special program to postpone payments to senior executive officers as needed to avoid payments to these officers which would not qualify for a tax deduction because of the provisions of Internal Revenue Code section 162(m), which limits the deductibility of compensation paid to each officer to \$1 million, unless certain exceptions apply.

The Company has not incurred any obligation under the plan as of December 31, 2015.

- (3) Post Retirement Benefits – Not applicable
- e. Post-Employment Benefits and Compensated Absences:

The Company accrues obligations for post employment benefits and compensated absences in accordance with SSAP No. 11.
- f. The Medicare Modernization Act
 - (1) In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("the Act") became law. Under the Act, starting in 2006, retirees will have the ability to obtain prescription drug benefits through a new Medicare Part D program and companies that continue to provide postretirement prescription drug benefits to their retirees may be eligible to receive a new federal subsidy.
 - (2) The Medicare Modernization Act had no impact on the Company's postretirement benefits.
- 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations.
 - a. The Company has 2,500 shares authorized and 1,800 shares issued and outstanding. All shares are class A shares.
 - b. – d. Not applicable
 - e. The maximum amount of dividends that can be paid to stockholders by life insurance companies domiciled in the State of Ohio without prior approval of the Insurance Commissioner is the greater of 10% of surplus as regards to policyholders or net income as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of dividends payable in 2016 without prior approval is \$0 based on negative earned surplus.
 - f. – i. Not applicable
 - j. The portion of unassigned funds (surplus) represented or (reduced) by unrealized gains was (\$48,572,439) at December 31, 2015.
 - k. – m. Not applicable

14. Contingencies

- a. Contingent Commitments – Not applicable
- b. Assessments

From time to time, insurance companies may be assessed by various state insurance guaranty funds to help pay for the cost of other insurance company insolvencies. These assessments are generally recoverable in most states over a 3 to 10 year period through reduction in future premium tax liabilities. The Company periodically adjusts its accrual for future assessments utilizing information provided by the National Organization of Life and Health Insurance Guaranty Associations. At December 31, 2015, the Company held a liability for future assessments of \$98,765. The Company also holds an asset for premium tax offsets related to guaranty fund assessments paid or accrued.

Assets recognized from paid and accrued tax offsets for the year ended December 31, 2015, are as follows:

Balance, beginning of year	\$ 174,140
Premium tax offsets accrued	168,905
Premium tax offsets applied	(63,130)
Allowance for unrealizability	(129)
	<u>\$ 279,786</u>

- c. – e. Not applicable
- f. Other Legal Matters. Following announcement of Cigna's merger agreement with Anthem as discussed in Note 1, six putative class action complaints (collectively "complaints") were filed by purported Cigna shareholders on behalf of a purported class of Cigna shareholders. Five of the complaints were filed in the Court of Chancery of the State of Delaware. The sixth complaint was filed in the Connecticut Superior Court, Judicial District of Hartford. Additional lawsuits arising out of or relating to the merger agreement or the merger may be filed in the future.

Cigna, members of the Cigna board of directors, Anthem and Anthem Merger Sub Corp ("Merger Sub") have been named as defendants. The plaintiffs generally assert that the members of the Cigna board of directors breached their fiduciary duties to the Cigna shareholders during merger negotiations and by entering into the merger agreement and approving the merger, and that Cigna, Anthem and Merger Sub aided and abetted such breaches of fiduciary duties. The allegations include, among other things that, (1) the merger consideration undervalues Cigna, (2) the sales process leading up to the merger was flawed due to purported conflicts of interest of members of the Cigna board of directors and (3) certain provisions of the merger agreement inappropriately favor Anthem and inhibit competing bids. Plaintiffs seek, among other things, injunctive relief enjoining the merger, rescission of the merger agreement to the extent already implemented, and costs and damages.

NOTES TO FINANCIAL STATEMENTS

Effective November 24, 2015, solely to avoid the costs, risks and uncertainties inherent in litigation, and without admitting any liability or wrongdoing, Cigna, Cigna's directors, Anthem and Merger Sub entered into a Memorandum of Understanding ("MOU") to settle the Cigna Merger Litigation. Subject to court approval and further definitive documentation in a settlement agreement that will be subject to customary conditions, the MOU resolved the Cigna Merger Litigation and provided that Cigna would make certain additional disclosures related to the merger. If the Court approves the settlement, the Cigna Merger Litigation will be dismissed with prejudice and all claims that were or could have been brought in any actions challenging any aspect of the merger, the merger agreement and any related disclosures will be released. In connection with the settlement, subject to the ultimate determination of the Court, plaintiffs' counsel may receive an award of reasonable fees. There can be no assurance that the parties will ultimately enter into a settlement agreement, or that the Court will approve the settlement even if the parties were to enter into such agreement. The MOU may terminate, if, among other reasons, the Court does not approve the settlement or the merger is not consummated for any reason. Following entry into the MOU, the five complaints filed in Delaware were voluntarily dismissed with prejudice.

15. Leases

LALIC leases its home office facilities under a fifteen year non-cancellable operating lease, which ends on January 31, 2023. The lease may be renewed for two additional five year terms at market rates then in effect. The Company also leases other equipment under leases with remaining terms in excess of one year. These leases are also renewable at market rates. Future minimum annual rentals under the leases are as follows:

2016	\$1,133,666
2017	1,099,798
2018	1,143,956
2019 – 2020	1,138,409
	<u>\$5,654,238</u>

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk -- Not applicable**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities -- Not applicable****18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans -- Not applicable****19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators --Not applicable****20. Fair Value Measurements**

The Company's financial assets measured at fair value include bonds valued at the lower of cost or fair value when reported at fair value at the balance sheet date.

Financial instruments (bonds) that are subject to fair value disclosure requirements are carried in the financial statements at amortized cost. The fair values used for financial instruments are estimates, which in many cases may differ significantly from the amounts, which could be realized upon immediate liquidation.

Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date. The Company's financial assets have been classified based upon a hierarchy defined by SAP. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument's fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The Company estimates fair values of bonds using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available and other market information that a market participant may use to estimate fair value. The internal pricing methods are performed by the Company's investment professionals, and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little to no market activity for the same or similar instruments, the fair value is estimated using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment that becomes significant with increasingly complex instruments or pricing models.

Fair Value Measurements at Reporting Date

As of December 31, 2015 and December 31, 2014, the Company had no bonds reported at fair value in the financial statements.

Disclosures about Fair Values of Financial Instruments Not Carried at Fair Value

The following tables provide the fair value, carrying value and classification in the fair value hierarchy of the Company's bonds not recorded at fair value as of December 31, 2015 and December 31, 2014.

