



ANNUAL STATEMENT

For the Year Ended December 31, 2015
of the Condition and Affairs of the

Family Heritage Life Insurance Company of America

NAIC Group Code.....0290, 0290
(Current Period) (Prior Period)
Organized under the Laws of Ohio
Incorporated/Organized..... August 22, 1989
Statutory Home Office
Main Administrative Office
Mail Address
Primary Location of Books and Records
Internet Web Site Address
Statutory Statement Contact

NAIC Company Code..... 77968
State of Domicile or Port of Entry Ohio
6001 East Royalton Road, Suite 200..... Cleveland OH US 44147-3529
(Street and Number) (City or Town, State, Country and Zip Code)
6001 East Royalton Road, Suite 200..... Cleveland OH US..... 44147-3529 440-922-5200
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
P. O. Box 470608..... Cleveland OH US 44147-3529
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)
6001 East Royalton Road, Suite 200..... Cleveland OH US 44147-3529 440-922-5200
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
www.FamilyHeritageLife.com
John A. Wise
(Name)
acctdept@familyheritagelife.com
(E-Mail Address)
440-922-5200
(Area Code) (Telephone Number) (Extension)
440-922-5120
(Fax Number)

Employer's ID Number..... 34-1626521
Country of Domicile US
Commenced Business..... November 17, 1989

OFFICERS

Name	Title	Name	Title
1. Kenneth J. Matson	President	2. Ronald L. Sarosy	Treasurer/Chief Financial Officer
3. Maria Burnett #	Assistant Secretary	4. Jeffrey S. Morris	Actuary

OTHER

David S. Cochrane	Senior Vice President	Tony M. Martella #	Senior Vice President
R. Brian Mitchell #	Senior Vice President	Jeffrey S. Morris #	Senior Vice President
David K. Carlson	Vice President	Jeremy L. King #	Vice President
W. Michael Pressley	Vice President	Ronald L. Sarosy	Vice President
Joel P. Scarborough	Vice President	Eric W. Shanaberger	Vice President
Daniel T. Shelton	Vice President	Travis W. Korth	Assistant Vice President
Bret D. Mottl	Assistant Vice President	Tod K. Richardson #	Assistant Vice President
John A. Wise	Assistant Vice President	Maria Burnett #	Assistant Secretary
Carol A. McCoy	Assistant Secretary	Barbara S. Emig	Appointed Actuary
Eric Lenz #	Vice President		

DIRECTORS OR TRUSTEES

Ben W. Lutek	Kenneth J. Matson	Jeffrey S. Morris	Maria Burnett #
Frank M. Svoboda	Ronald L. Sarosy #		

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

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

(Signature) Kenneth J. Matson	(Signature) Ronald L. Sarosy	(Signature) Maria Burnett
1. (Printed Name) President	2. (Printed Name) Treasurer/Chief Financial Officer	3. (Printed Name) Assistant Secretary
(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	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	786,067,257		786,067,257	689,604,804
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 (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 (\$....931,738, Schedule E-Part 1), cash equivalents (\$....1,774,201, Schedule E-Part 2) and short-term investments (\$....7,679, Schedule DA).....	2,713,618		2,713,618	98,179
6. Contract loans (including \$.....0 premium notes).....	28,706		28,706	12,086
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....	16,400,737		16,400,737	7,851,524
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).....	805,210,318	0	805,210,318	697,566,593
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	6,089,296		6,089,296	4,698,640
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	4,855,885		4,855,885	3,857,686
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	18,128,098		18,128,098	4,444,571
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,878,347		1,878,347	702,859
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....	64,440,687		64,440,687	45,770,945
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	625,508		625,508	510,662
18.2 Net deferred tax asset.....	59,851,000	40,435,000	19,416,000	17,452,000
19. Guaranty funds receivable or on deposit.....	213,526		213,526	86,835
20. Electronic data processing equipment and software.....	278,096	107,506	170,590	144,498
21. Furniture and equipment, including health care delivery assets (\$.....0).....	28,406	28,406	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	3,746,031	3,746,031	.0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	965,345,198	44,316,943	921,028,255	775,235,289
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	965,345,198	44,316,943	921,028,255	775,235,289

DETAILS OF WRITE-INS

1101. ....			.0	
1102. ....			.0	
1103. ....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	.0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	.0	0
2501. Agent Balances.....	3,392,029	3,392,029	.0	
2502. Prepaid Expenses.....	313,498	313,498	.0	
2503. Other Assets Non-Admitted.....	40,504	40,504	.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).....	3,746,031	3,746,031	.0	0

Family Heritage Life Insurance Company of America

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Aggregate reserve for life contracts \$....32,979,901 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$....29,480,233 Modco Reserve).....	32,979,901	7,191,809
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	716,823,489	625,782,538
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	2,718,531	1,127,859
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	17,670,206	15,149,604
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	26,682	15,637
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....		
9.3 Other amounts payable on reinsurance, including \$....23,541 assumed and \$....27,597,752 ceded.....	27,621,293	17,357,477
9.4 Interest Maintenance Reserve (IMR, Line 6).....	3,024,192	3,826,065
10. Commissions to agents due or accrued - life and annuity contracts \$....25,800, accident and health \$....858,500 and deposit-type contract funds \$.....0.....	884,300	815,900
11. Commissions and expense allowances payable on reinsurance assumed.....	31,971,165	28,201,160
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	3,781,077	3,914,054
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).....	1,134,481	1,040,282
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....	4	
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	441,854	440,930
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).....	2,935,675	2,376,040
24.02 Reinsurance in unauthorized and certified (\$.....0) companies.....		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....		
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....		
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	697,013	589,168
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	842,709,863	707,828,523
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	842,709,863	707,828,523
29. Common capital stock.....	2,556,950	2,556,950
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	32,646,050	32,646,050
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	43,115,392	32,203,766
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).....	75,761,442	64,849,816
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	78,318,392	67,406,766
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	921,028,255	775,235,289

DETAILS OF WRITE-INS

2501. Unclaimed Property.....	697,013	589,168
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	697,013	589,168
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

Family Heritage Life Insurance Company of America
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)	254,139,871	237,029,155
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	33,304,471	29,174,877
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5)	1,210,276	1,316,924
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	119,594,608	66,560,186
7. Reserve adjustments on reinsurance ceded	10,499,198	531,958
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	12,500	12,973
9. Totals (Lines 1 to 8.3)	418,760,924	334,626,073
10. Death benefits	570,184	391,859
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)		
13. Disability benefits and benefits under accident and health contracts	55,039,976	49,874,848
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	94,645	43,439
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	15	3
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	116,829,043	87,538,790
20. Totals (Lines 10 to 19)	172,533,863	137,848,939
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	51,830,009	48,199,766
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	118,169,387	65,656,965
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	23,590,258	23,361,981
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	5,297,697	4,830,829
25. Increase in loading on deferred and uncollected premiums	15,744,894	25,487,723
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions	0	0
28. Totals (Lines 20 to 27)	387,166,108	305,386,203
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	31,594,816	29,239,870
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	31,594,816	29,239,870
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	12,427,720	11,257,986
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)	19,167,096	17,981,884
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....71,037 (excluding taxes of \$.....(83,603) transferred to the IMR)	(71,037)	75,694
35. Net income (Line 33 plus Line 34)	19,096,059	18,057,578
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	67,406,766	66,904,702
37. Net income (Line 35)	19,096,059	18,057,578
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....(156,000)	(290,656)	(9,322)
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	(1,644,000)	2,374,000
41. Change in nonadmitted assets	12,366,858	(2,446,612)
42. Change in liability for reinsurance in unauthorized and certified companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease		
44. Change in asset valuation reserve	(559,635)	(515,580)
45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts Statement		
48. Change in surplus notes		
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders	(18,057,000)	(16,958,000)
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)	10,911,626	502,064
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	78,318,392	67,406,766
DETAILS OF WRITE-INS		
08.301. Misc Income	12,500	12,973
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	12,500	12,973
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	223,767,442	207,002,862
2. Net investment income.....	18,986,634	12,873,619
3. Miscellaneous income.....	121,666,375	38,585,271
4. Total (Lines 1 through 3).....	364,420,451	258,461,752
5. Benefit and loss related payments.....	52,770,273	50,083,721
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	195,128,180	113,649,842
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	12,530,000	11,710,000
10. Total (Lines 5 through 9).....	260,428,453	175,443,563
11. Net cash from operations (Line 4 minus Line 10).....	103,991,998	83,018,189
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	16,287,025	73,043,057
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).....	16,287,025	73,043,057
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	99,703,335	132,631,961
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	8,776,322	7,137,410
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	108,479,657	139,769,371
14. Net increase (decrease) in contract loans and premium notes.....	16,620	8,732
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(92,209,252)	(66,735,046)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	18,057,000	16,958,000
16.6 Other cash provided (applied).....	8,889,693	(3,676,434)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(9,167,307)	(20,634,434)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	2,615,439	(4,351,291)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	98,179	4,449,470
19.2 End of year (Line 18 plus Line 19.1).....	2,713,618	98,179

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	2	Ordinary			6	Group		Accident and Health			12
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts.....	254,139,871		32,481,538						8,444,739		213,213,594	
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	33,304,471		451,605						229,939		32,622,927	
4. Amortization of Interest Maintenance Reserve (IMR).....	1,210,276										1,210,276	
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	119,594,608		118,615,735						39,913		938,960	
7. Reserve adjustments on reinsurance ceded.....	10,499,198		10,499,198									
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.....	12,500	0	0	0	0	0	0	0	0	0	12,500	0
9. Totals (Lines 1 to 8.3).....	418,760,924	0	162,048,076	0	0	0	0	0	8,714,591	0	247,998,257	0
10. Death benefits.....	570,184		570,184									
11. Matured endowments (excluding guaranteed annual pure endowments).....	0											
12. Annuity benefits.....	0											
13. Disability benefits and benefits under accident and health contracts.....	55,039,976								961,836		54,078,140	
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	94,645		94,645									
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	15		15									
18. Payments on supplementary contracts with life contingencies.....	0											
19. Increase in aggregate reserves for life and accident and health contracts.....	116,829,043		25,788,092						2,758,531		88,282,420	
20. Totals (Lines 10 to 19).....	172,533,863	0	26,452,936	0	0	0	0	0	3,720,367	0	142,360,560	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	51,830,009		885,101						2,816,528		48,128,380	
22. Commissions and expense allowances on reinsurance assumed.....	118,169,387		118,169,387									
23. General insurance expenses.....	23,590,258		473,579						880,786		22,235,893	
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	5,297,697		54,181						199,803		5,043,713	
25. Increase in loading on deferred and uncollected premiums.....	15,744,894		15,744,894									
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0											
27. Aggregate write-ins for deductions.....	0	0	0	0	0	0	0	0	0	0	0	0
28. Totals (Lines 20 to 27).....	387,166,108	0	161,780,078	0	0	0	0	0	7,617,484	0	217,768,546	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	31,594,816	0	267,998	0	0	0	0	0	1,097,107	0	30,229,711	0
30. Dividends to policyholders.....	0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	31,594,816	0	267,998	0	0	0	0	0	1,097,107	0	30,229,711	0
32. Federal income taxes incurred (excluding tax on capital gains).....	12,427,720		105,416						431,544		11,890,760	
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).....	19,167,096	0	162,582	0	0	0	0	0	665,563	0	18,338,951	0

