
AMENDED FILING EXPLANATION

Amended filing was required due to the letter received from the NAIC on May 25, 2017, see page 2 & 3 of this explanation page. In the letter only # 9 & #10 pertains to the 2016 Annual Statment. An correction has been made to both of these and the appropriate pages will be submitted with this explanation page.

9. Rule Name: FXASN002733 Description: Analysis of Operations By Lines of Business, Column 5, Line 21 did not equal Schedule H, Part 1, Column 1, Line 4 plus Line 8
4118 - 0 = 4118

COMMENT: CORRECTION TO SCHEDULE H, PART1, COLUMN 1, LINE 4 PLUS LINE 8 HAS BEEN CORRECTED TO READ WITH 4118

10. Rule Name: FXASN096073 Description: Notes to Financial Statements - Note 23 - Reinsurance, Column 2, Line 23G1B1 did not equal Five-Year Historical Data Page, Column 1, Line 17
12078708 - 11881246 = 197462

COMMENT: CORRECTION TO NOTES TO FINANCIAL STATEMENTS - NOTE #23 TO READ AS 11881246

AMENDED FILING EXPLANATION

LETTER FROM NAIC RECEIVED 5/25/17 REQUIRING ACTION

May 25, 2017

NAIC Financial Reporting & Analysis Data Validation Notification

Theresa Aveni
American Mut Life Assn
19424 South Waterloo Road
Cleveland, OH 44119

Re: NAIC Cocode: 56286 Group Code: 0
2016 Annual Statement filing

The second (and subsequent) pages of this notice detail discrepancies in the above filing. We request that you review each category very closely and provide the appropriate response within ten working days from receipt of this letter. Please also follow the instructions on the checklist below.

Provide the following with every response.

- Company code
- Company name
- Current contact name and phone number, if contact has changed
- Date of NAIC letter
- Name of NAIC contact on the letter
- Address every failure, unless the letter states that no correction or response is needed for a specified failure

Provide the following with Annual Statement corrections.

- Jurat Page
- Electronic partial amended Annual Statement filing via the NAIC internet filing site including all applicable PDF files
-

Provide the following with RBC corrections.

- Electronic complete amended RBC filing via the NAIC internet filing site
- Electronic Annual Statement Five-year Historical Data page
- Electronic partial amended Annual Statement filing via the NAIC internet filing site

You may receive future correspondence if additional discrepancies require your assistance. Forward all of the above to your state of domicile and to the NAIC contact below at the following address.

Cheryl Manning
Insurance Reporting Analyst III
NAIC - Financial Regulatory Services
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197
CManning@naic.org
Fax: (816) 460-7580 Phone: (816) 783-8410

AMENDED FILING EXPLANATION

ITEMS REQUIRING ACTION:

CONSISTENCY AND TEXTUAL FAILURES:

If an amendment is not provided, a valid explanation for the failure is required. Please note that a Jurat page should accompany all amendments. Although the NAIC database cannot accept a signed Jurat page, the submission of a Jurat page (signed form sent to the state of domicile) is considered an attestation that the filing has been completed in accordance with the NAIC *Annual Statement* Instructions and the AP&P manual. The explanation that your state of domicile does not require an amendment is a valid explanation. If this is the case, please provide the name and telephone number of the state contact or a copy of the documentation confirming an amendment is not required.

1.

Rule Name: FXAAN000008 **Description:** Analysis of Annuity Operations By Lines of Business, Column 1, Line 3 did not equal Analysis of Operations By Lines of Business, Column 3, Line 3
819072 - 814360 = 4712
2.

Rule Name: FXAAN000028 **Description:** Analysis of Annuity Operations By Lines of Business, Column 1, Line 21 did not equal Analysis of Operations By Lines of Business, Column 3, Line 21
0 - 453026 = -453026
3.

Rule Name: FXAAN000033 **Description:** Analysis of Annuity Operations By Lines of Business, Column 1, Line 26 did not equal Analysis of Operations By Lines of Business, Column 3, Line 26
1637813 - 2090839 = -453026
4.

Rule Name: FXAAN000034 **Description:** Analysis of Annuity Operations By Lines of Business, Column 1, Line 27 did not equal Analysis of Operations By Lines of Business, Column 3, Line 27
226024 - -231714 = 457738
5.