December 31, 2015

	Aggregate Fair Value	Admitted Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)			Significant Unobservable Inputs (Level 3)	Not Practicable (Carrying Value)
<i>Financial assets</i>								
Bonds	\$ 180,603,348	\$ 180,072,104	\$ 4,113,056	\$ 176,490,292	\$ -	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

	Aggregate Fair Value	Admitted Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Practicable (Carrying Value)
<i>Financial assets</i>						
Bonds	\$ 193,627,015	\$ 189,039,193	\$ 5,141,039	\$ 188,485,977	\$ -	\$ -

Disclosures about Financial Instruments Not Practicable to Estimate Fair Value – None.

21. Other Items

- a. – b. Not applicable
- c. Other disclosures

Assets in the amount of \$130,482,109 and \$129,809,841 at December 31, 2015 and 2014, respectively, were on deposit with government authorities or trustees as required by law or in accordance with the terms of various reinsurance agreements.

- d. – h. Not applicable

22. Events Subsequent

Management has evaluated the financial statements for subsequent events through February 23, 2016, the date financial statements were available to be issued.

23. Reinsurance

a. Ceded Reinsurance Report

(1) Section 1 - General Interrogatories

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

If yes, give full details.

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

If yes, give full details.

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

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

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

(ii) What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$ _____

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

If yes, give full details.

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

- b. Uncollectible Reinsurance – No reinsurance recoverables were written off.
- c. Commutation of Ceded Reinsurance Reflected in Income and Expenses – Not Applicable

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

25. Change in Incurred Losses and Loss Adjustment Expenses:

Reserves as of December 31, 2014 were \$44,008,718. As of December 31, 2015 \$28,121,583 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$14,309,215 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicare Supplement, cancer treatment and disability income lines of insurance. Therefore, there has been a \$1,577,920 favorable prior year development since December 31, 2014 to December 31, 2015. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

- 26. Intercompany Pooling Arrangements -- Not applicable
- 27. Structured Settlements -- Not applicable
- 28. Health Care Receivables -- Not applicable
- 29. Participating Policies
 - a. Participating policies represent approximately 5.6% of the total life insurance inforce at December 31, 2015. All life business in force is ceded under a 100% coinsurance agreement.
 - b. Policyholder dividends are recognized on the policy's anniversary.
 - c. Dividends to policyholders in 2015 were \$258,475, all of which was ceded to another company.
 - d. No additional income was allocated to participating policyholders.
- 30. Premium Deficiency Reserves -- Not applicable
- 31. Reserves for Life Contracts and Annuity Contracts
 - a. 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.
 - b. Extra premiums are charged for substandard lives. Reserves are based on a combination of mean reserves for substandard lives and the gross premiums charged for such.
 - c. As of December 31, 2015, the Company had \$1,414,024 of insurance in force, all of which is 100% ceded, 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 the above insurance totaled \$13,135 at year-end and are reported in Exhibit 5, Miscellaneous Reserves section.
 - d. Tabular interest, tabular interest less actual reserves released, and tabular cost have been determined by formula as described in the instructions.
 - e. For the determination of tabular interest on funds not involving life for each valuation rate of interest, the tabular interest is calculated as one hundredth of the product of such valuation rate of interest times the mean of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.
 - f. The change in reserves in Exhibit 7, Line 4, Column 3 of \$535,684 is due to internal rollovers. The changes in column 5 of \$101,682 and column 6 of (\$2,628) is due to data differences/inconsistencies.

NOTES TO FINANCIAL STATEMENTS

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

Withdrawal Characteristics of Annuity Actuarial Reserves and Deposit-Type contract Funds and Other Liabilities Without Life or Disability Contingencies

		General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
a.	Subject to discretionary withdrawal:					
	(1) With fair value adjustment	\$ 64,260,432	\$ -	\$ -	\$ -	38.8%
	(2) At book value less current surrender charge of 5% or more	5,145,377	-	-	-	3.1%
	(3) At fair value	-	-	-	-	-
	(4) Total with adjustment or at fair value (total of 1 through 3)	69,405,809	-	-	-	41.9%
	(5) At book value without adjustment (minimal or no charge or adjustment)	90,118,735	-	-	-	54.4%
b.	Not subject to discretionary withdrawal	6,197,610	-	-	-	3.7%
c.	Total (gross: direct + assumed)	165,722,154	-	-	-	100.00%
d.	Reinsurance Ceded	(165,720,331)	-	-	-	
e.	Total Net (net)* c. - d.	<u>\$ 1,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

f.		Amount
	Life & Accident & Health Annual Statement:	
1.	Exhibit 5, Annuities Section, Total (net)	\$ -
2.	Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	-
3.	Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	1,823
4.	Subtotal	<u>1,823</u>
	Separate Accounts Annual Statement:	
5.	Exhibit 3, Line 0299999, Column2	-
6.	Exhibit 3, Line 0399999, Column2	-
7.	Policyholder divided and coupon accumulations	-
8.	Policyholder premiums	-
9.	Guaranteed interest contracts	-
10.	Other contract deposit funds	-
11.	Subtotal	-
12.	Combined Total	<u>\$ 1,823</u>

33. Premium and Annuity Considerations Deferred and Uncollected – Not applicable

	Type	Gross	Net of Loading
a.	1. Industrial	\$ -	\$ -
	2. Ordinary new business	6,871	2,894
	3. Ordinary renewal	-	-
	4. Credit Life	-	-
	5. Group Life	-	-
	6. Group Annuity	-	-
	7. Totals	<u>\$ 6,891</u>	<u>\$ 2,894</u>

34. Separate Accounts -- Not applicable

35. Loss/Claim Adjustment Expenses

At December 31, 2015 and 2014, reserves for LAE included in General Expense Due and Accrued totaled \$1,800,117 and \$1,878,970.

The Company incurred \$5,217,707 and paid \$5,295,960 of loss adjustment expenses in the current year of which \$1,151,353 of the paid amount was attributable to insured events of prior years.

The Company increased the provision for LAE related to insured events of the prior year by \$524,667 due to an increase in the cost of settling claims and favorable development of prior year claims.

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. _____ 12/31/2013

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. _____ 12/31/2013

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). _____ 04/20/2015

3.4 By what department or departments? Ohio Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]

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

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

4.11 sales of new business? Yes [] No [X]

4.12 renewals? Yes [] No [X]

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

4.21 sales of new business? Yes [] No [X]

4.22 renewals? Yes [] No [X]

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

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

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

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

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,

7.21 State the percentage of foreign control _____ %

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

1 Nationality	2 Type of Entity

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? PriceWatershouseCoopers LLP; Two Commerce Square; 2001 Market Square; Philadelphia, PA 19103-7041

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 other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [] No [X] N/A []

10.6 If the response to 10.5 is no or n/a, please explain: The Audit Committee of Connecticut General Corporation will serve as the Company's Audit Committee for the purposes of compliance with Ohio insurance law.

