



ANNUAL STATEMENT

For the Year Ended December 31, 2016

of the Condition and Affairs of the

Universal Guaranty Life Insurance Company

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

NAIC Company Code..... 70130

Employer's ID Number..... 31-0727974

Organized under the Laws of OH

State of Domicile or Port of Entry OH

Country of Domicile US

Incorporated/Organized..... November 15, 1966

Commenced Business..... December 31, 1966

Statutory Home Office

65 East State Street, Suite 2100..... Columbus OH US 43215-4260
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

5250 S 6th Street Rd..... Springfield IL US 62703-5158
(Street and Number) (City or Town, State, Country and Zip Code)

877-881-1777

(Area Code) (Telephone Number)

Mail Address

P.O. Box 13080..... Springfield IL US 62791-3080
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

5250 S 6th Street Rd..... Springfield IL US 62703-5158
(Street and Number) (City or Town, State, Country and Zip Code)

877-881-1777

(Area Code) (Telephone Number)

Internet Web Site Address

www.utgins.com

Statutory Statement Contact

Julie Ann Abel
(Name)
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(E-Mail Address)

217-241-6300-344
(Area Code) (Telephone Number) (Extension)
217-529-1066
(Fax Number)

OFFICERS

Name	Title	Name	Title
1. James Patrick Rousey	President	2. Theodore Clayton Miller	Secretary/CFO
3. Julie Ann Abel	Treasurer	4.	

Julie Ann Abel	Vice President	Jacob Joncarl Andrew	Vice President
Michael Keith Borden #	Chief Operating Officer	Jesse Thomas Correll	Chief Executive Officer
Douglas Paul Ditto	Vice President	Douglas August Dockter	Vice President
Theodore Clayton Miller	Senior Vice President		

OTHER

Randall Lanier Attkisson
Howard Lape Dayton Jr

Joseph Anthony Brinck II
Thomas Eugene Harmon #

Jesse Thomas Correll
Peter Loyd Ochs

Brian Jay Crall
James Patrick Rousey

DIRECTORS OR TRUSTEES

State of..... Illinois
County of.... Sangamon

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

(Signature)
James Patrick Rousey
1. (Printed Name)
President
(Title)

(Signature)
Theodore Clayton Miller
2. (Printed Name)
Secretary/CFO
(Title)

(Signature)
Julie Ann Abel
3. (Printed Name)
Treasurer
(Title)

Subscribed and sworn to before me

This _____ day of _____ 2017

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 **Universal Guaranty 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).....	169,520,181		169,520,181	188,647,671
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	6,804,358		6,804,358	11,775,000
2.2 Common stocks.....	43,971,224		43,971,224	34,601,364
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	18,577,372		18,577,372	14,735,583
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	764,944		764,944	896,611
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....1,016,372 encumbrances).....	23,509,249	2,331,828	21,177,421	22,936,527
5. Cash (\$.....5,263,117, Schedule E-Part 1), cash equivalents (\$.....3,547,852, Schedule E-Part 2) and short-term investments (\$.....5,344,572, Schedule DA).....	14,155,541		14,155,541	9,349,330
6. Contract loans (including \$.....0 premium notes).....	10,070,134		10,070,134	10,684,244
7. Derivatives (Schedule DB).....	2,500		2,500	
8. Other invested assets (Schedule BA).....	47,359,726		47,359,726	34,698,572
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	334,735,229	2,331,828	332,403,401	328,324,902
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	2,825,923		2,825,923	2,833,745
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	(367,363)		(367,363)	(97,394)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	772,426		772,426	798,015
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	52,576		52,576	133,261
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....	313,638		313,638	149,957
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	1,269,139		1,269,139	616,719
18.2 Net deferred tax asset.....	305,435		305,435	2,021,588
19. Guaranty funds receivable or on deposit.....	21,446		21,446	40,981
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	135,791	0	135,791	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	340,064,240	2,331,828	337,732,412	334,821,774
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	340,064,240	2,331,828	337,732,412	334,821,774

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Due from Unaffiliate.....	135,791		135,791	
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	135,791	0	135,791	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$....243,192,553 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	243,192,554	249,741,356
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	119,329	140,706
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	11,565,691	11,368,599
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	3,259,249	3,556,047
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	58,737	59,481
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....	422,570	446,136
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	39,358	46,139
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$....6,203 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....	6,203	15,365
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded.....		
9.4 Interest Maintenance Reserve (IMR, Line 6).....	12,239,591	12,466,041
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....		
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	2,751,562	3,500,278
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	493,649	461,701
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		
15.2 Net deferred tax liability.....		
16. Unearned investment income.....	190,025	205,282
17. Amounts withheld or retained by company as agent or trustee.....	2,929,981	3,062,112
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....		
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR Line 16, Col. 7).....	14,543,370	8,232,769
24.02 Reinsurance in unauthorized and certified (\$.....0) companies.....		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....	749,229	760,595
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....	1,438	28,609
24.09 Payable for securities.....	734	796,522
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	2,050	181,604
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	292,565,320	295,069,342
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	292,565,320	295,069,342
29. Common capital stock.....	2,000,000	2,000,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other-than-special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	18,655,343	18,655,343
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	24,511,749	19,097,089
36. Less treasury stock, at cost:		
36.1 ....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 ....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	43,167,092	37,752,432
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	45,167,092	39,752,432
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	337,732,412	334,821,774

DETAILS OF WRITE-INS

2501. Due to Unaffiliates.....	2,050	181,604
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	2,050	181,604
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above).....	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0

Annual Statement for the year 2016 of the **Universal Guaranty Life Insurance Company**
SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	6,422,355	6,754,872
2. Considerations for supplementary contracts with life contingencies	229,488	4,645
3. Net investment income (Exhibit of Net Investment Income, Line 17)	17,679,065	17,830,090
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5)	1,113,038	1,072,459
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)	168,033	200,483
7. Reserve adjustments on reinsurance ceded		
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	484,937	517,612
9. Totals (Lines 1 to 8.3)	26,096,916	26,380,161
10. Death benefits	15,336,206	15,819,263
11. Matured endowments (excluding guaranteed annual pure endowments)	257,191	254,091
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	402,363	493,038
13. Disability benefits and benefits under accident and health contracts	49,398	83,251
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	5,241,343	5,356,523
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	459,049	441,546
18. Payments on supplementary contracts with life contingencies	145,608	143,909
19. Increase in aggregate reserves for life and accident and health contracts	(6,579,341)	(6,403,559)
20. Totals (Lines 10 to 19)	15,311,817	16,188,062
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	16,541	18,827
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	12,325	13,123
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	6,962,068	8,788,335
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	265,801	171,003
25. Increase in loading on deferred and uncollected premiums	(54,877)	(25,777)
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions	0	0
28. Totals (Lines 20 to 27)	22,513,675	25,153,573
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	3,583,241	1,226,588
30. Dividends to policyholders	408,584	423,216
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	3,174,657	803,372
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	18,714	(228,999)
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)	3,155,943	1,032,371
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$....(11,282) (excluding taxes of \$....20,148 transferred to the IMR)	1,434,196	(726,312)
35. Net income (Line 33 plus Line 34)	4,590,139	306,059
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	39,752,432	41,146,686
37. Net income (Line 35)	4,590,139	306,059
38. Change in net unrealized capital gains (losses) less capital gains tax of \$....1,589,892	9,766,482	257,837
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	(126,261)	1,152,285
41. Change in nonadmitted assets	(1,505,099)	(323,337)
42. Change in liability for reinsurance in unauthorized and certified companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease		
44. Change in asset valuation reserve	(6,310,601)	1,212,902
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	(1,000,000)	(4,000,000)
52. Dividends to stockholders	0	0
53. Aggregate write-ins for gains and losses in surplus	5,414,660	(1,394,254)
54. Net change in capital and surplus for the year (Lines 37 through 53)	45,167,092	39,752,432