Rule Name: FXAAN000036 **Description:** Analysis of Annuity Operations By Lines of Business, Column 1, Line 29 did not equal Analysis of Operations By Lines of Business, Column 3, Line 29
226024 - -231714 = 457738
6.

Rule Name: FXAKU090006 **Description:** Supplemental Investment Risks Interrogatories, Column 7, Line 3.05 did not equal Annual Statement, Schedule D, Part 1A, Section 1, Column 7, Line 10.5
600000 - 300000 = 300000

Page 2

7.

Rule Name: FXAKU090007 **Description:** Supplemental Investment Risks Interrogatories, Column 7, Line 3.06 did not equal Annual Statement, Schedule D, Part 1A, Section 1, Column 7, Line 10.6
0 - 107250 = -107250
8.

Rule Name: FXARN900120 **Description:** Risk-Based Capital Operational Risk, Column 1, Line 27 did not equal Prior Year Annual Statement, Premiums and Annuity Considerations for Life and Accident and Health Contracts, Part 1, Column 4. Line 20.1
0 - 10524 = -10524
9.

Rule Name: FXASN002733 **Description:** Analysis of Operations By Lines of Business, Column 5, Line 21 did not equal Schedule H, Part 1, Column 1, Line 4 plus Line 8
4118 - 0 = 4118
10.

Rule Name: FXASN096073 **Description:** Notes to Financial Statements - Note 23 - Reinsurance, Column 2, Line 23G1B1 did not equal Five-Year Historical Data Page, Column 1, Line 17
12078708 - 11881246 = 197462

The 2017 Course Schedule of educational courses and opportunities including Accounting and Reporting Issues, Annual Statement Preparation, Basic Reinsurance, Annual Statement Investment Schedules and many other courses is available at:
[//www.naic.org/education_schedule.htm](http://www.naic.org/education_schedule.htm)



ANNUAL STATEMENT

For the Year Ended December 31, 2016
of the Condition and Affairs of the

American Mutual Life Association

NAIC Group Code..... 0, 0
(Current Period) (Prior Period)

NAIC Company Code..... 56286

Employer's ID Number..... 34-6577472

Organized under the Laws of Ohio

State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized.....

Commenced Business.....

Statutory Home Office

19424 South Waterloo Road..... Cleveland OH US 44119
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

19424 South Waterloo Road..... Cleveland OH US..... 44119
(Street and Number) (City or Town, State, Country and Zip Code)

2165311900
(Area Code) (Telephone Number)

Mail Address

19424 South Waterloo Road..... Cleveland OH US 44119
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

19424 South Waterloo Road..... Cleveland OH US 44119
(Street and Number) (City or Town, State, Country and Zip Code)

2165311900
(Area Code) (Telephone Number)

Internet Web Site Address

www.AmericanMutual.org

Statutory Statement Contact

Theresa Aveni
(Name)
t.aveni@americanmutual.org
(E-Mail Address)

2165311900
(Area Code) (Telephone Number) (Extension)

(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Timothy Percic	President	2. Theresa Aveni	Secretary-Treasurer
3.		4.	

OTHER

DIRECTORS OR TRUSTEES

Joseph Zab	James Czeck	Kenneth E. Shine	Ronald Zab
Alyce Kane	Jaime Loncar	James Mannion	Charlie Kohli

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)
Timothy Percic

1. (Printed Name)
President

(Title)

(Signature)
Theresa Aveni

2. (Printed Name)
Secretary-Treasurer

(Title)

(Signature)

3. (Printed Name)

(Title)

Subscribed and sworn to before me

2017

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

b. If no

1. State the amendment number

2. Date filed

3. Number of pages attached

5-26-2017

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices Accounting practices.

The financial statements of American Mutual Life Association are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of a Fraternal Benefit Society, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP), has been adopted as a component of prescribed or permitted practices by the state of Ohio. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, 1) goodwill arising from the purchase of a subsidiary, controlled or affiliated entity is written off directly to surplus in the year it originates by Ohio domiciled companies. In NAIC SAP, goodwill in amounts not to exceed 10% of an insurer's capital and surplus may be capitalized and all amounts of goodwill are amortized to unrealized gains and losses on investments over periods not to exceed 10 years, and, 2) 100% of all fixed assets are admitted by Ohio domiciled Fraternal Benefit Societies. In NAIC SAP, fixed assets are not admitted. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Society's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio results in no change.