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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?
James Monroe Garvin, III, FSA, MAAA, Appointed Actuary, 11200 Lakeline Blvd., Suite 100, Austin, TX 78717

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

12.11 Name of real estate holding company _____
 12.12 Number of parcels involved _____
 12.13 Total book/adjusted carrying value _____ \$ _____ 0

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: _____ Yes [] No [X]

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

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

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

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

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 subordinator 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 subordinator committees thereof? Yes [X] No []

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

FINANCIAL

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

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

20.11 To directors or other officers _____ \$ _____ 0
 20.12 To stockholders not officers _____ \$ _____ 0
 20.13 Trustees, supreme or grand (Fraternal only) _____ \$ _____ 0

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

20.21 To directors or other officers _____ \$ _____ 0
 20.22 To stockholders not officers _____ \$ _____ 0
 20.23 Trustees, supreme or grand (Fraternal only) _____ \$ _____ 0

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

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

21.21 Rented from others _____ \$ _____ 0
 21.22 Borrowed from others _____ \$ _____ 0
 21.23 Leased from others _____ \$ _____ 0
 21.24 Other _____ \$ _____ 0

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

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment _____ \$ _____ 0
 22.22 Amount paid as expenses _____ \$ _____ 18,206
 22.23 Other amounts paid _____ \$ _____ 0

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: _____ \$ _____ 0

INVESTMENT

Loyal American Life Insurance Company

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.01 Were all of 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).

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

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ _____ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs \$ _____ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]

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

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ _____ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ _____ 0

24.103 Total payable for securities lending reported on the liability page: \$ _____ 0

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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No []

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

25.21	Subject to repurchase agreements	\$ _____ 0
25.22	Subject to reverse repurchase agreements	\$ _____ 0
25.23	Subject to dollar repurchase agreements	\$ _____ 0
25.24	Subject to reverse dollar repurchase agreements	\$ _____ 0
25.25	Placed under option agreements	\$ _____ 0
25.26	Letter stock or securities restricted as sale – excluding FHLB Capital Stock	\$ _____ 0
25.27	FHLB Capital Stock	\$ _____ 0
25.28	On deposit with states	\$ _____ 4,397,602
25.29	On deposit with other regulatory bodies	\$ _____ 126,084,507
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$ _____ 0
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	\$ _____ 0
25.32	Other	\$ _____ 0

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 [X]

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

If no, attach a description with this statement.

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

27.2 If yes, state the amount thereof at December of the current year: \$ _____ 0

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

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase Bank, NA	4 Chase MetroTech Center, Brooklyn, NY 11245
The Bank of New York Mellon	101 Barclay Street, Mail Stop 101-0850, New York, NY 10286

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
105811	Cigna Investments, Inc.	900 Cottage Grove Road, Hartford, CT

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]

Loyal American Life Insurance Company

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29,2999 TOTAL		

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	193,799,753	194,331,016	531,263
30.2	Preferred Stocks	0	0	0
30.3	Totals	193,799,753	194,331,016	531,263

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

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality. In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment by the Company which become significant with increasingly complex instrument or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

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 [] No [X]

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 []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 22,300

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

1 Name	2 Amount Paid
AM Best Company	\$ 22,300

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

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

1 Name	2 Amount Paid
	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

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

1 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES**PART 2 – LIFE INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [X] No []	
1.2	If yes, indicate premium earned on U.S. business only.	\$ 134,649,235	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$ 0	
1.3	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$ 0	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$ 101,732,788	
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$ 62,375,383	
1.62	Total incurred claims	\$ 48,721,799	
1.63	Number of covered lives	\$ 32,901	
	All years prior to most current three years:		
1.64	Total premium earned	\$ 72,273,852	
1.65	Total incurred claims	\$ 53,010,989	
1.66	Number of covered lives	\$ 25,049	
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	\$ 215,215,812	\$ 180,623,428
2.2	Premium Denominator	\$ 278,545,801	\$ 243,679,278
2.3	Premium Ratio (2.1/2.2)	\$ 77.264	\$ 74.123
2.4	Reserve Numerator	\$ 42,639,439	\$ 41,063,365
2.5	Reserve Denominator	\$ 152,259,953	\$ 147,339,300
2.6	Reserve Ratio (2.4/2.5)	\$ 28.004	\$ 27.870
3.1	Does the reporting entity have Separate Accounts?	Yes [X] No []	
3.2	If yes, has a Separate Accounts statement been filed with this Department	Yes [] No [] N/A[X]	
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?	\$ 0	
3.4	State the authority under which Separate Accounts are maintained:		
3.5	Was any of the reporting entity's Separate Accounts business reinsured as of December 31?	Yes [] No []	
3.6	Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?	Yes [] No []	
3.7	If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?"	\$ 0	
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	\$ 47,984,784	
4.22	Received	\$ 24,809,078	
5.1	Does the reporting entity write any guaranteed interest contracts?	Yes [] No [X]	
5.2	If yes, what amount pertaining to these items is included in:		
5.21	Page 3, Line 1	\$ 0	
5.22	Page 4, Line 1	\$ 0	
6.	For stock reporting entities only:		
6.1	Total amount paid in by stockholders as surplus funds since organization of the reporting entity:	\$ 85,995,713	
7.	Total dividends paid stockholders since organization of the reporting entity:		

GENERAL INTERROGATORIES**PART 2 – LIFE INTERROGATORIES**

7.11	Cash	\$	171,293,877
7.12	Stock	\$	0

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as:

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	\$ 0
8.32	Paid claims	\$ 0	\$ 0
8.33	Claim liability and reserve (beginning of year)	\$ 0	\$ 0
8.34	Claim liability and reserve (end of year)	\$ 0	\$ 0
8.35	Incurred claims	\$ 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	\$ 0	\$ 0
8.42 \$25,000 — 99,999	\$ 0	\$ 0
8.43 \$100,000 — 249,999	\$ 0	\$ 0
8.44 \$250,000 — 999,999	\$ 0	\$ 0
8.45 \$1,000,000 or more	\$ 0	\$ 0

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

\$ 0

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 Guaranteed Death Benefit	2 Guaranteed Living Benefit	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

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:

\$ 0

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

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

11.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

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

\$ 0

11.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

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

\$ 0

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
	0					

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 Premiums Written	\$ 5,795,433
13.2	Total Incurred Claims	\$ 10,449,845
13.3	Number of Covered Lives	30,305

*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 guarantee)						
Universal Life (with or without secondary guarantee)						
Variable Universal Life (with or without secondary guarantee)						

