



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE

American Modern Life Insurance Company

| | | | | | | |
|---------------------------------------|---|---------|-------------------|-------|---|------------|
| NAIC Group Code | 0869 | 0869 | NAIC Company Code | 65811 | Employer's ID Number | 86-6052181 |
| | (Current) | (Prior) | | | | |
| Organized under the Laws of | Ohio | | | | State of Domicile or Port of Entry | OH |
| Country of Domicile | United States of America | | | | | |
| Incorporated/Organized | 12/12/1956 | | | | Commenced Business | 01/03/1957 |
| Statutory Home Office | 1300 East Ninth Street | | | | Cleveland , OH, US 44114 | |
| | (Street and Number) | | | | (City or Town, State, Country and Zip Code) | |
| Main Administrative Office | 400 Robert Street North | | | | | |
| | (Street and Number) | | | | | |
| | St. Paul , MN, US 55101-2098 | | | | 651-665-3500 | |
| | (City or Town, State, Country and Zip Code) | | | | (Area Code) (Telephone Number) | |
| Mail Address | 400 Robert Street North | | | | St. Paul , MN, US 55101-2098 | |
| | (Street and Number or P.O. Box) | | | | (City or Town, State, Country and Zip Code) | |
| Primary Location of Books and Records | 400 Robert Street North | | | | | |
| | (Street and Number) | | | | | |
| | St. Paul , MN, US 55101-2098 | | | | 651-665-5678 | |
| | (City or Town, State, Country and Zip Code) | | | | (Area Code) (Telephone Number) | |
| Internet Website Address | www.securian.com | | | | | |
| Statutory Statement Contact | Nicholas David Boehland | | | | 651-665-5678 | |
| | (Name) | | | | (Area Code) (Telephone Number) | |
| | nicholas.boehland@securian.com | | | | 651-665-7938 | |
| | (E-mail Address) | | | | (FAX Number) | |

OFFICERS

| | | | |
|-----------------|-----------------------|-----------|-------------------|
| President & CEO | William Michael Gould | Treasurer | David John LePlay |
| Secretary | Mark James Geldernick | | |

OTHER

Barbara Ann Baumann, Second Vice President

DIRECTORS OR TRUSTEES

| | | |
|------------------------|------------------------|-------------------------|
| William Michael Gould | David John LePlay | Warren John Zaccaro |
| Kristi Jo Nelson | Gary Roger Christensen | Suzette Louise Huovinen |
| Daniel Patrick Preiner | | |

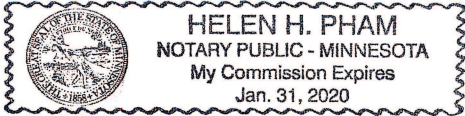
State of Minnesota SS:
County of Ramsey

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.

| | | |
|--|------------------------------------|--------------------------------|
| | | |
| William Michael Gould President & CEO | Mark James Geldernick Secretary | David John LePlay Treasurer |

Subscribed and sworn to before me this 01 day of February 2017

Helen H. Pham
Notary Public
January 31, 2020



- 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.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

ASSETS

| | Current Year | | | Prior Year |
|---|--------------|-------------------------|---|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 Net Admitted Assets |
| 1. Bonds (Schedule D) | 29,904,124 | | 29,904,124 | 30,856,652 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common stocks | 12,540,010 | | 12,540,010 | 12,276,728 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$ encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$ encumbrances) | | | | |
| 4.3 Properties held for sale (less \$ encumbrances) | | | | |
| 5. Cash (\$579,299 , Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$378,669 , Schedule DA) | 957,968 | | 957,968 | 1,665,890 |
| 6. Contract loans (including \$ premium notes) | | | | |
| 7. Derivatives (Schedule DB) | | | | |
| 8. Other invested assets (Schedule BA) | | | | |
| 9. Receivables for securities | 50,250 | | 50,250 | 53,813 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | | |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 43,452,352 | | 43,452,352 | 44,853,082 |
| 13. Title plants less \$ charged off (for Title insurers only) | | | | |
| 14. Investment income due and accrued | 186,202 | | 186,202 | 191,191 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 104,803 | | 104,803 | 298,739 |
| 15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums) | | | | |
| 15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$) | | | | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 290,745 | | 290,745 | 309,801 |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Other amounts receivable under reinsurance contracts | 316,591 | | 316,591 | 769,625 |
| 17. Amounts receivable relating to uninsured plans | | | | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 Net deferred tax asset | 1,176,557 | 849,871 | 326,686 | 482,288 |
| 19. Guaranty funds receivable or on deposit | 40,987 | 40,987 | | |
| 20. Electronic data processing equipment and software | | | | |
| 21. Furniture and equipment, including health care delivery assets (\$) | | | | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | | |
| 24. Health care (\$) and other amounts receivable | | | | |
| 25. Aggregate write-ins for other than invested assets | 178,393 | 178,393 | | |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 45,746,630 | 1,069,251 | 44,677,379 | 46,904,726 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. Total (Lines 26 and 27) | 45,746,630 | 1,069,251 | 44,677,379 | 46,904,726 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) | | | | |
| 2501. Interest maintenance reserve | 178,393 | 178,393 | | |
| 2502. | | | | |
| 2503. | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 178,393 | 178,393 | | |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 | 2 |
|--|--------------|------------|
| | Current Year | Prior Year |
| 1. Aggregate reserve for life contracts \$ 5,470,022 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ 1,312,798 Modco Reserve) | 5,470,022 | 7,063,737 |
| 2. Aggregate reserve for accident and health contracts (including \$ 1,691,261 Modco Reserve) | 3,939,882 | 5,021,898 |
| 3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve) | | |
| 4. Contract claims: | | |
| 4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) | 469,291 | 764,517 |
| 4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) | 334,058 | 433,039 |
| 5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10) | | |
| 6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts: | | |
| 6.1 Dividends apportioned for payment (including \$ Modco) | | |
| 6.2 Dividends not yet apportioned (including \$ Modco) | | |
| 6.3 Coupons and similar benefits (including \$ Modco) | | |
| 7. Amount provisionally held for deferred dividend policies not included in Line 6 | | |
| 8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14) | | |
| 9. Contract liabilities not included elsewhere: | | |
| 9.1 Surrender values on canceled contracts | | |
| 9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act | | |
| 9.3 Other amounts payable on reinsurance, including \$ assumed and \$ 322,458 ceded | 322,458 | 672,210 |
| 9.4 Interest maintenance reserve (IMR, Line 6) | | |
| 10. Commissions to agents due or accrued-life and annuity contracts \$ 375,706 accident and health \$ 152,988 and deposit-type contract funds \$ | 528,694 | 947,107 |
| 11. Commissions and expense allowances payable on reinsurance assumed | 27 | 840 |
| 12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6) | 2,018,750 | 2,012,500 |
| 13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances) | | |
| 14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) | 35,502 | 80,152 |
| 15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses) | 64,979 | 245,978 |
| 15.2 Net deferred tax liability | | |
| 16. Unearned investment income | | |
| 17. Amounts withheld or retained by company as agent or trustee | | |
| 18. Amounts held for agents' account, including \$ agents' credit balances | | |
| 19. Remittances and items not allocated | 427,410 | 54,786 |
| 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 \$ and interest thereon \$ | | |
| 23. Dividends to stockholders declared and unpaid | | |
| 24. Miscellaneous liabilities: | | |
| 24.01 Asset valuation reserve (AVR, Line 16, Col. 7) | 36,929 | 25,781 |
| 24.02 Reinsurance in unauthorized and certified (\$) companies | 30,903 | |
| 24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers | | |
| 24.04 Payable to parent, subsidiaries and affiliates | 470,700 | 525,569 |
| 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 | | 18,750 |
| 24.10 Payable for securities lending | | |
| 24.11 Capital notes \$ and interest thereon \$ | | |
| 25. Aggregate write-ins for liabilities | | |
| 26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) | 14,149,605 | 17,866,863 |
| 27. From Separate Accounts Statement | | |
| 28. Total liabilities (Lines 26 and 27) | 14,149,605 | 17,866,863 |
| 29. Common capital stock | 2,500,000 | 2,500,000 |
| 30. Preferred capital stock | | |
| 31. Aggregate write-ins for other than special surplus funds | | |
| 32. Surplus notes | | |
| 33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) | 7,000,000 | 7,000,000 |
| 34. Aggregate write-ins for special surplus funds | | |
| 35. Unassigned funds (surplus) | 21,027,774 | 19,537,863 |
| 36. Less treasury stock, at cost: | | |
| 36.1 shares common (value included in Line 29 \$) | | |
| 36.2 shares preferred (value included in Line 30 \$) | | |
| 37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ in Separate Accounts Statement) | 28,027,774 | 26,537,863 |
| 38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) | 30,527,774 | 29,037,863 |
| 39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) | 44,677,379 | 46,904,726 |
| DETAILS OF WRITE-INS | | |
| 2501. | | |
| 2502. | | |
| 2503. | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | | |
| 3101. | | |
| 3102. | | |
| 3103. | | |
| 3198. Summary of remaining write-ins for Line 31 from overflow page | | |
| 3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) | | |
| 3401. | | |
| 3402. | | |
| 3403. | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | | |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) | | |

SUMMARY OF OPERATIONS

| | 1 | 2 |
|--|--------------|-------------|
| | Current Year | Prior Year |
| 1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11) | 3,072,591 | 4,248,113 |
| 2. Considerations for supplementary contracts with life contingencies | | |
| 3. Net investment income (Exhibit of Net Investment Income, Line 17) | 755,365 | 800,478 |
| 4. Amortization of Interest Maintenance Reserve (IMR, Line 5) | (9,163) | (742) |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | | |
| 6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1) | 2,601,141 | 3,230,150 |
| 7. Reserve adjustments on reinsurance ceded | (35,885) | 1,517,174 |
| 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 | 76,683 | (44,983) |
| 9. Total (Lines 1 to 8.3) | 6,460,732 | 9,750,190 |
| 10. Death benefits | 1,207,819 | 1,652,852 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | | |
| 12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) | | |
| 13. Disability benefits and benefits under accident and health contracts | 1,123,274 | 1,696,870 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | | |
| 15. Surrender benefits and withdrawals for life contracts | | |
| 16. Group conversions | | |
| 17. Interest and adjustments on contract or deposit-type contract funds | | |
| 18. Payments on supplementary contracts with life contingencies | | |
| 19. Increase in aggregate reserves for life and accident and health contracts | (2,675,733) | (2,085,183) |
| 20. Totals (Lines 10 to 19) | (344,640) | 1,264,540 |
| 21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) | 3,202,084 | 4,920,700 |
| 22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) | 17,774 | 37,146 |
| 23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4) | 1,541,755 | 1,671,967 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3) | 387,368 | 441,784 |
| 25. Increase in loading on deferred and uncollected premiums | (43,554) | (9,748) |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | | |
| 27. Aggregate write-ins for deductions | | |
| 28. Totals (Lines 20 to 27) | 4,760,787 | 8,326,390 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | 1,699,945 | 1,423,800 |
| 30. Dividends to policyholders | | |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | 1,699,945 | 1,423,800 |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) | 497,890 | 511,117 |
| 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) | 1,202,055 | 912,683 |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$4,343 (excluding taxes of \$10,790 transferred to the IMR) | (4,343) | 14,977 |
| 35. Net income (Line 33 plus Line 34) | 1,197,712 | 927,660 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) | 29,037,863 | 27,926,152 |
| 37. Net income (Line 35) | 1,197,712 | 927,660 |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$ | 263,283 | 36,269 |
| 39. Change in net unrealized foreign exchange capital gain (loss) | | |
| 40. Change in net deferred income tax | (165,198) | (18,617) |
| 41. Change in nonadmitted assets | 236,165 | 147,995 |
| 42. Change in liability for reinsurance in unauthorized and certified companies | (30,903) | |
| 43. Change in reserve on account of change in valuation basis, (increase) or decrease | | |
| 44. Change in asset valuation reserve | (11,148) | 18,403 |
| 45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1) | | |
| 46. Surplus (contributed to) withdrawn from Separate Accounts during period | | |
| 47. Other changes in surplus in Separate Accounts Statement | | |
| 48. Change in surplus notes | | |
| 49. Cumulative effect of changes in accounting principles | | |
| 50. Capital changes: | | |
| 50.1 Paid in | | |
| 50.2 Transferred from surplus (Stock Dividend) | | |
| 50.3 Transferred to surplus | | |
| 51. Surplus adjustment: | | |
| 51.1 Paid in | | |
| 51.2 Transferred to capital (Stock Dividend) | | |
| 51.3 Transferred from capital | | |
| 51.4 Change in surplus as a result of reinsurance | | |
| 52. Dividends to stockholders | | |
| 53. Aggregate write-ins for gains and losses in surplus | | |
| 54. Net change in capital and surplus for the year (Lines 37 through 53) | 1,489,911 | 1,111,711 |
| 55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) | 30,527,774 | 29,037,863 |
| DETAILS OF WRITE-INS | | |
| 08.301. Miscellaneous profit | 76,683 | (44,983) |
| 08.302. | | |
| 08.303. | | |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | | |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above) | 76,683 | (44,983) |
| 2701. | | |
| 2702. | | |
| 2703. | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | | |
| 2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above) | | |
| 5301. | | |
| 5302. | | |
| 5303. | | |
| 5398. Summary of remaining write-ins for Line 53 from overflow page | | |
| 5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above) | | |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

CASH FLOW

| | 1 | 2 |
|---|--------------|------------|
| | Current Year | Prior Year |
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | 2,960,329 | 4,253,259 |
| 2. Net investment income | 805,401 | 855,060 |
| 3. Miscellaneous income | 3,279,374 | 4,613,804 |
| 4. Total (Lines 1 through 3) | 7,045,104 | 9,722,123 |
| 5. Benefit and loss related payments | 2,706,243 | 3,454,854 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 5,631,071 | 6,852,698 |
| 8. Dividends paid to policyholders | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$15,133 tax on capital gains (losses) | 694,022 | 211,059 |
| 10. Total (Lines 5 through 9) | 9,031,336 | 10,518,611 |
| 11. Net cash from operations (Line 4 minus Line 10) | (1,986,232) | (796,488) |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 6,581,995 | 1,357,862 |
| 12.2 Stocks | | |
| 12.3 Mortgage loans | | |
| 12.4 Real estate | | |
| 12.5 Other invested assets | | |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 Miscellaneous proceeds | (15,188) | (1,313) |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 6,566,807 | 1,356,549 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 5,642,777 | 254,923 |
| 13.2 Stocks | | |
| 13.3 Mortgage loans | | |
| 13.4 Real estate | | |
| 13.5 Other invested assets | | |
| 13.6 Miscellaneous applications | | |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 5,642,777 | 254,923 |
| 14. Net increase (decrease) in contract loans and premium notes | | |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | 924,030 | 1,101,626 |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | | |
| 16.2 Capital and paid in surplus, less treasury stock | | |
| 16.3 Borrowed funds | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 Dividends to stockholders | | |
| 16.6 Other cash provided (applied) | 354,280 | (7,606) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 354,280 | (7,606) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (707,922) | 297,532 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 1,665,890 | 1,368,357 |
| 19.2 End of year (Line 18 plus Line 19.1) | 957,968 | 1,665,890 |

