



QUARTERLY STATEMENT

As of June 30, 2016

of the Condition and Affairs of the

Family Heritage Life Insurance Company of America

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

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

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

Statutory Home Office 6001 East Royalton Road, Suite 200..... Cleveland ..... OH ..... US ..... 44147-3529 (Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 6001 East Royalton Road, Suite 200..... Cleveland ..... OH ..... US ..... 44147-3529 440-922-5200 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P. O. Box 470608..... Cleveland ..... OH ..... US ..... 44147-3529 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 6001 East Royalton Road, Suite 200..... Cleveland ..... OH ..... US ..... 44147-3529 440-922-5200 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.FamilyHeritageLife.com

Statutory Statement Contact John A. Wise 440-922-5200 (Name) (Area Code) (Telephone Number) (Extension)

acctdept@familyheritagelife.com 440-922-5120 (E-Mail Address) (Fax Number)

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	Corey Jones #	Senior Vice President
Tony M. Martella	Senior Vice President	R. Brian Mitchell	Senior Vice President
David K. Carlson	Vice President	Seamus Fitzpatrick #	Vice President
Jeremy L. King	Vice President	Travis W. Korth #	Vice President
Eric Lenz	Vice President	Bret D. Mottl #	Vice President
W. Michael Pressley	Vice President	Joel P. Scarborough	Vice President
Eric W. Shanaberger	Vice President	Daniel T. Shelton	Vice President
Duaine L. Styles #	Vice President	Barbara Sue Emig	Appointed Actuary
John A. Wise	Assistant Vice President	Tod K. Richardson	Assistant Vice President
Carol A. McCoy	Assistant Secretary		

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)	(Signature)	(Signature)
Kenneth J. Matson	Ronald L. Sarosy	Maria Burnett
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Treasurer/Chief Financial Officer	Assistant Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me This \_\_\_\_\_ day of \_\_\_\_\_

a. Is this an original filing? Yes [ X ] No [ ]

b. If no: 1. State the amendment number \_\_\_\_\_

2. Date filed \_\_\_\_\_

3. Number of pages attached \_\_\_\_\_

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds.....	845,390,995		845,390,995	786,067,257
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....	702,500		702,500	
5. Cash (\$.....(1,720,411)), cash equivalents (\$.....673,572) and short-term investments (\$.....65,094).....	(981,745)		(981,745)	2,713,618
6. Contract loans (including \$.....0 premium notes).....	34,618		34,618	28,706
7. Derivatives.....			0	
8. Other invested assets.....	17,359,997		17,359,997	16,400,737
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	862,506,365	0	862,506,365	805,210,318
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	6,723,454		6,723,454	6,089,296
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	5,093,350		5,093,350	4,855,885
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	27,596,614		27,596,614	18,128,098
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,243,260		2,243,260	1,878,347
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....	76,797,816		76,797,816	64,440,687
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	1,853,502		1,853,502	625,508
18.2 Net deferred tax asset.....	62,761,000	40,999,000	21,762,000	19,416,000
19. Guaranty funds receivable or on deposit.....	196,147		196,147	213,526
20. Electronic data processing equipment and software.....	222,251	98,938	123,313	170,590
21. Furniture and equipment, including health care delivery assets (\$.....0).....	47,524	47,524	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.....	7,613,665	7,613,665	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,053,654,948	48,759,127	1,004,895,821	921,028,255
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	1,053,654,948	48,759,127	1,004,895,821	921,028,255

DETAILS OF WRITE-INS

1101. ....			0	
1102. ....			0	
1103. ....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Agent Balances.....	7,140,524	7,140,524	0	
2502. Prepaid Expenses.....	424,992	424,992	0	
2503. Other Assets Non-Admitted.....	48,149	48,149	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).....	7,613,665	7,613,665	0	0

Family Heritage Life Insurance Company of America

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$....54,696,355 less \$.....0 included in Line 6.3 (including \$....50,429,452 Modco Reserve).....	.....54,696,355	.....32,979,901
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	.....764,747,804	.....716,823,489
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve).....		
4. Contract claims:		
4.1 Life.....	.....3,250,228	.....2,718,531
4.2 Accident and health.....	.....18,279,653	.....17,670,206
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid.....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums.....	.....39,975	.....26,682
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 \$....59,706 assumed and \$....34,757,342 ceded.....	.....34,817,048	.....27,621,293
9.4 Interest Maintenance Reserve.....	.....2,588,919	.....3,024,192
10. Commissions to agents due or accrued - life and annuity contracts \$....26,100, accident and health \$....806,800 and deposit-type contract funds \$.....0.....	.....832,900	.....884,300
11. Commissions and expense allowances payable on reinsurance assumed.....	.....35,806,576	.....31,971,165
12. General expenses due or accrued.....	.....4,049,178	.....3,781,077
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.....	.....603,918	.....1,134,481
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.....	.....6	.....4
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	.....441,823	.....441,854
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 \$....3,000,000 and interest thereon \$....4,400.....	.....3,004,400	
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve.....	.....3,416,370	.....2,935,675
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.....	.....808,803	.....697,013
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	.....927,383,956	.....842,709,863
27. From Separate Accounts statement.....		
28. Total liabilities (Lines 26 and 27).....	.....927,383,956	.....842,709,863
29. Common capital stock.....	.....2,556,950	.....2,556,950
30. Preferred capital stock.....		
31. Aggregate write-ins for other-than-special surplus funds.....	.....0	.....0
32. Surplus notes.....		
33. Gross paid in and contributed surplus.....	.....32,646,050	.....32,646,050
34. Aggregate write-ins for special surplus funds.....	.....0	.....0
35. Unassigned funds (surplus).....	.....42,308,865	.....43,115,392
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).....	.....74,954,915	.....75,761,442
38. Totals of Lines 29, 30 and 37.....	.....77,511,865	.....78,318,392
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	.....1,004,895,821	.....921,028,255