DETAILS OF WRITE-INS

08.301. Misc Income.....	12,500										12,500	
08.302.	0											
08.303.	0											
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).....	12,500	0	0	0	0	0	0	0	0	0	12,500	0
2701.	0											
2702.	0											
2703.	0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0	0	0	0	0	0	0	0	0	0	0

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year.....	7,191,809		7,191,809					
2. Tabular net premiums or considerations.....	42,896,508		42,896,508					
3. Present value of disability claims incurred.....	0				XXX			
4. Tabular interest.....	743,331		743,331					
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).....	50,831,648	0	50,831,648	0	0	0	0	0
9. Tabular cost.....	12,217,111		12,217,111		XXX			
10. Reserves released by death.....	40,116		40,116	XXX	XXX			XXX
11. Reserves released by other terminations (net).....	5,594,520		5,594,520					
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).....	17,851,747	0	17,851,747	0	0	0	0	0
15. Reserve December 31, current year.....	32,979,901	0	32,979,901	0	0	0	0	0

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds.....	(a).....3,258,408	.....3,258,397
1.1	Bonds exempt from U.S. tax.....	(a).....	.....
1.2	Other bonds (unaffiliated).....	(a).....28,993,634	.....30,328,625
1.3	Bonds of affiliates.....	(a).....	.....
2.1	Preferred stocks (unaffiliated).....	(b).....	.....
2.11	Preferred stocks of affiliates.....	(b).....	.....
2.2	Common stocks (unaffiliated).....	.....	.....
2.21	Common stocks of affiliates.....	.....	.....
3.	Mortgage loans.....	(c).....	.....
4.	Real estate.....	(d).....	.....
5.	Contract loans.....	.....2,176	.....2,176
6.	Cash, cash equivalents and short-term investments.....	(e).....6,185	.....6,187
7.	Derivative instruments.....	(f).....	.....
8.	Other invested assets.....	.....526,245	.....581,919
9.	Aggregate write-ins for investment income.....	.....819,366	.....759,366
10.	Total gross investment income.....	.....33,606,014	.....34,936,670
11.	Investment expenses.....		(g).....1,579,578
12.	Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....
13.	Interest expense.....		(h).....28,730
14.	Depreciation on real estate and other invested assets.....		(i).....0
15.	Aggregate write-ins for deductions from investment income.....		.....23,891
16.	Total deductions (Lines 11 through 15).....		.....1,632,199
17.	Net investment income (Line 10 minus Line 16).....		.....33,304,471

DETAILS OF WRITE-INS

0901.	Agent Balances.....	.....819,355	.....759,355
0902.	Policy Reinstatement Interest.....	.....11	.....11
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).....	.....819,366	.....759,366
1501.	Amortization of Tax Credit Fund.....		.....23,891
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....23,891
(a)	Includes \$.....13,485,030 accrual of discount less \$.....507,926 amortization of premium and less \$.....723,636 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	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds.....		.....0		
1.1	Bonds exempt from U.S. tax.....		.....0		
1.2	Other bonds (unaffiliated).....	.....324,800	.....324,800	.....(255,761)	
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		
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	.....(190,895)	
9.	Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0
10.	Total capital gains (losses).....	.....324,800	.....324,800	.....(446,656)	.....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
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0

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

	1	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	Credit Life (Group and Individual)	6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected.....	2,662,002		2,017,678					56,175		588,149	
2. Deferred and accrued.....	34,144,420		34,144,420								
3. Deferred, accrued and uncollected:											
3.1 Direct.....	1,173,998		519,754					56,913		597,331	
3.2 Reinsurance assumed.....	35,642,344		35,642,344								
3.3 Reinsurance ceded.....	9,920							738		9,182	
3.4 Net (Line 1 + Line 2).....	36,806,422	0	36,162,098	0	0	0	0	56,175	0	588,149	0
4. Advance.....	19,223		19,223								
5. Line 3.4 - Line 4.....	36,787,199	0	36,142,875	0	0	0	0	56,175	0	588,149	0
6. Collected during year:											
6.1 Direct.....	40,200,864		1,005,154					2,993,701		36,202,009	
6.2 Reinsurance assumed.....	65,308,580		65,308,580								
6.3 Reinsurance ceded.....	66,094,478		65,310,152					37,233		747,093	
6.4 Net.....	39,414,966	0	1,003,582	0	0	0	0	2,956,468	0	35,454,916	0
7. Line 5 + Line 6.4.....	76,202,165	0	37,146,457	0	0	0	0	3,012,643	0	36,043,065	0
8. Prior year (uncollected + deferred and accrued - advance)....	30,572,925		29,991,525					41,460		539,940	
9. First year premiums and considerations:											
9.1 Direct.....	40,234,211		974,563					3,008,788		36,250,860	
9.2 Reinsurance assumed.....	71,490,521		71,490,521								
9.3 Reinsurance ceded.....	66,095,492		65,310,152					37,605		747,735	
9.4 Net (Line 7 - Line 8).....	45,629,240	0	7,154,932	0	0	0	0	2,971,183	0	35,503,125	0
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	0
RENEWAL											
11. Uncollected.....	4,431,883		1,207,313					100,218		3,124,352	
12. Deferred and accrued.....	23,292,035		23,292,035								
13. Deferred, accrued and uncollected:											
13.1 Direct.....	4,083,025		842,118					100,548		3,140,359	
13.2 Reinsurance assumed.....	23,658,309		23,658,309								
13.3 Reinsurance ceded.....	17,416		1,079					330		16,007	
13.4 Net (Line 11 + Line 12).....	27,723,918	0	24,499,348	0	0	0	0	100,218	0	3,124,352	0
14. Advance.....	7,459		7,459								
15. Line 13.4 - Line 14.....	27,716,459	0	24,491,889	0	0	0	0	100,218	0	3,124,352	0
16. Collected during year:											
16.1 Direct.....	185,522,787		1,419,215					5,475,565		178,628,007	
16.2 Reinsurance assumed.....	23,911,761		23,911,761								
16.3 Reinsurance ceded.....	25,125,218		23,992,486					27,160		1,105,572	
16.4 Net.....	184,309,330	0	1,338,490	0	0	0	0	5,448,405	0	177,522,435	0
17. Line 15 + Line 16.4.....	212,025,789	0	25,830,379	0	0	0	0	5,548,623	0	180,646,787	0
18. Prior year (uncollected + deferred and accrued - advance)....	3,515,158		503,773					75,067		2,936,318	
19. Renewal premiums and considerations:											
19.1 Direct.....	186,077,563		1,756,444					5,500,844		178,820,275	
19.2 Reinsurance assumed.....	47,562,611		47,562,611								
19.3 Reinsurance ceded.....	25,129,543		23,992,449					27,288		1,109,806	
19.4 Net (Line 17 - Line 18).....	208,510,631	0	25,326,606	0	0	0	0	5,473,556	0	177,710,469	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct.....	226,311,774	0	2,731,007	0	0	0	0	8,509,632	0	215,071,135	0
20.2 Reinsurance assumed.....	119,053,132	0	119,053,132	0	0	0	0	0	0	0	0
20.3 Reinsurance ceded.....	91,225,035	0	89,302,601	0	0	0	0	64,893	0	1,857,541	0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	254,139,871	0	32,481,538	0	0	0	0	8,444,739	0	213,213,594	0

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	0										
22. All other.....	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded.....	112,937,231		112,235,044					33,286		668,901	
23.2 Reinsurance assumed.....	111,908,503		111,908,503								
23.3 Net ceded less assumed.....	1,028,728	0	326,541	0	0	0	0	33,286	0	668,901	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.....	6,657,377		6,380,691					6,627		270,059	
25.2 Reinsurance assumed.....	6,260,884		6,260,884								
25.3 Net ceded less assumed.....	396,493	0	119,807	0	0	0	0	6,627	0	270,059	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	119,594,608	0	118,615,735	0	0	0	0	39,913	0	938,960	0
26.2 Reinsurance assumed (Page 6, Line 22).....	118,169,387	0	118,169,387	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed.....	1,425,221	0	446,348	0	0	0	0	39,913	0	938,960	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	30,838,307		749,496					2,196,329		27,892,482	
28. Single.....	0										
29. Renewal.....	20,991,702		135,605					620,199		20,235,898	
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	51,830,009	0	885,101	0	0	0	0	2,816,528	0	48,128,380	0