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

| | | |
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| | | |
|--|--|--|

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 | 2 | Ordinary | | | 6 | Group | | Accident and Health | | | 12 |
|--|-------------|-----------------|----------------|----------------------|-------------------------|------------------------------------|--------------------|-----------|---------------------|-------------------------------|-------|--|
| | | | 3 | 4 | 5 | | 7 | 8 | 9 | 10 | 11 | |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Supplementary Contracts | Credit Life (Group and Individual) | Life Insurance (a) | Annuities | Group | Credit (Group and Individual) | Other | Aggregate of All Other Lines of Business |
| 1. Premiums and annuity considerations for life and accident and health contracts | 3,072,591 | | | | | 1,785,627 | | | | 1,286,964 | | |
| 2. Considerations for supplementary contracts with life contingencies | | | | | | | | | | | | |
| 3. Net investment income | 755,365 | | | | | 442,600 | | | | 312,765 | | |
| 4. Amortization of Interest Maintenance Reserve (IMR) | (9,163) | | | | | (5,369) | | | | (3,794) | | |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | | | | | | | | | | | | |
| 6. Commissions and expense allowances on reinsurance ceded | 2,601,141 | | | | | 1,426,462 | | | | 1,174,679 | | |
| 7. Reserve adjustments on reinsurance ceded | (35,885) | | | | | 227,682 | | | | (263,567) | | |
| 8. Miscellaneous Income: | | | | | | | | | | | | |
| 8.1 Fees associated with income from 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 | 76,683 | | | | | 76,683 | | | | | | |
| 9. Totals (Lines 1 to 8.3) | 6,460,732 | | | | | 3,953,685 | | | | 2,507,047 | | |
| 10. Death benefits | 1,207,819 | | | | | 1,207,819 | | | | | | |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | | | | | | | | | | | | |
| 12. Annuity benefits | | | | | | | | | | | | |
| 13. Disability benefits and benefits under accident and health contracts | 1,123,274 | | | | | | | | | 1,123,274 | | |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | | | | | | | | | | | | |
| 15. Surrender benefits and withdrawals for life contracts | | | | | | | | | | | | |
| 16. Group conversions | | | | | | | | | | | | |
| 17. Interest and adjustments on contract or deposit-type contract funds | | | | | | | | | | | | |
| 18. Payments on supplementary contracts with life contingencies | | | | | | | | | | | | |
| 19. Increase in aggregate reserves for life and accident and health contracts | (2,675,733) | | | | | (1,593,717) | | | | (1,082,016) | | |
| 20. Totals (Lines 10 to 19) | (344,640) | | | | | (385,898) | | | | 41,258 | | |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) | 3,202,084 | | | | | 1,973,533 | | | | 1,228,551 | | |
| 22. Commissions and expense allowances on reinsurance assumed | 17,774 | | | | | 8,580 | | | | 9,194 | | |
| 23. General insurance expenses | 1,541,755 | | | | | 757,874 | | | | 783,881 | | |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes | 387,368 | | | | | 191,279 | | | | 196,089 | | |
| 25. Increase in loading on deferred and uncollected premiums | (43,554) | | | | | (26,384) | | | | (17,170) | | |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | | | | | | | | | | | | |
| 27. Aggregate write-ins for deductions | | | | | | | | | | | | |
| 28. Totals (Lines 20 to 27) | 4,760,787 | | | | | 2,518,984 | | | | 2,241,803 | | |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | 1,699,945 | | | | | 1,434,701 | | | | 265,244 | | |
| 30. Dividends to policyholders | | | | | | | | | | | | |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | 1,699,945 | | | | | 1,434,701 | | | | 265,244 | | |
| 32. Federal income taxes incurred (excluding tax on capital gains) | 497,890 | | | | | 537,776 | | | | (39,886) | | |
| 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) | 1,202,055 | | | | | 896,925 | | | | 305,130 | | |
| DETAILS OF WRITE-INS | | | | | | | | | | | | |
| 08.301. Miscellaneous profit | 76,683 | | | | | 76,683 | | | | | | |
| 08.302. | | | | | | | | | | | | |
| 08.303. | | | | | | | | | | | | |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | | | | | | | | | | | | |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) | 76,683 | | | | | 76,683 | | | | | | |
| 2701. | | | | | | | | | | | | |
| 2702. | | | | | | | | | | | | |
| 2703. | | | | | | | | | | | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | | | | | | | | | | | | |
| 2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) | | | | | | | | | | | | |

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

| | 1 | 2 | Ordinary | | | 6 | Group | |
|--|-----------|-----------------|----------------|----------------------|-------------------------|------------------------------------|----------------|-----------|
| | | | 3 | 4 | 5 | | 7 | 8 |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Supplementary Contracts | Credit Life (Group and Individual) | Life Insurance | Annuities |
| Involving Life or Disability Contingencies (Reserves) | | | | | | | | |
| (Net of Reinsurance Ceded) | | | | | | | | |
| 1. Reserve December 31, prior year | 7,063,737 | | | | | 7,063,737 | | |
| 2. Tabular net premiums or considerations | 1,741,548 | | | | | 1,741,548 | | |
| 3. Present value of disability claims incurred | | | | | XXX | | | |
| 4. Tabular interest | 308,921 | | | | | 308,921 | | |
| 5. Tabular less actual reserve released | | | | | | | | |
| 6. Increase in reserve on account of change in valuation basis | | | | | | | | |
| 7. Other increases (net) | | | | | | | | |
| 8. Totals (Lines 1 to 7) | 9,114,206 | | | | | 9,114,206 | | |
| 9. Tabular cost | 3,192,963 | | | | XXX | 3,192,963 | | |
| 10. Reserves released by death | 28,264 | | | XXX | XXX | 28,264 | | XXX |
| 11. Reserves released by other terminations (net) | 422,957 | | | | | 422,957 | | |
| 12. Annuity, supplementary contract and disability payments involving life contingencies | | | | | | | | |
| 13. Net transfers to or (from) Separate Accounts | | | | | | | | |
| 14. Total Deductions (Lines 9 to 13) | 3,644,184 | | | | | 3,644,184 | | |
| 15. Reserve December 31, current year | 5,470,022 | | | | | 5,470,022 | | |

EXHIBIT OF NET INVESTMENT INCOME

| | | 1 | 2 |
|----------------------|---|-----------------------|--------------------|
| | | Collected During Year | Earned During Year |
| 1. | U.S. Government bonds | (a) .....481,822 |481,841 |
| 1.1 | Bonds exempt from U.S. tax | (a) ..... | ..... |
| 1.2 | Other bonds (unaffiliated) | (a) .....406,249 |356,194 |
| 1.3 | Bonds of affiliates | (a) ..... | ..... |
| 2.1 | Preferred stocks (unaffiliated) | (b) ..... | ..... |
| 2.11 | Preferred stocks of affiliates | (b) ..... | ..... |
| 2.2 | Common stocks (unaffiliated) ..... | ..... | ..... |
| 2.21 | Common stocks of affiliates ..... | ..... | ..... |
| 3. | Mortgage loans | (c) ..... | ..... |
| 4. | Real estate | (d) ..... | ..... |
| 5 | Contract loans ..... | ..... | ..... |
| 6 | Cash, cash equivalents and short-term investments | (e) .....2,735 |2,735 |
| 7 | Derivative instruments | (f) ..... | ..... |
| 8. | Other invested assets ..... | ..... | ..... |
| 9. | Aggregate write-ins for investment income |(475) |(475) |
| 10. | Total gross investment income | 890,331 | 840,295 |
| 11. | Investment expenses | | (g) .....84,930 |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. | Interest expense | | (h) |
| 14. | Depreciation on real estate and other invested assets | | (i) |
| 15. | Aggregate write-ins for deductions from investment income ..... |  | ..... |
| 16. | Total deductions (Lines 11 through 15) | | 84,930 |
| 17. | Net investment income (Line 10 minus Line 16) | | 755,365 |
| DETAILS OF WRITE-INS | | | |
| 0901. | Miscellaneous Investment Income | (475) | (475) |
| 0902. | ..... |  |  |
| 0903. | ..... |  |  |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | (475) | (475) |
| 1501. | ..... |  |  |
| 1502. | ..... |  |  |
| 1503. | ..... |  |  |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page | | |
| 1599. | Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) | | |

- (a) Includes \$31,999 accrual of discount less \$77,045 amortization of premium and less \$4,476 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1 | 2 | 3 | 4 | 5 |
|----------------------|---|--|-------------------------------|--|--|---|
| | | Realized Gain (Loss) On Sales or Maturity | Other Realized Adjustments | Total Realized Capital Gain (Loss) (Columns 1 + 2) | Change in Unrealized Capital Gain (Loss) | Change in Unrealized Foreign Exchange Capital Gain (Loss) |
| 1. | U.S. Government bonds | 27,172 | | 27,172 | | |
| 1.1 | Bonds exempt from U.S. tax | | | | | |
| 1.2 | Other bonds (unaffiliated) | 4,564 | | 4,564 | | |
| 1.3 | Bonds of affiliates | | | | | |
| 2.1 | Preferred stocks (unaffiliated) | | | | | |
| 2.11 | Preferred stocks of affiliates | | | | | |
| 2.2 | Common stocks (unaffiliated) | | | | | |
| 2.21 | Common stocks of affiliates | | | | 263,283 | |
| 3. | Mortgage loans | | | | | |
| 4. | Real estate | | | | | |
| 5. | Contract loans | | | | | |
| 6. | Cash, cash equivalents and short-term investments | | | | | |
| 7. | Derivative instruments | | | | | |
| 8. | Other invested assets | | | | | |
| 9. | Aggregate write-ins for capital gains (losses) | | | | | |
| 10. | Total capital gains (losses) | 31,736 | | 31,736 | 263,283 | |
| DETAILS OF WRITE-INS | | | | | | |
| 0901. | ..... |  |  |  |  |  |
| 0902. | ..... |  |  |  |  |  |
| 0903. | ..... |  |  |  |  |  |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | | | | |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

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

| | 1 | 2 | Ordinary | | 5 | Group | | Accident and Health | | | 11 |
|--|------------|-----------------|----------------|----------------------|------------------------------------|----------------|-----------|---------------------|-------------------------------|-------|--|
| | | | 3 | 4 | | 6 | 7 | 8 | 9 | 10 | |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Credit Life (Group and Individual) | Life Insurance | Annuities | Group | Credit (Group and Individual) | Other | Aggregate of All Other Lines of Business |
| FIRST YEAR (other than single) | | | | | | | | | | | |
| 1. Uncollected | | | | | | | | | | | |
| 2. Deferred and accrued | | | | | | | | | | | |
| 3. Deferred , accrued and uncollected: | | | | | | | | | | | |
| 3.1 Direct | | | | | | | | | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | | |
| 3.4 Net (Line 1 + Line 2) | | | | | | | | | | | |
| 4. Advance | | | | | | | | | | | |
| 5. Line 3.4 - Line 4 | | | | | | | | | | | |
| 6. Collected during year: | | | | | | | | | | | |
| 6.1 Direct | | | | | | | | | | | |
| 6.2 Reinsurance assumed | | | | | | | | | | | |
| 6.3 Reinsurance ceded | | | | | | | | | | | |
| 6.4 Net | | | | | | | | | | | |
| 7. Line 5 + Line 6.4 | | | | | | | | | | | |
| 8. Prior year (uncollected + deferred and accrued - advance) .. | | | | | | | | | | | |
| 9. First year premiums and considerations: | | | | | | | | | | | |
| 9.1 Direct | | | | | | | | | | | |
| 9.2 Reinsurance assumed | | | | | | | | | | | |
| 9.3 Reinsurance ceded | | | | | | | | | | | |
| 9.4 Net (Line 7 - Line 8) | | | | | | | | | | | |
| SINGLE | | | | | | | | | | | |
| 10. Single premiums and considerations: | | | | | | | | | | | |
| 10.1 Direct | | | | | | | | | | | |
| 10.2 Reinsurance assumed | | | | | | | | | | | |
| 10.3 Reinsurance ceded | | | | | | | | | | | |
| 10.4 Net | | | | | | | | | | | |
| RENEWAL | | | | | | | | | | | |
| 11. Uncollected | (170,048) | | | | (74,454) | | | | (95,594) | | |
| 12. Deferred and accrued | | | | | | | | | | | |
| 13. Deferred, accrued and uncollected: | | | | | | | | | | | |
| 13.1 Direct | 476,057 | | | | 266,088 | | | | 209,969 | | |
| 13.2 Reinsurance assumed | 377 | | | | 194 | | | | 183 | | |
| 13.3 Reinsurance ceded | 646,482 | | | | 340,736 | | | | 305,746 | | |
| 13.4 Net (Line 11 + Line 12) | (170,048) | | | | (74,454) | | | | (95,594) | | |
| 14. Advance | | | | | | | | | | | |
| 15. Line 13.4 - Line 14 | (170,048) | | | | (74,454) | | | | (95,594) | | |
| 16. Collected during year: | | | | | | | | | | | |
| 16.1 Direct | 9,458,360 | | | | 5,365,421 | | | | 4,092,939 | | |
| 16.2 Reinsurance assumed | 90,972 | | | | 38,999 | | | | 51,973 | | |
| 16.3 Reinsurance ceded | 6,589,005 | | | | 3,644,822 | | | | 2,944,183 | | |
| 16.4 Net | 2,960,327 | | | | 1,759,598 | | | | 1,200,729 | | |
| 17. Line 15 + Line 16.4 | 2,790,279 | | | | 1,685,144 | | | | 1,105,135 | | |
| 18. Prior year (uncollected + deferred and accrued - advance) .. | (282,312) | | | | (100,483) | | | | (181,829) | | |
| 19. Renewal premiums and considerations: | | | | | | | | | | | |
| 19.1 Direct | 9,022,825 | | | | 5,101,584 | | | | 3,921,241 | | |
| 19.2 Reinsurance assumed | 79,350 | | | | 33,961 | | | | 45,389 | | |
| 19.3 Reinsurance ceded | 6,029,584 | | | | 3,349,918 | | | | 2,679,666 | | |
| 19.4 Net (Line 17 - Line 18) | 3,072,591 | | | | 1,785,627 | | | | 1,286,964 | | |
| TOTAL | | | | | | | | | | | |
| 20. Total premiums and annuity considerations: | | | | | | | | | | | |
| 20.1 Direct | 9,022,825 | | | | 5,101,584 | | | | 3,921,241 | | |
| 20.2 Reinsurance assumed | 79,350 | | | | 33,961 | | | | 45,389 | | |
| 20.3 Reinsurance ceded | 6,029,584 | | | | 3,349,918 | | | | 2,679,666 | | |
| 20.4 Net (Lines 9.4 + 10.4 + 19.4) | 3,072,591 | | | | 1,785,627 | | | | 1,286,964 | | |