DETAILS OF WRITE-INS

2501. Unclaimed Property.....	.....808,803	.....697,013
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).....	.....808,803	.....697,013
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	.....0	.....0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	.....0	.....0
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.....0	.....0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.....0	.....0

SUMMARY OF OPERATIONS

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts.....	136,576,449	131,103,597	254,139,871
2. Considerations for supplementary contracts with life contingencies.....			
3. Net investment income.....	18,639,284	16,094,314	33,304,471
4. Amortization of Interest Maintenance Reserve (IMR).....	474,200	604,259	1,210,276
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....			
6. Commissions and expense allowances on reinsurance ceded.....	69,864,816	56,365,618	119,594,608
7. Reserve adjustments on reinsurance ceded.....	11,022,497	2,090,748	10,499,198
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.....	33,557	0	12,500
9. Totals (Lines 1 to 8.3).....	236,610,803	206,258,536	418,760,924
10. Death benefits.....	274,968	236,466	570,184
11. Matured endowments (excluding guaranteed annual pure endowments).....			
12. Annuity benefits.....			
13. Disability benefits and benefits under accident and health contracts.....	29,109,524	26,015,580	55,039,976
14. Coupons, guaranteed annual pure endowments and similar benefits.....			
15. Surrender benefits and withdrawals for life contracts.....	37,241	14,457	94,645
16. Group conversions.....			
17. Interest and adjustments on contract or deposit-type contract funds.....	7	13	15
18. Payments on supplementary contracts with life contingencies.....			
19. Increase in aggregate reserves for life and accident and health contracts.....	69,640,769	58,654,084	116,829,043
20. Totals (Lines 10 to 19).....	99,062,509	84,920,600	172,533,863
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	26,747,350	25,486,813	51,830,009
22. Commissions and expense allowances on reinsurance assumed.....	68,967,265	55,716,863	118,169,387
23. General insurance expenses.....	12,069,307	11,841,829	23,590,258
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	2,930,707	2,625,109	5,297,697
25. Increase in loading on deferred and uncollected premiums.....	9,154,998	10,725,769	15,744,894
26. Net transfers to or (from) Separate Accounts net of reinsurance.....			
27. Aggregate write-ins for deductions.....	0	0	0
28. Totals (Lines 20 to 27).....	218,932,136	191,316,983	387,166,108
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	17,678,667	14,941,553	31,594,816
30. Dividends to policyholders.....			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	17,678,667	14,941,553	31,594,816
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	7,728,010	6,451,916	12,427,720
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).....	9,950,657	8,489,637	19,167,096
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....(46,194) (excluding taxes of \$.....20,191 transferred to the IMR).....	(28,100)	(44,903)	(71,037)
35. Net income (Line 33 plus Line 34).....	9,922,557	8,444,734	19,096,059
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year.....	78,318,392	67,406,766	67,406,766
37. Net income (Line 35).....	9,922,557	8,444,734	19,096,059
38. Change in net unrealized capital gains (losses) less capital gains tax of \$. ....28,000.....	51,795	1,872	(290,656)
39. Change in net unrealized foreign exchange capital gain (loss).....			
40. Change in net deferred income tax.....	2,938,000	1,569,000	(1,644,000)
41. Change in nonadmitted assets.....	(4,442,184)	(419,010)	12,366,858
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.....	(480,695)	(308,125)	(559,635)
45. Change in treasury stock.....			
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....			
47. Other changes in surplus in Separate Accounts Statement.....			
48. Change in surplus notes.....			
49. Cumulative effect of changes in accounting principles.....			
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.....	(8,796,000)	(7,757,000)	(18,057,000)
53. Aggregate write-ins for gains and losses in surplus.....	0	0	0
54. Net change in capital and surplus (Lines 37 through 53).....	(806,527)	1,531,471	10,911,626
55. Capital and surplus as of statement date (Lines 36 + 54).....	77,511,865	68,938,237	78,318,392
DETAILS OF WRITE-INS			
08.301. Misc Income.....	33,557		12,500
08.302. ....			
08.303. ....			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	33,557	0	12,500
2701. ....			
2702. ....			
2703. ....			
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0	0
5301. ....			
5302. ....			
5303. ....			
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	117,717,296	109,666,227	223,767,442
2. Net investment income.....	11,475,089	9,231,147	18,986,634
3. Miscellaneous income.....	75,771,823	56,058,410	121,666,375
4. Total (Lines 1 through 3).....	204,964,208	174,955,784	364,420,451
5. Benefit and loss related payments.....	28,656,836	25,298,200	52,770,273
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	107,047,242	95,051,443	195,128,180
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses).....	8,930,000	7,690,000	12,530,000
10. Total (Lines 5 through 9).....	144,634,078	128,039,643	260,428,453
11. Net cash from operations (Line 4 minus Line 10).....	60,330,130	46,916,141	103,991,998
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	10,470,290	7,782,025	16,287,025
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....	570,000		
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).....	11,040,290	7,782,025	16,287,025
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	63,131,260	41,009,462	99,703,335
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....	1,346,795		
13.5 Other invested assets.....	954,880	4,909,200	8,776,322
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	65,432,935	45,918,662	108,479,657
14. Net increase or (decrease) in contract loans and premium notes.....	5,912	9,843	16,620
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(54,398,557)	(38,146,480)	(92,209,252)
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.....	3,000,000		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....	8,796,000	7,757,000	18,057,000
16.6 Other cash provided (applied).....	(3,830,936)	(961,750)	8,889,693
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(9,626,936)	(8,718,750)	(9,167,307)
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).....	(3,695,363)	50,911	2,615,439
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	2,713,618	98,179	98,179
19.2 End of period (Line 18 plus Line 19.1).....	(981,745)	149,090	2,713,618