	SSAP #	F/S Page	F/S Line #	2016	2015
NET INCOME					
(1) American Mutual Life Association state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	\$ (94,526)	\$ 279,631
(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)	XXX	XXX	XXX	\$ (94,526)	\$ 279,631
SURPLUS					
(5) American Mutual Life Association state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 11,411,043	\$ 12,553,683
(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)	XXX	XXX	XXX	\$ 11,411,043	\$ 12,553,683

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

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. Annuity considerations are recognized as revenue when received. Health premiums are earned ratable, over the term 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.

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

In addition, the Society uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds: Not backed by other loans at amortized cost using the interest method; loan-backed bonds and structured securities at amortized cost using the interest method including anticipated prepayments at the date of purchase; significant changes in estimated cash flows from the original purchase assumptions are accounted for using the composite method. Bonds rated NAIC Class 6 are valued at market.
- (3) Common Stock: At market value except that investments in stocks of uncombined subsidiaries and affiliates in which the Society has an interest of 20% or more are carried on the equity basis.
- (4) Preferred Stock: Cost or Association Value in accordance with NAIC procedure.
- (5) Mortgage Loan or Real Estate: Aggregate unpaid balance. Other Investments: Equity basis.
- (6) See #2.
- (7) The Society has no subsidiary.
- (8) The Society has no ownership interests in joint ventures.
- (9) The Society has no derivatives.
- (10) The Society has no premium deficiency calculation.

NOTES TO FINANCIAL STATEMENTS

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined. Because the Society is a life insurer, loss adjustment expenses are not a big factor nor large expense.

(12) The Society has not modified its capitalization policy from the prior period.

(13) The Society does not have pharmaceutical receivables

D. Going Concern

Note 2 – Accounting Changes and Corrections of Errors

During 2016, the AMLA was required to perform Asset Adequacy Analysis and establish an Asset Adequacy Reserve. In prior years, the AMLA did not perform the analysis or establish the reserve because the AMLA qualified for a legal exemption per Ohio Administrative Code (OAC) Section 3901-6-11. In 2016, this change in methodology required the AMLA to perform the analysis and establish the reserves after muliple, consecutive years of exemption. In the original filing, the AMLA accounted for the necessary Asset Adequacy Reserve, which was determined by the Asset Adequacy Analysis, as an adjustment to surplus. After additional research was completed, the AMLA has, through the estimates of the Association's Consulting Actuary, determined that 95% of total reserve (which is attributed to prior year obligations) would be an adjustment to surplus, with the remaining 5% in the statement of income. This change in methodology has been entered into this Annual Statement.

This change in methodology only impacts 2016. The adjustment to surplus and the statement of income are recorded in the Balance Sheet, Line 38 (Surplus) and Line 17 (Income Statement).

The original filing stated Net Income to be \$152,936. This change in methodology, in conjunciton with an impairment of a bond (see D below), have reduced the Net Income to \$(94,526). Neither the change in methodology or the impairment effect prior or future year statements.

The AMLA holds a bond (CUSIP 02360XAM9) from a company (Symbol DYN3676768) which filed for bankruptcy in December of 2016. Due to this impairment, the SVO code was reduced to 6, the value of the bond was reduced to Market Value, \$107,250 (from a total investment of \$300,000). A realized loss of \$(192,750) is recorded in Summary of Operations (line 30) as a loss. The Market Value was determined at 12/31/2016 by broker and this value was used to determine the Fair Value.

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method **The Society had no business combination accounted for as a statutory purchase.**

B. Statutory Merger **The Society had no statutory merger.**

C. Assumption Reinsurance

D. Impairment Loss Not applicable

Note 4 – Discontinued Operations

A. **Not Applicable**

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans **The Society does not issue mortgage loans or real estate loans.**

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. **The Society has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.**

Note 7 – Investment Income

A. Due and accrued income was excluded from investment income on the following basis:

 Mortgage loans: On loans in foreclosure or delinquent for more than 90 days.

 Bonds: Where collection of interest is uncertain and/or the bond is in default.