Family Heritage Life Insurance Company of America
EXHIBIT 2 - GENERAL EXPENSES

		Insurance				5	6
		1	Accident and Health		4		
			2	3			
		Life	Cost Containment	All Other	All Other Lines of Business	Investment	Total
1.	Rent.....	12,000		839,636			851,636
2.	Salaries and wages.....	163,000		11,850,948			12,013,948
3.11	Contributions for benefit plans for employees.....	19,000		1,395,337			1,414,337
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.....			358,845			358,845
3.32	Other agent welfare.....						0
4.1	Legal fees and expenses.....			39,341			39,341
4.2	Medical examination fees.....						0
4.3	Inspection report fees.....	58,795					58,795
4.4	Fees of public accountants and consulting actuaries.....			237,073			237,073
4.5	Expense of investigation and settlement of policy claims.....			183,703			183,703
5.1	Traveling expenses.....			1,029,835			1,029,835
5.2	Advertising.....			162,338			162,338
5.3	Postage, express, telegraph and telephone.....	5,398		498,515			503,913
5.4	Printing and stationery.....	38		881,465			881,503
5.5	Cost or depreciation of furniture and equipment.....			7,569			7,569
5.6	Rental of equipment.....			151,738			151,738
5.7	Cost or depreciation of EDP equipment and software.....			568,036			568,036
6.1	Books and periodicals.....			91,703			91,703
6.2	Bureau and association fees.....			31,087			31,087
6.3	Insurance, except on real estate.....			42,784			42,784
6.4	Miscellaneous losses.....						0
6.5	Collection and bank service charges.....					183,578	183,578
6.6	Sundry general expenses.....	356		181,551			181,907
6.7	Group service and administration fees.....						0
6.8	Reimbursements by uninsured plans.....						0
7.1	Agency expense allowance.....						0
7.2	Agents' balances charged off (less \$.....0 recovered).....			319,798			319,798
7.3	Agency conferences other than local meetings.....			1,104,940			1,104,940
9.1	Real estate expenses.....						0
9.2	Investment expenses not included elsewhere.....					1,396,000	1,396,000
9.3	Aggregate write-ins for expenses.....	214,992	0	3,140,437	0	0	3,355,429
10.	General expenses Incurred.....	473,579	0	23,116,679	0	1,579,578	(a)... 25,169,836
11.	General expenses unpaid December 31, prior year.....	14,050		3,876,204		23,800	3,914,054
12.	General expenses unpaid December 31, current year.....	26,750		3,733,627		20,700	3,781,077
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).....	460,879	0	23,259,256	0	1,582,678	25,302,813
DETAILS OF WRITE-INS							
09.301.	Consultant Fees.....	1,207		61,185			62,392
09.302.	Agency Conf - Local.....			(449)			(449)
09.303.	Recruiting Expenses.....			148,817			148,817
09.398.	Summary of remaining write-ins for Line 9.3 from overflow page.....	213,785	0	2,930,884	0	0	3,144,669
09.399.	Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	214,992	0	3,140,437	0	0	3,355,429

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

		Insurance			4	5
		1	2	3	Investment	Total
		Life	Accident and Health	All Other Lines of Business		
1.	Real estate taxes.....	.....	.....	.....	.....	.....0
2.	State insurance department licenses and fees.....	2,576	270,939	.....	.....	273,515
3.	State taxes on premiums.....	43,365	4,126,355	.....	.....	4,169,720
4.	Other state taxes, including \$.....0 for employee benefits.....	.....	14,835	.....	.....	14,835
5.	U.S. Social Security taxes.....	6,700	684,414	.....	.....	691,114
6.	All other taxes.....	1,540	146,973	.....	.....	148,513
7.	Taxes, licenses and fees incurred.....	54,181	5,243,516	0	0	5,297,697
8.	Taxes, licenses and fees unpaid December 31, prior year.....	8,000	1,032,282	.....	.....	1,040,282
9.	Taxes, licenses and fees unpaid December 31, current year.....	11,000	1,123,481	.....	.....	1,134,481
10.	Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	51,181	5,152,317	0	0	5,203,498

EXHIBIT 4 - DIVIDENDS OR REFUNDS

		1	2
		Life	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	0
0899.	Totals (Line 0801 thru 0803 plus 0898) (Line 8 above).....	0	0

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
Life Insurance:					
0100001. 80 CSO 4.5% NLP IDB 01-06.....	.....123,905	.....	.....123,905	.....	.....
0100002. 2001 CSO 4.0% NLP IDB 07-12.....	.....295,062	.....	.....295,062	.....	.....
0100003. 2001 CSO 3.5% NLP IDB 13 - NB.....	.....670	.....	.....670	.....	.....
0100004. 01 CSO 4.0% CRVM, IDB 07-12.....	.....1,178,392	.....	.....1,178,392	.....	.....
0100005. 01 CSO 4.25% CRVM, IDB 07-12.....	.....746,521	.....	.....746,521	.....	.....
0100006. 01 CSO 3.5% CRVM, IDB NB.....	.....750,820	.....	.....750,820	.....	.....
0100007. 01 CSO 3.75% CRVM, IDB NB.....	.....360,046	.....	.....360,046	.....	.....
0100008. 01 CSO 3.50% CRVM ALB 13-14.....	.....23,711,350	.....	.....23,711,350	.....	.....
0100009. 01 CSO 3.50% NLP ALB 13-14.....	.....434,699	.....	.....434,699	.....	.....
0100010. 01 CSO 4.00% CRVM ALB 06-14.....	.....4,802	.....	.....4,802	.....	.....
0199997. Totals (Gross).....	.....27,606,267	.....0	.....27,606,267	.....0	.....0
0199998. Reinsurance ceded.....	.....13,373	.....	.....13,373	.....	.....
0199999. Totals (Net).....	.....27,592,894	.....0	.....27,592,894	.....0	.....0
Accidental Death Benefits:					
0400001. 59 ADB 4.50% NLP IDB 01-06.....	.....5,038	.....	.....5,038	.....	.....
0400002. 59 ADB 4.00% NLP IDB 07.....	.....16,579	.....	.....16,579	.....	.....
0400003. 59 ADB 3.00% ALB NLP IDB NB 07-NB.....	.....36,008	.....	.....36,008	.....	.....
0400004. 59 ADB & 58 CSO ANB 3.00% NLP.....	.....17	.....	.....17	.....	.....
0400005. 59 ADB & 80 CSO ANB 3.00% NLP.....	.....2,505,212	.....	.....2,505,212	.....	.....
0400006. UNEARNED PREMIUM.....	.....9,918	.....	.....9,918	.....	.....
0499997. Totals (Gross).....	.....2,572,772	.....0	.....2,572,772	.....0	.....0
0499999. Totals (Net).....	.....2,572,772	.....0	.....2,572,772	.....0	.....0
Disability - Active Lives:					
0500001. 52 INTERCOMPANY DISABILITY.....	.....899,100	.....	.....899,100	.....	.....
0599997. Totals (Gross).....	.....899,100	.....0	.....899,100	.....0	.....0
0599999. Totals (Net).....	.....899,100	.....0	.....899,100	.....0	.....0
Miscellaneous Reserves:					
0700001. DEFICIENCY RESERVES.....	.....135,437	.....	.....135,437	.....	.....
0700002. GIO.....	.....503,894	.....	.....503,894	.....	.....
0700003. NON-DEDUCTION OF DEFERRED FRACTIONAL PREMIUMS.....	.....158,696	.....	.....158,696	.....	.....
0700004. SUBSTANDARD.....	.....1,117,108	.....	.....1,117,108	.....	.....
0799997. Totals (Gross).....	.....1,915,135	.....0	.....1,915,135	.....0	.....0
0799999. Totals (Net).....	.....1,915,135	.....0	.....1,915,135	.....0	.....0
9999999. Totals (Net) - Page 3, Line 1.....	.....32,979,901	.....0	.....32,979,901	.....0	.....0

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non- Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	10,011,379	493,690			20,855	9,496,834			
2. Additional contract reserves (a).....	705,733,661	5,001,944			108,103	700,623,614			
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).....	715,745,040	5,495,634	0	0	128,958	710,120,448	0	0	0
8. Reinsurance ceded.....	1,160,144	30,057			18,416	1,111,671			
9. Totals (Net).....	714,584,896	5,465,577	0	0	110,542	709,008,777	0	0	0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	2,238,593	102,143			5,217	2,131,233			
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).....	2,238,593	102,143	0	0	5,217	2,131,233	0	0	0
15. Reinsurance ceded.....	0								
16. Totals (Net).....	2,238,593	102,143	0	0	5,217	2,131,233	0	0	0
17. TOTALS (Net).....	716,823,489	5,567,720	0	0	115,759	711,140,010	0	0	0
18. TABULAR FUND INTEREST.....	0								

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	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	.....0					
2. Deposits received during the year.....	.....0					
3. Investment earnings credited to the account.....	.....0					
4. Other net change in reserves.....	.....0					
5. Fees and other charges assessed.....	.....0					
6. Surrender charges.....	.....0					
7. Net surrender or withdrawal payments.....	.....0					
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).....	.....0	.....0	.....0	.....0	.....0	.....0
10. Reinsurance balance at the beginning of the year.....	.....0					
11. Net change in reinsurance assumed.....	.....0					
12. Net change in reinsurance ceded.....	.....0					
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	.....0	.....0	.....0	.....0	.....0	.....0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	.....0	.....0	.....0	.....0	.....0	.....0

NONE

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct.....	2,476,480								4,201		2,472,279
1.2 Reinsurance assumed.....	1,841,531		1,841,531								
1.3 Reinsurance ceded.....	0										
1.4 Net.....	4,318,011	0	1,841,531	0	0	0	0	0	4,201	0	2,472,279
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.....	98,093										98,093
2.22 Reinsurance assumed.....	0										
2.23 Reinsurance ceded.....	0										
2.24 Net.....	98,093	0	(b).....0	(b).....0	0	(b).....0	(b).....0	0	(b).....0	(b).....0	(b).....98,093
3. Incurred but unreported:											
3.1 Direct.....	16,700,185		1,148,000						749,046		14,803,139
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	727,552		271,000						19,000		437,552
3.4 Net.....	15,972,633	0	(b).....877,000	(b).....0	0	(b).....0	(b).....0	0	(b).....730,046	(b).....0	(b).....14,365,587
4. Totals:											
4.1 Direct.....	19,274,758	0	1,148,000	0	0	0	0	0	753,247	0	17,373,511
4.2 Reinsurance assumed.....	1,841,531	0	1,841,531	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	727,552	0	271,000	0	0	0	0	0	19,000	0	437,552
4.4 Net.....	20,388,737	(a).....0	(a).....2,718,531	0	0	0	(a).....0	0	734,247	0	16,935,959

(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	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1. Settlements during the year:											
1.1 Direct.....	52,836,802		166,534						747,084		51,923,184
1.2 Reinsurance assumed.....	4,951,700		4,951,700								
1.3 Reinsurance ceded.....	5,114,128		4,963,234						3,990		146,904
1.4 Net.....(d)	52,674,374	0	155,000	0	0	0	0	0	743,094	0	51,776,280
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	19,274,758	0	1,148,000	0	0	0	0	0	753,247	0	17,373,511
2.2 Reinsurance assumed.....	1,841,531	0	1,841,531	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded.....	727,552	0	271,000	0	0	0	0	0	19,000	0	437,552
2.4 Net.....	20,388,737	0	2,718,531	0	0	0	0	0	734,247	0	16,935,959
3. Amounts recoverable from reinsurers Dec. 31, current year.....	1,878,347		1,878,347								
4. Liability December 31, prior year:											
4.1 Direct.....	16,124,250		634,000						515,505		14,974,745
4.2 Reinsurance assumed.....	702,859		702,859								
4.3 Reinsurance ceded.....	549,646		209,000								340,646
4.4 Net.....	16,277,463	0	1,127,859	0	0	0	0	0	515,505	0	14,634,099
5. Amounts recoverable from reinsurers Dec. 31, prior year.....	702,859		702,859								
6. Incurred benefits:											
6.1 Direct.....	55,987,310	0	680,534	0	0	0	0	0	984,826	0	54,321,950
6.2 Reinsurance assumed.....	6,090,372	0	6,090,372	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded.....	6,467,522	0	6,200,722	0	0	0	0	0	22,990	0	243,810
6.4 Net.....	55,610,160	0	570,184	0	0	0	0	0	961,836	0	54,078,140