DETAILS OF WRITE-INS

08.301. Reinsurance Experience Refunds	159	189
08.302. Miscellaneous	102,235	3,552
08.303. Third Party Administration Income	382,543	513,871
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	484,937	517,612
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	0	0
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	0	0

Universal Guaranty Life Insurance Company

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	6,995,498	6,844,594
2. Net investment income.....	17,469,851	15,170,857
3. Miscellaneous income.....	652,970	718,095
4. Total (Lines 1 through 3).....	25,118,319	22,733,546
5. Benefit and loss related payments.....	22,075,862	21,677,932
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....	.....
7. Commissions, expenses paid and aggregate write-ins for deductions.....	7,955,321	8,521,627
8. Dividends paid to policyholders.....	432,150	446,567
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	680,000	3,300,000
10. Total (Lines 5 through 9).....	31,143,333	33,946,126
11. Net cash from operations (Line 4 minus Line 10).....	(6,025,014)	(11,212,580)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:	.....	.....
12.1 Bonds.....	30,355,158	22,484,522
12.2 Stocks.....	13,515,826	8,429,178
12.3 Mortgage loans.....	2,777,811	19,940,223
12.4 Real estate.....	3,016,652	11,736,437
12.5 Other invested assets.....	8,258,679	8,033,714
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	.....	.....
12.7 Miscellaneous proceeds.....	.....	668,847
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	57,924,126	71,292,921
13. Cost of investments acquired (long-term only):	.....	.....
13.1 Bonds.....	10,384,327	21,733,834
13.2 Stocks.....	4,178,364	11,742,601
13.3 Mortgage loans.....	6,435,273	10,540,351
13.4 Real estate.....	2,148,151	4,925,295
13.5 Other invested assets.....	22,309,113	16,465,615
13.6 Miscellaneous applications.....	795,788	.....
13.7 Total investments acquired (Lines 13.1 to 13.6).....	46,251,016	65,407,696
14. Net increase (decrease) in contract loans and premium notes.....	(614,110)	(420,241)
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	12,287,220	6,305,466
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.....	1,000,000	4,000,000
16.6 Other cash provided (applied).....	(455,995)	1,234,057
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,455,995)	(2,765,943)
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).....	4,806,211	(7,673,057)
19. Cash, cash equivalents and short-term investments:	.....	.....
19.1 Beginning of year.....	9,349,330	17,022,387
19.2 End of year (Line 18 plus Line 19.1).....	14,155,541	9,349,330

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

20.0001
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	6,422,355	.229,919	5,777,303	266,793	229,488	1,437	132,524			.116	.14,263	
2. Considerations for supplementary contracts with life contingencies.....	229,488											
3. Net investment income.....	17,679,065	1,237,457	14,487,076	1,803,218	140,162	218	1,076		.3,457	.53	6,348	
4. Amortization of Interest Maintenance Reserve (IMR).....	1,113,038	77,908	912,075	116,803	5,549	.14	.68		.218	.3	400	
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	.0											
6. Commissions and expense allowances on reinsurance ceded.....	168,033		167,398								635	
7. Reserve adjustments on reinsurance ceded.....	.0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	.0											
8.2 Charges and fees for deposit-type contracts.....	.0											
8.3 Aggregate write-ins for miscellaneous income.....	.484,937	.0	.484,937	.0	.0	.0	.0	.0	.0	.0	.0	
9. Totals (Lines 1 to 8.3).....	26,096,916	1,545,284	21,828,789	2,186,814	375,199	1,669	133,668	.0	.3,675	.172	.21,646	.0
10. Death benefits.....	15,336,206	.443,059	14,567,613			(18)	325,552					
11. Matured endowments (excluding guaranteed annual pure endowments).....	257,191		257,191									
12. Annuity benefits.....	402,363			402,363								
13. Disability benefits and benefits under accident and health contracts.....	.49,398											
14. Coupons, guaranteed annual pure endowments and similar benefits.....	.0											
15. Surrender benefits and withdrawals for life contracts.....	5,241,343	.144,730	3,955,052	1,141,561						16,200		33,198
16. Group conversions.....	.0											
17. Interest and adjustments on contract or deposit-type contract funds.....	.459,049		.659,472		(200,423)							
18. Payments on supplementary contracts with life contingencies.....	145,608			145,608								
19. Increase in aggregate reserves for life and accident and health contracts.....	(6,579,341)	(214,216)	(6,295,960)	(169,797)	131,756	(543)	(42)		(11,068)	(495)	(18,976)	
20. Totals (Lines 10 to 19).....	15,311,817	.373,573	13,143,368	1,374,127	.76,941	(561)	.325,510	.0	.5,132	(495)	.14,222	.0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	.16,541		.16,266	.251			.18				.6	
22. Commissions and expense allowances on reinsurance assumed.....	.12,325		.11,971			207					147	
23. General insurance expenses.....	6,962,068	.688,352	5,792,078	257,280		2,580	150,947				5,309	65,522
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	265,801	.10,197	.237,259	.9,824		.99	.5,764				.199	2,459
25. Increase in loading on deferred and uncollected premiums.....	(54,877)	.126	(55,723)				720					
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	.0											
27. Aggregate write-ins for deductions.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
28. Totals (Lines 20 to 27).....	22,513,675	1,072,248	19,145,219	1,641,482	.76,941	.2,325	.482,959	.0	.5,132	.5,160	.82,209	.0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	3,583,241	.473,036	.2,683,570	.545,332	.298,258	(656)	(349,291)	.0	(1,457)	(4,988)	(60,563)	.0
30. Dividends to policyholders.....	.408,584		.408,584									
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	3,174,657	.473,036	.2,274,986	.545,332	.298,258	(656)	(349,291)	.0	(1,457)	(4,988)	(60,563)	.0
32. Federal income taxes incurred (excluding tax on capital gains).....	.18,714	.2,788	.13,411	.3,215	.1,758	(4)	(2,059)		(9)	(29)	(357)	
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).....	3,155,943	.470,248	.2,261,575	.542,117	.296,500	(652)	(347,232)	.0	(1,448)	(4,959)	(60,206)	.0