B. Total Amount Excluded: \$0

Note 8 – Derivative Instruments

A. **The Society has no derivative instruments.**

Note 9 – Income Taxes The Society, as a Fraternal Benefit Society, is not subject to income taxes.

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. **The Society is not directly or indirectly owned or controlled by any other company, corporation, group of companies, partnership or individual. The Society does not have an affiliate or subsidiary.**

B. **B-N are not applicable.**

NOTES TO FINANCIAL STATEMENTS

Note 11 – Debt

A. The Society has no debt or borrowed money as of December 31, 2016

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Society is a member of the FHLB for liquidity purposes in the form of a line of credit. To date the Society has only utilized this arrangement in very limited instances.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
(a) Membership Stock – Class A	\$ 62,100	\$ 62,100	\$
(b) Membership Stock – Class B			
(c) Activity Stock			
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)	\$ 62,100	\$ 62,100	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 40,654,741	XXX	XXX

2. Prior Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
(a) Membership Stock – Class A	\$ 62,100	\$ 62,100	\$
(b) Membership Stock – Class B			
(c) Activity Stock			
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)	\$ 62,100	\$ 62,100	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 201,714	XXX	XXX

b. Membership Stock (Class A and B) Eligible for Redemption

Membership Stock	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	\$ 62,100	\$	\$ 62,100	\$	\$	\$
2. Class B	\$	\$	\$	\$	\$	\$

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	\$	\$	\$
2. Current Year General Account Total Collateral Pledged	\$	\$	\$
3. Current Year Separate Accounts Total Collateral Pledged	\$	\$	\$
4. Prior Year Total General and Separate Accounts Total Collateral Pledged	\$ 527,400	\$ 505,922	\$ 557,861

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	\$	\$	\$
2. Current Year General Account Total Collateral Pledged	\$	\$	\$
3. Current Year Separate Accounts Total Collateral Pledged	\$	\$	\$
4. Prior Year Total General and Separate Accounts Total Collateral Pledged	\$	\$	\$

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	1	2	3	4
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NOTES TO FINANCIAL STATEMENTS

	Total 2 + 3	General Account	Protected Cell Account	Funding Agreements Reserves Established
(a) Debt	\$	\$	\$	XXX
(b) Funding Agreements				\$
(c) Other				XXX
(d) Aggregate Total (a+b+c)	\$	\$	\$	\$

2. Prior Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Account	4 Funding Agreements Reserves Established
(a) Debt	\$	\$	\$	XXX
(b) Funding Agreements				\$
(c) Other				XXX
(d) Aggregate Total (a+b+c)	\$	\$	\$	\$

b. Maximum Amount During Reporting Period (Current Year)

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
1. Debt	\$	\$	\$
2. Funding Agreements			
3. Other			
4. Aggregate Total (Lines 1+2+3)	\$	\$	\$

c. FHLB – Prepayment Obligations

	Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO)
1. Debt	no
2. Funding Agreements	no
3. Other	no

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

A. Defined Benefit Plan

(1)

Change in Benefit Obligation		Overfunded		Underfunded	
a. Pension Benefits		2016	2015	2016	2015
1.	Benefit obligation at beginning of year	\$	\$	\$ 329,226	\$ 467,846
2.	Service cost			21,242	19,161
3.	Interest cost			16,234	20,142
4.	Continuation by plan participants				
5.	Actuarial gain (loss)			54,505	(47,657)
6.	Foreign currency exchange rate changes				(130,267)
7.	Benefits paid			9,125	
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				329,226
10.	Benefit obligation at end of year	\$	\$	\$ 412,082	\$ (1)
		Overfunded		Underfunded	
b. Postretirement Benefits		2016	2015	2016	2015
1.	Benefit obligation at beginning of year	\$	\$	\$	\$
2.	Service cost				
3.	Interest cost				
4.	Continuation by plan participants				
5.	Actuarial gain (loss)				
6.	Foreign currency exchange rate changes				
7.	Benefits paid				
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
10.	Benefit obligation at end of year	\$	\$	\$	\$
		Overfunded		Underfunded	
c. Special or Contractual Benefits per SSAP No. 11		2016	2015	2016	2015
1.	Benefit obligation at beginning of	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

	year				
2.	Service cost				
3.	Interest cost				
4.	Continuation by plan participants				
5.	Actuarial gain (loss)				
6.	Foreign currency exchange rate changes				
7.	Benefits paid				
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
10.	Benefit obligation at end of year	\$	\$	\$	\$