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

20.0001			
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EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life.....			
2. Ordinary life insurance.....	1,685,362	1,423,019	2,731,007
3. Ordinary individual annuities.....			
4. Credit life (group and individual).....			
5. Group life insurance.....			
6. Group annuities.....			
7. A&H - group.....	4,900,263	4,009,201	8,509,632
8. A&H - credit (group and individual).....			
9. A&H - other.....	112,499,626	105,528,776	215,071,135
10. Aggregate of all other lines of business.....	0	0	0
11. Subtotal.....	119,085,251	110,960,996	226,311,774
12. Deposit-type contracts.....			
13. Total.....	119,085,251	110,960,996	226,311,774

DETAILS OF WRITE-INS

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN**

A. Accounting Practices

	State of Domicile	Current Period	Prior Year
<b>NET INCOME</b>			
(1) Family Heritage Life Insurance Company of America state basis (Page 4, Line 35, Columns 1 & 3)	OH	\$ 9,922,557	\$ 19,096,059
(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	\$ 9,922,557	\$ 19,096,059
<b>SURPLUS</b>			
(5) Family Heritage Life Insurance Company of America state basis (Page 3, line 38, Columns 1 & 2)	OH	\$ 77,511,865	\$ 78,318,392
(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	\$ 77,511,865	\$ 78,318,392

C. Accounting Policy

- (6) Loan-backed and other structured securities are stated at amortized cost or the lower of amortized cost or fair value. Anticipated prepayments are used at the time of purchase to determine the effective yield. Changes in the timing of expected cash flows after original acquisition are accounted for using the retrospective method. Securities that are determined to be other-than-temporarily impaired are accounted for using the prospective method.

D. 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.

**Note 2 – Accounting Changes and Corrections of Errors**

No significant changes

**Note 3 – Business Combinations and Goodwill**

No significant change.

**Note 4 – Discontinued Operations**

Not applicable

**Note 5 – Investments**

D. Loan-Backed Securities

Investments in other structured securities include asset-backed securities. The Company does not own any residential or commercial mortgage-backed securities.

- (1) Call, redemption, and sinking fund information for other structured securities were obtained from Bloomberg and bond prospectuses.
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Several sources of information are considered when determining impairments are, or are not, other-than-temporary. These include, but are not limited to, the following. Credit rating agency information related to the security is reviewed, in addition to direct discussions with the rating analyst as needed. Reports from third party research providers and sell-side research analysts are reviewed. Market and trading information on the securities and other like-securities is monitored to assess trends impacting the securities. Market liquidity is analyzed to gauge how much it is impacting prices versus actual credit quality changes. Some sources of information will not be available for all securities. Where applicable, additional information is gathered for collateralized investments. This includes analysis of the individual underlying collateral and estimates of potential future collateral performance. Multiple cash flow scenarios are calculated based on various loss rate assumptions and used to assess the likelihood of future possible impairment.

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes

**NOTES TO FINANCIAL STATEMENTS**

**Note 7 – Investment Income**

No significant changes

**Note 8 – Derivative Instruments**

No significant changes

**Note 9 – Income Taxes**

No significant changes

**NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES**

During the first quarter the Company sold agent balances of \$3,066,552 to its ultimate parent, Torchmark Corporation.

**Note 11 – Debt**

The Company borrowed \$3,000,000 from an affiliate, United American Insurance Company, on June 15, 2016 at an interest rate of 3.50%.

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

Not applicable

**NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

Dividends on company stock are paid as declared by its Board of Directors and are subject to regulations of the State of Ohio.

	<u>DECLARED</u>	<u>PAID</u>
\$2,138,000 ordinary dividend	03/17/2016	03/28/2016
\$1,458,000 ordinary dividend	04/01/2016	04/14/2016
\$5,200,000 ordinary dividend	05/26/2016	06/06/2016

**Note 14 – Liabilities, Contingencies and Assessments**

Not applicable

**Note 15 – leases**

No significant changes

**Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

No significant changes

**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 Portion of Partially Insured Plans**

No significant changes

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

No significant changes

**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	\$	363,085	\$	\$ 363,085
Total	\$	363,085	\$	\$ 363,085

As of quarter-end, two municipal bonds,characterized as NAIC 6FE, were measured and reported at fair value on the statement of financial position. Their fair value is categorized as Level 2. During the quarter, 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.



**NOTES TO FINANCIAL STATEMENTS**

- (2) As of quarter-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 quarter, 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.

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	\$ 959,868,166	\$ 845,390,995	\$	\$ 922,717,456	\$ 37,150,710	\$
Real Estate	702,500	702,500		702,500		
Other invested asset - Guaranteed LIHTC	81,029	81,029			81,029	
Other invested asset - Surplus Notes	17,587,994	16,866,282		17,587,994		
Contract loans	34,618	34,618				34,618
Cash, cash equivalents, and short-term investments	(981,745)	(981,745)	(981,745)			

D. Not Practicable to Estimate Fair Value

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Contract Loans	\$ 34,618	Various		Quoted market price not available

**NOTE 21 –OTHER ITEMS**

No significant changes

**Note 22 – Events Subsequent**

No significant changes

**Note 23 – Reinsurance**

No significant changes

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

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 period:

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	

NOTES TO FINANCIAL STATEMENTS

		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	\$ 4,500
	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	\$

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

		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Period on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date										
						Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances	9	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		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			(9,240)		(9,240)							H									
7. Subtotal ACA Transitional Reinsurance Program		\$	\$ (9,240)	\$	\$ (9,240)	\$	\$	\$	\$				\$	\$							
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		\$	\$ (9,240)	\$	\$ (9,240)	\$	\$	\$	\$				\$	\$							

NOTES TO FINANCIAL STATEMENTS

NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves on accident and health contracts for incurred losses and loss adjustment expenses attributable to insured events or prior years developed as anticipated during 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

No significant changes

Note 27 – Structured Settlements

No significant changes

Note 28 – Health care receivables

No significant changes

Note 29 – Participating policies

No significant changes

Note 30 – Premium Deficiency Reserves

No significant changes

Note 31 – Reserves for Life Contracts and Deposit-Type Contracts

No significant changes

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

No significant changes

Note 33 – Premium and Annuity Considerations Deferred and Uncollected

No significant changes

Note 34 – Separate Accounts

No significant changes

Note 35 – Loss/Claim Adjustment Expenses

No significant changes

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [ ☐ ]    No [ ☒ ]
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes [ ☐ ]    No [ ☐ ]
- 2.1

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

Yes [ ☐ ]    No [ ☒ ]
- 2.2

If yes, date of change:
- 3.1

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 and 1A.