(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.....			.....0
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.....	.....40,435,000	.....43,887,000	.....3,452,000
19. Guaranty funds receivable or on deposit.....			.....0
20. Electronic data processing equipment and software.....	.....107,506	.....169,720	.....62,214
21. Furniture and equipment, including health care delivery assets.....	.....28,406	.....17,637	.....(10,769)
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.....0
23. Receivables from parent, subsidiaries and affiliates.....			.....0
24. Health care and other amounts receivable.....			.....0
25. Aggregate write-ins for other than invested assets.....	.....3,746,031	.....12,609,444	.....8,863,413
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....44,316,943	.....56,683,801	.....12,366,858
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0
28. TOTALS (Lines 26 and 27).....	.....44,316,943	.....56,683,801	.....12,366,858

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 Assets Non-Admitted.....	.....40,504	.....40,497	.....(7)
2502. Agent Balances.....	.....3,392,029	.....11,989,781	.....8,597,752
2503. Prepaid Expenses.....	.....313,498	.....579,166	.....265,668
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).....	.....3,746,031	.....12,609,444	.....8,863,413

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies and Going Concern

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

A. Accounting Practices

	State of Domicile	2015	2014
NET INCOME			
(1) Family Heritage Life Insurance Company of America state basis (Page 4, Line 35, Columns 1 & 2)	OH	\$ 19,096,059	\$ 18,057,578
(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	\$ 19,096,059	\$ 18,057,578
SURPLUS			
(5) Family Heritage Life Insurance Company of America state basis (Page 3, line 37, Columns 1 & 2)	OH	\$ 78,318,392	\$ 67,406,766
(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	\$ 78,318,392	\$ 67,406,766

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

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

C. Accounting Policy

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

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the yield to worst method.
3. Common stocks - not applicable
4. Preferred stocks - not applicable
5. Mortgage loans - not applicable
6. Loan-backed securites - not applicable
7. Investments in subsidiaries, controlled and affiliated entities - not applicable
8. The Company has a 50% interest in a joint venture which owns the Company's home office site. This investment is based on the underlying audited GAAP equity of the entity at December 31, 2015. The Company's liability is limited to its amount invested.
9. Derivatives - not applicable
10. Premium deficiency calculation - not applicable
11. Liabilities for losses and loss/claim adjustment expenses for accident and health contracts are estimated by the Company's valuation actuary using statistical claim development models and tabular reserves employing mortality/morbidity tables.
12. The Company has not modified its capitalization policy from the prior period.
13. Pharmaceutical rebate receivables - not applicable

D. Valuation of Going Concern

After evaluating the entity's ability to continue as a going concern, management was not aware of any conditions or events which raised substantial doubts concerning the entity's ability to continue as a going concern as of the date of the filing of this statement.

NOTES TO FINANCIAL STATEMENTS

Note 2 - Accounting Changes and Corrections of Errors

Not applicable

Note 3 - Business Combinations and Goodwill

Not applicable

Note 4 - Discontinued Operations

Not applicable

Note 5 - Investments

- A. Mortgage Loans - Not applicable
- B. Debt Restructuring - Not applicable
- C. Reverse Mortgages - Not applicable
- D. Loan-Backed Securities

As of 12/31/2015, the Company does not own any residential or commercial mortgage-backed securities or other structured securities.
- E. Repurchase Agreements and/or Securities Lending Transactions - Not applicable
- F. Real Estate - Not applicable
- G. Low Income Housing Tax Credits
 - 1) There are 2 years of remaining unexpired tax credits for low-incoming housing investments, with a required holding period of 7 years.
 - 2) The amount of LIHTC and other tax benefits recognized were \$27,391 and \$39,372 during 2015 and 2014, respectively.
 - 3) The balance of the investment recognized in the statement of financial position at December 31, 2015 and 2014 was \$90,547 and \$125,363, respectively.
 - 4) Currently the LIHTC property is not subject to any regulatory reviews
 - 5) Not applicable
 - 6) Not applicable
 - 7) Not applicable

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

(1) Restricted Assets (Including Pledged)

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting S/A Restricted Assets (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown										
b. Collateral held under security lending arrangements										
c. Subject to repurchase agreements										
d. Subject to reverse repurchase agreements										
e. Subject to dollar repurchase agreements										
f. Subject to dollar reverse repurchase agreements										
g. Placed under option contracts										
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock										
i. FHLB capital stock										
j. On deposit with states	4,315,614				4,315,614	8,414,322	(4,098,708)	4,315,614	0.447	0.469
k. On deposit with other regulatory bodies										
l. Pledged as collateral to FHLB (including assets backing funding agreements)										
m. Pledged as collateral not captured in other categories										
n. Other restricted assets										
o. Total Restricted Assets	\$ 4,315,614	\$	\$	\$	\$ 4,315,614	\$ 8,414,322	\$ (4,098,708)	\$ 4,315,614	0.447	0.469%

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

- I. Working capital finance investments - Not applicable
- J. Offsetting and netting of assets and liabilities - Not applicable
- K. Structured notes - Not applicable

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investment in joint ventures, partnerships, or limited liability companies that exceeds 10% of its admitted assets.
- B. There was no impairment to the Company's only investment in a joint venture.

Note 7 - Investment Income

No investment income due or accrued was nonadmitted as December 31, 2015.

Note 8 - Derivative Instruments

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 9 - Income Taxes

A. Deferred Tax Assets/(Liabilities)

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

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 47,527,000	\$ 19,145,000	\$ 66,672,000	\$ 42,836,000	\$ 20,471,000	\$ 63,307,000	\$ 4,691,000	\$ (1,326,000)	\$ 3,365,000
b. Statutory valuation allowance adjustment	0	0	0	0	0	0	0	0	0
c. Adjusted gross deferred tax assets (1a-1b)	47,527,000	19,145,000	66,672,000	42,836,000	20,471,000	63,307,000	4,691,000	(1,326,000)	3,365,000
d. Deferred tax assets nonadmitted	25,863,000	14,572,000	40,435,000	28,104,000	15,783,000	43,887,000	(2,241,000)	(1,211,000)	(3,452,000)
e. Subtotal net admitted deferred tax asset (1c-1d)	21,664,000	4,573,000	26,237,000	14,732,000	4,688,000	19,420,000	6,932,000	(115,000)	6,817,000
f. Deferred tax liabilities	6,808,000	13,000	6,821,000	1,889,000	79,000	1,968,000	4,919,000	(66,000)	4,853,000
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 14,856,000	\$ 4,560,000	\$ 19,416,000	\$ 12,843,000	\$ 4,609,000	\$ 17,452,000	\$ 2,013,000	\$ (49,000)	\$ 1,964,000

2. Admission Calculation Components

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 14,856,000	\$ 3,931,000	\$ 18,787,000	\$ 12,843,000	\$ 12,000	\$ 12,855,000	\$ 2,013,000	\$ 3,919,000	\$ 5,932,000
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	0	629,000	629,000	0	4,597,000	4,597,000	0	(3,968,000)	(3,968,000)
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	0	629,000	629,000	0	4,597,000	4,597,000	0	(3,968,000)	(3,968,000)
Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	8,810,000	XXX	XXX	7,472,000	XXX	XXX	1,338,000
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	6,808,000	13,000	6,821,000	1,889,000	79,000	1,968,000	4,919,000	(66,000)	4,853,000
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	\$ 21,664,000	\$ 4,573,000	\$ 26,237,000	\$ 14,732,000	\$ 4,688,000	\$ 19,420,000	\$ 6,932,000	\$ (115,000)	\$ 6,817,000

NOTES TO FINANCIAL STATEMENTS

3. Other Admissibility Criteria

		2015	2014
a.	Ratio percentage used to determine recovery period and threshold limitation amount	1,038.000%	989.000%
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 61,838,067	\$ 52,330,806

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	12/31/15		12/31/14		Change	
	1	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col. 1-3) Ordinary	(Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 47,527,000	\$ 19,145,000	\$ 42,836,000	\$ 20,471,000	\$ 4,691,000	\$ (1,326,000)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0 %	3.000%	0 %	0 %	0 %	3.000%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 21,664,000	\$ 4,573,000	\$ 14,732,000	\$ 4,688,000	\$ 6,932,000	\$ (115,000)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	5.000%	14.000%	6.000%	11.000%	(1.000)%	3.000%

(b) Does the company's tax planning strategies include the use of reinsurance? YES

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

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

	12/31/2015			12/31/2014			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
Net deferred tax asset (liability)	40,719,000	19,132,000	59,851,000	40,947,000	20,392,000	61,339,000	(228,000)	(1,260,000)	(1,488,000)
- Tax - effect of unrealized gains and losses	0	77,000	77,000	0	(79,000)	(79,000)	0	156,000	156,000
- Tax - effect of other surplus gains and losses	0	0	0	0	0	0	0	0	0
- Prior period adjustment, unrealized gain and losses	0	0	0	0	0	0	0	0	0
Net tax effect without unrealized gains and losses and prior period adjustments	40,719,000	19,055,000	59,774,000	40,947,000	20,471,000	61,418,000	(228,000)	(1,416,000)	(1,644,000)

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2015	2014	(Col 1-2) Change
a. Federal	\$ 12,427,720	\$ 11,257,986	\$ 1,169,734
b. Foreign	-	-	-
c. Subtotal	\$ 12,427,720	\$ 11,257,986	\$ 1,169,734
d. Federal income tax on net capital gains	(12,566)	3,337	(15,903)
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	-	-
g. Federal and Foreign income taxes incurred	\$ 12,415,154	\$ 11,261,323	\$ 1,153,831