(2) Change in plan assets		Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
		2016	2015	2016	2015	2016	2015
a.	Fair value of plan assets at beginning of year	\$ 303,302	\$ 366,866	\$	\$	\$	\$
b.	Actual return on plan assets	12,435	25,271				
c.	Foreign currency exchange rate changes						
d.	Reporting entity contribution		41,432				
e.	Plan participants' contributions						
f.	Benefits paid	9,125	130,267				
g.	Business combinations, divestitures and settlements						
h.	Fair value of plan assets at end of year	\$ 306,612	\$ 303,302	\$	\$	\$	\$

(3) Funded status		Pension Benefits		Postretirement Benefits	
Overfunded:		2016	2015	2016	2015
a.	Assets (nonadmitted)				
1.	Prepaid benefit costs	\$	\$	\$	\$
2.	Overfunded plans assets				
3.	Total assets (nonadmitted)	\$	\$	\$	\$
Underfunded:					
b.	Liabilities recognized				
1.	Accrued benefits costs	\$ 20,178	\$ (46,684)	\$	\$
2.	Liability for pension benefits	125,647	72,608		
3.	Total liabilities recognized	\$ 145,825	\$ 25,924	\$	\$
c.	Unrecognized liabilities	\$ 79,545	\$	\$	\$

(4) Components of net periodic benefit cost		Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
		2016	2015	2016	2015	2016	2015
a.	Service cost	\$ 21,242	\$ 19,161	\$	\$	\$	\$
b.	Interest cost	16,234	20,142				
c.	Expected return on plan assets	(14,938)	(16,133)				
d.	Transition asset or obligation		(695)				
e.	Gains and losses	3,968	9,180				
f.	Prior service cost or credit						
g.	Gain or loss recognized due to a settlements curtailment						
h.	Total net periodic benefit cost	\$ 26,506	\$ 31,655	\$	\$	\$	\$

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost		Pension Benefits		Postretirement Benefits	
		2016	2015	2016	2015
a.	Items not yet recognized as a component of net periodic cost – prior year	\$ 72,608	\$ 137,887	\$	\$
b.	Net transition asset or obligation recognized		695		

NOTES TO FINANCIAL STATEMENTS

	c.	Net prior service cost or credit arising during the period				
	d.	Net prior service cost or credit recognized				
	e.	Net gain and loss arising during the period	57,008	(56,794)		
	f.	Net gain and loss recognized	(3,969)	(9,180)		
	g.	Items not yet recognized as a component of net periodic cost – current year	\$ 125,647	\$ 72,608	\$	\$
(6)	Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost		Pension Benefits		Postretirement Benefits	
			2016	2015	2016	2015
	a.	Net transition asset or obligations	\$	\$	\$	\$
	b.	Net prior service cost or credit				
	c.	Net recognized gains and losses	\$ (8,444)	\$ (3,969)	\$	\$
(7)	Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost		Pension Benefits		Postretirement Benefits	
			2016	2015	2016	2015
	a.	Net transition asset or obligations	\$	\$	\$	\$
	b.	Net prior service cost or credit				
	c.	Net recognized gains and losses	\$ 125,647	\$ 72,608	\$	\$
(8)	Weighted-average assumptions used to determine net periodic benefit cost as of December 31				2016	2015
	a.	Weighted-average discount rate			0.050%	0.050%
	b.	Expected long-term rate of return on plan assets			0.050%	0.050%
	c.	Rate of compensation increase			0.015%	0.015%
	Weighted-average assumptions used to determine projected benefit obligations as of December 31					
	d.	Weighted-average discount rate			0.050%	0.015%
	e.	Rate of compensation increase			0.015%	0.015%
(9)	The amount of the accumulated benefit obligation for defined benefit pension plans was \$351,623 for the current year and \$298,523 for the prior year.					
(10)	Not Applicable.					
(11)	Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:				1 Percentage Point Increase	1 Percentage Point Decrease
	a.	Effect on total of service and interest cost components			\$	\$
	b.	Effect on postretirement benefit obligation			\$	\$
(12)	The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the year indicated:					
		Year(s)	Amount			
	a.	2017	\$ 9,359			
	b.	2018	\$ 9,359			
	c.	2019	\$ 9,359			
	d.	2020	\$ 11,846			
	e.	2021	\$ 24,849			
	f.	2022 through 20__	\$ 119,670			
(13)	In February, 2017, the Society currently intends to make contributions to the defined benefit pension plan in a total amount between \$50,000 and \$75,000.					
(14)	The Employer Investment Account:					
	The amount of the pension fund invested is:		306,612	303,302.		
(15)	Not applicable.					
(16)	Not applicable.					
(17)	Not applicable.					
(18)	Not applicable.					
(19)	There was no significant change in plan assets or benefit obligation as of 12/31/2016.					
(20)	Not applicable.					
(21)	Not applicable.					