Yes [ ☒ ]    No [ ☐ ]
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [ ☐ ]    No [ ☒ ]
- 3.3

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

- 4.1

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

Yes [ ☐ ]    No [ ☒ ]
- 4.2

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

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

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?  
If yes, attach an explanation.

Yes [ ☐ ]    No [ ☒ ]    N/A [ ☐ ]

- 6.1

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

12/31/2015
- 6.2

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

12/31/2011
- 6.3

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

06/03/2013

- 6.4

By what department or departments?  
Ohio Department of Insurance

- 6.5

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

Yes [ ☐ ]    No [ ☐ ]    N/A [ ☒ ]
- 6.6

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

Yes [ ☐ ]    No [ ☐ ]    N/A [ ☒ ]
- 7.1

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

Yes [ ☐ ]    No [ ☒ ]
- 7.2

If yes, give full information:

- 8.1

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

Yes [ ☐ ]    No [ ☒ ]
- 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 [ ☒ ]
- 8.4

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

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

- 9.1

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

Yes [ ☒ ]    No [ ☐ ]

(a)

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

(b)

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

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

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

(e)

Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:

- 9.2

Has the code of ethics for senior managers been amended?

Yes [ ☐ ]    No [ ☒ ]
- 9.21

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

- 9.3

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

Yes [ ☐ ]    No [ ☒ ]
- 9.31

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

FINANCIAL

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

Yes [ ] No [X]

\$ 0

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

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

Yes [ ] No [X]

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

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

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

14.2 If yes, please complete the following:

\$ 0

\$ 0

Yes [ ] No [X]

14.21 Bonds

14.22 Preferred Stock

14.23 Common Stock

14.24 Short-Term Investments

14.25 Mortgage Loans on Real Estate

14.26 All Other

14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)

14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
\$ 0	\$ 0
0	0
0	0
0	0
0	0
0	0
0	0
\$ 0	\$ 0
\$ 0	\$ 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

15.2 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 [X]

Yes [ ] No [ ]

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

16.3 Total payable for securities lending reported on the liability page:

17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

\$ 0

\$ 0

\$ 0

Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
Bank of New York Mellon	One Wall Street, 14th Floor, New York, NY 10286

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

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

Yes [ ] No [X]

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

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

1 Central Registration Depository	2 Name(s)	3 Address
106442	Prudential Private Placement Investor, LP	Three Gateway, 18th Floor, Newark, NJ 07102
108928	BlackRock Investment, LLC	40 East 52nd Street, New York, NY 10022

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

18.2 If no, list exceptions:

Yes [X] No [ ]

Family Heritage Life Insurance Company of America

GENERAL INTERROGATORIES (continued)

PART 2 - LIFE & HEALTH

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

1.1 Long-term mortgages in good standing

1.11 Farm mortgages.....

1.12 Residential mortgages.....

1.13 Commercial mortgages.....

1.14 Total mortgages in good standing.....

Amount

\$.....

\$.....

\$.....

\$.....0

1.2 Long-term mortgages in good standing with restructured terms

1.21 Total mortgages in good standing with restructured terms.....

\$.....

1.3 Long-term mortgage loans upon which interest is overdue more than three months

1.31 Farm mortgages.....

1.32 Residential mortgages.....

1.33 Commercial mortgages.....

1.34 Total mortgages with interest overdue more than three months.....

\$.....

\$.....

\$.....

\$.....0

1.4 Long-term mortgage loans in process of foreclosure

1.41 Farm mortgages.....

1.42 Residential mortgages.....

1.43 Commercial mortgages.....

1.44 Total mortgages in process of foreclosure.....

\$.....

\$.....

\$.....

\$.....0

1.5 Total mortgage loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)

\$.....0

1.6 Long-term mortgages foreclosed, properties transferred to real estate in current quarter

1.61 Farm mortgages.....

1.62 Residential mortgages.....

1.63 Commercial mortgages.....

1.64 Total mortgages foreclosed and transferred to real estate.....

\$.....

\$.....

\$.....

\$.....0

2. Operating Percentages:

2.1 A&H loss percent.....

2.2 A&H cost containment percent.....

2.3 A&H expense percent excluding cost containment expenses.....

.....66.1

.....

.....35.0

3.1 Do you act as a custodian for health savings accounts?.....

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

3.3 Do you act as an administrator for health savings accounts?.....

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

Yes [ ] No [X]

\$.....

Yes [ ] No [X]

\$.....

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2  ID Number	3  Effective Date	4   Name of Reinsurer	5  Domiciliary Jurisdiction	6  Type of Reinsurance Ceded	7  Type of Reinsurer	8  Certified Reinsurer Rating (1 through 6)	9  Effective Date of Certified Reinsuer Rating
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NONE