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

| | 1 | 2 | Ordinary | | 5 | Group | | Accident and Health | | | 11 |
|--|-----------|-----------------|----------------|----------------------|------------------------------------|----------------|-----------|---------------------|-------------------------------|-------|--|
| | | | 3 | 4 | | 6 | 7 | 8 | 9 | 10 | |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Credit Life (Group and Individual) | Life Insurance | Annuities | Group | Credit (Group and Individual) | Other | Aggregate of All Other Lines of Business |
| DIVIDENDS AND COUPONS APPLIED (included in Part 1) | | | | | | | | | | | |
| 21. To pay renewal premiums | | | | | | | | | | | |
| 22. All other | | | | | | | | | | | |
| REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED | | | | | | | | | | | |
| 23. First year (other than single): | | | | | | | | | | | |
| 23.1 Reinsurance ceded | | | | | | | | | | | |
| 23.2 Reinsurance assumed | | | | | | | | | | | |
| 23.3 Net ceded less assumed | | | | | | | | | | | |
| 24. Single: | | | | | | | | | | | |
| 24.1 Reinsurance ceded | | | | | | | | | | | |
| 24.2 Reinsurance assumed | | | | | | | | | | | |
| 24.3 Net ceded less assumed | | | | | | | | | | | |
| 25. Renewal: | | | | | | | | | | | |
| 25.1 Reinsurance ceded | 2,601,141 | | | | 1,426,462 | | | | 1,174,679 | | |
| 25.2 Reinsurance assumed | 17,774 | | | | 8,580 | | | | 9,194 | | |
| 25.3 Net ceded less assumed | 2,583,367 | | | | 1,417,882 | | | | 1,165,485 | | |
| 26. Totals: | | | | | | | | | | | |
| 26.1 Reinsurance ceded (Page 6, Line 6) | 2,601,141 | | | | 1,426,462 | | | | 1,174,679 | | |
| 26.2 Reinsurance assumed (Page 6, Line 22) | 17,774 | | | | 8,580 | | | | 9,194 | | |
| 26.3 Net ceded less assumed | 2,583,367 | | | | 1,417,882 | | | | 1,165,485 | | |
| COMMISSIONS INCURRED (direct business only) | | | | | | | | | | | |
| 27. First year (other than single) | | | | | | | | | | | |
| 28. Single | | | | | | | | | | | |
| 29. Renewal | 3,202,084 | | | | 1,973,533 | | | | 1,228,551 | | |
| 30. Deposit-type contract funds | | | | | | | | | | | |
| 31. Totals (to agree with Page 6, Line 21) | 3,202,084 | | | | 1,973,533 | | | | 1,228,551 | | |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

EXHIBIT 2 - GENERAL EXPENSES

| | Insurance | | | | 5 | 6 |
|--|-----------|---------------------|-----------|-----------------------------|------------|---------------|
| | 1 | Accident and Health | | 4 | | |
| | | 2 | 3 | | | |
| | Life | Cost Containment | All Other | All Other Lines of Business | Investment | Total |
| 1. Rent | 29,218 | | 30,533 | | | 59,751 |
| 2. Salaries and wages | 417,201 | | 435,583 | | | 852,784 |
| 3.11 Contributions for benefit plans for employees | 124,679 | | 130,080 | | | 254,759 |
| 3.12 Contributions for benefit plans for agents | | | | | | |
| 3.21 Payments to employees under non-funded benefit plans | | | | | | |
| 3.22 Payments to agents under non-funded benefit plans | | | | | | |
| 3.31 Other employee welfare | 1,675 | | 1,742 | | | 3,417 |
| 3.32 Other agent welfare | | | | | | |
| 4.1 Legal fees and expenses | 73 | | 73 | | | 146 |
| 4.2 Medical examination fees | | | | | | |
| 4.3 Inspection report fees | | | | | | |
| 4.4 Fees of public accountants and consulting actuaries | 59,153 | | 59,153 | | | 118,306 |
| 4.5 Expense of investigation and settlement of policy claims | 5 | | 5 | | | 10 |
| 5.1 Traveling expenses | 1,298 | | 1,319 | | | 2,617 |
| 5.2 Advertising | 12,117 | | 12,119 | | | 24,236 |
| 5.3 Postage, express, telegraph and telephone | 9,497 | | 7,436 | | | 16,933 |
| 5.4 Printing and stationery | 1,155 | | 1,250 | | | 2,405 |
| 5.5 Cost or depreciation of furniture and equipment | 1,303 | | 1,359 | | | 2,662 |
| 5.6 Rental of equipment | 5,093 | | 5,214 | | | 10,307 |
| 5.7 Cost or depreciation of EDP equipment and software | 24,527 | | 23,883 | | | 48,410 |
| 6.1 Books and periodicals | 19 | | 22 | | | 41 |
| 6.2 Bureau and association fees | 333 | | 391 | | | 724 |
| 6.3 Insurance, except on real estate | | | | | | |
| 6.4 Miscellaneous losses | (24) | | 2,838 | | | 2,814 |
| 6.5 Collection and bank service charges | 6,771 | | 6,772 | | | 13,543 |
| 6.6 Sundry general expenses | 11,007 | | 11,062 | | | 22,069 |
| 6.7 Group service and administration fees | | | | | | |
| 6.8 Reimbursements by uninsured plans | | | | | | |
| 7.1 Agency expense allowance | | | | | | |
| 7.2 Agents' balances charged off (less \$ recovered) | | | | | | |
| 7.3 Agency conferences other than local meetings | 434 | | 434 | | | 868 |
| 9.1 Real estate expenses | 85 | | 87 | | | 172 |
| 9.2 Investment expenses not included elsewhere | | | | | 84,930 | 84,930 |
| 9.3 Aggregate write-ins for expenses | 52,255 | | 52,526 | | | 104,781 |
| 10. General expenses incurred | 757,874 | | 783,881 | | 84,930 | (a) 1,626,685 |
| 11. General expenses unpaid December 31, prior year | 1,212,500 | | 800,000 | | | 2,012,500 |
| 12. General expenses unpaid December 31, current year | 1,218,750 | | 800,000 | | | 2,018,750 |
| 13. Amounts receivable relating to uninsured plans, prior year | | | | | | |
| 14. Amounts receivable relating to uninsured plans, current year | | | | | | |
| 15. General expenses paid during year (Lines 10+11-12-13+14) | 751,624 | | 783,881 | | 84,930 | 1,620,435 |
| DETAILS OF WRITE-INS | | | | | | |
| 09.301. Outside services | 52,255 | | 52,526 | | | 104,781 |
| 09.302. | | | | | | |
| 09.303. | | | | | | |
| 09.398. Summary of remaining write-ins for Line 9.3 from overflow page | | | | | | |
| 09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above) | 52,255 | | 52,526 | | | 104,781 |

(a) Includes management fees of \$ 82,734 to affiliates and \$ to non-affiliates.

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

| | Insurance | | | 4 | 5 |
|---|-----------|---------------------|-----------------------------|------------|---------|
| | 1 | 2 | 3 | | |
| | Life | Accident and Health | All Other Lines of Business | Investment | Total |
| 1. Real estate taxes | 61 | 63 | | | 124 |
| 2. State insurance department licenses and fees | 70,431 | 66,968 | | | 137,399 |
| 3. State taxes on premiums | 68,912 | 75,936 | | | 144,848 |
| 4. Other state taxes, including \$ for employee benefits | 9,243 | 9,274 | | | 18,517 |
| 5. U.S. Social Security taxes | 29,024 | 30,240 | | | 59,264 |
| 6. All other taxes | 13,608 | 13,608 | | | 27,216 |
| 7. Taxes, licenses and fees incurred | 191,279 | 196,089 | | | 387,368 |
| 8. Taxes, licenses and fees unpaid December 31, prior year | 45,971 | 34,181 | | | 80,152 |
| 9. Taxes, licenses and fees unpaid December 31, current year | 20,134 | 15,368 | | | 35,502 |
| 10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9) | 217,116 | 214,902 | | | 432,018 |

EXHIBIT 4 - DIVIDENDS OR REFUNDS

| | 1 | 2 |
|---|------|---------------------|
| | Life | Accident and Health |
| 1. Applied to pay renewal premiums | | |
| 2. Applied to shorten the endowment or premium-paying period | | |
| 3. Applied to provide paid-up additions | | |
| 4. Applied to provide paid-up annuities | | |
| 5. Total Lines 1 through 4 | | |
| 6. Paid in cash | | |
| 7. Left on deposit | | |
| 8. Aggregate write-ins for dividend or refund options | | |
| 9. Total Lines 5 through 8 | | |
| 10. Amount due and unpaid | | |
| 11. Provision for dividends or refunds payable in the following calendar year | | |
| 12. Terminal dividends | | |
| 13. Provision for deferred dividend contracts | | |
| 14. Amount provisionally held for deferred dividend contracts not included in Line 13 | | |
| 15. Total Lines 10 through 14 | | |
| 16. Total from prior year | | |
| 17. Total dividends or refunds (Lines 9 + 15 - 16) | | |
| DETAILS OF WRITE-INS | | |
| 0801. | | |
| 0802. | | |
| 0803. | | |
| 0898. Summary of remaining write-ins for Line 8 from overflow page | | |
| 0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) | | |

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

| | | | | | |
|--|-----------|--|--|-----------|--|
| 9999999. Totals (Net) - Page 3, Line 1 | 5,470,022 | | | 5,470,022 | |
|--|-----------|--|--|-----------|--|

EXHIBIT 5 - INTERROGATORIES

1.1

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

Yes [] No [X]

1.2

If not, state which kind is issued.
N/A

2.1

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

Yes [] No [X]

2.2

If not, state which kind is issued.
N/A

3.

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

Yes [] No [X]

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

4.

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

Yes [] No [X]

If so, state:

4.1

Amount of insurance?

\$

4.2

Amount of reserve?

\$

4.3

Basis of reserve:
N/A

4.4

Basis of regular assessments:
N/A

4.5

Basis of special assessments:
N/A

4.6

Assessments collected during the year

\$

5.

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

6.

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

Yes [] No [X]

6.1

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

\$

6.2

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

\$

Attach statement of methods employed in their valuation.

7.

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

Yes [] No [X]

7.1

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

\$

7.2

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

7.3

State the amount of reserves established for this business:

\$

7.4

Identify where the reserves are reported in the blank:
N/A

8.

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

Yes [] No [X]

8.1

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

\$

8.2

State the amount of reserves established for this business:

\$

8.3

Identify where the reserves are reported in the blank:
N/A

9.

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

Yes [] No [X]

9.1

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

\$

9.2

State the amount of reserves established for this business:

\$

9.3

Identify where the reserves are reported in the blank:
N/A

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

| 1 | Valuation Basis | | 4 |
|----------------------------------|-----------------|------------|---|
| | 2 | 3 | |
| Description of Valuation Class | Changed From | Changed To | Increase in Actuarial Reserve Due to Change |
| NONE | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| 9999999 - Total (Column 4, only) | | | |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

| | 1 Total | 2 Group Accident and Health | 3 Credit Accident and Health (Group and Individual) | 4 Collectively Renewable | Other Individual Contracts | | | | |
|---|----------------|---------------------------------------|--|------------------------------------|----------------------------|----------------------------------|---|------------------------------|--------------------|
| | | | | | 5 Non-Cancelable | 6 Guaranteed Renewable | 7 Non-Renewable for Stated Reasons Only | 8 Other Accident Only | 9 All Other |
| ACTIVE LIFE RESERVE | | | | | | | | | |
| 1. Unearned premium reserves | 2,624,918 | | 2,624,918 | | | | | | |
| 2. Additional contract reserves (a) | | | | | | | | | |
| 3. Additional actuarial reserves-Asset/Liability analysis | | | | | | | | | |
| 4. Reserve for future contingent benefits | | | | | | | | | |
| 5. Reserve for rate credits | | | | | | | | | |
| 6. Aggregate write-ins for reserves | | | | | | | | | |
| 7. Totals (Gross) | 2,624,918 | | 2,624,918 | | | | | | |
| 8. Reinsurance ceded | 3,863 | | 3,863 | | | | | | |
| 9. Totals (Net) | 2,621,055 | | 2,621,055 | | | | | | |
| CLAIM RESERVE | | | | | | | | | |
| 10. Present value of amounts not yet due on claims | 3,055,782 | | 3,055,782 | | | | | | |
| 11. Additional actuarial reserves-Asset/Liability analysis | | | | | | | | | |
| 12. Reserve for future contingent benefits | | | | | | | | | |
| 13. Aggregate write-ins for reserves | | | | | | | | | |
| 14. Totals (Gross) | 3,055,782 | | 3,055,782 | | | | | | |
| 15. Reinsurance ceded | 1,736,955 | | 1,736,955 | | | | | | |
| 16. Totals (Net) | 1,318,827 | | 1,318,827 | | | | | | |
| 17. TOTAL (Net) | 3,939,882 | | 3,939,882 | | | | | | |
| 18. TABULAR FUND INTEREST | 139,510 | | 139,510 | | | | | | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 0601. | | | | | | | | | |
| 0602. | | | | | | | | | |
| 0603. | | | | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | | | | | | | | | |
| 0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above) | | | | | | | | | |
| 1301. | | | | | | | | | |
| 1302. | | | | | | | | | |
| 1303. | | | | | | | | | |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | | | | | | | | | |
| 1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above) | | | | | | | | | |

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

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--|-------|----------------------------------|-------------------|---------------------------|---|---------------------------------------|
| | Total | Guaranteed Interest Contracts | Annuities Certain | Supplemental Contracts | Dividend Accumulations or Refunds | Premium and Other Deposit Funds |
| 1. Balance at the beginning of the year before reinsurance | | | | | | |
| 2. Deposits received during the year | | | | | | |
| 3. Investment earnings credited to the account | | | | | | |
| 4. Other net change in reserves | | | | | | |
| 5. Fees and other charges assessed | | | | | | |
| 6. Surrender charges | | | | | | |
| 7. Net surrender or withdrawal payments | | | | | | |
| 8. Other net transfers to or (from) Separate Accounts | | | | | | |
| 9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) | | | | | | |
| 10. Reinsurance balance at the beginning of the year | | | | | | |
| 11. Net change in reinsurance assumed | | | | | | |
| 12. Net change in reinsurance ceded | | | | | | |
| 13. Reinsurance balance at the end of the year (Lines 10+11-12) | | | | | | |
| 14. Net balance at the end of current year after reinsurance (Lines 9 + 13) | | | | | | |

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

| PART 1 - Liability End of Current Year | | | | | | | | | | | |
|--|-----------|-----------------|----------------|----------------------|-------------------------|------------------------------------|----------------|-----------|---------------------|-------------------------------|-------|
| | 1 | 2 | Ordinary | | | 6 | Group | | Accident and Health | | |
| | | | 3 | 4 | 5 | | 7 | 8 | 9 | 10 | 11 |
| | Total | Industrial Life | Life Insurance | Individual Annuities | Supplementary Contracts | Credit Life (Group and Individual) | Life Insurance | Annuities | Group | Credit (Group and Individual) | Other |
| 1. Due and unpaid: | | | | | | | | | | | |
| 1.1 Direct | | | | | | | | | | | |
| 1.2 Reinsurance assumed | | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | | |
| 1.4 Net | | | | | | | | | | | |
| 2. In course of settlement: | | | | | | | | | | | |
| 2.1 Resisted | | | | | | | | | | | |
| 2.11 Direct | | | | | | | | | | | |
| 2.12 Reinsurance assumed | | | | | | | | | | | |
| 2.13 Reinsurance ceded | | | | | | | | | | | |
| 2.14 Net | | | (b) | (b) | | (b) | (b) | | | | |
| 2.2 Other | | | | | | | | | | | |
| 2.21 Direct | 447,883 | | | | | 205,118 | | | | 242,765 | |
| 2.22 Reinsurance assumed | 7,536 | | | | | | | | | 7,536 | |
| 2.23 Reinsurance ceded | 202,637 | | | | | 38,326 | | | | 164,311 | |
| 2.24 Net | 252,782 | | (b) | (b) | | 166,792 | (b) | | (b) | 85,990 | (b) |
| 3. Incurred but unreported: | | | | | | | | | | | |
| 3.1 Direct | 1,127,614 | | | | | 596,615 | | | | 530,999 | |
| 3.2 Reinsurance assumed | 2,106 | | | | | 1,971 | | | | 135 | |
| 3.3 Reinsurance ceded | 579,153 | | | | | 296,087 | | | | 283,066 | |
| 3.4 Net | 550,567 | | (b) | (b) | | 302,499 | (b) | | (b) | 248,068 | (b) |
| 4. TOTALS | | | | | | | | | | | |
| 4.1 Direct | 1,575,497 | | | | | 801,733 | | | | 773,764 | |
| 4.2 Reinsurance assumed | 9,642 | | | | | 1,971 | | | | 7,671 | |
| 4.3 Reinsurance ceded | 781,790 | | | | | 334,413 | | | | 447,377 | |
| 4.4 Net | 803,349 | (a) | (a) | | | 469,291 | (a) | | | 334,058 | |