Loyal American Life Insurance Company

FIVE-YEAR HISTORICAL DATA

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

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

	1 2015	2 2014	3 2013	4 2012	5 2011
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....	376,238	393,424	425,060	465,988	501,348
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	111,213	116,717	129,209	139,813	151,782
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....	5,088	6,909	9,583	12,090	14,912
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	492,539	517,050	563,852	617,891	668,042
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	12,219	95		159	34
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....				2	.3
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....					80
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	12,219	95	0	161	117
Premium Income - Lines of Business (Exhibit 1-Part 1)					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	192,054	3,414	(153,931,185)	1,759,552	
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....				(210,644,757)	412,253
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....				27,608	107,436
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....	3,725,249	4,592,070	6,014,177	7,030,402	127,178
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....	274,628,498	239,083,793	253,970,759	277,364,789	100,883,623
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	278,545,801	243,679,277	259,984,936	(80,153,143)	103,290,042
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	266,704,142	249,349,234	244,038,600	282,287,095	438,927,645
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	181,076,598	175,805,143	172,516,970	204,040,242	398,120,312
23. Aggregate life reserves (Page 3, Line 1).....	11,258	16			222,238,520
24. Aggregate A&H reserves (Page 3, Line 2).....	123,429,371	120,565,404	118,764,588	116,361,443	19,119,979
25. Deposit-type contract funds (Page 3, Line 3).....	1,823	8,861	9,157	9,939	13,418,246
26. Asset valuation reserve (Page 3, Line 24.01).....	1,228,898	1,203,381	1,150,909	974,111	1,178,762
27. Capital (Page 3, Lines 29 & 30).....	5,640,000	5,640,000	5,640,000	5,640,000	5,640,000
28. Surplus (Page 3, Line 37).....	79,987,544	67,904,091	65,881,630	72,606,853	35,167,333
Cash Flow (Page 5)					
29. Net Cash from operations (Line 11).....	24,051,784	21,413,958	48,010,074	(232,416,139)	(14,749,981)
Risk-Based Capital Analysis					
30. Total adjusted capital.....	87,072,414	74,846,833	72,683,830	79,220,964	42,024,407
31. Authorized control level risk-based capital.....	15,217,630	11,882,686	9,704,827	7,245,626	4,473,042
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).....	74.9	83.4	97.4	88.8	91.7
33. Stocks (Lines 2.1 and 2.2).....	19.7	13.7	3.8	2.7	4.0
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....					
35. Real estate (Line 4.1, 4.2 and 4.3).....					
36. Cash, cash equivalents and short-term investments (Line 5).....	5.4	3.0	(1.2)	8.5	0.0
37. Contract loans (Line 6).....					4.3
38. Derivatives (Line 7).....					
39. Other invested assets (Line 8).....					
40. Receivables for securities (Line 9).....					0.0
41. Securities lending reinvested collateral assets (Line 10).....					
42. Aggregate write-ins for invested assets (Line 11).....					
43. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0

Loyal American Life Insurance Company

FIVE-YEAR HISTORICAL DATA

(continued)

	1 2015	2 2014	3 2013	4 2012	5 2011
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12 Col. 1).....					
45. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1).....					
46. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1).....	47,303,783	31,011,488	8,426,687	5,436,805	13,766,185
47. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....					
48. Affiliated mortgage loans on real estate					
49. All other affiliated.....					
50. Total of above Lines 44 to 49.....	47,303,783	31,011,488	8,426,687	5,436,805	13,766,185
51. Total investment in parent included in Lines 44 to 49 above.....					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	49,566,003	53,880,597	60,279,399	62,285,992	6,334,097
53. Total admitted assets (Page 2, Line 28, Col. 3).....	266,704,142	249,349,234	244,038,600	282,287,095	438,927,645
Investment Data					
54. Net investment income (Exhibit of Net Investment Income).....	6,618,886	6,807,565	6,854,803	19,089,909	24,262,766
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....			104,783	12,432,689	(692,460)
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	(18,707,705)	(18,415,199)	(11,010,118)	(4,584,014)	77,560
57. Total of above Lines 54, 55 and 56.....	(12,088,819)	(11,607,634)	(4,050,532)	26,938,584	23,647,866
Benefits and Reserve Increase (Page 6)					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....	13,917	142		13,572,933	30,142,632
59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	186,188,506	156,643,423	170,274,964	121,618,600	71,816,293
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	11,242	16		(141,396,744)	(94,247)
61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	2,863,966	1,800,816	2,403,146	94,789,421	(686,404)
62. Dividends to policyholders (Line 30, Col 1).....				11,988	36,575
Operating Percentages					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	24.5	24.8	26.2	(49.1)	27.1
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	12.0	5.6	6.7	5.3	6.7
65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	68.3	65.2	66.6	75.0	70.3
66. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....	0.2				
67. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	26.5	26.6	27.1	15.3	29.0
A&H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	532,833	900,269	1,346,505	330,312	6,421
69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	860,470	922,242	2,225,307	76,209	48,189
70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	41,897,965	46,523,610	78,243,157	32,038,108	7,866,028
71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	43,148,248	47,625,511	77,837,312	32,476,849	9,505,634
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2).....					
73. Ordinary - life (Col. 3).....	(123,392)	(88,702)		5,359,262	272,813
74. Ordinary - individual annuities (Col. 4).....				4,379,714	3,242,096
75. Ordinary - supplementary contracts (Col. 5).....				(7,943)	(7,336)
76. Credit life (Col. 6).....					
77. Group life (Col. 7).....				6,414	(62,938)
78. Group annuities (Col. 8).....				2,033	(36,018)
79. A&H - group (Col. 9).....	599,653	140,199	853,809	(569,048)	56,361
80. A&H - credit (Col. 10).....					
81. A&H - other (Col. 11).....	16,045,095	21,155,554	16,413,512	(42,933,766)	55,247
82. Aggregate of all other lines of business (Col. 12).....	(52,275)	(1,005,871)	(3,040,377)	(868,577)	
83. Total (Col. 1).....	16,469,081	20,201,180	14,226,944	(34,631,911)	3,520,225

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

Yes [] No []

If no, please explain:

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group		10 Total Amount of Insurance (a)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	7 Number of Policies	8 Certificates		
1. In force end of prior year.....			32,150	510,141			25	2,092	6,909	517,050
2. Issued during year.....			513	12,219						12,219
3. Reinsurance assumed.....										0
4. Revived during year.....			.11	579						579
5. Increased during year (net).....				41,400						41,400
6. Subtotals, Lines 2 to 5.....	0	0	.524	54,198	0	0	0	0	0	54,198
7. Additions by dividends during year.....	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases.....	0	0	0	0	0	0	0	0		0
9. Totals (Lines 1 and 6 to 8).....	0	0	32,674	564,339	0	0	25	2,092	6,909	571,248
Deductions during year:										
10. Death.....			1,410	13,746			XXX	8	.13	13,759
11. Maturity.....			.14	.40			XXX			.40
12. Disability.....							XXX			0
13. Expiry.....			.291	3,380					.55	1,383
14. Surrender.....			.322	29,577						29,577
15. Lapse.....			.331	30,112			7	.17	.393	30,505
16. Conversion.....				.3			XXX	XXX	XXX	.3
17. Decreased (net).....			1	.30					.32	.62
18. Reinsurance.....										0
19. Aggregate write-ins for decreases.....	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19).....	0	0	2,369	76,888	0	0	7	.80	1,821	78,709
21. In force end of year (Line 9 minus Line 20).....	0	0	30,305	.487,451	0	0	18	.2,012	.5,088	.492,539
22. Reinsurance ceded end of year.....	XXX		XXX	.477,063	XXX		XXX	XXX		.5,088
23. Line 21 minus Line 22.....	XXX	0	XXX	10,388	XXX	(b) 0	XXX	XXX	0	10,388