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

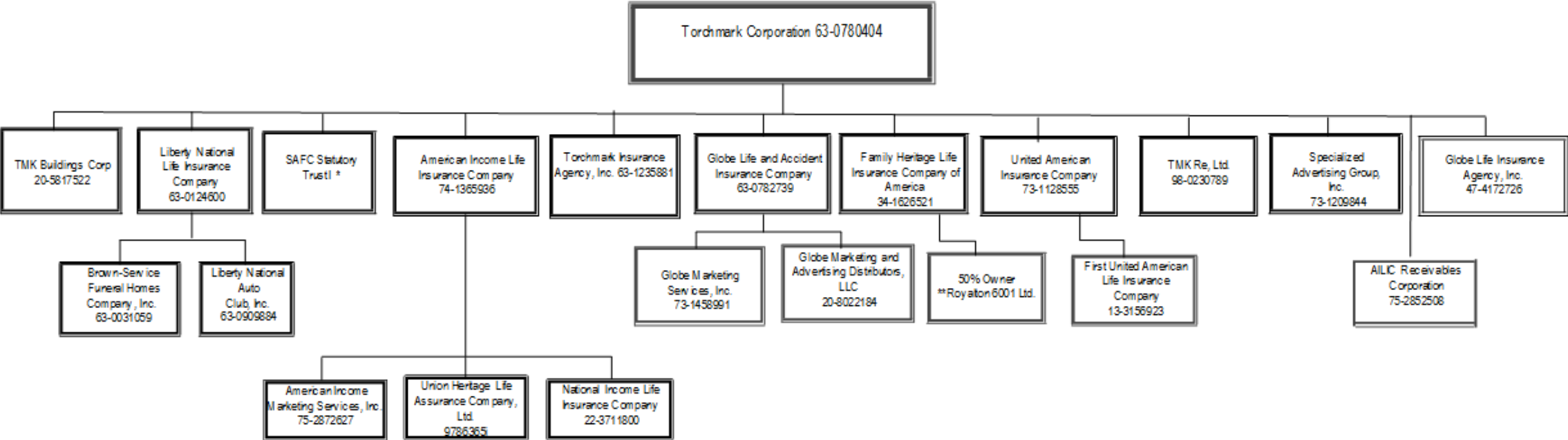
Current Year to Date - Allocated by States and Territories

States, Etc.			1	Direct Business Only					
				Life Contracts		4	5	6	7
				2	3				
			Active Status	Life Insurance Premiums	Annuity Considerations	A&H Insurance Premiums, Including Policy Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1.	Alabama.....	AL	L	16,432		1,445,283		1,461,715	
2.	Alaska.....	AK	L	94		20,384		20,478	
3.	Arizona.....	AZ	L	27,680		2,154,204		2,181,884	
4.	Arkansas.....	AR	L	64,041		3,749,242		3,813,283	
5.	California.....	CA	L	24,094		2,465,284		2,489,378	
6.	Colorado.....	CO	L	22,673		3,627,926		3,650,599	
7.	Connecticut.....	CT	L	42		7,099		7,141	
8.	Delaware.....	DE	L	922		131,070		131,992	
9.	District of Columbia.....	DC	L			5,598		5,598	
10.	Florida.....	FL	L	24,092		1,878,601		1,902,693	
11.	Georgia.....	GA	L	35,795		4,350,312		4,386,107	
12.	Hawaii.....	HI	L			24,948		24,948	
13.	Idaho.....	ID	L	660		481,372		482,032	
14.	Illinois.....	IL	L	31,803		5,821,469		5,853,272	
15.	Indiana.....	IN	L	7,618		4,330,338		4,337,956	
16.	Iowa.....	IA	L	11,258		2,295,237		2,306,495	
17.	Kansas.....	KS	L	17,054		3,875,355		3,892,409	
18.	Kentucky.....	KY	L	38,563		3,389,585		3,428,148	
19.	Louisiana.....	LA	L	5,556		2,312,097		2,317,653	
20.	Maine.....	ME	L	558		152,846		153,404	
21.	Maryland.....	MD	L	1,629		544,840		546,469	
22.	Massachusetts.....	MA	L	625		14,595		15,220	
23.	Michigan.....	MI	L	1,094		587,063		588,157	
24.	Minnesota.....	MN	L	11,264		4,100,113		4,111,377	
25.	Mississippi.....	MS	L	4,465		419,580		424,045	
26.	Missouri.....	MO	L	24,344		3,310,775		3,335,119	
27.	Montana.....	MT	L	4,103		968,881		972,984	
28.	Nebraska.....	NE	L	9,425		4,038,040		4,047,465	
29.	Nevada.....	NV	L	6,489		658,219		664,708	
30.	New Hampshire.....	NH	L	5,578		317,482		323,060	
31.	New Jersey.....	NJ	L	1,637		14,540		16,177	
32.	New Mexico.....	NM	L	9,598		922,840		932,438	
33.	New York.....	NY	N					0	
34.	North Carolina.....	NC	L	57,848		3,840,583		3,898,431	
35.	North Dakota.....	ND	L	2,468		625,796		628,264	
36.	Ohio.....	OH	L	43,225		9,923,924		9,967,149	
37.	Oklahoma.....	OK	L	22,295		1,858,962		1,881,257	
38.	Oregon.....	OR	L	2,921		450,585		453,506	
39.	Pennsylvania.....	PA	L	7,389		1,562,601		1,569,990	
40.	Rhode Island.....	RI	L			46,392		46,392	
41.	South Carolina.....	SC	L	15,780		1,288,954		1,304,734	
42.	South Dakota.....	SD	L	5,526		2,632,333		2,637,859	
43.	Tennessee.....	TN	L	51,225		2,368,696		2,419,921	
44.	Texas.....	TX	L	667,527		24,591,940		25,259,467	
45.	Utah.....	UT	L			1,939,415		1,939,415	
46.	Vermont.....	VT	L	1,967		21,225		23,192	
47.	Virginia.....	VA	L	43,829		2,463,469		2,507,298	
48.	Washington.....	WA	L	51,129		1,541,839		1,592,968	
49.	West Virginia.....	WV	L	29,501		1,442,947		1,472,448	
50.	Wisconsin.....	WI	L	4,785		1,181,539		1,186,324	
51.	Wyoming.....	WY	L	5,702		1,287,274		1,292,976	
52.	American Samoa.....	AS	N					0	
53.	Guam.....	GU	N					0	
54.	Puerto Rico.....	PR	L			2,842		2,842	
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	1,422,303	0	117,486,534	0	118,908,837	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		1,422,303	0	117,486,534	0	118,908,837	0
96.	Plus Reinsurance Assumed.....	XXX		65,414,053				65,414,053	
97.	Totals (All Business).....	XXX		66,836,356	0	117,486,534	0	184,322,890	0
98.	Less Reinsurance Ceded.....	XXX		65,455,251		1,149,804		66,605,055	
99.	Totals (All Business) less Reinsurance Ceded.....	XXX		1,381,105	0	116,336,730	0	117,717,835	0
DETAILS OF WRITE-INS									
58001.		XXX						0	
58002.		XXX						0	
58003.		XXX						0	
58998.	Summary of remaining write-ins for line 58 from overflow page.....	XXX		0	0	0	0	0	0
58999.	Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....	XXX		0	0	0	0	0	0
9401.		XXX						0	
9402.		XXX						0	
9403.		XXX						0	
9498.	Summary of remaining write-ins for line 94 from overflow page.....	XXX		0	0	0	0	0	0
9499.	Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX		0	0	0	0	0	0