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

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

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

Credit (Group and Individual) Accident and Health \$ _____3,055,782, and Other Accident and Health \$ _____ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

| | 1 Total | 2 Industrial Life (a) | Ordinary | | | 6 Credit Life (Group and Individual) | Group | | Accident and Health | | |
|--|----------------|---------------------------------|--------------------------------|-------------------------------|-------------------------------------|--|--------------------------------|--------------------|---------------------|--|-----------------|
| | | | 3 Life Insurance (b) | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance (c) | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other |
| 1. Settlements During the Year: | | | | | | | | | | | |
| 1.1 Direct | 7,565,526 | | | | | 4,790,691 | | | | 2,774,835 | |
| 1.2 Reinsurance assumed | 420,183 | | | | | 34,488 | | | | 385,695 | |
| 1.3 Reinsurance ceded | 5,279,465 | | | | | 3,278,317 | | | | 2,001,148 | |
| 1.4 Net (d) | 2,706,244 | | | | | 1,546,862 | | | | 1,159,382 | |
| 2. Liability December 31, current year from Part 1: | | | | | | | | | | | |
| 2.1 Direct | 1,575,497 | | | | | 801,733 | | | | 773,764 | |
| 2.2 Reinsurance assumed | 9,642 | | | | | 1,971 | | | | 7,671 | |
| 2.3 Reinsurance ceded | 781,790 | | | | | 334,413 | | | | 447,377 | |
| 2.4 Net | 803,349 | | | | | 469,291 | | | | 334,058 | |
| 3. Amounts recoverable from reinsurers December 31, current year | 290,745 | | | | | 169,567 | | | | 121,178 | |
| 4. Liability December 31, prior year: | | | | | | | | | | | |
| 4.1 Direct | 3,810,873 | | | | | 2,900,648 | | | | 910,225 | |
| 4.2 Reinsurance assumed | 66,641 | | | | | 45,219 | | | | 21,422 | |
| 4.3 Reinsurance ceded | 2,679,959 | | | | | 2,181,351 | | | | 498,608 | |
| 4.4 Net | 1,197,555 | | | | | 764,516 | | | | 433,039 | |
| 5. Amounts recoverable from reinsurers December 31, prior year | 309,801 | | | | | 125,750 | | | | 184,051 | |
| 6. Incurred Benefits | | | | | | | | | | | |
| 6.1 Direct | 5,330,150 | | | | | 2,691,776 | | | | 2,638,374 | |
| 6.2 Reinsurance assumed | 363,184 | | | | | (8,760) | | | | 371,944 | |
| 6.3 Reinsurance ceded | 3,362,240 | | | | | 1,475,196 | | | | 1,887,044 | |
| 6.4 Net | 2,331,094 | | | | | 1,207,820 | | | | 1,123,274 | |

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

| | 1 | 2 | 3 |
|---|--|--|--|
| | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) | | | |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | | | |
| 2.2 Common stocks | | | |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | | | |
| 3.2 Other than first liens..... | | | |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | | | |
| 4.2 Properties held for the production of income..... | | | |
| 4.3 Properties held for sale | | | |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) | | | |
| 6. Contract loans | | | |
| 7. Derivatives (Schedule DB) | | | |
| 8. Other invested assets (Schedule BA) | | | |
| 9. Receivables for securities | | | |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | |
| 11. Aggregate write-ins for invested assets | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | | | |
| 13. Title plants (for Title insurers only) | | | |
| 14. Investment income due and accrued | | | |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | | | |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination | | | |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | | | |
| 16.2 Funds held by or deposited with reinsured companies | | | |
| 16.3 Other amounts receivable under reinsurance contracts | | | |
| 17. Amounts receivable relating to uninsured plans | | | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | |
| 18.2 Net deferred tax asset | 849,871 | 859,467 | 9,596 |
| 19. Guaranty funds receivable or on deposit | 40,987 | 46,446 | 5,459 |
| 20. Electronic data processing equipment and software | | | |
| 21. Furniture and equipment, including health care delivery assets | | | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | |
| 24. Health care and other amounts receivable | | | |
| 25. Aggregate write-ins for other than invested assets | 178,393 | 399,503 | 221,110 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 1,069,251 | 1,305,416 | 236,165 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 28. Total (Lines 26 and 27) | 1,069,251 | 1,305,416 | 236,165 |
| DETAILS OF WRITE-INS | | | |
| 1101. | | | |
| 1102. | | | |
| 1103. | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) | | | |
| 2501. Interest Maintenance Reserve | 178,393 | 208,503 | 30,110 |
| 2502. Miscellaneous Accounts Receivable | | 191,000 | 191,000 |
| 2503. | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 178,393 | 399,503 | 221,110 |

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of American Modern Life Insurance Company (the Company) have been prepared in accordance with accounting practices prescribed or permitted by the Ohio Department of Insurance (ODOI). The ODOI recognizes statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Ohio Insurance Law. Prescribed statutory accounting practices are those practices that are incorporated directly or by reference in state laws, regulations and general administrative rules applicable to all insurance enterprises domiciled in a particular state. Permitted statutory accounting practices include practices not prescribed by the domiciliary state, but allowed by the domiciliary state regulatory authority. 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 the prescribed accounting practices as stated in NAIC SAP, without modification. The Company has no material statutory accounting practices that differ from those of the state of Ohio or the NAIC accounting practices.

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

| | <u>SSAP#</u> | <u>F/S</u> <u>Page</u> | <u>F/S</u> <u>Line#</u> | <u>12/31/2016</u> | <u>12/31/2015</u> |
|--|--------------|---------------------------|----------------------------|-------------------|-------------------|
| 1. Net Income, Ohio State basis: | | | | \$ 1,197,712 | \$ 927,660 |
| 2. State Prescribed Practices (Income): | NONE | NONE | NONE | - | - |
| 3. State Permitted Practices (Income): | NONE | NONE | NONE | - | - |
| 4. Net Income, NAIC SAP: | | | | \$ 1,197,712 | \$ 927,660 |
| 5. Statutory Surplus, Ohio State basis: | | | | \$ 30,527,774 | \$ 29,037,863 |
| 6. State Prescribed Practices (Surplus): | NONE | NONE | NONE | - | - |
| 7. State Permitted Practices (Surplus): | NONE | NONE | NONE | - | - |
| 8. Statutory Surplus, NAIC SAP | | | | \$ 30,527,774 | \$ 29,037,863 |

B. Use of Estimates

The preparation of financial statements in conformity with statutory accounting practices requires management to make certain estimates and assumptions that affect reported assets and liabilities, including reporting or disclosure of contingent assets and liabilities as of the dates of the statements of assets and liabilities, surplus and other funds and the reported amounts of revenues and expenses during the reporting period. Future events, including but not limited to, changes in mortality, morbidity, interest rates and asset valuations, could cause actual results to differ from the estimates used in the financial statements and such changes in estimates are generally recorded on the summary of operations in the period in which they are made.

The most significant estimates include those used in determining policy reserves, valuation of and impairment losses on investments and federal income taxes. Although some variability is inherent in these estimates, the recorded amounts reflect management's best estimates based on facts and circumstances as of the statements of assets and liabilities, surplus and other funds date. Management believes the amounts provided are appropriate.

C. Accounting Policy

Premiums are credited to revenue over the premium paying period of the policies, with the exception of single and flexible premium contracts which are credited to revenue when received from the policyholder. Benefits and expenses, including acquisition costs related to acquiring new and renewal business, are charged to operations as incurred. Acquisition expenses incurred are reduced for ceding allowances received or receivable.

Insurance liabilities are reported after the effects of ceded reinsurance. Reinsurance recoverables represent amounts due from reinsurers for paid and unpaid benefits, expense reimbursements, prepaid premiums and future policy benefits. Reinsurance premiums ceded and recoveries on benefits and claims incurred are deducted from the respective income and expense accounts.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies (Continued)

C. Accounting Policy (Continued)

1. The Company considers all money-market funds, commercial paper and bonds purchased in the current year with original maturity dates of less than twelve months to be short-term investments. Short-term investments are stated at fair value or amortized cost. Cash and cash equivalents are carried at cost, which approximates fair value. The Company places its cash and cash equivalents with high quality financial institutions and, at times, these balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. The Company considers short-term investments that are readily convertible to known amounts of cash and have an original maturity date of three months or less to be cash equivalents.
2. Bonds are valued as prescribed by the NAIC. Bonds not backed by other loans are generally carried at cost, adjusted for the amortization of premiums, accretion of discounts and any other than temporary impairment (OTTI). Premiums and discounts are amortized and accreted over the estimated or contractual lives of the related bonds based on the interest yield method. Prepayment penalties are recorded to net investment income when collected. Bonds that have been assigned the NAIC category 6 designation are carried at the lower of cost or NAIC fair value.
3. Not applicable
4. Not applicable
5. Not applicable
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or discounted cash flows. The Company's loan-backed securities are reviewed quarterly, and as a result, the carrying value of a loan-backed security may be reduced to reflect changes in valuation resulting from discounted cash flow information. Loan-backed securities that have been assigned the NAIC category 6 designation are written down to the appropriate NAIC fair value. The Company uses a third-party pricing service in assisting the Company's determination of the fair value of most loan-backed securities. An internally developed matrix pricing model, discounted cash flow or other model is used to price a small number of holdings. The retrospective adjustment method is used to record investment income on all non-impaired securities except for interest-only securities or other non-investment grade securities where the yield had become negative. Investment income is recorded using the prospective method on these securities. Loan-backed securities that have been impaired are amortized to a new undiscounted cash flow if the security has recovered.

For loan-backed securities, the Company recognizes income using a constant effective yield method based on prepayment assumptions obtained from an outside service provider or upon analyst review of the underlying collateral and the estimated economic life of the securities. When estimated prepayments differ from the anticipated prepayments, the effective yield is recalculated to reflect actual prepayments to date and anticipated future payments. Any resulting adjustment is included in net investment income. For loan-backed securities that have a recognized OTTI, the adjusted cost basis is prospectively amortized over the remaining life of the security based on the amount and timing of future estimated cash flows. All other investment income is recorded using the interest method without anticipating the impact of prepayments.
7. Investment in subsidiary companies is accounted for using the equity method and is carried as an investment in common stocks in the statement of assets. The Company records changes in equity in its subsidiaries as credits or charges to capital and surplus. Insurance subsidiaries are recorded using statutory accounting principles.
8. Not applicable
9. Not applicable
10. Not applicable
11. The liability for unpaid losses and loss adjustment expenses includes an amount for losses incurred but unreported, based on past experience, as well as an amount for reported but unpaid losses, which is calculated on a case-by-case basis. Such liabilities are necessarily based on assumptions and estimates. While management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amount estimated. The methods, including key assumptions, of making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period such change in estimate is made. The liability for unpaid accident and health claims and claim adjustment expenses, net of reinsurance, is included in accident and health policy reserves and policy claims in process of settlement on the statements of assets and liabilities, surplus and other funds.
12. The Company has not modified its capitalization policy from the prior period.
13. Not applicable

NOTES TO FINANCIAL STATEMENTS

(2) Accounting Changes and Corrections of Errors

Not applicable

(3) Business Combinations and Goodwill

Not applicable

(4) Discontinued Operations

Not applicable

(5) Investments

A. Not applicable

B. Not applicable

C. Not applicable

D. Loan-Backed Securities

- 1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Bloomberg when available. Other payment speed assumptions for a small number of holdings were reviewed with the appropriate affiliated company analyst by evaluating the underlying collateral.
- 2) There were no OTTI recorded in 2016 due to management’s intent to sell or inability to hold a security until recovery.
- 3) As of December 31, 2016, the Company did not hold any securities for which an OTTI has previously been recognized.
- 4) All impaired securities (fair value is less than cost or amortized cost) for which an OTTI has not been recognized in earnings as a realized loss (including securities with a recognized OTTI for non-interest related declines when a non-recognized interest related impairment remains) as of December 31, 2016:

| | Aggregate | Less than 12 months | 12 Months or longer |
|--|--------------|---------------------|---------------------|
| A. Gross Unrealized Losses | \$ (30,212) | \$ (30,212) | \$ - |
| B. Fair Value of Securities with Unrealized Losses | \$ 1,262,411 | \$ 1,262,411 | \$ - |

- 5) In determining whether a decline in value is other than temporary, the Company considers several factors including, but not limited to the following: the extent and duration of the decline in value; the Company’s ability or lack of intent to retain the investment for a period of time sufficient to recover the amortized cost basis; and the performance of the security’s underlying collateral and projected future cash flows. In projecting future cash flows, the Company incorporates inputs from third-party sources and applies reasonable judgment in developing assumptions used to estimate the probability and timing of collecting all contractual cash flows.