DETAILS OF WRITE-INS

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

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

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

EXHIBIT OF LIFE INSURANCE (continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends.....	....XXX.....		....XXX.....	
25. Other paid-up insurance.....			.....8,721.....	.....46,488.....
26. Debit ordinary insurance.....	....XXX.....	....XXX.....		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing.....			.....139.....	.....732.....
28. Term policies-other.....			.....397.....	.....73,541.....
29. Other term insurance-decreasing.....	....XXX.....		....XXX.....	.....173.....
30. Other term insurance.....	....XXX.....		....XXX.....	.....19,948.....
31. Totals (Lines 27 to 30).....	.....0.....	.....0.....	.....536.....	.....94,394.....
Reconciliation to Lines 2 and 21:			....XXX.....	
32. Term additions.....	....XXX.....		....XXX.....	
33. Totals, extended term insurance.....	....XXX.....	....XXX.....	.....2,246.....	.....16,819.....
34. Totals, whole life and endowment.....	.....513.....	.....12,219.....	.....27,523.....	.....376,238.....
35. Totals (Lines 31 to 34).....	.....513.....	.....12,219.....	.....30,305.....	.....487,451.....

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial.....				
37. Ordinary.....	.....12,219.....		.....459,161.....	.....28,290.....
38. Credit Life (Group and Individual).....				
39. Group.....			.....5,088.....	
40. Totals (Lines 36 to 39).....	.....12,219.....	.....0.....	.....464,249.....	.....28,290.....

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies.....	....XXX.....		....XXX.....	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis.....		....XXX.....	.....2,012.....	....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).....55,365.....
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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 _____
47.2 <u>actual for spouse, \$1,000 per unit for children</u>

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium.....			.....1,848.....	.....21,278.....				
49. Disability Income.....			....XXX.....	....XXX.....				
50. Extended Benefits.....								
51. Other.....								
52. Total.....	.....0.....	.....(b).....0.....	.....1,848.....	.....(b).....21,278.....	.....0.....	.....(b).....0.....	.....0.....	.....(b).....0.....

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

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

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

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year.....				
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	.0	.0	0	.0
Deductions during year:				
6. Decreased (net).....				
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	.0	.0	0	.0
9. In force end of year.....	0	.0	0	0
10. Amount on deposit.....		(a).....		(a).....
11. Income now payable.....		(a).....		(a).....
12. Amount of income payable.....	(a).....	(a).....	(a).....	(a).....

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....				
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	0	.0	0	.0
Deductions during year:				
6. Decreased (net).....				
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	.0	.0	0	.0
9. In force end of year.....	0	.0	0	.0
Income now payable:				
10. Amount of income payable.....	(a).....	XXX.....	XXX.....	(a).....
Deferred fully paid:				
11. Account balance.....	XXX.....	(a).....	XXX.....	(a).....
Deferred not fully paid:				
12. Account balance.....	XXX.....	(a).....	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.....	4,537	4,425,401			220,834	261,388,113
2. Issued during year.....	5,672	1,547,198			55,780	71,805,693
3. Reinsurance assumed.....	.21	9,591			564	308,644
4. Increased during year (net).....	801	XXX.....		XXX.....	XXX.....	
5. Total (Lines 1 to 4).....	11,031	XXX.....	0	XXX.....	277,178	XXX.....
Deductions during year:						
6. Conversions.....		XXX.....	XXX.....	XXX.....	XXX.....	XXX.....
7. Decreased (net).....		XXX.....		XXX.....	37,359	XXX.....
8. Reinsurance ceded.....	5,672	XXX.....		XXX.....	3,628	XXX.....
9. Totals (Lines 6 to 8).....	5,672	XXX.....	0	XXX.....	40,987	XXX.....
10. In force end of year.....	5,359	(a).....3,613,701	0	(a).....	236,191	(a).....294,932,807

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds		2 Dividend Accumulations	
	Contracts	Contracts	Contracts	Contracts
1. In force end of prior year.....			.68	
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....			.68	.0
Deductions during year:				
6. Decreased (net).....			.49	
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....			.49	.0
9. In force end of year.....			.19	.0
10. Amount of account balance.....		(a).....1,823	(a).....	