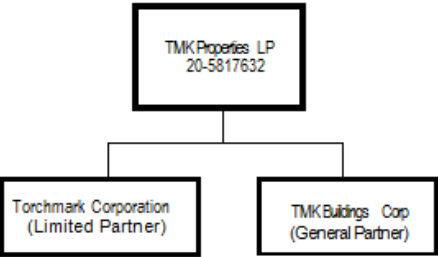
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;  
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.  
(a) Insert the number of L responses except for Canada and Other Alien.



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



Company	State of Domicile
AILIC RECEIVABLES Corporation (ARC)	Indiana
American Income Life Insurance Company (AIL)	Indiana
American Income Marketing Services, Inc. (AIMS)	Texas
Brown-Service Funeral Homes Company, Inc. (Brown Service)	Alabama
Family Heritage Life Insurance Company of America	Ohio
First United American Life Insurance Company (First UA)	New York
Globe Life and Accident Insurance Company (Globe)	Nebraska
Globe 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



<sup>\*</sup>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.  
<sup>\*\*</sup>Limited liability company, in which Family Heritage has a 50% interest, which leases home office property to Family Heritage; remaining 50% interest held by an unaffiliated entity.

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Public Traded (U.S. or International)	Name of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
<b>Members</b>														
013	Torchmark Corporation.....		63-0780404..		0000320335	NYSE.....	Torchmark Corporation.....	DE.....	UDP.....					
			20-5817522..				TMK Buildings Corp.....	TX.....	NIA.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
			20-5817632..				TMK Properties LLP.....	TX.....	NIA.....	Torchmark Corporation.....	Ownership.....	...99.000	Torchmark Corporation.....	
			98-0230789..				TMK RE Ltd.....	BMU.....	NIA.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
			63-1235881..				Torchmark Insurance Agency, Inc.....	AL.....	NIA.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
			73-1209844..				Specialized Marketing Group, Inc.....	TX.....	NIA.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
			47-4172726..				Globe Life Insurance Agency, Inc.....	TX.....	NIA.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
	0290... Torchmark Corporation.....	77968.....	34-1626521..				Family Heritage Life Insurance Company of America	OH.....	RE.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
							Royalton 6001Ltd. (Joint Venture).....	OH.....	DS.....	Family Heritage Life Insurance Company of America	Ownership.....	...50.000	Torchmark Corporation.....	
	0290... Torchmark Corporation.....	65331.....	63-0124600..				Liberty National Life Insurance Company.....	NE.....	IA.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
			63-0031059..				Brown-Service Funeral Homes Company Inc.	AL.....	NIA.....	Liberty National Life Insurance Company.....	Ownership.....	...100.000	Torchmark Corporation.....	
			63-0909884..				Liberty National Auto Club, Inc.....	AL.....	NIA.....	Liberty National Life Insurance Company.....	Ownership.....	...100.000	Torchmark Corporation.....	
	0290... Torchmark Corporation.....	91472.....	63-0782739..	1610611.....			Globe Life and Accident Insurance Company.	NE.....	IA.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
			73-1458991..				Globe Marketing Services, Inc.....	OK.....	NIA.....	Globe Life and Accident Insurance Company.	Ownership.....	...100.000	Torchmark Corporation.....	
			20-8022184..				Globe Marketing and Advertising Distributors, LLC	DE.....	NIA.....	Globe Life and Accident Insurance Company.	Ownership.....	...100.000	Torchmark Corporation.....	
	0290... Torchmark Corporation.....	60577.....	74-1365936..	1102198.....			American Income Life Insurance Company...	IN.....	IA.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
	0290... Torchmark Corporation.....	10093.....	22-3711800..				National Income Life Insurance Company.....	NY.....	IA.....	American Income Life Insurance Company...	Ownership.....	...100.000	Torchmark Corporation.....	
			75-2852508..				AILIC Receivables Corporation.....	IN.....	NIA.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
			75-2872627..				American Income Marketing Services, Inc.....	TX.....	NIA.....	American Income Life Insurance Company...	Ownership.....	...100.000	Torchmark Corporation.....	
							Union Heritage Life Assurance Company Limited	IRL.....	IA.....	American Income Life Insurance Company...	Ownership.....	...100.000	Torchmark Corporation.....	
	0290... Torchmark Corporation.....	92916.....	73-1128555..				United American Insurance Company.....	NE.....	IA.....	Torchmark Corporation.....	Ownership.....	...100.000	Torchmark Corporation.....	
	0290... Torchmark Corporation.....	74101.....	13-3156923..				First United American Life Insurance Company	NY.....	IA.....	United American Insurance Company.....	Ownership.....	...100.000	Torchmark Corporation.....	

Family Heritage Life Insurance Company of America

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanations:

1.

The data for this supplement is not required to be filed.
2.

The data for this supplement is not required to be filed.
3.

The data for this supplement is not required to be filed.
4.

The data for this supplement is not required to be filed.
5.

The data for this supplement is not required to be filed.
6.

The data for this supplement is not required to be filed.
7.