E. Not applicable

F. Not applicable

G. Not applicable

NOTES TO FINANCIAL STATEMENTS

(5) Investments (Continued)

H. Restricted Asset

1) Restricted Assets (Including Pledged)

| Restricted Asset Category | Gross restricted | | | | |
|--|-----------------------------|-----------------------------|--|--|------------------|
| | Current year | | | | |
| | 1 | 2 | 3 | 4 | 5 |
| | Total General Account (G/A) | G/A Supporting S/A Activity | Total Separate Account (S/A) Restricted Assets | S/A Assets Supporting G/A Activity (b) | Total (1 plus 3) |
| a. Subject to contractual obligation for which liability is not shown | \$ - | \$ - | \$ - | \$ - | \$ - |
| b. Collateral held under security lending agreements | - | - | - | - | - |
| c. Subject to repurchase agreement | - | - | - | - | - |
| d. Subject to reverse repurchase agreement | - | - | - | - | - |
| e. Subject to dollar repurchase agreements | - | - | - | - | - |
| f. Subject to dollar reverse repurchase agreements | - | - | - | - | - |
| g. Placed under option contracts | - | - | - | - | - |
| h. Letter stock or securities restricted as to sale – excluding FHLB capital stock | - | - | - | - | - |
| i. FHLB capital stock | | | | | |
| j. On deposit with states | 4,972,395 | - | - | - | 4,972,395 |
| k. On deposit with other regulatory bodies | - | - | - | - | - |
| l. Pledged as collateral to FHLB (including assets backing funding agreements) | - | - | - | - | - |
| m. Pledged as collateral not captured in other categories | - | - | - | - | - |
| n. Other restricted assets | - | - | - | - | - |
| o. Total Restricted Assets | \$ 4,972,395 | \$ - | \$ - | \$ - | \$ 4,972,395 |

NOTES TO FINANCIAL STATEMENTS

(5) Investments (Continued)

1) Restricted Assets (Including Pledged) (Continued)

| Restricted Asset Category | Gross restricted | | 8 | Percentage | |
|--|-----------------------|---------------------------------|--------------|----------------------------------|--|
| | 6 | 7 | | 9 | 10 |
| | Total From Prior Year | Increase/(Decrease) (5 minus 6) | | Gross Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |
| a. Subject to contractual obligation for which liability is not shown | \$ - | \$ - | \$ - | | |
| b. Collateral held under security lending agreements | - | - | - | - | - |
| c. Subject to repurchase agreement | - | - | - | - | - |
| d. Subject to reverse repurchase agreement | - | - | - | - | - |
| e. Subject to dollar repurchase agreements | - | - | - | - | - |
| f. Subject to dollar reverse repurchase agreements | - | - | - | - | - |
| g. Placed under option contracts | - | - | - | - | - |
| h. Letter stock or securities restricted as to sale – excluding FHLB capital stock | - | - | - | - | - |
| i. FHLB Capital Stock | | | | | |
| j. On deposit with states | 4,987,355 | (14,960) | 4,972,395 | 10.87% | 11.13% |
| k. On deposit with other regulatory bodies | - | - | - | - | - |
| l. Pledged as collateral to FHLB (including assets backing funding agreements) | - | - | - | - | - |
| m. Pledged as collateral not captured in other categories | - | - | - | - | - |
| n. Other restricted assets | - | - | - | - | - |
| o. Total Restricted Assets | \$ 4,987,355 | \$ (14,960) | \$ 4,972,395 | 10.87% | 11.13% |

2) Not applicable

3) Not applicable

I. Not applicable

J. Not applicable

K. Not applicable

(6) Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

(7) Investment Income

NONE

(8) Derivative Instruments

Not applicable

NOTES TO FINANCIAL STATEMENTS

(9) Income Taxes

A. The components of the net deferred tax asset (liability) are as follows:

| 1. | <u>Current Year Ordinary</u> | <u>Current Year Capital</u> | <u>Current Year Total</u> | <u>Prior Year Ordinary</u> | <u>Prior Year Capital</u> | <u>Prior Year Total</u> |
|---|----------------------------------|---------------------------------|-------------------------------|--------------------------------|-------------------------------|-----------------------------|
| a) Total of gross deferred tax assets(DTA) | \$ 1,233,763 | \$ - | \$ 1,233,763 | \$ 1,408,530 | \$ - | \$ 1,408,530 |
| b) Statutory valuation allowance adjustment | - | - | - | - | - | - |
| c) Adjusted gross DTA | 1,233,763 | - | 1,233,763 | 1,408,530 | - | 1,408,530 |
| d) Deferred tax assets nonadmitted (DTA) | 849,871 | - | 849,871 | 859,467 | - | 859,467 |
| e) Subtotal net admitted DTA | 383,892 | - | 383,892 | 549,063 | - | 549,063 |
| f) Deferred tax liabilities (DTL) | 57,206 | - | 57,206 | 66,775 | - | 66,775 |
| g) Net admitted DTA / (DTL) | \$ 326,686 | \$ - | \$ 326,686 | \$ 482,288 | \$ - | \$ 482,288 |

| | <u>Change Ordinary</u> | <u>Change Capital</u> | <u>Change Total</u> |
|---|----------------------------|-----------------------|---------------------|
| a) Total of gross deferred tax assets(DTA) | \$ (174,767) | \$ - | \$ (174,767) |
| b) Statutory valuation allowance adjustment | - | - | - |
| c) Adjusted gross DTA | (174,767) | - | (174,767) |
| d) Deferred tax assets nonadmitted (DTA) | (9,596) | - | (9,596) |
| e) Subtotal net admitted DTA | (165,171) | - | (165,171) |
| f) Deferred tax liabilities (DTL) | (9,569) | - | (9,569) |
| g) Net admitted DTA / (DTL) | \$ (155,602) | \$ - | \$ (155,602) |

2. Admission calculation components SSAP 101

| | <u>Current Year Ordinary</u> | <u>Current Year Capital</u> | <u>Current Year Total</u> | <u>Prior Year Ordinary</u> | <u>Prior Year Capital</u> | <u>Prior Year Total</u> |
|--|----------------------------------|---------------------------------|-------------------------------|--------------------------------|-------------------------------|-----------------------------|
| a) Federal income taxes paid in prior years recoverable through loss carrybacks | \$ 326,686 | \$ - | \$ 326,686 | \$ 482,288 | \$ - | \$ 482,288 |
| b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (the lesser of 2(b) 1 and 2(b) 2 below) | - | - | - | - | - | - |
| 1. Adjusted gross DTA expected to be realized following the balance sheet date | - | - | - | - | - | - |
| 2. Adjusted gross DTA allowed per limitation threshold | - | - | 4,560,163 | - | - | 4,283,336 |
| c) Adjusted gross DTA (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross DTL | 57,206 | - | 57,206 | 66,775 | - | 66,755 |
| d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a)+2(c)) | \$ 383,892 | \$ - | \$ 383,892 | \$ 549,063 | \$ - | \$ 549,063 |

| | <u>Change Ordinary</u> | <u>Change Capital</u> | <u>Change Total</u> |
|--|----------------------------|---------------------------|-------------------------|
| a) Federal income taxes paid in prior years recoverable through loss carrybacks | \$ (155,602) | \$ - | \$ (155,602) |
| b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (the lesser of 2(b) 1 and 2(b) 2 below) | - | - | - |
| 1. Adjusted gross DTA expected to be realized following the balance sheet date | - | - | - |
| 2. Adjusted gross DTA allowed per limitation threshold | - | - | 246,827 |
| c) Adjusted gross DTA (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross DTL | (9,569) | - | (9,569) |
| d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a)+2(c)) | \$ (165,171) | \$ - | \$ (165,171) |

3.

| | <u>Current Year</u> | <u>Prior Year</u> |
|--|---------------------|-------------------|
| a) Ratio percentage used to determine recovery period and threshold limitation amount. | 5,422% | 4,544% |
| b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above. | \$ 30,201,088 | \$ 28,555,575 |

4. Impact of tax planning strategies

| a) | <u>Current Year Ordinary</u> | <u>Current Year Capital</u> | <u>Prior Year Ordinary</u> | <u>Prior Year Capital</u> | <u>Change Ordinary</u> | <u>Change Capital</u> |
|---|----------------------------------|---------------------------------|--------------------------------|-------------------------------|----------------------------|---------------------------|
| 1) Adjusted gross DTAs | \$ 1,233,763 | \$ - | \$ 1,408,530 | \$ - | \$ (174,767) | \$ - |
| 2) Percentage of adjusted gross DTAs attributable to the impact of tax planning strategies | 0% | 0% | 0% | 0% | 0% | 0% |
| 3) Net admitted adjusted gross DTAs | \$ 383,892 | \$ - | \$ 549,063 | \$ - | \$ (165,171) | \$ - |
| 4) Percentage of net admitted adjusted gross DTAs attributable to the impact of tax planning strategies | 0% | 0% | 0% | 0% | 0% | 0% |

b) The Company did not use any reinsurance tax planning strategies

NOTES TO FINANCIAL STATEMENTS

(9) Income Taxes (Continued)

- B. Deferred tax liabilities are not recognized for the following amounts: NONE
- C. The provisions for incurred taxes on earnings for the current year and the prior year-end are:

| 1. | Current Year | Prior Year | Change |
|---|--------------|------------|-------------|
| a. Current income tax: Federal | \$ 489,844 | \$ 565,910 | \$ (76,066) |
| b. Foreign | - | - | - |
| c. Subtotal | 489,844 | 565,910 | (76,066) |
| d. Federal income tax on net capital gains | 15,134 | 30,067 | (14,933) |
| e. Utilization of capital loss carry-forwards | - | - | - |
| f. Other | 8,046 | (54,793) | 62,839 |
| g. Federal and foreign income taxes incurred | \$ 513,024 | \$ 541,184 | \$ (28,160) |

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

2. Deferred tax assets

| a. Ordinary | Current Year | Prior Year | Change |
|---|--------------|------------|--------------|
| 1. Discounting of unpaid losses | \$ 2,251 | \$ 3,185 | \$ (934) |
| 2. Unearned premium reserve | 183,474 | 240,468 | (56,994) |
| 3. Policyholder reserves | 81 | 564 | (483) |
| 4. Investments | - | - | - |
| 5. Deferred acquisition costs | 277,228 | 259,675 | 17,553 |
| 6. Policyholder dividends accrual | - | - | - |
| 7. Fixed assets | - | - | - |
| 8. Compensation and benefits accrual | - | - | - |
| 9. Pension accrual | - | - | - |
| 10.Receivables – nonadmitted | 14,346 | 83,106 | (68,760) |
| 11.Net operating loss carry-forward | - | - | - |
| 12.Tax credit carry-forward | - | - | - |
| 13.Other (including items <5% if total ordinary tax assets) | 756,383 | 821,532 | (65,149) |
| 99. Subtotal | 1,233,763 | 1,408,530 | (174,767) |
| b. Statutory valuation allowance adjustment | - | - | - |
| c. Nonadmitted | 849,871 | 859,467 | (9,596) |
| d. Admitted ordinary deferred tax assets (2a99-2b-2c) | \$ 383,892 | \$ 549,063 | \$ (165,171) |
| e. Capital | | | |
| 1. Investments | \$ - | \$ - | \$ - |
| 2. Net capital loss carry-forward | - | - | - |
| 3. Real estate | - | - | - |
| 4. Other (including items <5% of total capital tax assets) | - | - | - |
| 99. Subtotal | - | - | - |
| f. Statutory valuation allowance adjustment | - | - | - |
| g. Nonadmitted | - | - | - |
| h. Admitted capital deferred tax assets (2e99-2f-2g) | - | - | - |
| i. Admitted deferred tax assets (2d+2h) | \$ 383,892 | \$ 549,063 | \$ (165,171) |

NOTES TO FINANCIAL STATEMENTS

(9) Income Taxes (Continued)

3. Deferred tax liabilities

| a. Ordinary | Current Year | Prior Year | Change |
|---|--------------|------------|--------------|
| 1. Investments | \$ 19,688 | \$ 16,059 | \$ 3,629 |
| 2. Fixed assets | - | - | - |
| 3. Deferred and uncollected premium | 27,012 | 40,518 | (13,506) |
| 4. Policyholder reserves | - | - | - |
| 5. Other (including items <5% of total ordinary tax assets) | 10,506 | 10,198 | 308 |
| 99. Subtotal | 57,206 | 66,775 | (9,569) |
| b. Capital | | | |
| 1. Investments | - | - | - |
| 2. Real estate | - | - | - |
| 3. Other (including items <5% of total capital tax assets) | - | - | - |
| 99. Subtotal | - | - | - |
| c. Deferred tax liabilities (3a99+3b99) | 57,206 | 66,775 | (9,569) |
| 4. Net deferred tax assets/liabilities (2i-3c) | \$ 326,686 | \$ 482,288 | \$ (155,602) |

D. The change in the net deferred income taxes is comprised of the following:

| | Current Year | Prior Year | Change |
|---|--------------|--------------|--------------|
| Total deferred tax assets (DTA) | \$ 1,233,763 | \$ 1,408,530 | \$ (174,767) |
| Total deferred tax liabilities (DTL) | 57,206 | 66,775 | (9,569) |
| Net DTA (liability) | \$ 1,176,557 | \$ 1,341,755 | \$ (165,198) |
| Tax effect of DTL/DTA on unrealized capital gains/losses | | | - |
| Change in net DTA as reported in surplus | | | (165,198) |
| Tax effect of statutory reserve surplus adjustment on DTA | | | - |
| Change in net deferred income tax asset | | | \$ (165,198) |

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

| | Current Year | Prior Year |
|--------------------------------------|--------------|------------|
| Provision computed at statutory rate | \$ 606,089 | \$ 543,374 |
| IMR amortization | 3,207 | 260 |
| Tax Exempt Income | 87 | - |
| Nonadmitted assets | 68,760 | 16,165 |
| Prior Year Taxes and Other | 79 | 2 |
| Total tax | 678,222 | 559,801 |
| Total statutory tax expense | 497,890 | 511,117 |
| Tax on capital gains/losses | 15,134 | 30,067 |
| Change in net deferred income taxes | 165,198 | 18,617 |
| Total statutory income taxes | \$ 678,222 | \$ 559,801 |

E. As of December 31, 2016, the Company had no net operating loss carryforwards nor tax credit carryforwards.

Total income taxes incurred in the current and prior years of \$2,126,364 are available for recovery in the event of future net losses.

The aggregate amount of deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code was \$0 as of December 31, 2016.

The Company believes it is reasonably possible that the liability related to any federal or foreign tax loss contingencies may significantly increase within the next 12 months. However, an estimate of the reasonably possible increase cannot be made at this time.

F. The Company's Federal Income Tax Return is not consolidated with any other entity.

NOTES TO FINANCIAL STATEMENTS

(10) Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company is a wholly-owned life subsidiary of Minnesota Life Insurance Company (Minnesota Life), is organized under the laws of the State of Ohio as a stock life company and is licensed as a life and health insurer.
- B. Not applicable
- C. Not applicable
- D. The Company has a multi-party service agreement with Minnesota Life and other affiliated companies for expenses including charges for occupancy costs, data processing, compensation and benefits, advertising and promotion, and other administrative expenses, which are incurred on behalf of the Company. As of December 31, 2016, the Company reported \$469,386 and \$1,314 as net amounts due to Minnesota Life and Securian Casualty Company, respectively. As of December 31, 2015, the Company reported \$525,569 and \$0 as net amounts due to Minnesota Life and Securian Casualty Company, respectively. The amount of expenses incurred by the Company related to affiliated agreements for the years ended December 31, 2016 and 2015 were \$1,639,874 and \$1,782,783, respectively. Settlements are made quarterly.
- E. Not applicable
- F. The Company also has an agreement with its affiliate Advantus Capital Management (Advantus), for advisory services performed in managing the Company's asset portfolios. Amounts paid under this advisory agreement for the years ended December 31, 2016 and 2015 were \$82,734 and \$84,893, respectively.
- G. Not applicable
- H. Not applicable
- I. Not applicable
- J. Not applicable
- K. Not applicable
- L. Not applicable
- M. Not applicable
- N. Not applicable

(11) Debt

Not applicable

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

Not applicable

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

- 1. The Company has 1,000,000 shares of \$2.50 par value common stock authorized, and 1,000,000 shares issued and outstanding.
- 2. Not applicable
- 3. Dividend payments by the Company to its parent cannot exceed the greater of 10% of statutory capital and surplus or the statutory net gain from operations as of the preceding year-end, as well as the timing and amount of dividends paid in the preceding 12 months, without prior approval from the ODOI. Based on these limitations and 2016 statutory results, the maximum amount available for the payment of dividends during 2017 by the Company without prior regulatory approval is \$3,052,777.
- 4. Within the limit of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to shareholders.
- 5. Not applicable
- 6. Not applicable
- 7. Not applicable
- 8. Not applicable
- 9. Not applicable

NOTES TO FINANCIAL STATEMENTS

(13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations (Continued)

10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) is \$263,283.
11. Not applicable
12. Not applicable
13. Not applicable

(14) Liabilities, Contingencies and Assessments

- A. Not applicable
- B. The Company is contingently liable under state regulatory requirements for possible assessments pertaining to future insolvencies and impairments of unaffiliated insurance companies. The Company records a liability for future guaranty fund assessments based upon known insolvencies, according to data received from the National Organization of Life and Health Insurance Guaranty Association. At December 31, 2016 and 2015, the amount was immaterial to the statutory financial statements. An asset is recorded for the amount of guaranty fund assessments paid, which can be recovered through future premium tax credits. This asset was also immaterial to the December 31, 2016 and 2015 statutory financial statements. These assets are being amortized over a five-year period.
- C. Not applicable
- D. The Company is involved in various pending or threatened legal proceedings arising out of the normal course of business. In the opinion of management, the ultimate resolution of such litigation will likely not have a material adverse effect on operations or the financial position of the Company.
- E. In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding reinsurance to other insurance companies (reinsurers). To the extent that a reinsurer is unable to meet its obligations under the reinsurance agreement, the Company remains liable. The Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk to minimize its exposure to significant losses from reinsurer insolvencies. Allowances are established for amounts deemed uncollectible.