DETAILS OF WRITE-INS

08.301. Reinsurance Experience Refunds.....	.159		.159									
08.302. Miscellaneous.....	102,235		102,235									
08.303. Third Party Administration Income.....	382,543		382,543									
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above).....	.484,937	.0	.484,937	.0	.0	.0	.0	.0	.0	.0	.0	
2701. ....	.0											
2702. ....	.0											
2703. ....	.0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group				
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities			
Involving Life or Disability Contingencies (Reserves)											
(Net of Reinsurance Ceded)											
1. Reserve December 31, prior year.....	249,741,354	17,913,374	204,416,038	26,579,869	813,296	3,384	15,393				
2. Tabular net premiums or considerations.....	6,402,423	73,572	5,712,093	266,793	229,488	1,205	119,272				
3. Present value of disability claims incurred.....	2,810		2,810		XXX						
4. Tabular interest.....	8,746,305	535,932	7,414,716	768,687	23,849	120	3,001				
5. Tabular less actual reserve released.....	5,613		(60,580)	(39,816)	106,009						
6. Increase in reserve on account of change in valuation basis.....	0										
7. Other increases (net).....	0										
8. Totals (Lines 1 to 7).....	264,898,505	18,522,878	217,485,077	27,575,533	1,172,642	4,709	137,666	0			
9. Tabular cost.....	11,740,643	470,504	11,146,785		XXX	1,863	121,491				
10. Reserves released by death.....	4,304,366	181,635	4,121,907	XXX	XXX		824	XXX			
11. Reserves released by other terminations (net).....	5,149,189	171,580	4,096,307	799,315	81,982	5					
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	511,754			366,146	145,608						
13. Net transfers to or (from) Separate Accounts.....	0										
14. Total deductions (Lines 9 to 13).....	21,705,952	823,719	19,364,999	1,165,461	227,590	1,868	122,315	0			
15. Reserve December 31, current year.....	243,192,553	17,699,159	198,120,078	26,410,072	945,052	2,841	15,351	0			

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....181,470	.....179,501
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....8,879,191	.....8,551,987
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....319,194	.....319,194
2.11 Preferred stocks of affiliates.....	(b).....223,159	.....264,946
2.2 Common stocks (unaffiliated).....	.....723,398	.....797,256
2.21 Common stocks of affiliates.....	.....136,262	.....136,262
3. Mortgage loans.....	(c).....1,461,596	.....1,690,322
4. Real estate.....	(d).....1,805,523	.....1,805,523
5. Contract loans.....	.....723,317	.....618,775
6. Cash, cash equivalents and short-term investments.....	(e).....21,698	.....22,439
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....5,646,661	.....5,742,699
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....20,121,469	.....20,128,904
11. Investment expenses.....	(g).....1,805,266	.....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....389,841	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....254,732	.....
15. Aggregate write-ins for deductions from investment income.....	.....0	.....
16. Total deductions (Lines 11 through 15).....	.....	.....2,449,839
17. Net investment income (Line 10 minus Line 16).....	.....	.....17,679,065

DETAILS OF WRITE-INS

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

- (a) Includes \$....65,328 accrual of discount less \$....526,791 amortization of premium and less \$....128,737 paid for accrued interest on purchases.
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
 (c) Includes \$....919,328 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
 (i) Includes \$....254,732 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....	.....	.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....1,360,235	.....	.....1,360,235	.....(55,429)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....1,582,611	.....(150,000)	.....1,582,611	.....12,489,414	.....
2.21 Common stocks of affiliates.....	.....	.....(150,000)	.....(150,000)	.....(185,346)	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....2,558	.....	.....2,558	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....31,260	.....
8. Other invested assets.....	.....	.....(465,754)	.....(465,754)	.....(923,525)	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....2,945,404	.....(615,754)	.....2,329,650	.....11,356,374	.....0

DETAILS OF WRITE-INS

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

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
FIRST YEAR (other than single)											
1. Uncollected.....	0										
2. Deferred and accrued.....	2,031			2,031							
3. Deferred, accrued and uncollected:											
3.1 Direct.....	2,031			2,031							
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	0										
3.4 Net (Line 1 + Line 2).....	2,031	0	2,031	0	0	0	0	0	0	0	0
4. Advance.....	0										
5. Line 3.4 - Line 4.....	2,031	0	2,031	0	0	0	0	0	0	0	0
6. Collected during year:											
6.1 Direct.....	5,344			5,086			258				
6.2 Reinsurance assumed.....	1,029			1,029							
6.3 Reinsurance ceded.....	0										
6.4 Net.....	6,373	0	6,115	0	0	258	0	0	0	0	0
7. Line 5 + Line 6.4.....	8,404	0	8,146	0	0	258	0	0	0	0	0
8. Prior year (uncollected + deferred and accrued - advance).....	1,101		766			335					
9. First year premiums and considerations:											
9.1 Direct.....	6,274		6,351			(77)					
9.2 Reinsurance assumed.....	1,029		1,029								
9.3 Reinsurance ceded.....	0										
9.4 Net (Line 7 - Line 8).....	7,303	0	7,380	0	0	(77)	0	0	0	0	0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct.....	121,409		114,734	6,675							
10.2 Reinsurance assumed.....	1,553			1,437					116		
10.3 Reinsurance ceded.....	3,693		3,693								
10.4 Net.....	119,269	0	111,041	6,675	1,437	0	0	0	116	0	0
RENEWAL											
11. Uncollected.....	(351,263)	4,294	(356,618)			1,061					
12. Deferred and accrued.....	995,957	799	995,158								
13. Deferred, accrued and uncollected:											
13.1 Direct.....	1,030,120	5,093	1,023,966			1,061					
13.2 Reinsurance assumed.....	8,158		8,158								
13.3 Reinsurance ceded.....	393,584		393,584								
13.4 Net (Line 11 + Line 12).....	644,694	5,093	638,540	0	0	1,061	0	0	0	0	0
14. Advance.....	39,358	88	39,270								
15. Line 13.4 - Line 14.....	605,336	5,005	599,270	0	0	1,061	0	0	0	0	0
16. Collected during year:											
16.1 Direct.....	9,159,930	224,204	8,523,221	260,118		132,321				20,066	
16.2 Reinsurance assumed.....	20,452		20,452								
16.3 Reinsurance ceded.....	2,540,014		2,534,377						5,637		
16.4 Net.....	6,640,368	224,204	6,009,296	260,118	0	132,321	0	0	0	14,429	0
17. Line 15 + Line 16.4.....	7,245,704	229,209	6,608,566	260,118	0	133,382	0	0	0	14,429	0
18. Prior year (uncollected + deferred and accrued - advance).....	949,921	(710)	949,684			781				166	
19. Renewal premiums and considerations:											
19.1 Direct.....	9,048,703	229,919	8,406,165	260,118		132,601				19,900	
19.2 Reinsurance assumed.....	19,556		19,556								
19.3 Reinsurance ceded.....	2,772,476		2,766,839						5,637		
19.4 Net (Line 17 - Line 18).....	6,295,783	229,919	5,658,882	260,118	0	132,601	0	0	0	14,263	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct.....	9,176,386	229,919	8,527,250	266,793	0	132,524	0	0	0	19,900	0
20.2 Reinsurance assumed.....	22,138	0	20,585	0	1,437	0	0	0	116	0	0
20.3 Reinsurance ceded.....	2,776,169	0	2,770,532	0	0	0	0	0	0	5,637	0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	6,422,355	229,919	5,777,303	266,793	1,437	132,524	0	0	116	14,263	0