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets

	1	2	3
	2015	2014	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ -	\$ -	\$ -
2. Unearned premium reserve	-	-	-
3. Policyholder reserves	16,925,000	12,155,000	4,770,000
4. Investments	-	-	-
5. Deferred acquisition costs	21,311,000	17,608,000	3,703,000
6. Policyholder dividends accrual	-	-	-
7. Fixed assets	-	-	-
8. Compensation and benefits accrual	-	-	-
9. Pension accrual	-	-	-
10. Receivables - nonadmitted	-	-	-
11. Net operating loss carry-forward	-	-	-
12. Tax credit carry-forward	-	-	-
13. Agent balances	1,187,000	4,196,000	(3,009,000)
14. Prepays	110,000	203,000	(93,000)
15. Intangibles	7,829,000	8,490,000	(661,000)
16. Other (including items <5% of total ordinary tax assets)	165,000	184,000	(19,000)
99. Subtotal	\$ 47,527,000	\$ 42,836,000	\$ 4,691,000
b. Statutory valuation allowance adjustment	-	-	-
c. Nonadmitted	25,863,000	28,104,000	(2,241,000)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 21,664,000	\$ 14,732,000	\$ 6,932,000
e. Capital:			
1. Investments	\$ 18,462,000	\$ 19,911,000	\$ (1,449,000)
2. Net capital loss carry-forward	71,000	-	71,000
3. Real estate	-	-	-
4. Other (including items <5% of total capital tax assets)	612,000	560,000	52,000
99. Subtotal	\$ 19,145,000	\$ 20,471,000	\$ (1,326,000)
f. Statutory valuation allowance adjustment	-	-	-
g. Nonadmitted	14,572,000	15,783,000	(1,211,000)
h. Admitted capital deferred tax assets (2e99-2f-2g)	4,573,000	4,688,000	(115,000)
i. Admitted deferred tax assets (2d+2h)	\$ 26,237,000	\$ 19,420,000	\$ 6,817,000

3. Deferred Tax Liabilities

	1	2	3
	2015	2014	(Col 1–2) Change
a. Ordinary:			
1. Investments	\$ -	\$ -	\$ -
2. Fixed assets	23,000	78,000	(55,000)
3. Deferred and uncollected premium	6,690,000	1,648,000	5,042,000
4. Policyholder reserves	-	-	-
5. Other (including items <5% of total ordinary tax liabilities)	95,000	163,000	(68,000)
99. Subtotal	\$ 6,808,000	\$ 1,889,000	\$ 4,919,000
b. Capital:			
1. Investments	\$ -	\$ -	\$ -
2. Real estate	-	-	-
3. Other (including items <5% of total capital tax liabilities)	13,000	79,000	(66,000)
99. Subtotal	13,000	79,000	(66,000)
c. Deferred tax liabilities (3a99+3b99)	\$ 6,821,000	\$ 1,968,000	\$ 4,853,000

4.	Net Deferred Tax Assets (2i – 3c)	\$ 19,416,000	\$ 17,452,000	\$ 1,964,000
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NOTES TO FINANCIAL STATEMENTS

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

	12/31/2015	12/31/2014	Change
(1) Current income taxes incurred	12,415,154	11,261,323	1,153,831
(2) Change in deferred income tax (without tax on unrealized gains and losses or foreign exchange gains and losses	1,644,000	(2,374,000)	4,018,000
(3) Total income tax reported	14,059,154	8,887,323	5,171,831
(4) Net gain from operations before federal income tax and realized gains	31,594,816	29,239,870	2,354,946
(5) Realized capital gains (losses) before federal income tax, after transfer to IMR	(83,603)	79,032	(162,635)
(6) Income before taxes	31,511,213	29,318,902	2,192,311
35%		35%	35%
Expected income tax expense (benefit) at 35% statutory rate	11,028,925	10,261,616	767,309
Increase (decrease) in actual tax reported resulting from:			
a. Nondeductible expenses	219,000	213,000	6,000
b. Tax adjustment for IMR	(281,000)	(494,000)	213,000
c. Deferred tax benefit on nonadmitted assets	3,120,000	(1,092,000)	4,212,000
d. Tax credits	(27,000)	(37,000)	10,000
- e. Prior year adjustments	(1,125)	(719)	(406)
f. Other - Miscellaneous	354	36,426	(36,073)
(7) Total income tax reported	14,059,154	8,887,323	5,171,831

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

- (1) As of December 31, 2015, the Company has no net operating loss or tax credit carryforwards.
- (2) The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

Year	Amount
2015	\$ 12,459,946
2014	\$ 11,212,018
2013	\$ 11,864,592

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

F. Consolidated Federal Income Tax Return - Not applicable

G. Federal or Foreign Federal Income Tax Loss Contingencies - Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

- A. Common stock ownership of the Company and affiliates is shown in the chart on Schedule Y. All companies are 100% owned except where indicated otherwise.
- B. During 2015, \$18,057,000 in dividends were paid to the Company's parent, TMK as detaied in note 13 below.

Effective January 1, 2014, the Company entered into reinsurance agreements with two affiliates:

- 1) Coinsurance agreement - The Company assumes from American Income Life, on a 50% quota share basis, the risks on life policies issued in the United States (excluding New York) on or after the effective date.
- 2) Modified coinsurance agreement - The Company cedes to Liberty National Life*, on a 100% quota share basis, the life policies that were assumed from American Income Life as noted above. The company will retain, control, and own all assets for the modified coinsurance reserve.
- * - Liberty National Life replaced United American, both Company affiliates, effective 10/01/2015 through a novation agreement.

The Company borrowed \$1,000,000 from its ultimate parent, Torchmark Corporation, on May 13, 2015 at an interest rate of 3.25%. The borrowings were repaid in full on May 18, 2015. Total interest paid was \$451.

The Company borrowed \$4,000,000 from its ultimate parent, Torchmark Corporation, on June 12, 2015 at an interest rate of 3.25%. The borrowings were repaid in full on June 23, 2015. Total interest paid was \$3,972.

On 09/28/2015 the Company sold agent balances of \$9,849,761 to it's ultimate parent, Torchmark Corporation. The Company will repurchase this amount over the next twelve months.

On 12/31/2015 the Company sold agent balances of \$2,453,241 to it's ultimate parent, Torchmark Corporation. The Company will repurchase this amount over the next twelve months.

- C. Nothing to report.
- D. Based on intercompany resinsurance agreements (described in section B above),

The Company reported \$6,337,995 as amounts due to American Income Life at December 31, 2015.

The Company reported \$11,285,734 as amounts due from Liberty National Life at December 31, 2015.
- E. There are no guarantees or undertakings for the benefit of affiliated party, other than that disclosed in these Notes.
- F. The Company's investment management function is managed by Torchmark Corp. under the master services agreement with Torchmark discussed below. The fee for these services is based on the total value of the securities managed. For the 2015 reporting period, Investment fees paid to Torchmark totaled \$1,396,000.

The Company has a separate service agreement with Torchmark Corporation to provide a wide variety of possible services. The Torchmark agreement is a master service agreement with the Company and the other insurance affiliates. The fee is based on the ratio of certain expenses at the affiliate level to comparable Torchmark consolidated expenses applied to Torchmark's total operating expenses for the prior year. For the 2015 reporting period, management fees paid to Torchmark Corp totaled \$3,324,000.

These fees are paid on a monthly basis.

- G. All outstanding shares of the Company are held by Torchmark Corporation.

H., I., J, K, L, M and N. - Not applicable

Note 11 - Debt

A & B - None.

NOTES TO FINANCIAL STATEMENTS

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

- A., B, C, & D - Not applicable
- E. Defined Contribution Plan

The Company participates in a defined contribution thrift plan covering substantially all employees. The liability for the plan is maintained at the holding company level. The thrift plan is funded by employee contributions that are matched by the Company based on a percentage of such contributions. Company contributions approximated \$231,000 and \$191,000 for the years ended December 31, 2015 and 2014, respectively.

- F. Multiemployer Plans - Not applicable
- G. Consolidated/Holding Company Plans - Not applicable
- H. Compensated absences/vacation pay is recorded in accordance with SSAP No. 11.
- I. Impact of Medicare Modernization Act on Postretirement Benefits - Not applicable

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

1. The Company's capital is common stock; 2000 shares are authorized: 1,000 shares are Class A stock at \$12,000 per share and another 1,000 shares are Class B Stock at \$1.00 per share. 213 Class A shares (\$12,000 per share par value) and 950 Class B shares (\$1.00 per share par value) are issued and outstanding at 12/31/2015. There are no other classes of capital stock.
2. The Company has no preferred stock.
- 3., 4. and 5. Dividends on company stock are paid as declared by its Board of Directors and are subject to regulations of the State of Ohio.

	DECLARED	PAID
\$1,099,000 ordinary dividend	03/16/2015	03/27/2015
\$1,458,000 ordinary dividend	03/31/2015	04/13/2015
\$5,200,000 ordinary dividend	05/22/2015	06/05/2015
\$5,200,000 ordinary dividend	08/21/2015	09/03/2015
\$5,100,000 extraordinary dividend	10/13/2015	11/18/2015

- 6., 7., 8., & 9. Not applicable
10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) is as follows:

Unrealized gain on joint venture	\$35,926
Unrealized loss on bonds	(255,761)
Total	(\$219,835)

- 11, 12 and 13. - Not applicable

Note 14 - Liabilities, Contingencies, and Assessments

- A. Contingent Commitments - None
- B. Assessments - None
- C. Gain Contingencies - None
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits - Not applicable
- E. Joint and Several liabilities - None
- F. All Other Contingencies

Various liabilities arise in the normal course of the Company's business and have been recorded. We believe that any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position

NOTES TO FINANCIAL STATEMENTS

Note 15 - Leases

A. Lessee Operating Lease

The Company leases office space, furniture and equipment under various noncancelable operating leases that expire through 2021. Rental expense for 2015 and 2014 was approximately \$907,000 and \$871,000 respectively.

At January 1, 2016 the minimum aggregate rental commitments are as follows:		
	Year Ending December 31	Operating Leases
1.	2016	\$ 665,000
2.	2017	\$ 578,000
3.	2018	\$ 575,000
4.	2019	\$ 528,000
5.	2020+	\$ 1,028,000
6.	Total	\$ 3,374,000

B. Lessor Leases - Not applicable

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

None.

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

Not applicable

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

Not applicable

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

Not applicable

Note 20 - Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Bonds - Municipals	\$	\$ 298,693	\$	\$ 298,693
Total	\$	\$ 298,693	\$	\$ 298,693

During the year, two municipal bonds were downgraded to a NAIC 6FE, resulting in them being measured and reported at fair value on the statement of financial position as of 12/31/15. Their fair value is categorized as Level 2. During the year, the Company did not have any transfers between Levels 1 and 2 for assets measured and reported at fair value on the statement of financial position. Transfers between levels are recognized at the end of the reporting period in which they occur.