The data for this supplement is not required to be filed.

Bar Code:



**Family Heritage Life Insurance Company of America**  
**Overflow Page for Write-Ins**

**NONE**

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....	1,346,795	
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....	(55,000)	
5. Deduct amounts received on disposals.....	570,000	
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....	19,295	
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	702,500	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	702,500	0

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	16,400,737	7,851,524
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....	954,880	8,776,322
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....	774	781
5. Unrealized valuation increase (decrease).....	14,260	(190,895)
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....	10,654	36,995
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	17,359,997	16,400,737
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	17,359,997	16,400,737

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	786,067,257	689,604,804
2. Cost of bonds and stocks acquired.....	63,131,260	99,703,335
3. Accrual of discount.....	6,872,138	13,485,030
4. Unrealized valuation increase (decrease).....	65,535	(255,761)
5. Total gain (loss) on disposals.....	59,118	324,800
6. Deduct consideration for bonds and stocks disposed of.....	10,470,290	16,287,025
7. Deduct amortization of premium.....	334,023	507,926
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	845,390,995	786,067,257
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	845,390,995	786,067,257

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	540,084,255	6,431,773	7,434,638	(4,255,031)	540,084,255	534,826,359		533,768,018
2. NAIC 2 (a).....	276,116,779	18,614,946	2,500	7,539,308	276,116,779	302,268,533		244,010,098
3. NAIC 3 (a).....	5,971,132			108	5,971,132	5,971,240		5,971,027
4. NAIC 4 (a).....	2,026,987			(115)	2,026,987	2,026,872		2,027,100
5. NAIC 5 (a).....						0		
6. NAIC 6 (a).....	309,759			53,326	309,759	363,085		298,693
7. Total Bonds.....	824,508,912	25,046,719	7,437,138	3,337,596	824,508,912	845,456,089	0	786,074,936
PREFERRED STOCK								
8. NAIC 1.....						0		
9. NAIC 2.....						0		
10. NAIC 3.....						0		
11. NAIC 4.....						0		
12. NAIC 5.....						0		
13. NAIC 6.....						0		
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	824,508,912	25,046,719	7,437,138	3,337,596	824,508,912	845,456,089	0	786,074,936

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	.....65,094	.....XXX.....	.....65,094	.....54	.....

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....7,679	.....5,826
2. Cost of short-term investments acquired.....	.....57,415	.....1,853
3. Accrual of discount.....	.....	.....
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....	.....
6. Deduct consideration received on disposals.....	.....	.....
7. Deduct amortization of premium.....	.....	.....
8. Total foreign exchange change in book/adjusted carrying value.....	.....	.....
9. Deduct current year's other-than-temporary impairment recognized.....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.....65,094	.....7,679
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	.....65,094	.....7,679

Sch. DB - Pt. A - Verification  
NONE

Sch. DB - Pt. B - Verification  
NONE

Sch. DB - Pt. C - Sn. 1  
NONE

Sch. DB - Pt. C - Sn. 2  
NONE

Sch. DB - Verification  
NONE



SCHEDULE E- VERIFICATION

Cash Equivalents

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,774,201	6,443,902
2. Cost of cash equivalents acquired.....		
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	1,100,629	4,669,701
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	673,572	1,774,201
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	673,572	1,774,201

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Acquired by Purchase								
Personal residence of employee - SF.....	Lake Zurich.....	IL.....	06/21/2016....	Company employee.....	.....702,500	.....	.....702,500	.....
0199999. Totals.....					.....702,500	.....0	.....702,500	.....0
0399999. Totals.....					.....702,500	.....0	.....702,500	.....0

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract "

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred
Property Disposed																			
Personal residence of employee - TM.....	Brecksville.....	OH.	06/16/2016	OH resident.....	.....625,000						.....0		.....625,000	.....570,000		.....(55,000)	.....(55,000)		.....52,781
0199999. Totals.....					.....625,000			.....0	.....0	.....0	.....0	.....0	.....625,000	.....570,000	.....0	.....(55,000)	.....(55,000)	.....0	.....52,781
0399999. Totals.....					.....625,000			.....0	.....0	.....0	.....0	.....0	.....625,000	.....570,000	.....0	.....(55,000)	.....(55,000)	.....0	.....52,781

Sch. B - Pt. 2  
NONE

Sch. B - Pt. 3  
NONE

Sch. BA - Pt. 2  
NONE

Sch. BA - Pt. 3  
NONE

SCHEDULE D - PART 3

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

1	2			3	4	5			6	7	8	9	10
CUSIP Identification	Description			Foreign	Date Acquired	Name of Vendor			Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous													
07177M AN 3	BAXALTA INC SR UNSCD.....				04/06/2016....	SUNTRUST ROBINSON HUMPHREY INC.....				2,276,949	2,130,000	33,548	2FE.....
114259 AP 9	BROOKLYN UNION GAS CO SR UNSCD 144A.....				05/03/2016....	BANK OF AMERICA MERRILL LYNCH.....				4,390,920	4,000,000	28,025	1FE.....
26208L AB 4	DRIVEN BRANDS FDG SER 16-1A CL A2 144A.....				05/13/2016....	BARCLAYS CAPITAL INC.....				1,992,422	2,000,000		2AM.....
505597 AD 6	LACLEDE GROUP INC SR UNSCD.....				04/21/2016....	BANK OF AMERICA MERRILL LYNCH.....				1,031,810	1,000,000	9,269	2FE.....
694476 AD 4	PACIFIC LIFE CORP SR UNSCD 144A.....				05/16/2016....	WELLS FARGO SECURITIES LLC.....				3,768,765	3,500,000	54,311	2FE.....
83546D AD 0	SONIC 2016-1A CLASS A2 SR SECD 144A.....				04/12/2016....	GUGGENHEIM SECURITIES.....				3,000,000	3,000,000		2AM.....
87305Q CM 1	TTX CO SR UNSCD 144A.....				06/06/2016....	CITIGROUP GLOBAL MARKETS INC.....				1,997,920	2,000,000		1FE.....
87342R AC 8	TACO BELL 2016-1A CL A23 SR SECD 144A.....				05/04/2016....	BARCLAYS CAPITAL INC.....				3,000,000	3,000,000		2AM.....
929089 AC 4	VOYA FINANCIAL INC SR UNSCD.....				06/06/2016....	BARCLAYS CAPITAL INC.....				998,730	1,000,000		2FE.....
500472 AC 9	KONINKLIJKE PHILIPS NV SR UNSCD.....			F.....	05/10/2016....	MARKETAXESS CORP.....				2,546,270	2,000,000	23,490	2FE.....
3899999. Total Bonds - Industrial and Miscellaneous.....										25,003,786	23,630,000	148,643	XXX
8399997. Total Bonds - Part 3.....										25,003,786	23,630,000	148,643	XXX
8399999. Total Bonds.....										25,003,786	23,630,000	148,643	XXX
9999999. Total Bonds, Preferred and Common Stocks.....										25,003,786	XXX	148,643	XXX