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health		11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)										
21. To pay renewal premiums.....	79,719		79,719							
22. All other.....	110,585		110,585							
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED										
23. First year (other than single):										
23.1 Reinsurance ceded.....	0									
23.2 Reinsurance assumed.....	787		787							
23.3 Net ceded less assumed.....	(787)	0	(787)	0	0	0	0	0	0	0
24. Single:										
24.1 Reinsurance ceded.....	0									
24.2 Reinsurance assumed.....	354				207			147		
24.3 Net ceded less assumed.....	(354)	0	0	0	(207)	0	0	(147)	0	0
25. Renewal:										
25.1 Reinsurance ceded.....	168,033		167,398						635	
25.2 Reinsurance assumed.....	11,184		11,184							
25.3 Net ceded less assumed.....	156,849	0	156,214	0	0	0	0	0	635	0
26. Totals:										
26.1 Reinsurance ceded (Page 6, Line 6).....	168,033	0	167,398	0	0	0	0	0	635	0
26.2 Reinsurance assumed (Page 6, Line 22).....	12,325	0	11,971	0	207	0	0	147	0	0
26.3 Net ceded less assumed.....	155,708	0	155,427	0	(207)	0	0	(147)	635	0
COMMISSIONS INCURRED (direct business only)										
27. First year (other than single).....	0									
28. Single.....	0									
29. Renewal.....	16,541		16,266	251		18			6	
30. Deposit-type contract funds.....	0									
31. Totals (to agree with Page 6, Line 21).....	16,541	0	16,266	251	0	18	0	0	6	0

Universal Guaranty Life Insurance Company

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6		
	1 Life	Accident and Health		4 All Other Lines of Business				
		2 Cost Containment	3 All Other					
1. Rent.....	367,519		3,808		9,521	380,848		
2. Salaries and wages.....	3,424,567		35,574		97,230	3,557,371		
3.11 Contributions for benefit plans for employees.....	354,737		3,676		9,190	367,603		
3.12 Contributions for benefit plans for agents.....						0		
3.21 Payments to employees under non-funded benefit plans.....						0		
3.22 Payments to agents under non-funded benefit plans.....						0		
3.31 Other employee welfare.....	(381,856)		(3,957)		(9,893)	(395,706)		
3.32 Other agent welfare.....						0		
4.1 Legal fees and expenses.....	2,879		29			2,908		
4.2 Medical examination fees.....	4,389					4,389		
4.3 Inspection report fees.....						0		
4.4 Fees of public accountants and consulting actuaries.....	273,984		2,768			276,752		
4.5 Expense of investigation and settlement of policy claims.....						0		
5.1 Traveling expenses.....	618,473		6,247			624,720		
5.2 Advertising.....	1,673		17			1,690		
5.3 Postage, express, telegraph and telephone.....	127,945		1,326		3,315	132,586		
5.4 Printing and stationery.....	54,229		548			54,777		
5.5 Cost or depreciation of furniture and equipment.....	665,031		6,717			671,748		
5.6 Rental of equipment.....	(104,599)		(1,057)			(105,656)		
5.7 Cost or depreciation of EDP equipment and software.....						0		
6.1 Books and periodicals.....	43,042		435			43,477		
6.2 Bureau and association fees.....						0		
6.3 Insurance, except on real estate.....	187,824		1,897			189,721		
6.4 Miscellaneous losses.....	(114)		(1)			(115)		
6.5 Collection and bank service charges.....	72,711		734			73,445		
6.6 Sundry general expenses.....	378,804		3,826			382,630		
6.7 Group service and administration fees.....						0		
6.8 Reimbursements by uninsured plans.....						0		
7.1 Agency expense allowance.....	4,477					4,477		
7.2 Agents' balances charged off (less \$..... 0 recovered).....						0		
7.3 Agency conferences other than local meetings.....						0		
9.1 Real estate expenses.....					1,147,716	1,147,716		
9.2 Investment expenses not included elsewhere.....					527,578	527,578		
9.3 Aggregate write-ins for expenses.....	795,518	0	8,244	0	20,609	824,371		
10. General expenses Incurred.....	6,891,233	0	70,831	0	1,805,266	(a) 8,767,330		
11. General expenses unpaid December 31, prior year.....	2,971,381		30,688		498,209	3,500,278		
12. General expenses unpaid December 31, current year.....	2,236,474		23,088		492,000	2,751,562		
13. Amounts receivable relating to uninsured plans, prior year.....						0		
14. Amounts receivable relating to uninsured plans, current year.....						0		
15. General expenses paid during year (Lines 10+11-12-13+14).....	7,626,140	0	78,431	0	1,811,475	9,516,046		

DETAILS OF WRITE-INS

09.301. Data Processing	795,518		8,244		20,609	824,371
09.302.						0
09.303.						0
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	0	0	0	0	0	0
09.399. Totals (Lines 09.301 through 09.303 plus 09.398)(Line 9.3 above).....	795,518	0	8,244	0	20,609	824,371

(a) Includes management fees of \$....7,561,326 to affiliates and \$.....0 to non-affiliates.

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

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes.....				389,841	389,841
2. State insurance department licenses and fees.....	130,651	1,320			131,971
3. State taxes on premiums.....	109,804	1,109			110,913
4. Other state taxes, including \$.....0 for employee benefits.....	13,906	140			14,046
5. U.S. Social Security taxes.....					0
6. All other taxes.....	8,782	.89			8,871
7. Taxes, licenses and fees incurred.....	263,143	2,658	0	389,841	655,642
8. Taxes, licenses and fees unpaid December 31, prior year.....	340,294	3,437		117,970	461,701
9. Taxes, licenses and fees unpaid December 31, current year.....	364,436	3,681		125,532	493,649
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	239,001	2,414	0	382,279	623,694

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
1. Applied to pay renewal premiums.....	79,717	
2. Applied to shorten the endowment or premium-paying period.....		
3. Applied to provide paid-up additions.....	110,584	
4. Applied to provide paid-up annuities.....		
5. Total Lines 1 through 4.....	190,301	0
6. Paid-in cash.....	64,958	
7. Left on deposit.....	176,887	
8. Aggregate write-ins for dividend or refund options.....	0	0
9. Total Lines 5 through 8.....	432,146	0
10. Amount due and unpaid.....		
11. Provision for dividends or refunds payable in the following calendar year.....	422,570	
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.....	422,570	0
16. Total from prior year.....	446,136	
17. Total dividends or refunds (Lines 9 + 15 - 16).....	408,580	0