- (2) As of year end, the Company did not have any securities categorized as Level 3 that are measured and reported at fair value on the statement of financial position.
- (3) During the year, the Company did not have any transfers into or out of Level 3 for assets measured and reported at fair value on the statement of financial position.
- (4) The majority of the Company's securities are not actively traded and direct quotes are not generally available. Management therefore determines the fair values of securities after consideration of data provided by third-party pricing services, independent broker/dealers, and other resources. Prices provided by third-party pricing services are not binding offers but are estimated exit values. They are based on observable market data inputs which can vary by security type. Such inputs include benchmark yields, available trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, and other inputs that are corroborated in the market. All fair value measurements based on prices determined with observable market data are reported as Level 1 or Level 2 measurements. When third-party vendor prices are not available, the Company attempts to obtain valuations from other sources, including but not limited to broker/dealers, broker quotes, and prices on comparable securities.

NOTES TO FINANCIAL STATEMENTS

When valuations have been obtained for all securities in the portfolio, management reviews and analyzes the prices to insure their reasonableness, taking into account available observable information. When two or more valuations are available for a security and the variance between the valuations is 10% or less, the close correlation suggests similar observable inputs were used in deriving the prices, and the average of the prices is used. Securities valued in this manner are classified as Level 2. When the variance exceeds 10%, further review is performed on the available valuations to determine if they can be corroborated within reasonable tolerance to any other observable evidence. If one of the valuations or the average of the available valuations can be corroborated with other observable evidence, then the corroborated value is used and reported as Level 2. The Company uses information and analytical techniques deemed appropriate for determining the point within the range of reasonable fair value estimates that is most representative of fair value under current market conditions. Valuations that cannot be corroborated within a reasonable tolerance are classified as Level 3.

(5) Derivative assets and liabilities - None

B. Other fair value disclosures - None

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 804,811,031	\$ 786,067,257	\$	\$ 773,189,529	\$ 31,621,502	\$
Other invested asset - Guaranteed LIHTC	90,547	90,547			90,547	
Other invested asset - Surplus Notes	15,194,285	15,911,764		15,194,285		
Contract loans	28,706	28,706				28,706
Cash, cash equivalents, and short-term investments	2,713,618	2,713,618	2,713,618			

D. Not Practicable to Estimate Fair Value

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Contract Loans	\$ 28,706	Various	-	Quoted market price not available

Note 21 - Other Items

A. Unusual or Infrequent Items - Not applicable

B. Troubled Debt Restructuring - Not applicable

C. Other Disclosures

Effective 03/01/2015, Optimum Re Insurance Company (NAIC #88099) replaced Munich American Reinsurance Company (NAIC #66346) through a novation as the Company's ceded life reinsurer for certain life policies. The original 2007 effective dates remain and no changes in terms were made to the treaties.

D. Business Interruption Insurance Recoveries - Not applicable

E. State Transferable and Non-Transferable Tax Credits - Not applicable

F. Subprime Mortgage Related Risk Exposure - Not applicable

G. Retained Assets - Not applicable

H. Proceeds from issuance of insurance-linked securities - Not applicable

Note 22 - Events Subsequent

None

NOTES TO FINANCIAL STATEMENTS

Note 23 - Reinsurance

A. Ceded Reinsurance Report

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 an representative, officer, trustee, or director of the company?
Yes () No (X)
- 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) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes () No (X)

Section 2 - Ceded Reinsurance Report - Part A

- 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)
- B.

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

Section 3 - Ceded Reinsurance Report - Part B

- A.

What is the estimated amount of the aggregate reduction in surplus, for agreements, not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.
\$0
- 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 which were in-force or which had existing reserves established by the company as of the effective date of the agreement?
Yes () No (X)

B. Uncollectible Reinsurance - None

C. Commutation of the reinsurance reflected in income and expenses - None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

E, F, and G - Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

A, B, C, & D - Not applicable

E. Risk Sharing Provisions of the Affordable Care Act

- (1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions
- NO
- The Company was only subject to the Transitional Reinsurance Fee contributions.

- (2) Impact of Risk Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year:

a.	Permanent ACA Risk Adjustment Program	AMOUNT
	Assets	
1.	Premium adjustments receivable due to ACA Risk Adjustment	\$
	Liabilities	
2.	Risk adjustment user fees payable for ACA Risk Adjustment	
3.	Premium adjustments payable due to ACA Risk Adjustment	
	Operations (Revenue & Expenses)	
4.	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	
5.	Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$
b.	Transitional ACA Reinsurance Program	
	Assets	
1.	Amounts recoverable for claims paid due to ACA Reinsurance	\$
2.	Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	
3.	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	
	Liabilities	
4.	Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	
5.	Ceded reinsurance premiums payable due to ACA Reinsurance	
6.	Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ 9,240
	Operations (Revenue & Expenses)	
7.	Ceded reinsurance premiums due to ACA Reinsurance	\$
8.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	
9.	ACA Reinsurance contributions – not reported as ceded premium	\$
c.	Temporary ACA Risk Corridors Program	
	Assets	
1.	Accrued retrospective premium due to ACA Risk Corridors	\$
	Liabilities	
2.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	
	Operations (Revenue & Expenses)	
3.	Effect of ACA Risk Corridors on net premium income (paid/received)	
4.	Effect of ACA Risk Corridors on change in reserves for rate credits	\$

NOTES TO FINANCIAL STATEMENTS

(3) Roll forward of prior year ACA Risk Sharing Provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance:

					Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8	9	10	11
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a.	Permanent ACA Risk Adjustment Program										
	1. Premium adjustments receivable	\$	\$	\$	\$	\$	\$	\$	A	\$	\$
	2. Premium adjustments payable								B		
	3. Subtotal ACA Permanent Risk Adjustment Program	\$	\$	\$	\$	\$	\$	\$		\$	\$
b.	Transitional ACA Reinsurance Program										
	1. Amounts recoverable for claims paid	\$	\$	\$	\$	\$	\$	\$	C	\$	\$
	2. Amounts recoverable for claims unpaid (contra liability)								D		
	3. Amounts receivable relating to uninsured plans								E		
	4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premiums								F		
	5. Ceded reinsurance premiums payable								G		
	6. Liability for amounts held under uninsured plans		(12,474)		(12,474)				H		
	7. Subtotal ACA Transitional Reinsurance Program	\$	\$ (12,474)	\$	\$ (12,474)	\$	\$	\$		\$	\$
c.	Temporary ACA Risk Corridors Program										
	1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	I	\$	\$
	2. Reserve for rate credits or policy experience rating refunds								J		
	3. Subtotal ACA Risk Corridors Program										
d.	Total for ACA Risk Sharing Provisions	\$	\$ (12,474)	\$	\$ (12,474)	\$	\$	\$		\$	\$

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves on accident and health contracts for incurred losses and loss adjustment expenses attributable to insured events or prior years developed as anticipated during 2015. See Schedule H - Part 3 and the Five Year Historical Data. Original estimates are increased or decreased as additional information becomes known regarding individual claims. However, no significant trends or unanticipated events were noted in 2015. None of the Company's accident and health contracts are subject to retrospective rating or experience refunds.

Note 26 - Intercompany Pooling Arrangements

Not applicable.

Note 27 - Structured Settlements

Not applicable.

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

As of December 31, 2015 the Company had liabilities of \$0 related to premium deficiency reserves. The Company did consider anticipated investment income when calculating its premium deficiency reserves.

NOTES TO FINANCIAL STATEMENTS

Note 31 - Reserves for Life Contracts and Annuity Contracts

1. The company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
2. The Company does not currently issue substandard policies, and does not have any substandard policies in force.
3. There are no policies where the gross premiums are less than the net premiums.
4. Tabular Interest and Tabular Cost shown on Page 7 have been determined by formula as described in the instructions for Page 7.
5. None
6. None

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

Not applicable.

Note 33 - Premiums and Annuity Considerations Deferred and Uncollected

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2015 were:

		Gross	Net of Loading
(1)	Industrial	\$	\$
(2)	Ordinary new business	36,162,098	5,387,988
(3)	Ordinary renewal	24,499,348	13,727,101
(4)	Credit life		
(5)	Group life		
(6)	Group annuity		
(7)	Totals	\$ 60,661,446	\$ 19,115,089

Note 34 - Separate Accounts

Not applicable

Note 35 - Loss/Claim Adjustment Expenses

	2015
Liability for Future Claim Adjustment Expenses, Prior Year	871,025
Liability for Future Claim Adjustment Expenses, Current Year	983,888
Claim Payments - Current Year	52,670,268
Claim Adjustment Expense Percentage	5.5%
Claim Adjustment Expenses Paid	2,896,865
Claim Expense Incurred (Paid + Change in Liability)	3,009,278
Claim Payments Current Year for Prior Year Incurrals	12,255,828
Claim Adjustment Expense Percentage	5.5%
Claim Adjustment Expenses Paid in Current Year for Prior Year Incurrals	674,071

The balance in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2015 and December 31, 2014 was \$983,888 and \$871,025 respectively.

The Company incurred \$3,009,278 and paid \$2,896,865 of claim adjustment expenses in the current year, of which \$674,071 of the paid amount was attributable to insured or covered events of prior years.

The Company does not anticipate any salvage or subrogated amounts and therefore no such amounts are reflected in the liability for unpaid claims or losses.

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.

12/31/2015

3.2

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

12/31/2011

3.3

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

06/03/2013

3.4

By what department or departments?
Ohio

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	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

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

Yes [] No [X]

6.2

If yes, give full information:

7.1

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

Yes [] No [X]

7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche, LLP, 2200 Ross Avenue, Suite 1600, Dallas, TX 75201

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 [X] No [] N/A []

10.6

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

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?
Barbara S. Emig, Officer, Family Heritage Life Insurance Company of America, 6001 East Royalton Road Ste. 200, Broadview Heights OH 44147
- 12.1

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

Yes ☒ No ☐

12.11

Name of real estate holding company

12.12

Number of parcels involved

0

12.13

Total book/adjusted carrying value

\$0
- 12.2

If yes, provide explanation
As described in the notes to this statement, the Company entered into a Joint Venture (50% owned) which owns the corporate home office.
13.

FOR UNITED STATES BRANCES 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 ☒ No ☐

(a)

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

(b)

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

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

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

(e)

Accountability for adherence to the code.

14.11

If the response to 14.1 is no, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes ☐ No ☒

14.21

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

14.3

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

Yes ☐ No ☒

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 ☒

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	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	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 ☒ No ☐

17.