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

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	Active Status	1	Direct Business Only					
		Life Contracts		4	5	6	7	
		2	3	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts	
1. Alabama.....	.AL	575,469	4,713	4,055,221		4,635,403	1,212	
2. Alaska.....	.AK	881	8	124,805		125,694		
3. Arizona.....	.AZ	25,963	55	601,187		627,205	3,126	
4. Arkansas.....	.AR	180,586	496	3,638,899		3,819,981	133	
5. California.....	.CA	105,253	7,938	9,230,502		9,343,693	2,406	
6. Colorado.....	.CO	16,675	372	1,806,667		1,823,714	564	
7. Connecticut.....	.CT	12,102	38	1,503,826		1,515,966		
8. Delaware.....	.DE	18,576	59	36,335		54,970		
9. District of Columbia.....	.DC	9,457	8	92,546		102,011	.90	
10. Florida.....	.FL	642,795	126,187	1,309,098		2,078,080	1,901	
11. Georgia.....	.GA	279,897	206	2,104,699		2,384,802	3,225	
12. Hawaii.....	.HI	14,222	8	170,179		184,409	1,209	
13. Idaho.....	.ID	3,215	15	1,634,676		1,637,906		
14. Illinois.....	.IL	125,893	553	11,601,747		11,728,193		
15. Indiana.....	.IN	228,142	50,863	8,787,469		9,066,474	514	
16. Iowa.....	.IA	11,445	54	3,464,576		3,476,075	.262	
17. Kansas.....	.KS	40,011	47	6,791,188		6,831,246	.736	
18. Kentucky.....	.KY	49,619	116	4,310,046		4,359,781	.145	
19. Louisiana.....	.LA	193,886	383	4,519,228		4,713,497	.218	
20. Maine.....	.ME	69,144	469	356,180		425,793		
21. Maryland.....	.MD	60,052	558	245,541		306,151	2,782	
22. Massachusetts.....	.MA	75,760	342	34,157		110,259	.428	
23. Michigan.....	.MI	44,946	49,022	6,281,175		6,375,143	.145	
24. Minnesota.....	.MN	30,557	723	545,641		576,921	.9	
25. Mississippi.....	.MS	233,734	4,178	6,961,259		7,199,171	.213	
26. Missouri.....	.MO	186,316	43,357	3,642,224		3,871,897		
27. Montana.....	.MT	860	15	1,423,760		1,424,635		
28. Nebraska.....	.NE	23,453		2,989,408		3,012,861	3,678	
29. Nevada.....	.NV	14,278		130,324		144,602	4,817	
30. New Hampshire.....	.NH	12,523	61	88,196		100,780		
31. New Jersey.....	.NJ	110,379	4,860	6,000,748		6,115,987	.360	
32. New Mexico.....	.NM	10,178	112	969,222		979,512	.291	
33. New York.....	.NY	18,374	92,382	29,869		140,625	1,233	
34. North Carolina.....	.NC	360,591	1,827	6,178,205		6,540,623	14,610	
35. North Dakota.....	.ND	936		156,731		157,667		
36. Ohio.....	.OH	143,074	2,608	5,226,030		5,371,712		
37. Oklahoma.....	.OK	75,818	112	2,611,959		2,687,889	.10	
38. Oregon.....	.OR	17,036	68	3,785,979		3,803,083		
39. Pennsylvania.....	.PA	62,148	6,494	3,552,891		3,621,533	.115	
40. Rhode Island.....	.RI	21,178	101	29,111		50,390		
41. South Carolina.....	.SC	251,851	1,861	7,477,824		7,731,536	1,730	
42. South Dakota.....	.SD	10,124		1,194,965		1,205,089		
43. Tennessee.....	.TN	374,494	1,371	9,494,087		9,869,952	.457	
44. Texas.....	.TX	330,743	404	28,651,812		28,982,959	.5,059	
45. Utah.....	.UT	15,633	15	805,369		821,017	1,095	
46. Vermont.....	.VT	117,811	569	110,162		228,542		
47. Virginia.....	.VA	143,887	577	836,043		980,507	1,082	
48. Washington.....	.WA	11,475	49,631	325,565		386,671		
49. West Virginia.....	.WV	132,262	924	1,075,999		1,209,185	.142	
50. Wisconsin.....	.WI	13,080	30	671,794		684,904		
51. Wyoming.....	.WY	1,989	15	362,988		364,992	.161	
52. American Samoa.....	.AS	N				0		
53. Guam.....	.GU	N	2,218			2,218	.311	
54. Puerto Rico.....	.PR	N	13,921			13,921	.395	
55. US Virgin Islands.....	.VI	L	10,476	1,381	665	12,522		
56. Northern Mariana Islands.....	.MP	N				0		
57. Canada.....	CAN	N	168			168		
58. Aggregate Other Alien.....	OT	XXX	260,701	8	0	260,709	0	
59. Subtotal.....		(a) 51	5,796,255	456,194	168,028,777	0	174,281,226	
60. Reporting entity contributions for employee benefit plans.....		XXX					54,864	
61. Dividends or refunds applied to purchase paid-up additions and annuities.....		XXX					0	
62. Dividends or refunds applied to shorten endowment or premium paying period.....		XXX					0	
63. Premium or annuity considerations waived under disability or other contract provisions.....		XXX	106,726		8,966		.115,692	
64. Aggregate other amounts not allocable by State.....		XXX	0	0	0	0	0	
65. Totals (Direct Business).....		XXX	5,902,981	456,194	168,037,743	0	174,396,918	
66. Plus reinsurance assumed.....		XXX	27,754		128,309,868		128,337,622	
67. Totals (All Business).....		XXX	5,930,735	456,194	296,347,611	0	302,734,540	
68. Less reinsurance ceded.....		XXX	5,744,896	456,194	17,869,828		24,070,918	
69. Totals (All Business) less reinsurance ceded.....		XXX	185,839	0	(b) 278,477,783	0	278,663,622	
							54,864	

DETAILS OF WRITE-INS

58001. OT.....	XXX	260,701	8			.260,709	
58002.	XXX					0	
58003.	XXX					0	
58998. Summ. of remaining write-ins for line 58 from overflow page.....	XXX	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....	XXX	260,701	8	0	0	.260,709	0
9401.	XXX					0	
9402.	XXX					0	
9403.	XXX					0	
9498. Summ. of remaining write-ins for line 94 from overflow page.....	XXX	0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX	0	0	0	0	0	0

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

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

Premiums are allocated to the state in which the related policy or certificate holder currently resides.

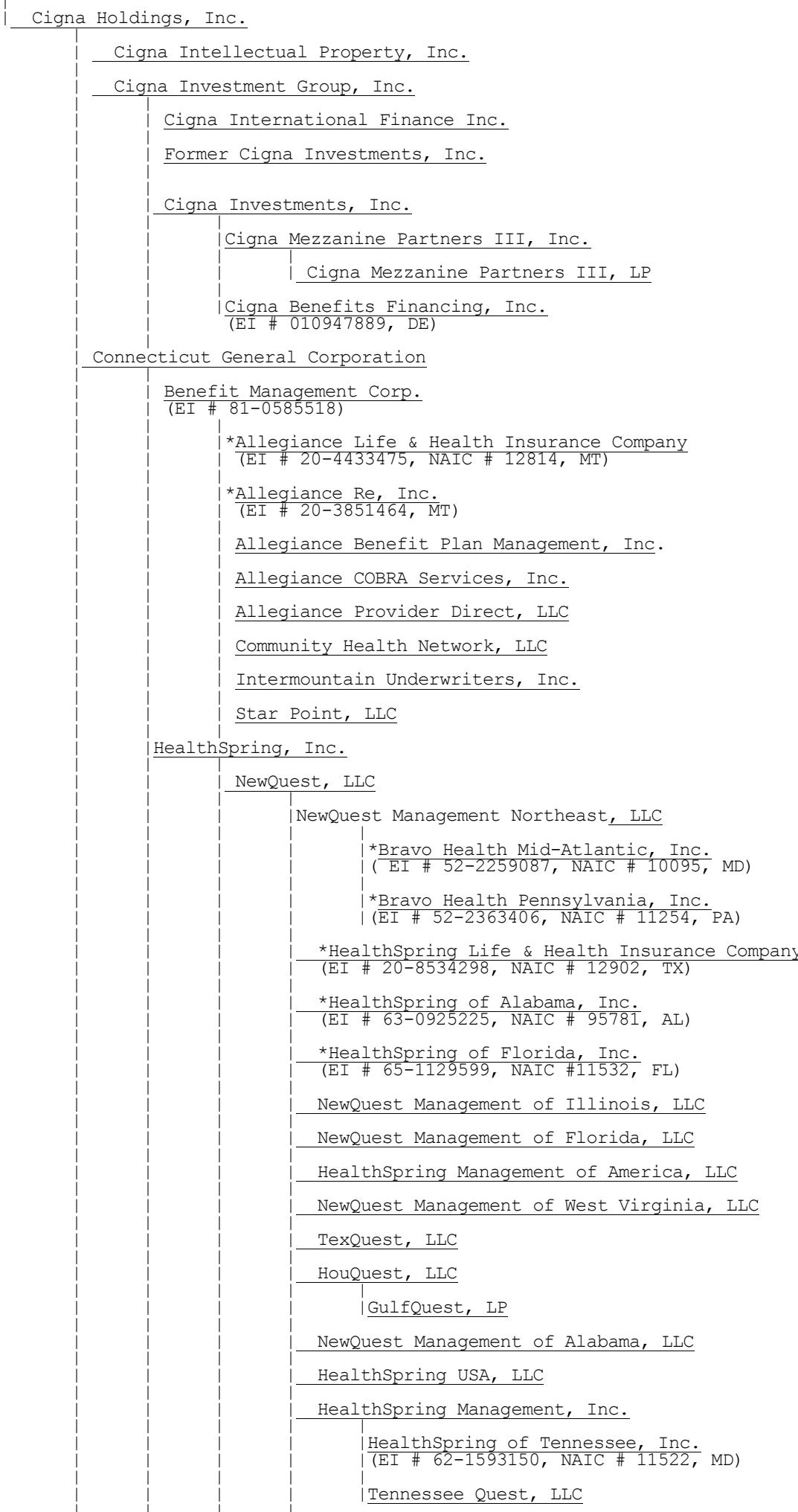
(a) Insert the number of "L" responses except for Canada and Other Alien.
(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9, and 10, or with Schedule H, Part 1, Column 1, Line 1. Indicate which:

Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10

PART 1 -- ORGANIZATION CHART

The following is a listing identifying and indicating the interrelationships among all affiliated insurers (identified by an asterisk, and if such insurer is incorporated in the United States of America, by a Federal Employer Identification Number, NAIC Company Code and Jurisdiction of Incorporation) and all other affiliates, as of December 31, 2015:

Cigna CORPORATION
(A Delaware corporation and ultimate parent company)



	<u>HealthSpring Pharmacy Services, LLC</u> <u>HealthSpring Pharmacy of Tennessee, LLC</u> <u>Home Physicians Management, LLC</u>
	*Cigna Arbor Life Insurance Company (EI # 03-0452349, NAIC # 13733, CT)
	<u>Cigna Behavioral Health, Inc.</u>
	<u>Cigna Behavioral Health of California, Inc.</u> (EI# 94-3107309) <u>Cigna Behavioral Health of Texas, Inc.</u> (EI# 75-2751090) <u>MCC Independent Practice Association of New York, Inc.</u>
	<u>Cigna Dental Health, Inc.</u>
	<u>Cigna Dental Health of California, Inc.</u> (EI# 59-2600475, CA) <u>Cigna Dental Health of Colorado, Inc.</u> (EI# 59-2675861, NAIC # 11175, CO) <u>Cigna Dental Health of Delaware, Inc.</u> (EI# 59-2676987, NAIC # 95380, DE) <u>Cigna Dental Health of Florida, Inc.</u> (EI# 59-1611217, NAIC # 52021, FL) <u>Cigna Dental Health of Illinois, Inc.</u> (EI# 06-1351097, IL) <u>Cigna Dental Health of Kansas, Inc.</u> (EI# 59-2625350, NAIC # 52024, KS) <u>Cigna Dental Health of Kentucky, Inc.</u> (EI# 59-2619589, NAIC # 52108, KY) <u>Cigna Dental Health of Missouri, Inc.</u> (EI#06-1582068, NAIC # 11160, MO) <u>Cigna Dental Health of New Jersey, Inc.</u> (EI# 59-2308062, NAIC # 11167, NJ) <u>Cigna Dental Health of North Carolina, Inc.</u> (EI# 56-1803464 , NAIC # 95179, NC) <u>Cigna Dental Health of Ohio, Inc.</u> (EI# 59-2579774, NAIC # 47805, OH) <u>Cigna Dental Health of Pennsylvania, Inc.</u> (EI# 52-1220578, NAIC # 47041, PA) <u>Cigna Dental Health of Texas, Inc.</u> (EI# 59-2676977, NAIC # 95037, TX) <u>Cigna Dental Health of Virginia, Inc.</u> (EI# 52-2188914, NAIC # 52617, VA) <u>Cigna Dental Health Plan of Arizona, Inc.</u> (EI# 86-0807222, NAIC # 47013, AZ) <u>Cigna Dental Health of Maryland, Inc.</u> (EI#20-2844020, NAIC #48119, MD)
	<u>Cigna Health Corporation</u>
	<u>Healthsource, Inc.</u> <u>Cigna HealthCare of Arizona, Inc.</u> (EI# 86-0334392, NAIC#95125, AZ) <u>Cigna HealthCare of California, Inc.</u> (EI# 95-3310115, CA) <u>Cigna HealthCare of Colorado, Inc.</u> (EI# 84-1004500, NAIC # 95604, CO) <u>Cigna HealthCare of Connecticut, Inc.</u> (EI# 06-1141174, NAIC # 95660, CT) <u>Cigna HealthCare of Florida, Inc.</u> (EI# 59-2089259, NAIC # 95136, FL) <u>Cigna HealthCare of Illinois, Inc.</u> (EI# 36-3385638, NAIC # 95602, IL) <u>Cigna HealthCare of Maine, Inc.</u> (EI# 01-0418220, NAIC # 95447, ME) <u>Cigna HealthCare of Massachusetts, Inc.</u> (EI# 02-0402111, NAIC # 95220, MA) <u>Cigna HealthCare Mid-Atlantic, Inc.</u> (EI# 52-1404350, NAIC # 95599, MD) <u>Cigna HealthCare of New Hampshire, Inc.</u> (EI# 02-0387749, NAIC # 95493, NH)

Cigna HealthCare of New Jersey, Inc.
(EI# 22-2720890, NAIC # 95500, NJ)

Cigna HealthCare of Pennsylvania, Inc.
(EI# 23-2301807, NAIC # 95121, PA)

Cigna HealthCare of St. Louis, Inc.
(EI# 36-3359925, NAIC # 95635, MO)

Cigna HealthCare of Utah, Inc.
(EI# 62-1230908, NAIC # 95518, UT)

Cigna HealthCare of Georgia, Inc.
(EI# 58-1641057, NAIC # 96229, GA)

Cigna HealthCare of Texas, Inc.
(EI# 74-2767437, NAIC # 95383, TX)

Cigna HealthCare of Indiana, Inc.
(EI# 35-1679172, NAIC # 95525, IN)

Cigna HealthCare of Tennessee, Inc.
(EI# 62-1218053, NAIC # 95606, TN)

Cigna HealthCare of North Carolina, Inc.
(EI# 56-1479515, NAIC# 95132, NC)

Cigna HealthCare of South Carolina, Inc.
(EI# 06-1185590, NAIC # 95708, SC)

*Temple Insurance Company Limited

Arizona Health Plan, Inc.

Healthsource Properties, Inc.

Managed Care Consultants, Inc.

Choicelinx Corporation

Sagamore Health Network, Inc.