(15) Leases

Not applicable

(16) Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Certain financial instruments, consisting primarily of cash and short-term investments, potentially subject the Company to concentration of credit risk. The Company places its cash, cash equivalents and short-term investments in investment grade securities and limits the amount of credit exposure with any one institution.

Investment policy limits investments per individual issuer in investment company securities to 5% of admitted statutory assets and the fund must be in existence greater than 2 years and have assets over \$50 million.

Management attempts to limit the concentration of credit risk with respect to bonds by diversifying the geographic base and industries of the underlying issuers. This diversity is an integral component of the portfolio management process.

(17) Sale Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable

(18) Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

(19) Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not Applicable

NOTES TO FINANCIAL STATEMENTS

(20) Fair Value Measurements

A. The fair value of the Company's financial assets and financial liabilities has been determined using available market information as of December 31, 2016. Although the Company is not aware of any factors that would significantly affect the fair value of financial assets and financial liabilities, such amounts have not been comprehensively revalued since those dates. Therefore, estimates of fair value subsequent to the valuation dates may differ significantly from the amounts presented herein. Considerable judgment is required to interpret market data to develop the estimates of fair value. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach which utilizes a process and other relevant information generated by market transactions involving identical or comparable assets or liabilities. To a lesser extent, the Company also uses the income approach which uses discounted cash flows to determine fair value. When applying either approach, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs reflect the assumptions market participants would use in valuing a financial instrument based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's estimates about the assumptions market participants would use in valuing financial assets and financial liabilities based on the best information in the circumstances.

The Company is required to categorize its financial assets and financial liabilities carried at fair value on the statements of assets and liabilities, surplus and other funds according to a three-level hierarchy. A level is assigned to each financial asset and financial liability based on the lowest level input that is significant to the fair value measurement in its entirety. The levels of fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. The types of assets and liabilities utilizing Level 1 valuations generally include money-market funds and actively-traded U.S. and international common stocks.

Level 2 – Fair value is based on significant inputs, other than quoted prices included in Level 1, that are observable in active markets for identical or similar assets and liabilities.

Level 3 – Fair value is based on at least one or more significant unobservable inputs. These inputs reflect the Company's assumptions about the inputs market participants would use in pricing the assets or liabilities. The types of assets and liabilities utilizing Level 3 valuations generally include certain non-exchange traded common stocks.

The Company uses prices and inputs that are current as of the measurement date. In periods of market disruption, the ability to observe prices and inputs may be reduced, which could cause an asset or liability to be reclassified to a lower level.

Inputs used to measure fair value of an asset or liability may fall into different levels of the fair value hierarchy. In these situations, the Company will determine the level in which the fair value falls based upon the lowest level input that is significant to the determination of the fair value.

The following table summarizes by level of fair value hierarchy the financial assets measured and reported by the Company at fair value as of December 31, 2016:

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|-------------------|-------------|-------------|-------------------|
| a. Assets at fair value: | | | | |
| Short-term investments: | | | | |
| Money market mutual funds | \$ 378,669 | \$ - | \$ - | \$ 378,669 |
| Total assets at fair value | <u>\$ 378,669</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 378,669</u> |

- (1) The Company did not have any transfers between Level 1 and Level 2 of the fair value hierarchy during 2016.
- (2) The Company did not have any Level 3 assets as of December 31, 2016.
- (3) Transfers of securities occur at the beginning of the reporting period.
- (4) Not applicable – no level 2 or 3 assets or liabilities
- (5) Not applicable – no derivative assets or liabilities

B. Not applicable

NOTES TO FINANCIAL STATEMENTS

(20) Fair Value Measurements (Continued)

C. The following table summarizes by level of fair value hierarchy the aggregate fair value of all financial assets held by the Company as of December 31, 2016:

| Type of financial instrument | Aggregate fair value | Admitted assets | Level 1 | Level 2 | Level 3 | Not practicable carrying value |
|------------------------------|----------------------|---------------------|---------------------|---------------------|-------------|--------------------------------|
| Bonds | \$30,805,279 | \$29,904,124 | \$17,507,026 | \$13,298,253 | \$ - | \$ - |
| Short terms | 378,669 | 378,669 | 378,669 | - | - | - |
| Total assets | <u>\$31,183,948</u> | <u>\$30,282,793</u> | <u>\$17,885,695</u> | <u>\$13,298,253</u> | <u>\$ -</u> | <u>\$ -</u> |

D. Not applicable

(21) Other Items

A. Not applicable

B. Not applicable

C. Assets in the amount of \$4,972,395 and \$4,987,355 at December 31, 2016 and 2015, respectively, were on deposit with government authorities or trustees as required by law.

D. Not applicable

E. Not applicable

F. Subprime Mortgage Related Risk Exposure

- 1. As of December 31, 2016, the Company does not hold any subprime assets.
- 2. None
- 3. None
- 4. None

G. Not applicable

(22) Events Subsequent

Not applicable

NOTES TO FINANCIAL STATEMENTS

(23) Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

- 1. Are any of the reinsurers, listed in schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company? Yes() No (XX)
- 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) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes () No (XX)

Section 2 – Ceded Reinsurance Report – Part A

- 1. Does the Company have any reinsurance agreements in effect under which the reinsurer may Unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes () No (XX)
- 2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (XX)

Section 3 – Ceded Reinsurance Report – Part B

- 1. What is the estimated amount of the aggregate reduction in surplus, for agreements not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- 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 which were in-force or which had existing reserves established by the Company as of the effective date of the agreement? Yes () No (XX).
 - a. If yes, what is the amount of reinsurance credits, weather an asset or a reduction of liability, taken for such new agreements or amendments?

B. Not applicable

C. Not applicable

(24) Retrospectively Rated Contracts

Not applicable

(25) Change in Incurred Losses and Loss Adjustment Expenses.

Activity in the liability for unpaid accident and health claims and claim adjustment expenses is summarized as follows:

| | Current Year | Prior Year |
|-------------------------------|--------------|--------------|
| Balance at January 1 | \$ 4,851,355 | \$ 6,765,228 |
| Less: reinsurance recoverable | 2,831,669 | 3,963,326 |
| Net balance at January 1 | 2,019,686 | 2,801,902 |
| Incurred related to: | | |
| Current year | 921,862 | 1,006,643 |
| Prior years | (66,410) | (127,583) |
| Total incurred | 855,452 | 879,060 |
| Paid related to: | | |
| Current year | 271,375 | 247,706 |
| Prior years | 950,880 | 1,413,570 |
| Total paid | 1,222,255 | 1,661,276 |
| Net balance at December 31 | 1,652,883 | 2,019,686 |
| Plus: reinsurance recoverable | 2,184,332 | 2,831,669 |
| Balance at December 31 | \$ 3,837,215 | \$ 4,851,355 |

NOTES TO FINANCIAL STATEMENTS

(26) Intercompany Pooling Arrangements

Not applicable

(27) Structured Settlements

Not applicable

(28) Health Care Receivables

Not applicable

(29) Participating Policies

Not applicable

(30) Premium Deficiency Reserves

Not applicable

(31) Reserves for Life Contracts and Deposit-Type Contracts

Not applicable

(32) Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

Not applicable

(33) Premium and Annuity Considerations Deferred and Uncollected

Not applicable

(34) Separate Accounts

Not applicable

(35) Loss/Claim Adjustment Expenses

The Company did not record a liability for unpaid accident and health claim adjustment expenses as of December 31, 2016 or December 31, 2015.

The Company incurred \$173,409 and paid \$173,409 of claim adjustment expenses in 2016, of which \$43,352 of the paid amount was attributable to insured or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years.

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

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

Yes ☒ No ☐

1.2

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

Yes ☒ No ☐ N/A ☐

1.3

State Regulating?

OHIO

2.1

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

Yes ☐ No ☒

2.2

If yes, date of change:

3.1

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

12/31/2012

3.2

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

12/31/2012

3.3

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

05/07/2014

3.4

By what department or departments?
The Company has been examined as part of a group level examination by the Minnesota Department of Commerce with California Department of Insurance, Ohio Department of Insurance and Arkansas Department of Insurance participating.

3.5

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

Yes ☐ No ☐ N/A ☒

3.6

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

Yes ☐ No ☐ N/A ☒

4.1

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

Yes ☒ No ☐
Yes ☒ No ☐

4.2

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

Yes ☒ No ☐
Yes ☒ No ☐

5.1

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

Yes ☐ No ☒

5.2

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

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

6.1

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

Yes ☐ No ☒

6.2

If yes, give full information:
N/A

7.1

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

Yes ☐ No ☒

7.2

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

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

%
%

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

- 8.1

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

Yes [] No [X]
- 8.2

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

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

Yes [X] No []
- 8.4

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

| 1 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 FDIC | 6 SEC |
|--|-----------------------------|----------|----------|-----------|----------|
| Securian Financial Services, Inc. | St. Paul, MN | NO | NO | NO | YES |
| Securian Trust Company N.A. | St. Paul, MN | NO | YES | NO | NO |
| C.R.I. Securities LLC | St. Paul, MN | NO | NO | NO | YES |
| H. Beck, Inc. | Rockville, MD | NO | NO | NO | YES |
| Asset Allocation & Management Company, LLC | Chicago, IL | NO | NO | NO | YES |

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG, 4200 Wells Fargo Center, 90 S. Seventh Street, Minneapolis, MN 55402
- 10.1

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

Yes [] No [X]
- 10.2

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

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

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

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

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

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

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Steven M. Perry, FSA, MAAA, Appointed Actuary of American Modern Life Insurance Company and a member of the American Academy of Actuaries, 400 Robert Street North, St. Paul, Minnesota 55101, employee of Securian Financial Group, Inc. an indirect parent of the reporting entity.
- 12.1

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

Yes [] No [X]
- 12.11

Name of real estate holding company N/A
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value \$
- 12.2

If, yes provide explanation:
.....
13.

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

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

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

Yes [] No []
- 13.3

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

Yes [] No []
- 13.4

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

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

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

Yes [X] No []
- (a)

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

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

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

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

Accountability for adherence to the code.
- 14.11

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

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

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

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

Yes [] No [X]
- 14.31

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

- 15.1

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

Yes [] No [X]
- 15.2

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

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

BOARD OF DIRECTORS

16.

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

Yes [X] No []
17.

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

Yes [X] No []
18.

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

Yes [X] No []

FINANCIAL

19.

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

Yes [] No [X]
- 20.1

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

20.11 To directors or other officers

\$

20.12 To stockholders not officers

\$

20.13 Trustees, supreme or grand (Fraternal Only)

\$
- 20.2

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

20.21 To directors or other officers

\$

20.22 To stockholders not officers

\$

20.23 Trustees, supreme or grand (Fraternal Only)

\$
- 21.1

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

Yes [] No [X]
- 21.2

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

21.21 Rented from others

\$

21.22 Borrowed from others

\$

21.23 Leased from others

\$

21.24 Other

\$
- 22.1

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

Yes [] No [X]
- 22.2

If answer is yes:

22.21 Amount paid as losses or risk adjustment

\$

22.22 Amount paid as expenses

\$

22.23 Other amounts paid

\$
- 23.1

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

Yes [] No [X]
- 23.2

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

\$

INVESTMENT

- 24.01

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

Yes [X] No []
- 24.02

If no, give full and complete information relating thereto

N/A
- 24.03

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

N/A
- 24.04

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

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

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

\$
- 24.06

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

\$
- 24.07

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

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

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

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

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

| | | | | |
|------|--|---|----|-----------|
| 25.2 | If yes, state the amount thereof at December 31 of the current year: | 25.21 Subject to repurchase agreements | \$ | |
| | | 25.22 Subject to reverse repurchase agreements | \$ | |
| | | 25.23 Subject to dollar repurchase agreements | \$ | |
| | | 25.24 Subject to reverse dollar repurchase agreements | \$ | |
| | | 25.25 Placed under option agreements | \$ | |
| | | 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock | \$ | |
| | | 25.27 FHLB Capital Stock | \$ | |
| | | 25.28 On deposit with states | \$ | 4,972,395 |
| | | 25.29 On deposit with other regulatory bodies | \$ | |
| | | 25.30 Pledged as collateral - excluding collateral pledged to an FHLB | \$ | |
| | | 25.31 Pledged as collateral to FHLB - including assets backing funding agreements | \$ | |
| | | 25.32 Other | \$ | |

25.3 For category (25.26) provide the following:

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

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

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

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

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

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

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

| 1 Name of Custodian(s) | 2 Custodian's Address |
|---------------------------|---|
| State Street Bank & Trust | 801 Pennsylvania Ave, Kansas City, MO 64105 |

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

| 1 Name of Firm or Individual | 2 Affiliation |
|--|------------------|
| Advantus Capital Management, Inc | A..... |
| | |

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1 Central Registration Depository Number | 2 Name of Firm or Individual | 3 Legal Entity Identifier (LEI) | 4 Registered With | 5 Investment Management Agreement (IMA) Filed |
|--|--|------------------------------------|----------------------|---|
| 109905 | Advantus Capital Management, Inc | 5URRAMPU5ELN1W8AQJB87 | SEC | NO..... |
| | | | | |

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

29.2 If yes, complete the following schedule:

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

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

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

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

| | 1 Statement (Admitted) Value | 2 Fair Value | 3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|-----------------------------|------------------------------------|-----------------|---|
| 30.1 Bonds | 30,282,793 | 31,183,948 | 901,155 |
| 30.2 Preferred stocks | | | |
| 30.3 Totals | 30,282,793 | 31,183,948 | 901,155 |

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

When quoted market prices are not available for fixed maturity securities such as private placement securities, securities that do not trade regularly, and embedded derivatives included in such securities, a pricing model using a commercial software application is most often used. The matrix pricing model is developed by obtaining spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings. The weighted average life and bond rating of a particular fixed maturity security to be priced are important inputs into the model and are used to determine a corresponding spread that is added to the U.S. Treasury yield to create an estimated market yield for that security. The estimated market yield, liquidity premium, any adjustments for known credit risk, and other relevant factors are then used to estimate the fair value of the particular fixed maturity security.