B. Investment Policies and Strategies

C. Fair Value of Plan Assets

NOTES TO FINANCIAL STATEMENTS

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

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Mutual Fund	\$ 239,359	\$	\$	\$ 239,359
Cash	6,332			6,332
Insurance Cash Value		60,921		60,921
Total Plan Assets	\$ 245,691	\$ 60,921	\$	\$ 306,612

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

Description for each class of plan assets	Beginning Balance at 1/1/2016	Transfers into Level 3	Transfers out of Level 3	Return on Assets Still Held	Return on Assets Sold	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Plan Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

(3)

- D. Basis Used to Determine Expected Long-Term Rate-of-Return
- E. Defined Contribution Plans: **The Society employees are covered by a qualified defined contribution pension plan sponsored by the insurance company. Contributions are only made by the employer.**
- F. Multiemployer Plans
- G. Consolidated/Holding Company Plans
- H. Postemployment Benefits and Compensated Absences
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

(1)

(2)

(3)

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- (1) The Society is a Fraternal Benefit Society and issues no stock.
- (2) The Society had no advances on surplus.
- (3) The Society has no special surplus funds.
- (4)

Note 14 – Liabilities, Contingencies and Assessments

- A. **None.**

Note 15 – Leases

- A. **The Society does not have any material lease obligations.**

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

1. The Society has no financial instruments with off-balance sheet risk or concentrations of risk.

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

None.

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

- A. None.

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

The Society has no direct premium written/produced by managing general agents/third party administrators.

Note 20 – Fair Value Measurements

- A. The Society has no assets or liabilities that are measured and reported at fair value in its statement of financial position as of December 31, 2016.

Note 21 – Other Items

- A. Unusual or Infrequent Items **The reporting Society has no extraordinary events or transactions that require disclosure.**
- B. Troubled Debt Restructuring Debtors **The reporting Society has no debt restructureings that require disclosure.**
- C. Other Disclosures
- D. Business Interruption Insurance Recoveries **The reporting Society has no business interruption and insurance recoveries that require disclosure.**

NOTES TO FINANCIAL STATEMENTS

- E. State Transferable and Non-Transferable Tax Credits **The reporting Society has no transferrable or non-transferrable tax credits.**
- F. Subprime Mortgage Related Risk Exposure **The reporting Society has no direct or indirect investments in subprime mortgage loans or securities with underlying subprime exposure risk during the reporting period.**
- G. Retained Assets **The reporting Society did not use retained asset accounts for beneficiaries during the reporting period.**
- H. Insurance-Linked Securities (ILS) Contracts **NONE.**

Note 22 – Events Subsequent

- A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?

Yes ☐ No ☒
- | | | | |
|----|---|----|----|
| B. | ACA fee assessment payable for the upcoming year | \$ | \$ |
| C. | ACA fee assessment paid | | |
| D. | Premium written subject to ACA 9010 assessment | | |
| E. | Total adjusted capital before surplus adjustment (Five-Year Historical Line 17) | | |
| F. | Total adjusted capital (Five-Year Historical Line 17 minus 22B above) | | |
| G. | Authorized control level | \$ | |
- H. Would reporting the ACA assessment as of December 31, 2016 have triggered an RBC action level (YES/NO)?

Yes ☐ No ☐

Note 23 – Reinsurance

- A. Ceded Reinsurance Report

Section1 – General Interrogatories

(1) Are any of the reinsurers listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

NO

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

NO

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

NO

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

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement?