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

Yes ☒ 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 ☒ 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 ☒

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 reporting in the statement?

Yes ☐ No ☒

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 ☐ No ☒

22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$0

22.22

Amount paid as expenses

\$0

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 ☐ No ☒

23.2

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

\$0

INVESTMENT

20.1

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 ☒ 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 ☒

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 ☒

24.08

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

Yes ☐ No ☐ N/A ☒

24.09

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

Yes ☐ No ☐ N/A ☒

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 ☒ No ☐

25.2

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

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

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

\$4,315,614

25.29

On deposit with other regulatory bodies

\$0

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 ☒

26.2

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

Yes ☐ No ☐ N/A ☒

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ☐ No ☒

27.2

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

\$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 ☒ 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
Bank of New York Mellon	One Wall Street, 14th Floor, 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 ☒

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
106442	Prudential Private Placement Investor, LP	Three Gateway, 18th Floor, Newark, NJ 07102
108928	BlackRock Investment Management, LLC	40 East 52nd Street, New York, NY 10022

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 ☒

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	786,074,936	804,818,710	18,743,774
30.2	Preferred Stocks	0	0	0
30.3	Totals	786,074,936	804,818,710	18,743,774

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

The Company primarily used IDC, Reuters and Hub Data (which are third party vendors), and certain private placements were valued by a broker.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] 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? \$ 25,395

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
Better Business Bureau	\$ 9,962
LOMA	8,848

34.1 Amount of payments for legal expenses, if any? \$ 28,563

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
Hartline, Dacus, Barger, Dreyer, & Kern LLP	\$ 9,303

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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]		
1.2	If yes, indicate premium earned on U.S. business only.	\$		0		
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.	\$		0		
1.6	Individual policies:					
	Most current three years:					
1.61	Total premium earned	\$		0		
1.62	Total incurred claims	\$		0		
1.63	Number of covered lives	\$		0		
	All years prior to most current three years:					
1.64	Total premium earned	\$		0		
1.65	Total incurred claims	\$		0		
1.66	Number of covered lives	\$		0		
1.7	Group policies:					
	Most current three years:					
1.71	Total premium earned	\$		0		
1.72	Total incurred claims	\$		0		
1.73	Number of covered lives	\$		0		
	All years prior to most current three years:					
1.74	Total premium earned	\$		0		
1.75	Total incurred claims	\$		0		
1.76	Number of covered lives	\$		0		
2.	Health Test:					
		1	2			
		Current Year	Prior Year			
2.1	Premium Numerator	\$	0	\$	0	
2.2	Premium Denominator	\$	254,139,871	\$	237,029,155	
2.3	Premium Ratio (2.1/2.2)		0.000		0.000	
2.4	Reserve Numerator	\$	27,681,585	\$	24,653,493	
2.5	Reserve Denominator	\$	768,276,992	\$	648,411,592	
2.6	Reserve Ratio (2.4/2.5)		3.603		3.802	
3.1	Does the reporting entity have Separate Accounts?			Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]	
3.2	If yes, has a Separate Accounts statement been filed with this Department			Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	N/A [<input checked="" type="checkbox"/> 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 [<input type="checkbox"/>]	No [<input type="checkbox"/>]	
3.6	Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?			Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]	
4.2	Net reimbursement of such expenses between reporting entities:					
4.21	Paid	\$			0	
4.22	Received	\$			0	
5.1	Does the reporting entity write any guaranteed interest contracts?			Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> 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:	\$			0	
7.	Total dividends paid stockholders since organization of the reporting entity:					

GENERAL INTERROGATORIES

PART 2 – LIFE INTERROGATORIES

7.11	Cash	\$	201,714,999
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.

Yes [] No [X]

8.2

If yes, has the reporting entity completed the *Workers' Compensation Carve-Out Supplement* to the Annual Statement?

Yes [] No []

8.3

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

	1		2		3
	Reinsurance		Reinsurance		Net
	Assumed		Ceded		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	2	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
Guaranteed Death Benefit	Guaranteed Living Benefit							

10.

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

10.1

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

\$

0

10.2

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

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

11.1

Do you act as a custodian for health savings 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	2	3	4	Assets Supporting Reserve Credit		
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	5	6	7
				Letters of Credit	Trust Agreements	Other

13.

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

13.1	Direct Premiums Written	\$	2,731,007
13.2	Total Incurred Claims	\$	680,534
13.3	Number of Covered Lives		8,593

*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)

Family Heritage Life Insurance Company of America
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).....	5,744,280	3,923,421	95,489	73,328	48,530
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	1,711,808	6			
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....					
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	7,456,088	3,923,427	95,489	73,328	48,530
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	118,478	131,970	43,460	38,787	17,865
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....					
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	118,478	131,970	43,460	38,787	17,865
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).....	32,481,538	31,464,827	1,185,859	894,609	576,503
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....					
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....					
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....	8,444,739	6,410,436	4,944,915	3,601,235	1,575,095
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....	213,213,594	199,153,892	186,604,234	172,468,731	158,838,566
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	254,139,871	237,029,155	192,735,008	176,964,575	160,990,164
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	921,028,255	775,235,289	641,538,774	571,062,288	488,459,491
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	842,709,863	707,828,523	574,634,072	508,918,004	433,151,309
23. Aggregate life reserves (Page 3, Line 1).....	32,979,901	7,191,809	1,837,436	1,427,160	1,107,560
24. Aggregate A&H reserves (Page 3, Line 2).....	716,823,489	625,782,538	543,598,121	473,170,134	411,996,287
25. Deposit-type contract funds (Page 3, Line 3).....					
26. Asset valuation reserve (Page 3, Line 24.01).....	2,935,675	2,376,040	1,860,460	1,600,000	333,000
27. Capital (Page 3, Lines 29 & 30).....	2,556,950	2,556,950	2,556,950	2,556,950	2,556,950
28. Surplus (Page 3, Line 37).....	75,761,442	64,849,816	64,347,752	59,587,334	52,751,232
Cash Flow (Page 5)					
29. Net Cash from operations (Line 11).....	103,991,998	83,018,189	68,548,972	61,676,938	51,144,503
Risk-Based Capital Analysis					
30. Total adjusted capital.....	81,254,067	69,782,806	68,765,162	63,744,284	55,641,182
31. Authorized control level risk-based capital.....	5,957,862	5,289,747	4,636,674	3,976,688	3,351,418
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).....	97.6	98.9	99.3	96.3	95.6
33. Stocks (Lines 2.1 and 2.2).....					
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).....	0.3	0.0	0.7	2.0	4.3
37. Contract loans (Line 6).....	0.0	0.0	0.0		
38. Derivatives (Line 7).....					
39. Other invested assets (Line 8).....	2.0	1.1	0.0	0.1	0.1
40. Receivables for securities (Line 9).....				1.6	
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

Family Heritage Life Insurance Company of America
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. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....					
48. Affiliated mortgage loans on real estate					
49. All other affiliated.....					
50. Total of above Lines 44 to 49.....	0	0	0	0	0
51. Total investment in parent included in Lines 44 to 49 above.....					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	44,316,943	56,683,801	54,237,189	58,954,189	26,332,592
53. Total admitted assets (Page 2, Line 28, Col. 3).....	921,028,255	775,235,289	641,538,774	571,062,288	488,459,491
Investment Data					
54. Net investment income (Exhibit of Net Investment Income).....	33,304,471	29,174,877	26,097,364	25,082,691	23,679,225
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....	(71,037)	75,694	174,525		
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	(290,656)	(9,322)	(84,670)	38,836	(62,966)
57. Total of above Lines 54, 55 and 56.....	32,942,778	29,241,249	26,187,219	25,121,527	23,616,259
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).....	664,829	435,298	161,497	215,492	79,783
59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	55,039,976	49,874,848	51,443,816	45,390,696	41,505,940
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	25,788,092	5,354,373	410,276	319,601	240,880
61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	91,040,951	82,184,417	70,427,987	61,173,847	52,674,547
62. Dividends to policyholders (Line 30, Col 1).....					
Operating Percentages					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	29.1	29.8	33.4	34.9	36.8
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.....	0.9	1.8	24.2	21.4	27.5
65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	65.8	64.1	63.5	60.6	58.5
66. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....					
67. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	35.4	36.4	35.7	37.2	39.4
A&H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	365,825	188,019	329,554	133,987	17,821
69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	585,663	553,591	313,978	223,964	15,656
70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	16,172,728	15,133,202	13,975,824	12,944,114	11,292,002
71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	16,431,755	16,452,818	14,110,548	12,991,666	12,767,098
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).....	162,582	632	34,866	(86,748)	3,442
74. Ordinary - individual annuities (Col. 4).....					
75. Ordinary - supplementary contracts (Col. 5).....					
76. Credit life (Col. 6).....					
77. Group life (Col. 7).....					
78. Group annuities (Col. 8).....					
79. A&H - group (Col. 9).....	665,563	437,448	894,235	472,541	104,464
80. A&H - credit (Col. 10).....					
81. A&H - other (Col. 11).....	18,338,951	17,543,804	15,854,922	16,151,537	15,472,929
82. Aggregate of all other lines of business (Col. 12).....					
83. Total (Col. 1).....	19,167,096	17,981,884	16,784,023	16,537,330	15,580,835

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)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year.....			132,952	3,923,427						3,923,427
2. Issued during year.....			4,571	118,478						118,478
3. Reinsurance assumed.....			374,430	3,467,279						3,467,279
4. Revived during year.....										0
5. Increased during year (net).....										0
6. Subtotals, Lines 2 to 5.....	0	0	379,001	3,585,757	0	0	0	0	0	3,585,757
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	0
9. Totals (Lines 1 and 6 to 8).....	0	0	511,953	7,509,184	0	0	0	0	0	7,509,184
Deductions during year:										
10. Death.....			7	166			XXX			166
11. Maturity.....							XXX			0
12. Disability.....							XXX			0
13. Expiry.....				150						150
14. Surrender.....			78	4,215						4,215
15. Lapse.....			1,608	45,021						45,021
16. Conversion.....							XXX	XXX	XXX	0
17. Decreased (net).....			107	3,544						3,544
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	1,800	53,096	0	0	0	0	0	53,096
21. In force end of year (Line 9 minus Line 20).....	0	0	510,153	7,456,088	0	0	0	0	0	7,456,088
22. Reinsurance ceded end of year.....	XXX		XXX	7,233,460	XXX		XXX	XXX		7,233,460
23. Line 21 minus Line 22.....	XXX	0	XXX	222,628	XXX	(b)0	XXX	XXX	0	222,628