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

SCHEDULE D - PART 4

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

1	2		3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
											11	12	13	14	15								
CUSIP Identification	Description		F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
Bonds - U.S. Special Revenue and Special Assessment																							
313380	HM	2		FEDERAL HOME LOAN BANK.....	04/26/2016.	CALL at 100.000.....		.....1,000,000	.....1,000,000	.....997,500	.....997,724	.....	.....23		.....23	.....	.....997,746	.....	.....2,254	.....2,254	.....22,808	08/28/2037....	1.....
3199999. Total Bonds - U.S. Special Revenue and Special Assessment.....							.....1,000,000	.....1,000,000	.....997,500	.....997,724	.....0	.....23	.....0	.....23	.....0	.....997,746	.....0	.....2,254	.....2,254	.....22,808	XXX	XXX	
Bonds - Industrial and Miscellaneous																							
373334	JW	2		GEORGIA POWER COMPANY SR UNSCD.....	04/21/2016.	SUSQUEHANNA FINANCIAL GROUP LLP.....		.....2,144,540	.....2,000,000	.....2,083,500	.....2,078,972	.....	.....(547)		.....(547)	.....	.....2,078,425	.....	.....66,115	.....66,115	.....52,794	03/15/2042....	1FE.....
65364U	AE	6		NIAGARA MOHAWK PWR SR UNSCD 144A.....	05/03/2016.	BANK OF AMERICA MERRILL LYNCH.....		.....4,383,850	.....4,300,000	.....4,362,197	.....4,358,893	.....	.....(426)		.....(426)	.....	.....4,358,467	.....	.....25,383	.....25,383	.....77,735	11/28/2042....	1FE.....
83546D	AD	0		SONIC 2016-1A CLASS A2 SR SECD 144A.....	06/20/2016.	SINKING FUND REDEMPTION.....		.....2,500	.....2,500	.....2,500	.....	.....	.....	.....0	.....	.....2,500	.....	.....	.....0	.....10	05/20/2046....	2AM.....	
3899999. Total Bonds - Industrial and Miscellaneous.....							.....6,530,890	.....6,302,500	.....6,448,197	.....6,437,865	.....0	.....(973)	.....0	.....(973)	.....0	.....6,439,392	.....0	.....91,498	.....91,498	.....130,539	XXX	XXX	
8399997. Total Bonds - Part 4.....							.....7,530,890	.....7,302,500	.....7,445,697	.....7,435,589	.....0	.....(950)	.....0	.....(950)	.....0	.....7,437,138	.....0	.....93,752	.....93,752	.....153,347	XXX	XXX	
8399999. Total Bonds.....							.....7,530,890	.....7,302,500	.....7,445,697	.....7,435,589	.....0	.....(950)	.....0	.....(950)	.....0	.....7,437,138	.....0	.....93,752	.....93,752	.....153,347	XXX	XXX	
9999999. Total Bonds, Preferred and Common Stocks.....							.....7,530,890	XXX	.....7,445,697	.....7,435,589	.....0	.....(950)	.....0	.....(950)	.....0	.....7,437,138	.....0	.....93,752	.....93,752	.....153,347	XXX	XXX	

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

Sch. DB - Pt. A - Sn. 1  
NONE

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

Sch. DB - Pt. D - Sn. 1  
NONE

Sch. DB - Pt. D - Sn. 2  
NONE

Sch. DL - Pt. 1  
NONE

Sch. DL - Pt. 2  
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
PNC - Checking..... Cleveland, OH.....					.....297,631	.....489,701	.....126,354	XXX
City National Bank - Checking..... Frankfort, KY.....					.....191,557	.....196,613	.....102,607	XXX
Wells Fargo Bank, N.A. - DDA & Cont. Disb..... Cleveland, OH.....					.....(4,760,497)	.....(3,505,276)	.....(3,010,753)	XXX
Bank of New York Mellon..... New York, NY.....					.....1,550,189	.....1,061,104	.....1,057,981	XXX
0199999. Total Open Depositories.....	XXX	XXX	.....0	.....0	.....(2,721,120)	.....(1,757,858)	.....(1,723,811)	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	.....0	.....0	.....(2,721,120)	.....(1,757,858)	.....(1,723,811)	XXX
0499999. Cash in Company's Office.....	XXX	XXX	XXX	XXX	.....3,400	.....3,400	.....3,400	XXX
0599999. Total Cash.....	XXX	XXX	.....0	.....0	.....(2,717,720)	.....(1,754,458)	.....(1,720,411)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
Sweep Accounts							
Wells Fargo - Stagecoach Sweep Preferred.....		06/24/2016.....	.....0.080	06/27/2016.....	.....673,572	.....300	.....2,280
8499999. Total - Sweep Accounts.....					.....673,572	.....300	.....2,280
8699999. Total - Cash Equivalents.....					.....673,572	.....300	.....2,280