DETAILS OF WRITE-INS

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

Universal Guaranty Life Insurance Company
EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
Life Insurance:					
0100001. 01 CSO 3% CRVM.....	4,027		4,027		
0100002. 01 CSO 3.5% CRVM NS/SK.....	16,928		16,928		
0100003. 01 CSO 3.5% NLP.....	3		3		
0100004. 01 CSO 4% CRVM NS/SK.....	58,197		58,197		
0100005. 01 CSO 4% NLP.....	1,159		1,159		
0100006. 01 CSO 4% NLP NS/SK.....	805		805		
0100007. 01 CSO-D 3.5% CRVM.....	56,928		56,928		
0100008. 01 CSO-D 3.5% NLP.....	197		197		
0100009. 01 CSO-D 4% CRVM.....	7,370		7,370		
0100010. 01 CSO-D 4% NLP.....	173		173		
0100011. 41 CET 2.5% NLP.....	1,504		1,504		
0100012. 41 CET 2.75% NLP.....	4,981		4,981		
0100013. 41 CET 3% NLP.....	144,426		144,426		
0100014. 41 CET 3.5% NLP.....	98		98		
0100015. 41 CIET 3% NLP.....	99,842	99,842			
0100016. 41 CIET 3.5% NLP.....	187,874	187,874			
0100017. 41 CSI 3% CRVM.....	47,334	47,334			
0100018. 41 CSI 3% NLP.....	763,695	763,695			
0100019. 41 CSI 3.5% CRVM.....	191	191			
0100020. 41 CSI 3.5% NLP.....	90,633	90,633			
0100021. 41 CSI 3.5% NLP.....	624		624		
0100022. 41 CSO 2.5% CRVM.....	12,637		12,637		
0100023. 41 CSO 2.75% CRVM.....	24,381		24,381		
0100024. 41 CSO 2.75% NLP.....	767		767		
0100025. 41 CSO 3% CRVM.....	1,068,822		1,068,822		
0100026. 41 CSO 3% NJS.....	43,631		43,631		
0100027. 41 CSO 3% NLP.....	6,359,705		6,359,705		
0100028. 41 CSO 3.5% CRVM.....	21,390		21,390		
0100029. 41 CSO 3.5% NLP.....	59,382		59,382		
0100030. 41 CSSI 3% CRVM.....	3,911	3,911			
0100031. 41 CSSI 3% NLP.....	19,161	19,161			
0100032. 41 CSSI 3.5% CRVM.....	492,683	492,683			
0100033. 41 CSSI 3.5% NLP.....	2,216,319	2,216,319			
0100034. 41 CSSIET 3% NLP.....	343	343			
0100035. 41 CSSIET 3.5% NLP.....	5,309	5,309			
0100036. 58 CET 2% NLP.....	14,818		14,818		
0100037. 58 CET 2.5% NLP.....	38,015		38,015		
0100038. 58 CET 3% NLP.....	2,352,459		2,352,459		
0100039. 58 CET 3.5% NLP.....	500,557		500,557		
0100040. 58 CET 4% NLP.....	194,935		194,935		
0100041. 58 CET 4.5% CRVM.....	656		656		
0100042. 58 CET 4.5% NLP.....	281,949		281,949		
0100043. 58 CET 5.5% NLP.....	12,387		12,387		
0100044. 58 CSO 2% CRVM.....	72,235		72,235		
0100045. 58 CSO 2% NLP.....	8,853		8,853		
0100046. 58 CSO 2.5% CRVM.....	525,864		525,864		
0100047. 58 CSO 2.5% NLP.....	1,438,331		1,438,331		
0100048. 58 CSO 3% CRVM.....	14,284,022	48,312	14,235,710		
0100049. 58 CSO 3% CRVM JT.....	31,993		31,993		
0100050. 58 CSO 3% FPT.....	11,191		11,191		
0100051. 58 CSO 3% NJ.....	3,807		3,807		
0100052. 58 CSO 3% NLP.....	23,463,070		23,444,878	2,841	15,351
0100053. 58 CSO 3% NLP JT.....	27,270		27,270		
0100054. 58 CSO 3.5% / 2.5% CRVM.....	27,052		27,052		
0100055. 58 CSO 3.5% / 2.5% NJ.....	58,356		58,356		
0100056. 58 CSO 3.5% / 3% CRVM.....	409,009		409,009		
0100057. 58 CSO 3.5% CRVM.....	7,851,059	317,345	7,533,714		
0100058. 58 CSO 3.5% NLP.....	4,550,207		4,550,207		
0100059. 58 CSO 4% CRVM.....	9,359,108	250,695	9,108,413		
0100060. 58 CSO 4% NLP.....	998,471		998,471		
0100061. 58 CSO 4.5% CRVM.....	5,195,726	252,923	4,942,803		
0100062. 58 CSO 4.5% NLP.....	549,373		549,373		
0100063. 58 CSO 5.5% NLP.....	3,573		3,573		
0100064. 58 CSO 6% CRVM.....	628,343	188,551	439,792		
0100065. 61 CIET 3% NLP.....	106,766	106,766			
0100066. 61 CIET 3.5% NLP.....	3,190,491	3,190,491			
0100067. 61 CIET 4.5% NLP.....	121,908	121,908			
0100068. 61 CIET 5% NLP.....	8,547	8,547			
0100069. 61 CIET 5.5% NLP.....	6,911	6,911			
0100070. 61 CIET 6% NLP.....	203,524	203,524			
0100071. 61 CSI 3% CRVM.....	69,462	69,462			
0100072. 61 CSI 3% NLP.....	343,640	343,640			

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0100073. 61 CSI 3.5% CRVM.....	70,617	70,617			
0100074. 61 CSI 3.5% NLP.....	6,569,079	6,569,079			
0100075. 61 CSI 4% CRVM.....	36	36			
0100076. 80 CET 4% NLP.....	123,454		123,454		
0100077. 80 CET 4% NLP NS/SK.....	6,986		6,986		
0100078. 80 CET 4.5% NLP.....	409,910		409,910		
0100079. 80 CET 4.5% NLP NS/SK.....	740		740		
0100080. 80 CET 5% NLP.....	978,921		978,921		
0100081. 80 CET 5.5% NLP.....	844,217		844,217		
0100082. 80 CET 5.5% NLP NS/SK.....	105		105		
0100083. 80 CET 6% NLP.....	2,381		2,381		
0100084. 80 CET-B UNI 4% NLP.....	3,727		3,727		
0100085. 80 CET-B UNI 5% NLP.....	2,128		2,128		
0100086. 80 CET-D 4% NLP.....	38,432		38,432		
0100087. 80 CSO 3.5% CRVM.....	101,457		101,457		
0100088. 80 CSO 4% CRVM.....	68,295,811		68,295,811		
0100089. 80 CSO 4% CRVM NS/SK.....	94,643		94,643		
0100090. 80 CSO 4% NLP.....	4,516,266		4,516,266		
0100091. 80 CSO 4% NLP NS/SK.....	72,902		72,902		
0100092. 80 CSO 4.5% CRVM.....	2,846,191	76,706	2,769,485		
0100093. 80 CSO 4.5% CRVM NS/SK.....	107,080		107,080		
0100094. 80 CSO 4.5% NLP.....	0				
0100095. 80 CSO 4.5% NLP.....	3,368,882	60,607	3,308,275		
0100096. 80 CSO 4.5% NLP NS/SK.....	50,635		50,635		
0100097. 80 CSO 5% CRVM.....	12,222,932	118,448	12,104,484		
0100098. 80 CSO 5% CRVM NS/SK.....	2,183,295		2,183,295		
0100099. 80 CSO 5% NLP.....	8,375,741	79,775	8,295,966		
0100100. 80 CSO 5% NLP NS/SK.....	3,166,325		3,166,325		
0100101. 80 CSO 5.5% / 6% CRVM.....	6,014		6,014		
0100102. 80 CSO 5.5% CRVM.....	10,870,918	334,168	10,536,750		
0100103. 80 CSO 5.5% CRVM NS/SK.....	3,721,481		3,721,481		
0100104. 80 CSO 5.5% NLP.....	13,546,248	459,633	13,086,615		
0100105. 80 CSO 5.5% NLP NS/SK.....	4,852,006		4,852,006		
0100106. 80 CSO 5.75% NLP.....	582		582		
0100107. 80 CSO 6% CRVM.....	2,039,561	47,509	1,992,052		
0100108. 80 CSO 6% NLP.....	123,893	65,756	58,137		
0100109. 80 CSO-B 4% CRVM.....	72,885		72,885		
0100110. 80 CSO-B 4% NLP.....	40,275		40,275		
0100111. 80 CSO-B 5% NLP.....	315,808		315,808		
0100112. 80 CSO-D 4% CRVM.....	988,859		988,859		
0100113. 80 CSO-D 4% NLP.....	72,541		72,541		
0100114. A&H 4% NLP.....	1,179		1,179		
0100115. AE 3% NLP.....	741		741		
0100116. AE 3.5% CRVM.....	19,566	19,090	476		
0100117. AE 3.5% ILL STD.....	133,317		133,317		
0100118. AE 3.5% NLP.....	1,325,249	597,853	727,396		
0100119. AE 4% NLP.....	162,768	162,768			
0100120. AM 3% ILL STD.....	52,031		52,031		
0100121. NFC 4% ILL STD.....	629		629		
0199997. Totals (Gross).....	241,558,812	17,698,415	223,842,205	2,841	15,351
0199998. Reinsurance ceded.....	26,592,356		26,592,356		
0199999. Totals (Net).....	214,966,456	17,698,415	197,249,849	2,841	15,351