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.....			89	577
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.....				
28. Term policies-other.....			24,928	1,711,802
29. Other term insurance-decreasing.....	XXX		XXX	
30. Other term insurance.....	XXX		XXX	
31. Totals (Lines 27 to 30).....	0	0	24,928	1,711,802
Reconciliation to Lines 2 and 21:				
32. Term additions.....	XXX		XXX	
33. Totals, extended term insurance.....	XXX	XXX	1	6
34. Totals, whole life and endowment.....	4,571	118,478	485,224	5,744,280
35. Totals (Lines 31 to 34).....	4,571	118,478	510,153	7,456,088

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.....	118,478		7,456,088	
38. Credit Life (Group and Individual).....				
39. Group.....				
40. Totals (Lines 36 to 39).....	118,478	0	7,456,088	0

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		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).....	7,303,219
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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 _____

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.....			135,490	377,378				
49. Disability Income.....								
50. Extended Benefits.....			XXX	XXX				
51. Other.....								
52. Total.....	0	(b).....0	135,490	(b).....377,378	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.....				
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.....	7,606	7,387,700			263,245	208,650,640
2. Issued during year.....	3,891	3,626,590			57,344	45,532,528
3. Reinsurance assumed.....						
4. Increased during year (net).....		XXX.....		XXX.....		XXX.....
5. Total (Lines 1 to 4).....	11,497	XXX.....	0	XXX.....	320,589	XXX.....
Deductions during year:						
6. Conversions.....		XXX.....	XXX.....	XXX.....	XXX.....	XXX.....
7. Decreased (net).....	1,694	XXX.....		XXX.....	38,227	XXX.....
8. Reinsurance ceded.....		XXX.....		XXX.....		XXX.....
9. Totals (Lines 6 to 8).....	1,694	XXX.....	0	XXX.....	38,227	XXX.....
10. In force end of year.....	9,803	(a) 9,447,610	0	(a).....	282,362	(a) 222,430,764

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
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
Deductions during year:		
6. Decreased (net).....		
7. Reinsurance ceded.....		
8. Totals (Lines 6 and 7).....	0	0
9. In force end of year.....	0	0
10. Amount of account balance.....	(a).....	(a).....

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

Family Heritage Life Insurance Company of America
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

			1	Direct Business Only					
				Life Contracts		4	5	6	7
				2	3				
States, Etc.			Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1.	Alabama.....	AL	L	38,694		2,950,023		2,988,717	
2.	Alaska.....	AK	L	187		42,450		42,637	
3.	Arizona.....	AZ	L	45,789		4,029,037		4,074,826	
4.	Arkansas.....	AR	L	99,157		7,321,085		7,420,242	
5.	California.....	CA	L	36,945		4,180,223		4,217,168	
6.	Colorado.....	CO	L	24,443		6,717,290		6,741,733	
7.	Connecticut.....	CT	L			13,688		13,688	
8.	Delaware.....	DE	L	1,488		239,041		240,529	
9.	District of Columbia.....	DC	L			13,788		13,788	
10.	Florida.....	FL	L	41,105		3,413,210		3,454,315	
11.	Georgia.....	GA	L	62,624		8,392,018		8,454,642	
12.	Hawaii.....	HI	L			42,937		42,937	
13.	Idaho.....	ID	L	1,320		915,365		916,685	
14.	Illinois.....	IL	L	55,928		11,283,488		11,339,416	
15.	Indiana.....	IN	L	13,642		8,614,291		8,627,933	
16.	Iowa.....	IA	L	13,481		3,975,082		3,988,563	
17.	Kansas.....	KS	L	23,586		7,061,799		7,085,385	
18.	Kentucky.....	KY	L	56,061		6,418,706		6,474,767	
19.	Louisiana.....	LA	L	8,792		4,465,995		4,474,787	
20.	Maine.....	ME	L			279,922		279,922	
21.	Maryland.....	MD	L	2,777		1,110,855		1,113,632	
22.	Massachusetts.....	MA	L	1,236		29,946		31,182	
23.	Michigan.....	MI	L	2,279		1,064,856		1,067,135	
24.	Minnesota.....	MN	L	14,500		6,634,945		6,649,445	
25.	Mississippi.....	MS	L	5,299		803,312		808,611	
26.	Missouri.....	MO	L	49,251		6,077,773		6,127,024	
27.	Montana.....	MT	L	8,475		1,905,380		1,913,855	
28.	Nebraska.....	NE	L	16,588		7,703,239		7,719,827	
29.	Nevada.....	NV	L	14,588		1,339,187		1,353,775	
30.	New Hampshire.....	NH	L	11,275		648,285		659,560	
31.	New Jersey.....	NJ	L	3,641		27,578		31,219	
32.	New Mexico.....	NM	L	18,607		1,904,567		1,923,174	
33.	New York.....	NY	N					0	
34.	North Carolina.....	NC	L	103,769		7,332,724		7,436,493	
35.	North Dakota.....	ND	L	4,725		1,216,351		1,221,076	
36.	Ohio.....	OH	L	72,693		19,430,416		19,503,109	
37.	Oklahoma.....	OK	L	20,328		3,391,258		3,411,586	
38.	Oregon.....	OR	L	5,283		811,336		816,619	
39.	Pennsylvania.....	PA	L	13,656		2,919,583		2,933,239	
40.	Rhode Island.....	RI	L			78,361		78,361	
41.	South Carolina.....	SC	L	24,556		2,397,586		2,422,142	
42.	South Dakota.....	SD	L	8,906		5,292,397		5,301,303	
43.	Tennessee.....	TN	L	83,656		4,182,017		4,265,673	
44.	Texas.....	TX	L	1,187,025		47,550,411		48,737,436	
45.	Utah.....	UT	L			3,612,666		3,612,666	
46.	Vermont.....	VT	L	4,604		46,561		51,165	
47.	Virginia.....	VA	L	67,768		4,749,327		4,817,095	
48.	Washington.....	WA	L	80,472		2,845,211		2,925,683	
49.	West Virginia.....	WV	L	55,769		2,787,331		2,843,100	
50.	Wisconsin.....	WI	L	9,935		2,370,190		2,380,125	
51.	Wyoming.....	WY	L	9,466		2,659,814		2,669,280	
52.	American Samoa.....	AS	N					0	
53.	Guam.....	GU	N					0	
54.	Puerto Rico.....	PR	L			6,381		6,381	
55.	US Virgin Islands.....	VI	N					0	
56.	Northern Mariana Islands.....	MP	N					0	
57.	Canada.....	CAN	N					0	
58.	Aggregate Other Alien.....	OT	XXX	0	0	0	0	0	0
59.	Subtotal.....	(a) 51	XXX	2,424,369	0	223,299,282	0	225,723,651	0
90.	Reporting entity contributions for employee benefit plans.....	XXX						0	
91.	Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX						0	
92.	Dividends or refunds applied to shorten endowment or premium paying period.....	XXX						0	
93.	Premium or annuity considerations waived under disability or other contract provisions.....	XXX						0	
94.	Aggregate other amounts not allocable by State.....	XXX		0	0	0	0	0	0
95.	Totals (Direct Business).....	XXX		2,424,369	0	223,299,282	0	225,723,651	0
96.	Plus reinsurance assumed.....	XXX		89,220,341				89,220,341	
97.	Totals (All Business).....	XXX		91,644,710	0	223,299,282	0	314,943,992	0
98.	Less reinsurance ceded.....	XXX		89,302,638		1,917,058		91,219,696	
99.	Totals (All Business) less reinsurance ceded.....	XXX		2,342,072	0	(b) 221,382,224	0	223,724,296	0
DETAILS OF WRITE-INS									
58001.		XXX						0	
58002.		XXX						0	
58003.		XXX						0	
58998.	Summ. of remaining write-ins for line 58 from overflow page.....	XXX		0	0	0	0	0	0
58999.	Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....	XXX		0	0	0	0	0	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

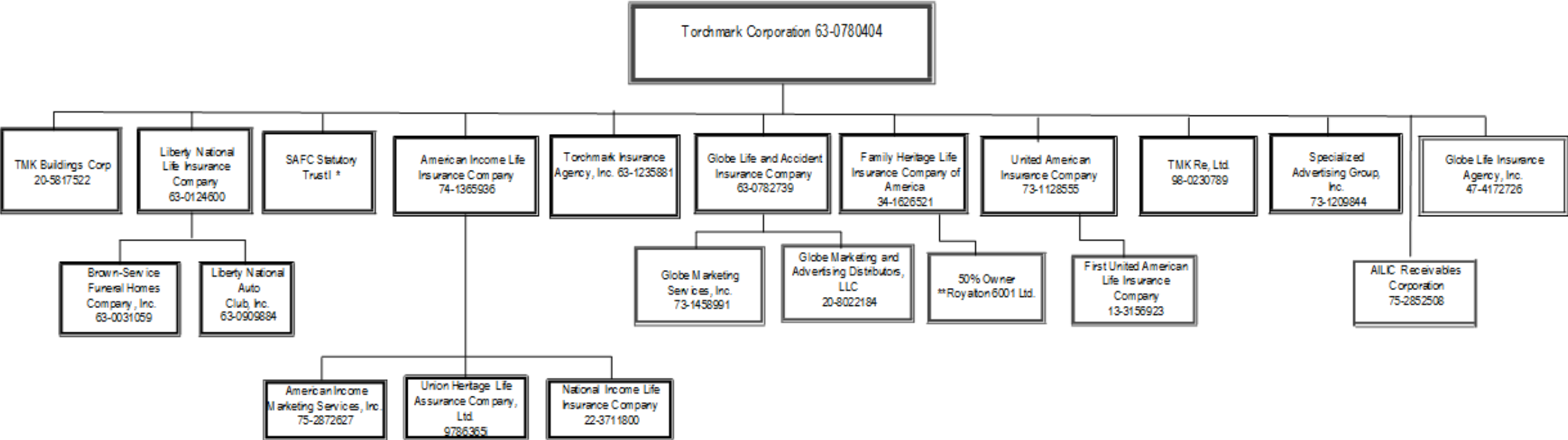
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to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

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

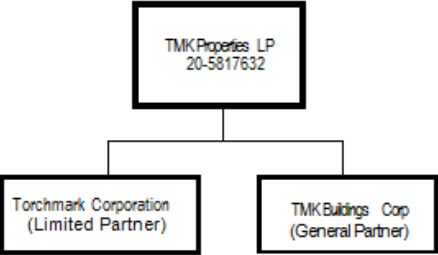
Allocation based on residence of the policyholder

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

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



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



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

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