Cigna Healthcare Holdings, Inc.
(EI# 84-0985843)

Great-West Healthcare of Illinois, Inc.
(EI# 93-1174749, NAIC 95388, IL)

Cigna Healthcare, Inc.

*Cigna Life Insurance Company of New York
(EI# 13-2556568, NAIC # 64548, NY)

*Connecticut General Life Insurance Company
(EI# 06-0303370, NAIC # 62308, CT)

CG Mystic Center LLC

Station Landing LLC

CG Mystic Land LLC

ND/CG Holding LLC

CG Skyline, LLC

Skyline ND/CG LLC

ND Mystic Center Note LLC

Skyline Mezzanine Borrower, LLC

Skyline at Station Landing, LLC

Careallies, LLC

CG Bayport LLC

Bayport Colony Apartments LLC

Cigna Onsite Health, LLC

Gillette Ridge Community Council, Inc.

Gillette Ridge Golf LLC

Hazard Center Investment Company LLC

Tel-Drug of Pennsylvania, LLC

GRG Acquisitions LLC

Cigna Affiliates Realty Investment Group, LLC
(EI# 27-5402196, DE)

CR Longwood Investors, LP

ND/CR Longwood LLC

ARE/ND/CR Longwood LLC

121 Tasman Apartments LLC

Secon Properties, LP

Transwestern Federal Holdings, L.L.C.
 | Transwestern Federal, L.L.C.
 Market Street Residential Holdings LLC
 | Arborpoint at Market Street LLC
Diamondview Tower CM-CG LLC
CR Washington Street Investors LP
Civic Holding LLC
Dulles Town Center Mall, LLC
AEW/FDG, LP
ND/CR Unicorn LLC
Union Wharf Apartments LLC
AMD Apartments Limited Partnership
SP Newport Crossing LLC
PUR Arbors Apartments Venture LLC
CG Seventh Street, LLC
Ideal Properties II LLC
Alessandro Partners, LLC
Mallory Square Partners I, LLC
Houston Briar Forest Apartments Limited Partnership
Newtown Partners II, LP
Newtown Square GP LLC
AFA Apartments Limited Partnership
SB-SNH LLC
 | 680 Investors LLC
 | 685 New Hampshire LLC
CGGL 18301 LLC
Unico/CG Commonwealth LLC
 | Commonwealth Acquisition LLC
222 Main Street Caring GP LLC
222 Main Street Investors LP
Notch 8 Residential, L.L.C.
UVL, LLC
3601 North Fairfax Drive Associates, LLC
CI Perris 151, LLC
Lakehills CM - CG LLC
CORAC LLC
 |
Bridgepoint Office Park Associates, LLC
 | (EI# 27-3923999, DE)
Fairway Center Associates, LLC
 | (EI# 27-3126102, DE)
Henry on the Park Associates, LLC
 | (EI 27-3582688, DE)
*Cigna Health and Life Insurance Company
 | (EI # 59-1031071, NAIC # 67369, CT)
CarePlexus, LLC
 | (EI# 45-2681649; DE)
Cigna Corporate Services, LLC
 | (EI 27-3396038, DE)
Cigna Insurance Agency, LLC
 | (EI # 27-1903785, CT)
Ceres Sales of Ohio, LLC
 | (EI # 34-1970892, OH)
Central Reserve Life Insurance Company
 | (EI # 34-0970995, NAIC # 61727, OH)
 |
Provident American Life & Health Insurance Company
 | (EI # 23-1335885, NAIC # 67903, OH)
 |
United Benefit Life Insurance Company
 | (EI # 75-2305400, NAIC # 65269, OH)

<u>Loyal American Life Insurance Company</u> (EI # 63-0343428, NAIC # 65722, OH)
| <u>American Retirement Life Insurance Company</u> | (EI # 59-2760189, NAIC # 88366, OH)
| <u>QualCare Alliance Networks, Inc.</u>
| <u>QualCare, Inc.</u>
| <u>Scibal Associates, Inc.</u>
| <u>QualCare Captive Insurance Company Inc., PCC</u>
| <u>QualCare Management Resources Limited Liability Company</u>
| <u>Health-Lynx, LLC</u>
| <u>Sterling Life Insurance Company</u>
| <u>Olympic Health Management Systems, Inc.</u>
| <u>Olympic Health Management Services, Inc.</u>
| <u>WorldDoc, Inc.</u>
| <u>Cigna Health Management, Inc.</u> (EI# 23-1728483, DE)
| <u>Kronos Optimal Health Company</u> (20-8064696, AZ)
| <u>*Life Insurance Company of North America</u> (EI# 23-1503749, NAIC # 65498, PA)
| <u>*Cigna & CMB Life Insurance Company Limited</u> | (remaining interest owned by an unaffiliated party)
| <u>Cigna Direct Marketing Company, Inc.</u>
| <u>Tel-Drug, Inc.</u>
| <u>Vielife Holdings Limited</u>
| <u>Vielife Limited</u>
| <u>Vielife Services, Inc.</u>
| <u>Businesshealth UK Limited</u>
| <u>CG Individual Tax Benefit Payments, Inc.</u>
| <u>CG Life Pension Benefits Payments, Inc.</u>
| <u>CG LINA Pension Benefits Payments, Inc.</u>
| <u>Cigna Federal Benefits, Inc.</u>
| <u>Cigna Healthcare Benefits, Inc.</u>
| <u>Cigna Integratedcare, Inc.</u>
| <u>Cigna Managed Care Benefits Company</u>
| <u>Cigna Re Corporation</u>
| <u>Blodget & Hazard Limited</u>
| <u>Cigna Resource Manager, Inc.</u>
| <u>Connecticut General Benefit Payments, Inc.</u>
| <u>Healthsource Benefits, Inc.</u>
| <u>IHN, Inc.</u>
| <u>LINA Benefit Payments, Inc.</u>
| <u>Mediversal, Inc.</u>
| <u>Universal Claims Administration</u>
| <u>Cigna Global Holdings, Inc.</u>
| <u>Cigna International Corporation, Inc.</u>
| <u>Cigna International Services, Inc.</u>
| <u>Cigna International Marketing (Thailand) Limited</u>
| <u>CGO Participatos LTDA</u>
| <u>YCFM Servicos LTDA</u>
| <u>*Cigna Global Reinsurance Company, Ltd.</u>
| <u>Cigna Holdings Overseas, Inc.</u>
| <u>Cigna Bellevue Alpha LLC</u>
| <u>Cigna Linden Holdings, Inc.</u>
| <u>Cigna Laurel Holdings, Ltd.</u>
| <u>Cigna Palmetto Holdings, Ltd.</u>
| <u>Cigna Apac Holdings Limited</u>
<u>Cigna Alder Holdings, LLC</u>
<u>Cigna Walnut Holdings, Ltd.</u>
<u>Cigna Chestnut Holdings, Ltd.</u>

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