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

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

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

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

32.2 If no, list exceptions:
N/A

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$16,000

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

| 1 Name | 2 Amount Paid |
|---------------|------------------|
| AM BEST | 16,000 |
| | |

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

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1

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

Yes [] No [X]

1.2

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

\$

1.3

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

\$

1.31

Reason for excluding:

N/A

1.4

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

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

1.62

Total incurred claims

\$

1.63

Number of covered lives

All years prior to most current three years

1.64

Total premium earned

\$

1.65

Total incurred claims

\$

1.66

Number of covered lives

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

1.72

Total incurred claims

\$

1.73

Number of covered lives

All years prior to most current three years

1.74

Total premium earned

\$

1.75

Total incurred claims

\$

1.76

Number of covered lives

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

2.2

Premium Denominator

3,072,591

4,248,113

2.3

Premium Ratio (2.1/2.2)

0.000

0.000

2.4

Reserve Numerator

2.5

Reserve Denominator

10,213,253

9,363,480

2.6

Reserve Ratio (2.4/2.5)

0.000

0.000

3.1

Does this reporting entity have Separate Accounts?

Yes [] No [X]

3.2

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

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

3.3

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

\$

3.4

State the authority under which Separate Accounts are maintained:

N/A

3.5

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

Yes [] No []

3.6

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

Yes [] No []

3.7

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

4.1

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

Yes [X] No []

4.2

Net reimbursement of such expenses between reporting entities:

4.21

Paid

\$

1,722,608

4.22

Received

\$

5.1

Does the reporting entity write any guaranteed interest contracts?

Yes [] No [X]

5.2

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

5.21

Page 3, Line 1

\$

5.22

Page 4, Line 1

\$

6.

FOR STOCK REPORTING ENTITIES ONLY:

6.1

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

\$

7,000,000

7.

Total dividends paid stockholders since organization of the reporting entity:

7.11

Cash

\$

7.12

Stock

\$

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death
benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business
originally written as workers' compensation insurance.

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

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

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

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

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

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

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

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

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

10. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:
- 10.1 Amount of loss reserves established by these annuities during the current year:\$
- 10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

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

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

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

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

13.1 Direct Premium Written\$

13.2 Total Incurred Claims\$

13.3 Number of Covered Lives

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

FIVE-YEAR HISTORICAL DATA

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

| | 1 2016 | 2 2015 | 3 2014 | 4 2013 | 5 2012 |
|--|-------------|------------|-------------|-------------|-------------|
| Life Insurance in Force (Exhibit of Life Insurance) | | | | | |
| 1. Ordinary - whole life and endowment (Line 34, Col. 4) | | | | | |
| 2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) | | | | | |
| 3. Credit life (Line 21, Col. 6) | 532,956 | 708,118 | 846,377 | 1,033,316 | 1,397,665 |
| 4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4) | | | | | |
| 5. Industrial (Line 21, Col. 2) | | | | | |
| 6. FEGLI/SGLI (Lines 43 & 44, Col. 4) | | | | | |
| 7. Total (Line 21, Col. 10) | 532,956 | 708,118 | 846,377 | 1,033,316 | 1,397,665 |
| New Business Issued (Exhibit of Life Insurance) | | | | | |
| 8. Ordinary - whole life and endowment (Line 34, Col. 2) | | | | | |
| 9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2) | | | | | |
| 10. Credit life (Line 2, Col. 6) | 147,256 | 216,284 | 205,287 | 192,011 | 303,663 |
| 11. Group (Line 2, Col. 9) | | | | | |
| 12. Industrial (Line 2, Col. 2) | | | | | |
| 13. Total (Line 2, Col. 10) | 147,256 | 216,284 | 205,287 | 192,011 | 303,663 |
| Premium Income - Lines of Business (Exhibit 1 - Part 1) | | | | | |
| 14. Industrial life (Line 20.4, Col. 2) | | | | | |
| 15.1 Ordinary-life insurance (Line 20.4, Col. 3) | | | | | |
| 15.2 Ordinary-individual annuities (Line 20.4, Col. 4) | | | | | |
| 16. Credit life (group and individual) (Line 20.4, Col. 5) | 1,785,627 | 2,646,976 | 3,134,224 | 2,899,068 | 4,806,117 |
| 17.1 Group life insurance (Line 20.4, Col. 6) | | | | | |
| 17.2 Group annuities (Line 20.4, Col. 7) | | | | | |
| 18.1 A & H-group (Line 20.4, Col. 8) | | | | | |
| 18.2 A & H-credit (group and individual) (Line 20.4, Col. 9) | 1,286,964 | 1,601,137 | 1,991,429 | 1,774,432 | 3,314,498 |
| 18.3 A & H-other (Line 20.4, Col. 10) | | | | | |
| 19. Aggregate of all other lines of business (Line 20.4, Col. 11) | | | | | |
| 20. Total | 3,072,591 | 4,248,113 | 5,125,653 | 4,673,499 | 8,120,615 |
| Balance Sheet (Pages 2 & 3) | | | | | |
| 21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3) | 44,677,379 | 46,904,726 | 47,789,370 | 52,089,878 | 58,821,838 |
| 22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) | 14,149,605 | 17,866,863 | 19,863,218 | 25,642,367 | 35,754,219 |
| 23. Aggregate life reserves (Page 3, Line 1) | 5,470,022 | 7,063,737 | 8,076,489 | 11,435,418 | 16,828,005 |
| 24. Aggregate A & H reserves (Page 3, Line 2) | 3,939,882 | 5,021,898 | 6,094,329 | 7,555,562 | 10,732,579 |
| 25. Deposit-type contract funds (Page 3, Line 3) | | | | | |
| 26. Asset valuation reserve (Page 3, Line 24.01) | 36,929 | 25,781 | 44,184 | 58,084 | 43,260 |
| 27. Capital (Page 3, Lines 29 and 30) | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| 28. Surplus (Page 3, Line 37) | 28,027,774 | 26,537,863 | 25,426,152 | 23,947,511 | 20,567,619 |
| Cash Flow (Page 5) | | | | | |
| 29. Net Cash from Operations (Line 11) | (1,986,232) | (796,488) | (3,251,504) | (5,868,488) | (3,881,458) |
| Risk-Based Capital Analysis | | | | | |
| 30. Total adjusted capital | 30,583,633 | 29,082,331 | 28,015,598 | 26,546,221 | 23,143,692 |
| 31. Authorized control level risk - based capital | 558,086 | 629,410 | 786,327 | 967,460 | 1,441,983 |
| Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0 | | | | | |
| 32. Bonds (Line 1) | 68.8 | 68.8 | 70.1 | 68.9 | 64.1 |
| 33. Stocks (Lines 2.1 and 2.2) | 28.9 | 27.4 | 26.8 | 25.3 | 22.7 |
| 34. Mortgage loans on real estate(Lines 3.1 and 3.2) | | | | | |
| 35. Real estate (Lines 4.1, 4.2 and 4.3) | | | | | |
| 36. Cash, cash equivalents and short-term investments (Line 5) | 2.2 | 3.7 | 3.0 | 5.7 | 13.1 |
| 37. Contract loans (Line 6) | | | | | |
| 38. Derivatives (Page 2, Line 7) | | | | | |
| 39. Other invested assets (Line 8) | | | | | |
| 40. Receivables for securities (Line 9) | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 |
| 41. Securities lending reinvested collateral assets (Line 10) | | | | | |
| 42. Aggregate write-ins for invested assets (Line 11) | | | | | |
| 43. Cash, cash equivalents and invested assets (Line 12) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

FIVE-YEAR HISTORICAL DATA

(Continued)

| | 1 2016 | 2 2015 | 3 2014 | 4 2013 | 5 2012 |
|--|-------------|-------------|-------------|-------------|-------------|
| Investments in Parent, Subsidiaries and Affiliates | | | | | |
| 44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1) | | | | | |
| 45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1) | | | | | |
| 46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1), | 12,540,010 | 12,276,728 | 12,207,990 | 12,629,796 | 12,887,759 |
| 47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) | | | | | |
| 48. Affiliated mortgage loans on real estate | | | | | |
| 49. All other affiliated | | | | | |
| 50. Total of above Lines 44 to 49 | 12,540,010 | 12,276,728 | 12,207,990 | 12,629,796 | 12,887,759 |
| 51. Total Investment in Parent included in Lines 44 to 49 above | | | | | |
| Total Nonadmitted and Admitted Assets | | | | | |
| 52. Total nonadmitted assets (Page 2, Line 28, Col. 2) | 1,069,251 | 1,305,415 | 1,453,409 | 1,447,968 | 1,215,513 |
| 53. Total admitted assets (Page 2, Line 28, Col. 3) | 44,677,379 | 46,904,726 | 47,789,370 | 52,089,878 | 58,821,838 |
| Investment Data | | | | | |
| 54. Net investment income (Exhibit of Net Investment Income) | 755,365 | 800,477 | 799,780 | 694,747 | 793,324 |
| 55. Realized capital gains (losses) (Page 4, Line 34, Column 1) | (4,343) | 14,977 | (4,140) | (3,980) | 1,309,449 |
| 56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1) | 263,283 | 36,269 | (236,594) | (254,745) | 1,152,693 |
| 57. Total of above Lines 54, 55 and 56 | 1,014,305 | 851,723 | 559,046 | 436,022 | 3,255,467 |
| Benefits and Reserve Increases (Page 6) | | | | | |
| 58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11,12, 13, 14 and 15 Cols. 9, 10 and 11) | 1,207,819 | 1,652,852 | 2,479,623 | 2,667,111 | 5,291,827 |
| 59. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11) | 1,123,274 | 1,696,870 | 1,979,742 | 2,380,520 | 2,771,023 |
| 60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3) | | | | | |
| 61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11) | (1,082,016) | (1,072,431) | (1,461,233) | (3,177,018) | (2,660,135) |
| 62. Dividends to policyholders (Line 30, Col. 1) | | | | | |
| Operating Percentages | | | | | |
| 63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0 | 70.3 | 80.0 | 56.9 | 62.2 | 64.0 |
| 64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0 | | | | | |
| 65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2) | 40.7 | 47.4 | 44.1 | 31.3 | 38.1 |
| 66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2) | | | | | |
| 67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2) | 49.6 | 79.5 | 64.7 | 42.0 | 54.4 |
| A & H Claim Reserve Adequacy | | | | | |
| 68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2) | | | | | |
| 69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2) | | | | | |
| 70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2) | 1,953,279 | 2,674,322 | 3,126,742 | 4,330,353 | 5,263,185 |
| 71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2) | 2,019,689 | 2,801,905 | 3,732,204 | 5,072,878 | 6,033,416 |
| Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33) | | | | | |
| 72. Industrial life (Col. 2) | | | | | |
| 73. Ordinary - life (Col. 3) | | | | | |
| 74. Ordinary - individual annuities (Col. 4) | | | | | |
| 75. Ordinary-supplementary contracts (Col. 5) | | | | | |
| 76. Credit life (Col. 6) | 896,925 | 659,537 | 1,722,147 | 2,787,760 | 135,220 |
| 77. Group life (Col. 7) | | | | | |
| 78. Group annuities (Col. 8) | | | | | |
| 79. A & H-group (Col. 9) | | | | | |
| 80. A & H-credit (Col. 10) | 305,130 | 253,145 | 341,940 | 1,095,044 | 408,648 |
| 81. A & H-other (Col. 11) | | | | | |
| 82. Aggregate of all other lines of business (Col. 12) | | | | | |
| 83. Total (Col. 1) | 1,202,055 | 912,683 | 2,064,087 | 3,882,805 | 543,868 |

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

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE

| | Industrial | | Ordinary | | Credit Life (Group and Individual) | | Group | | | 10 Total Amount of Insurance (a) |
|---|--------------------|-------------------------|--------------------|-------------------------|--|-------------------------|---------------|-------------------|-------------------------|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | Number of | | 9 | |
| | Number of Policies | Amount of Insurance (a) | Number of Policies | Amount of Insurance (a) | Number of Individual Policies and Group Certificates | Amount of Insurance (a) | 7 Policies | 8 Certificates | Amount of Insurance (a) | |
| 1. In force end of prior year | | | | | 48,904 | 708,118 | | | | 708,118 |
| 2. Issued during year | | | | | 13,637 | 147,256 | | | | 147,256 |
| 3. Reinsurance assumed | | | | | | | | | | |
| 4. Revived during year | | | | | | | | | | |
| 5. Increased during year (net) | | | | | | | | | | |
| 6. Subtotals, Lines 2 to 5 | | | | | 13,637 | 147,256 | | | | 147,256 |
| 7. Additions by dividends during year | XXX | | XXX | | XXX | | XXX | XXX | | |
| 8. Aggregate write-ins for increases | | | | | | | | | | |
| 9. Totals (Lines 1 and 6 to 8) | | | | | 62,541 | 855,374 | | | | 855,374 |
| Deductions during year: | | | | | | | | | | |
| 10. Death | | | | | 346 | 2,930 | XXX | | | 2,930 |
| 11. Maturity | | | | | | | XXX | | | |
| 12. Disability | | | | | | | XXX | | | |
| 13. Expiry | | | | | | | | | | |
| 14. Surrender | | | | | | | | | | |
| 15. Lapse | | | | | 23,497 | 315,580 | | | | 315,580 |
| 16. Conversion | | | | | | | XXX | XXX | XXX | |
| 17. Decreased (net) | | | | | | 3,908 | | | | 3,908 |
| 18. Reinsurance | | | | | | | | | | |
| 19. Aggregate write-ins for decreases | | | | | | | | | | |
| 20. Totals (Lines 10 to 19) | | | | | 23,843 | 322,418 | | | | 322,418 |
| 21. In force end of year (Line 9 minus Line 20) | | | | | 38,698 | 532,956 | | | | 532,956 |
| 22. Reinsurance ceded end of year | XXX | | XXX | | XXX | 315,578 | XXX | XXX | | 315,578 |
| 23. Line 21 minus Line 22 | XXX | | XXX | | XXX | (b) 217,378 | XXX | XXX | | 217,378 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0801. | | | | | | | | | | |
| 0802. | | | | | | | | | | |
| 0803. | | | | | | | | | | |
| 0898. Summary of remaining write-ins for Line 8 from overflow page | | | | | | | | | | |
| 0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above) | | | | | | | | | | |
| 1901. | | | | | | | | | | |
| 1902. | | | | | | | | | | |
| 1903. | | | | | | | | | | |
| 1998. Summary of remaining write-ins for Line 19 from overflow page | | | | | | | | | | |
| 1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above) | | | | | | | | | | |

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

(b) Group \$; Individual \$

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

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

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

| | | Issued During Year (Included in Line 2) | | In Force End of Year (Included in Line 21) | |
|--|---|--|-------------------------|---|-------------------------|
| | | 1 | 2 | 3 | 4 |
| Term Insurance Excluding Extended Term Insurance | | Number of Policies | Amount of Insurance (a) | Number of Policies | Amount of Insurance (a) |
| 27. | Term policies - decreasing | | | | |
| 28. | Term policies - other | | | | |
| 29. | Other term insurance - decreasing | XXX | | XXX | |
| 30. | Other term insurance | | | XXX | |
| 31. | Totals (Lines 27 to 30) | | | | |
| Reconciliation to Lines 2 and 21: | | | | | |
| 32. | Term additions | XXX | | XXX | |
| 33. | Totals, extended term insurance | XXX | XXX | | |
| 34. | Totals, whole life and endowment | | | | |
| 35. | Totals (Lines 31 to 34) | | | | |