\$_____

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

NO

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$____0____

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

NO

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

\$_____

B. B-G are not applicable.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Not applicable.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A. Not Applicable.

Note 26 – Intercompany Pooling Arrangements

A. None

Note 27 – Structured Settlements

A. Not Applicable

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NOTES TO FINANCIAL STATEMENTS

Note 28 – Health Care Receivables

A. Not applicable.

Note 29 – Participating Policies

- A. 100% of life insurance is participating.
B. The portfolio average method of accounting for certificate holder dividends is applied, recognizing plan of insurance, amount of insurance, year of issue and age at issue.
C. The Society paid dividends in the amount shown on Exhibit 4 to policy holders.
D. The Society did not allocate any additional income to its policyholders.

Note 30 – Premium Deficiency Reserves

1. Not applicable.

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

- (1). The Society authorizes deductions of deferred fractional premium upon death of the insured and returns any portion of the fractional premium beyond the date of death. Surrender values are not promised in excess of regularly computed reserves.
- (2). Extra premiums are charged for substandard lives for certificates issued, plus the gross premium at a rated age. Regular reserves are computed by the regular reserve for the plan at a rated age and holding in addition one-half of the extra premium charge for one year.
- (3). As of December 31, 2012, the Society had no insurance-in-force for which the gross premiums are less than the net premium according to the standard valuation set by the State of Ohio.
- (4). The Tabular Interest (Page 7, Line 4) has been determined from basic policy data. The Tabular Less Actual Reserve Released (Page 7, Line5) has been determined by formula as described in the instructions for Page 7 by formula.
- (5). The Tabular Cost (Page 7, Line 9) has been determined by formula as described in the instructions for Page 7. For the determination of Tabular Interest on funds not involving life contingencies under Page 7, Annuity, Line 3, for each valuation rate of interest, the Tabular Interest is calculated as one-hundredth of the product of such valuation rate of interest times the mean of the amount of funds subject to such valuation rate of interest held at the beginning and the end of the year of valuation. The total amount of all such products is entered under Page 7, Line 3.

(6) The details for other changes:

	ORDINARY						GROUP	
Item	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life Group and Individual	Life Insurance	Annuities
	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$

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

A.	Subject to Discretionary Withdrawal:		General Accounts	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
	(1)	With market value adjustment	\$	\$	\$	\$	%
	(2)	At book value less current surrender charge of 5% or more					%
	(3)	At fair value					%
	(4)	Total with market value adjustment or at fair value (total of 1 through 3)					%
	(5)	At book value without adjustment (minimal or no charge or adjustment)	15,132,523			15,132,523	93.973%
B.	Not subject to discretionary withdrawal		970,521			970,521	6.027%
C.	Total (gross: direct + assumed)		16,103,044			16,103,044	100.000%
D.	Reinsurance ceded						
E.	Total (net (C) - (D))		\$ 16,103,044	\$	\$	\$ 16,103,044	

F. Life and Accident & Health Annual Statement:

(1)	Exhibit 5, Annuities, Total (net)	\$ 15,115,000
(2)	Exhibit 5, Supplementary contracts with life contingencies, Total (net)	52,800
(3)	Exhibit 7, Deposit-type contracts, Line 14, Column 1	970,521
(4)	Subtotal	\$ 16,138,321
Separate Accounts Statement:		
(5)	Exhibit 3, Line 0299999, Column 2	\$
(6)	Exhibit 3, Line 0399999, Column 2	
(7)	Policyholder dividend and coupon accumulations	
(8)	Policyholder premiums	
(9)	Guaranteed interest contracts	
(10)	Other contract deposit funds	
(11)	Subtotal	\$
(12)	Combined Total	\$ 16,138,321

Note 33 – Premium and Annuity Considerations Deferred and Uncollected

NOTES TO FINANCIAL STATEMENTS

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2016 were:

		Gross	Net of Loading
(1)	Industrial	\$	\$
(2)	Ordinary new business		
(3)	Ordinary renewal		
(4)	Credit life		
(5)	Group life		
(6)	Group annuity		
(7)	Totals	\$	\$

Note 34 – Separate Accounts

A. The Society has no separate accounts.

Note 35 – Loss/Claim Adjustment Expenses