Annuities (excluding supplementary contracts with life contingencies):

0200001. 37 sa (-1.5) 2.5% DEF.....	5,115	XXX	5,115	XXX	
0200002. 37 SA 2.5% DEF.....	158,841	XXX	158,841	XXX	
0200003. 37 SA 3% DEF.....	390,797	XXX	390,797	XXX	
0200004. 37 SA 3.5% DEF.....	1,699,470	XXX	1,699,470	XXX	
0200005. A1949 3.5% DEF.....	13,413	XXX	13,413	XXX	
0200006. Deferred 3%.....	2,872,746	XXX	2,872,746	XXX	
0200007. Deferred 3.25%.....	226,215	XXX	226,215	XXX	
0200008. Deferred 3.5%.....	211,804	XXX	211,804	XXX	
0200009. Deferred 4%.....	5,295,808	XXX	5,295,808	XXX	
0200010. Deferred 4.5%.....	12,993,225	XXX	12,993,225	XXX	
0200011. Deferred 5%.....	2,405,793	XXX	2,405,793	XXX	
0200012. Deferred 7%.....	317,695	XXX	317,695	XXX	
0200013. 71 IAM 4.5%.....	15,976	XXX	15,976	XXX	
0200014. 71 IAM 7.5%.....	36,539	XXX	36,539	XXX	
0200015. Single Prem 3%.....	74,985	XXX	74,985	XXX	
0200016. Single Prem 4%.....	21,537	XXX	21,537	XXX	
0299997. Totals (Gross).....	26,739,959	XXX	26,739,959	XXX	0
0299998. Reinsurance ceded.....	329,887	XXX	329,887	XXX	
0299999. Totals (Net).....	26,410,072	XXX	26,410,072	XXX	0

Supplementary Contracts with Life Contingencies:

Universal Guaranty Life Insurance Company
EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0300001. 37 Std Annuity 3%.....	5,448	.....	5,448	.....	.....
0300002. 71 IAM 6%, 7.5%, 11%, 11.25%.....	14,038	.....	14,038	.....	.....
0300003. 83 IAM 2.5%.....	51,898	.....	51,898	.....	.....
0300004. 83 IAM 2.75%.....	64,009	.....	64,009	.....	.....
0300005. 83 IAM 3%.....	143,906	.....	143,906	.....	.....
0300006. 83 IAM 3.5%.....	61,093	.....	61,093	.....	.....
0300007. 83 IAM 4%.....	68,010	.....	68,010	.....	.....
0300008. 83 IAM 4.5%.....	3,556	.....	3,556	.....	.....
0300009. 83 IAM 5%.....	52,164	.....	52,164	.....	.....
0300010. 83 IAM 5.5%.....	31,095	.....	31,095	.....	.....
0300011. 83 IAM 6%.....	57,786	.....	57,786	.....	.....
0300012. 83 IAM 8%.....	86,050	.....	86,050	.....	.....
0300013. 83 IAM 9.25%.....	3,638	.....	3,638	.....	.....
0300014. A2000 2.5%.....	47,171	.....	47,171	.....	.....
0300015. A2000 3%.....	11,566	.....	11,566	.....	.....
0300016. A2000 3.5%.....	199,177	.....	199,177	.....	.....
0300017. A2000 4%.....	13,017	.....	13,017	.....	.....
0300018. A2000 4.5%.....	31,430	.....	31,430	.....	.....
0399997. Totals (Gross).....	945,052	0	945,052	0	0
0399999. Totals (Net).....	945,052	0	945,052	0	0

Accidental Death Benefits:

0400001. 41 CSO/52 Dis 3%.....	3,263	.....662	2,601	.....	.....
0400002. 58 INTERCOMPANY 3%.....	3,977	.....	3,977	.....	.....
0400003. 59 ADB/58 CSO 3%.....	77,212	.....	77,212	.....	.....
0499997. Totals (Gross).....	84,452	.....662	83,790	.....0	.....0
0499999. Totals (Net).....	84,452	.....662	83,790	.....0	.....0

Disability - Active Lives:

0500001. 52 Interco Disa With 58 CSO 3%.....	149,013	.....82	148,931	.....	.....
0599997. Totals (Gross).....	149,013	.....82	148,931	.....0	.....0
0599999. Totals (Net).....	149,013	.....82	148,931	.....0	.....0

Disability - Disabled Lives:

0600001. 52 Interco Disability 3%.....	396,057	.....	396,057	.....	.....
0699997. Totals (Gross).....	396,057	0	396,057	0	0
0699998. Reinsurance ceded.....	6,231	.....	6,231	.....	.....
0699999. Totals (Net).....	389,826	0	389,826	0	0

Miscellaneous Reserves:

0700001. Non-Deduct Reserves.....	247,682	.....	247,682	.....	.....
0799997. Totals (Gross).....	247,682	0	247,682	0	0
0799999. Totals (Net).....	247,682	0	247,682	0	0
9999999. Totals (Net) - Page 3, Line 1.....	243,192,553	.....17,699,159	.....225,475,202	.....2,841	.....15,351

Universal Guaranty Life Insurance Company
EXHIBIT 5 - INTERROGATORIES

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

Yes [] No []

- 2.1 Does the reporting entity at present issue both participating and non-participating contracts?
 2.2 If not, state which kind is issued
 Non-participating

Yes [] No []

3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?
 If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

Yes [] No []

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

Yes [] No []

- 4.1 Amount of insurance: \$.....
 4.2 Amount of reserve: \$.....
 4.3 Basis of reserve:

- 4.4 Basis of regular assessments:

- 4.5 Basis of special assessments:

- 4.6 Assessments collected during year:

\$.....