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

| | | Issued During Year (Included in Line 2) | | In Force End of Year (Included in Line 21) | |
|-----|--|--|---------------|---|---------------|
| | | 1 | 2 | 3 | 4 |
| | | Non-Participating | Participating | Non-Participating | Participating |
| 36. | Industrial | | | | |
| 37. | Ordinary | | | | |
| 38. | Credit Life (Group and Individual) | 147,256 | | 532,956 | |
| 39. | Group | | | | |
| 40. | Totals (Lines 36 to 39) | 147,256 | | 532,956 | |

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

| | | Credit Life | | Group | |
|-----|--|--|-------------------------|------------------------|-------------------------|
| | | 1 | 2 | 3 | 4 |
| | | Number of Individual Policies and Group Certificates | Amount of Insurance (a) | Number of Certificates | Amount of Insurance (a) |
| 41. | Amount of insurance included in Line 2 ceded to other companies | XXX | 74,532 | XXX | |
| 42. | Number in force end of year if the number under shared groups is counted on a pro-rata basis | | XXX | | XXX |
| 43. | Federal Employees' Group Life Insurance included in Line 21 | | | | |
| 44. | Servicemen's Group Life Insurance included in Line 21 | | | | |
| 45. | Group Permanent Insurance included in Line 21 | | | | |

ADDITIONAL ACCIDENTAL DEATH BENEFITS

| | | |
|-----|--|--|
| 46. | Amount of additional accidental death benefits included in force end of year under ordinary policies | |
|-----|--|--|

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

| | | |
|------|--|--|
| 47. | State basis of calculation of (47.1) decreasing term insurance contracts included in Family Income Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Child, etc., policies and riders included above | |
| 47.1 | ..... |  |
| 47.2 | ..... |  |

POLICIES WITH DISABILITY PROVISIONS

| | | Industrial | | Ordinary | | Credit | | Group | |
|-----------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|------------------------|-------------------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Disability Provisions | | Number of Policies | Amount of Insurance (a) | Number of Policies | Amount of Insurance (a) | Number of Policies | Amount of Insurance (a) | Number of Certificates | Amount of Insurance (a) |
| 48. | Waiver of Premium | | | | | | | | |
| 49. | Disability Income | | | | | | | | |
| 50. | Extended Benefits | | | XXX | XX | | | | |
| 51. | Other | | | | | | | | |
| 52. | Total | | (b) | | | | (b) | | (b) |

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

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

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

| ANNUITIES | | | | |
|--------------------------------------|----------------|---------------|----------------|-------------------|
| | Ordinary | | Group | |
| | 1 Immediate | 2 Deferred | 3 Contracts | 4 Certificates |
| 1. In force end of prior year | | | | |
| 2. Issued during year | | | | |
| 3. Reinsurance assumed | | | | |
| 4. Increased during year (net) | | | | |
| 5. Totals (Lines 1 to 4) | | | | |
| Deductions during year: | | | | |
| 6. Decreased (net) | | | | |
| 7. Reinsurance ceded | | | | |
| 8. Totals (Lines 6 and 7) | | | | |
| 9. In force end of year | | | | |
| Income now payable: | | | | |
| 10. Amount of income payable | (a) | XXX | XXX | (a) |
| Deferred fully paid: | | | | |
| 11. Account balance | XXX | (a) | XXX | (a) |
| Deferred not fully paid: | | | | |
| 12. Account balance | XXX | (a) | XXX | (a) |

| ACCIDENT AND HEALTH INSURANCE | | | | | | |
|--------------------------------------|-------------------|------------------------|---------------|------------------------|---------------|------------------------|
| | Group | | Credit | | Other | |
| | 1 Certificates | 2 Premiums in Force | 3 Policies | 4 Premiums in Force | 5 Policies | 6 Premiums in Force |
| 1. In force end of prior year | | | 513 | 12,199,167 | | |
| 2. Issued during year | | | 5 | 1,642,039 | | |
| 3. Reinsurance assumed | | | | | | |
| 4. Increased during year (net) | | XXX | | XXX | | XXX |
| 5. Totals (Lines 1 to 4) | | XXX | 518 | XXX | | XXX |
| Deductions during year: | | | | | | |
| 6. Conversions | | XXX | XXX | XXX | XXX | XXX |
| 7. Decreased (net) | | XXX | 112 | XXX | | XXX |
| 8. Reinsurance ceded | | XXX | | XXX | | XXX |
| 9. Totals (Lines 6 to 8) | | XXX | 112 | XXX | | XXX |
| 10. In force end of year | | (a) | 406 | (a) 9,327,792 | | (a) |

| DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS | | |
|--|----------------------------|--|
| | 1 | 2 |
| | Deposit Funds Contracts | Dividend Accumulations Contracts |
| 1. In force end of prior year | | |
| 2. Issued during year | | |
| 3. Reinsurance assumed | | |
| 4. Increased during year (net) | | |
| 5. Totals (Lines 1 to 4) | | |
| Deductions During Year: | | |
| 6. Decreased (net) | | |
| 7. Reinsurance ceded | | |
| 8. Totals (Lines 6 and 7) | | |
| 9. In force end of year | | |
| 10. Amount of account balance | (a) | (a) |

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

| | | | Allocated by States and Territories | | | | | | |
|----------------------|--|-----|-------------------------------------|-------------------------|------------------------|---|----------------------|---------------------------|------------------------|
| | | | 1 | Life Contracts | | Direct Business Only | | | |
| | | | | 2 | 3 | 4 | 5 | 6 | 7 |
| States, Etc. | | | Active Status | Life Insurance Premiums | Annuity Considerations | Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees | Other Considerations | Total Columns 2 through 5 | Deposit-Type Contracts |
| 1. | Alabama | AL | L | 63,539 | | 855 | | 64,394 | |
| 2. | Alaska | AK | L | | | | | | |
| 3. | Arizona | AZ | L | 19,932 | | 12,379 | | 32,310 | |
| 4. | Arkansas | AR | L | 74,067 | | 57,426 | | 131,493 | |
| 5. | California | CA | L | 102,786 | | 64,793 | | 167,579 | |
| 6. | Colorado | CO | L | 57,876 | | 61,239 | | 119,114 | |
| 7. | Connecticut | CT | L | 41,744 | | 57,841 | | 99,585 | |
| 8. | Delaware | DE | L | | | | | | |
| 9. | District of Columbia | DC | L | | | | | | |
| 10. | Florida | FL | L | | | | | | |
| 11. | Georgia | GA | L | 22,497 | | 9,906 | | 32,403 | |
| 12. | Hawaii | HI | L | | | | | | |
| 13. | Idaho | ID | L | 71,759 | | 53,337 | | 125,096 | |
| 14. | Illinois | IL | L | 122,679 | | 62,872 | | 185,552 | |
| 15. | Indiana | IN | L | 68,880 | | 69,379 | | 138,259 | |
| 16. | Iowa | IA | L | 86,197 | | 76,355 | | 162,552 | |
| 17. | Kansas | KS | L | 18,624 | | 12,048 | | 30,671 | |
| 18. | Kentucky | KY | L | 41,378 | | 1 | | 41,379 | |
| 19. | Louisiana | LA | L | | | | | | |
| 20. | Maine | ME | L | | | | | | |
| 21. | Maryland | MD | L | | | | | | |
| 22. | Massachusetts | MA | L | (4) | | (7) | | (11) | |
| 23. | Michigan | MI | L | 125,563 | | 60,241 | | 185,804 | |
| 24. | Minnesota | MN | L | 213,965 | | 161,087 | | 375,052 | |
| 25. | Mississippi | MS | L | 22,811 | | 6,734 | | 29,544 | |
| 26. | Missouri | MO | L | 1,957,039 | | 1,254,343 | | 3,211,382 | |
| 27. | Montana | MT | L | 15,967 | | 9,514 | | 25,481 | |
| 28. | Nebraska | NE | L | 45,250 | | 45,897 | | 91,146 | |
| 29. | Nevada | NV | L | 12,876 | | 5,329 | | 18,206 | |
| 30. | New Hampshire | NH | N | | | | | | |
| 31. | New Jersey | NJ | N | | | | | | |
| 32. | New Mexico | NM | L | (699) | | | | (699) | |
| 33. | New York | NY | L | 370,500 | | 130,689 | | 501,189 | |
| 34. | North Carolina | NC | L | (11) | | | | (11) | |
| 35. | North Dakota | ND | L | 23,427 | | 22,670 | | 46,097 | |
| 36. | Ohio | OH | L | 1,127,320 | | 1,371,375 | | 2,498,695 | |
| 37. | Oklahoma | OK | L | | | | | | |
| 38. | Oregon | OR | L | 167,637 | | 150,626 | | 318,263 | |
| 39. | Pennsylvania | PA | L | 36,486 | | 9,073 | | 45,558 | |
| 40. | Rhode Island | RI | L | | | | | | |
| 41. | South Carolina | SC | L | | | | | | |
| 42. | South Dakota | SD | L | 14,888 | | 12,984 | | 27,871 | |
| 43. | Tennessee | TN | L | 58,785 | | 22,381 | | 81,166 | |
| 44. | Texas | TX | L | 1,756 | | 5 | | 1,761 | |
| 45. | Utah | UT | L | 16,980 | | 8,907 | | 25,887 | |
| 46. | Vermont | VT | L | | | | | | |
| 47. | Virginia | VA | L | (172) | | (647) | | (819) | |
| 48. | Washington | WA | L | 195,518 | | 170,279 | | 365,797 | |
| 49. | West Virginia | WV | L | 22,606 | | (5,399) | | 17,208 | |
| 50. | Wisconsin | WI | L | 139,018 | | 112,124 | | 251,143 | |
| 51. | Wyoming | WY | L | 5,959 | | 6,303 | | 12,262 | |
| 52. | American Samoa | AS | N | | | | | | |
| 53. | Guam | GU | N | | | | | | |
| 54. | Puerto Rico | PR | N | | | | | | |
| 55. | U.S. Virgin Islands | VI | N | | | | | | |
| 56. | Northern Mariana Islands | MP | N | | | | | | |
| 57. | Canada | CAN | N | | | | | | |
| 58. | Aggregate Other Alien | OT | XXX | | | | | | |
| 59. | Subtotal | (a) | 49 | 5,365,421 | | 4,092,939 | | 9,458,360 | |
| 90. | Reporting entity contributions for employee benefits plans | XXX | | | | | | | |
| 91. | Dividends or refunds applied to purchase paid-up additions and annuities | XXX | | | | | | | |
| 92. | Dividends or refunds applied to shorten endowment or premium paying period | XXX | | | | | | | |
| 93. | Premium or annuity considerations waived under disability or other contract provisions | XXX | | | | | | | |
| 94. | Aggregate or other amounts not allocable by State | XXX | | | | | | | |
| 95. | Totals (Direct Business) | XXX | | 5,365,421 | | 4,092,939 | | 9,458,360 | |
| 96. | Plus reinsurance assumed | XXX | | 38,999 | | 51,973 | | 90,972 | |
| 97. | Totals (All Business) | XXX | | 5,404,420 | | 4,144,912 | | 9,549,332 | |
| 98. | Less reinsurance ceded | XXX | | 3,644,822 | | 2,944,183 | | 6,589,005 | |
| 99. | Totals (All Business) less Reinsurance Ceded | XXX | | 1,759,598 | | (b) 1,200,729 | | 2,960,327 | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 58001. | ZZZ Other Alien | XXX | | | | | | | |
| 58002. | | XXX | | | | | | | |
| 58003. | | XXX | | | | | | | |
| 58998. | Summary of remaining write-ins for Line 58 from overflow page | XXX | | | | | | | |
| 58999. | Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) | XXX | | | | | | | |
| 9401. | | XXX | | | | | | | |
| 9402. | | XXX | | | | | | | |
| 9403. | | XXX | | | | | | | |
| 9498. | Summary of remaining write-ins for Line 94 from overflow page | XXX | | | | | | | |
| 9499. | Totals (Lines 9401 through 9403 plus 9498)(Line 94 above) | XXX | | | | | | | |

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

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

Individual life, A&H, and annuity considerations are allocated according to the address to which the premium notice is sent. Group life and A&H are allocated either (a) for policies covering less than 500 lives, the premium goes to the state of the policyholder; or (b) if over 500 lives, the premium goes to the state of residence of each certificate holder.

Group Annuity and other fund deposits are allocated by address of the contract holder

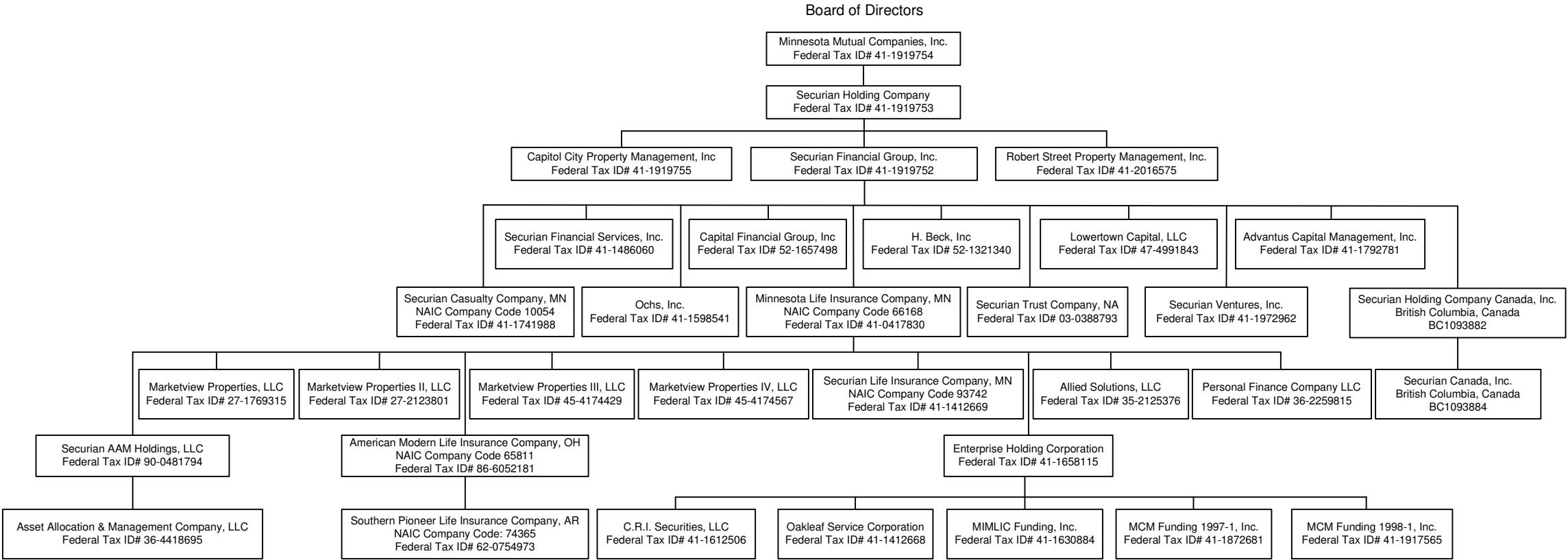
(a) Insert the number of L responses except for Canada and Other Alien.

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERICAN MODERN LIFE INSURANCE COMPANY

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART
Organization Chart of Minnesota Mutual Companies, Inc., Subsidiaries, and Affiliates

Policyholders of Minnesota Mutual Companies, Inc.



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