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

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

Yes [] No []

- 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 []

- 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:

- 7.3 State the amount of reserves established for this business: \$.....

- 7.4 Identify where the reserves are reported in the blank.

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

Yes [] No []

- 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:

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 []

- 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:

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

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

NONE

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	2,859		.516			.2,343			
2. Additional contract reserves (a).....	35,794					.35,794			
3. Additional actuarial reserves - Asset/Liability analysis.....	0								
4. Reserve for future contingent benefits.....	0								
5. Reserve for rate credits.....	.6,203					.6,203			
6. Aggregate write-ins for reserves.....	0	.0	.0	.0	.0	.0	.0	.0	.0
7. Totals (Gross).....	.44,856	.0	.516	.0	.0	.44,340	.0	.0	.0
8. Reinsurance ceded.....	.8,876					.8,876			
9. Totals (Net).....	35,980	.0	.516	.0	.0	.35,464	.0	.0	.0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	.394,328	.292,284				.102,044			
11. Additional actuarial reserves - Asset/Liability analysis.....	0								
12. Reserve for future contingent benefits.....	0								
13. Aggregate write-ins for reserves.....	0	.0	.0	.0	.0	.0	.0	.0	.0
14. Totals (Gross).....	.394,328	.292,284	.0	.0	.0	.102,044	.0	.0	.0
15. Reinsurance ceded.....	.304,776	.248,441				.56,335			
16. Totals (Net).....	.89,552	.43,843	.0	.0	.0	.45,709	.0	.0	.0
17. TOTALS (Net).....	125,532	.43,843	.516	.0	.0	.81,173	.0	.0	.0
18. TABULAR FUND INTEREST.....	.3,609	1,315				.2,294			

DETAILS OF WRITE-INS

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

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

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	14,645,280			391,222	14,233,645	20,413
2. Deposits received during the year.....	176,887				176,887	
3. Investment earnings credited to the account.....	447,558			14,999	431,143	1,416
4. Other net change in reserves.....	0					
5. Fees and other charges assessed.....	0					
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	375,730			38,535	337,091	104
8. Other net transfers to or (from) Separate Accounts.....	0					
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8).....	14,893,995	0	0	367,686	14,504,584	21,725
10. Reinsurance balance at the beginning of the year.....	(3,276,680)				(3,276,680)	
11. Net change in reinsurance assumed.....	0					
12. Net change in reinsurance ceded.....	51,623				51,623	
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	(3,328,303)	0	0	0	(3,328,303)	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	11,565,692	0	0	367,686	11,176,281	21,725

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct.....	0										
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	0										
2.12 Reinsurance assumed.....	0										
2.13 Reinsurance ceded.....	0										
2.14 Net.....	0	0	(b) 0	(b) 0	(b) 0	(b) 0	(b) 0	(b) 0	(b) 0	(b) 0	0
2.2 Other:											
2.21 Direct.....	2,191,637	75,477	1,912,237	121,608			48,300				34,015
2.22 Reinsurance assumed.....	652		609		43						
2.23 Reinsurance ceded.....	539,254		519,170	1,306							18,778
2.24 Net.....	1,653,035	75,477	(b) 1,393,676	(b) 120,302	0	(b) 43	(b) 48,300	(b) 0	(b) 0	(b) 0	(b) 15,237
3. Incurred but unreported:											
3.1 Direct.....	1,731,500	100,000	1,550,000				30,000		5,500		46,000
3.2 Reinsurance assumed.....	2,000		2,000								
3.3 Reinsurance ceded.....	68,549		60,549								8,000
3.4 Net.....	1,664,951	100,000	(b) 1,491,451	(b) 0	0	(b) 0	(b) 30,000	0	(b) 5,500	(b) 0	(b) 38,000
4. Totals:											
4.1 Direct.....	3,923,137	175,477	3,462,237	121,608	0	0	78,300	0	5,500	0	80,015
4.2 Reinsurance assumed.....	2,652	0	2,609	0	0	43	0	0	0	0	0
4.3 Reinsurance ceded.....	607,803	0	579,719	1,306	0	0	0	0	0	0	26,778
4.4 Net.....	3,317,986	(a) 175,477	(a) 2,885,127	120,302	0	43	(a) 78,300	0	5,500	0	53,237

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

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....0,

are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....0, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

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

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct.....	18,551,222	401,919	17,178,144	370,617	145,608		302,252		108,000		44,682
1.2 Reinsurance assumed.....	10,449		10,449								
1.3 Reinsurance ceded.....	2,154,048	(24,592)	2,074,794	1,306					91,800		10,740
1.4 Net.....	(d) 16,407,623	426,511	15,113,799	369,311	145,608	0	302,252	0	16,200	0	33,942
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	3,923,137	175,477	3,462,237	121,608	0	0	78,300	0	5,500	0	80,015
2.2 Reinsurance assumed.....	2,652	0	2,609	0	0	.43	0	0	0	0	0
2.3 Reinsurance ceded.....	607,803	0	579,719	1,306	0	0	0	0	0	0	26,778
2.4 Net.....	3,317,986	175,477	2,885,127	120,302	0	.43	78,300	0	5,500	0	53,237
3. Amounts recoverable from reinsurers Dec. 31, current year.....	52,576		36,217						15,300		1,059
4. Liability December 31, prior year:											
4.1 Direct.....	3,757,323	158,929	3,369,107	87,250			.55,000		5,500		81,537
4.2 Reinsurance assumed.....	2,242		2,181			.61					
4.3 Reinsurance ceded.....	144,037		116,481								27,556
4.4 Net.....	3,615,528	158,929	3,254,807	87,250	0	.61	.55,000	0	5,500	0	53,981
5. Amounts recoverable from reinsurers Dec. 31, prior year.....	133,261		116,902						15,300		1,059
6. Incurred benefits:											
6.1 Direct.....	18,717,036	418,467	17,271,274	404,975	145,608	0	325,552	0	108,000	0	43,160
6.2 Reinsurance assumed.....	10,859	0	10,877	0	0	(18)	0	0	0	0	0
6.3 Reinsurance ceded.....	2,537,129	(24,592)	2,457,347	2,612	0	0	0	0	91,800	0	9,962
6.4 Net.....	16,190,766	443,059	14,824,804	402,363	145,608	(18)	325,552	0	16,200	0	33,198

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

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$....279,575 in Line 1.1, \$....257,191 in Line 1.4, \$....279,575 in Line 6.1 and \$....257,191 in Line 6.4.

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

(d) Includes \$....49,616 premiums waived under total and permanent disability benefits.

Universal Guaranty Life Insurance Company
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....	2,331,828	826,729	(1,505,099)
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	2,331,828	826,729	(1,505,099)
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	2,331,828	826,729	(1,505,099)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	2,331,828	826,729	(1,505,099)

DETAILS OF WRITE-INS

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501.....			0
2502.....			0
2503.....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	0	0

NOTES TO FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

	SSAP #	F/S Page	F/S Line #	2016	2015
NET INCOME					
(1) Universal Guaranty Life Insurance Company state basis (Page 4, Line 35, Columns 1 & 2)					
XXX	XXX	XXX	\$ 4,590,139	\$ 306,059	
(2) State Prescribed Practices that increase/decrease NAIC SAP					
(3) State Permitted Practices that increase/decrease NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 4,590,139	\$ 306,059
SURPLUS					
(5) Universal Guaranty Life Insurance Company state basis (Page 3, line 37, Columns 1 & 2)					
XXX	XXX	XXX	\$ 45,167,092	\$ 39,752,432	
(6) State Prescribed Practices that increase/decrease NAIC SAP					
(7) State Permitted Practices that increase/decrease NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 45,167,092	\$ 39,752,432

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

In preparing financial statements in conformity with statutory accounting practices, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts for policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) Mortgage loans on real estate are stated at the aggregate carrying value less any unamortized discount or valuation allowance.
- (6) Loan-backed securities are stated at amortized cost. The prospective adjustment method is used to value all securities.
- (7) The Company has investments in subsidiaries, controlled and affiliated companies. The Company carries these investments in accordance with the guidance provided in SSAP No. 97.
- (8) The Company has ownership interests in joint ventures. The Company carries these interests based on the underlying audited GAAP equity of the investee.
- (9) The Company carries all derivatives at fair value.
- (10) The Company has not anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company has no pharmaceutical rebate receivables.

D. Going Concern

The Company is expected to continue as a going concern.

Note 2 – Accounting Changes and Corrections of Errors

The Company had no accounting changes or corrections of errors during the current reporting period.

Note 3 – Business Combinations and Goodwill

- A. Statutory Purchase Method - None
- B. Statutory Merger - None
- C. Assumption Reinsurance - None

NOTES TO FINANCIAL STATEMENTS

D. Impairment Loss

Note 4 – Discontinued Operations - None

A. Discontinued Operation Disposed of or Classified as Held for Sale

(1) List of Discontinued Operations Disposed of or Classified as Held for Sale

Discontinued Operation Identifier	Description of Discontinued Operation

(2)

(3) Loss Recognized on Discontinued Operations

Discontinued Operation Identifier	Amount for Reporting Period	Cumulative Amount Since Classified as Held for Sale
	\$	\$

(4) Carrying Amount and Fair Value of Discontinued Operations and the Effect on Assets, Liabilities, Surplus and Income

a. Carrying Amount of Discontinued Operations

Discontinued Operation Identifier	Carrying Amount Immediately Prior to Classification as Held for Sale	Current Fair Value Less Costs to Sell
	\$	\$

b. Effect of Discontinued Operations on Assets, Liabilities, Surplus and Income

	Discontinued Operation Identifier	Line Number	Line Description	Amount Attributable to Discontinued Operations
1. Assets				\$
2. Liabilities				\$
3. Surplus				\$
4. Income				\$

B. Change in Plan of Sale of Discontinued Operation

C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal

D. Equity Interest Retained in the Discontinued Operation After Disposal

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

(1) The maximum and minimum lending rates for mortgage loans during 2016 were: 3.944% - 8.500%

(2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was 80%.

		Current Year	Prior Year
(3) Taxes, assessments and any amounts advanced and not included in the mortgage loan total		\$ _____	\$ _____

(4) Age Analysis of Mortgage Loans:

		Residential			Commercial		Mezzanine	Total			
		Farm	Insured	All Other	Insured	All Other					
a. Current Year											
1. Recorded Investment (All)											
(a) Current	\$ 149,944	\$	\$ 1,828,777	\$	\$ 14,409,756	\$	\$ 16,388,477				
(b) 30-59 Days Past Due											
(c) 60-89 Days Past Due											
(d) 90-179 Days Past Due											
(e) 180+ Days Past Due						\$ 2,188,895		\$ 2,188,895			
2. Accruing Interest 90-179 Days Past Due											
(a) Recorded Investment	\$	\$	\$	\$	\$	\$	\$	\$			
(b) Interest Accrued	\$	\$	\$	\$	\$	\$	\$	\$			

NOTES TO FINANCIAL STATEMENTS

	3. Accruing Interest 180+ Days Past Due							
	(a) Recorded Investment	\$	\$	\$	\$	\$	\$	\$
	(b) Interest Accrued							
	4. Interest Reduced							
	(a) Recorded Investment	\$	\$	\$	\$	\$	\$	\$
	(b) Number of Loans							
	(c) Percent Reduced	%	%	%	%	%	%	%
b.	b. Prior Year							
	1. Recorded Investment (All)							
	(a) Current	\$	\$	\$ 1,110,418	\$	\$ 10,609,754	\$	\$ 11,720,172
	(b) 30-59 Days Past Due							
	(c) 60-89 Days Past Due							
	(d) 90-179 Days Past Due							
	(e) 180+ Days Past Due			735,000		2,280,412		3,015,412
	2. Accruing Interest 90-179 Days Past Due							
	(a) Recorded Investment	\$	\$	\$	\$	\$	\$	\$
	(b) Interest Accrued							
	3. Accruing Interest 180+ Days Past Due							
	(a) Recorded Investment	\$	\$	\$	\$	\$	\$	\$
	(b) Interest Accrued							
	4. Interest Reduced							
	(a) Recorded Investment	\$	\$	\$	\$	\$	\$	\$
	(b) Number of Loans							
	(c) Percent Reduced	%	%	%	%	%	%	%

(5) Investment Impaired Loans With or Without Allowance for Credit Losses:

The Company does not have any investments with or without allowance for credit losses.

(6) Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting:

The Company began purchasing discounted commercial mortgage loans in 2009. Management has extensive background and experience in the analysis and valuation of commercial real estate. The discounted loans are available through the FDIC's sale of assets of closed banks and from banks wanting to reduce their loan portfolios. The loans are available on a loan by loan bid process. Once a loan has been acquired, contact is made with the appropriate individuals to begin a dialog with a goal of determining the borrower's willingness to work together. There are generally three paths a discounted loan will take: the borrowers pay as required; a settlement is reached with the loan being paid off at a discounted value; or the loan is foreclosed.

Management has conservatively decided to place the loans in the discounted mortgage loan portfolio on a non-accrual status, due to the instability of the borrowers.

	Residential			Commercial		Mezzanine	Total
	Farm	Insured	All Other	Insured	All Other		
a. Current Year							
1. Average Recorded Investment	\$	\$	\$	\$	\$ 168,377	\$	\$ 168,377
2. Interest Income Recognized					946,137		946,137
3. Recorded Investments on Nonaccrual Status					2,188,896		2,188,896
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting					946,137		946,137
b. Prior Year							
1. Average Recorded Investment	\$	\$	\$	\$	\$ 137,277	\$	\$ 137,277
2. Interest Income Recognized					4,936,675		4,936,675

NOTES TO FINANCIAL STATEMENTS

3.	Recorded Investments on Nonaccrual Status					2,333,702			2,333,702
4.	Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting					4,936,675			4,936,675

(7) Allowance for credit losses:

The Company does not have any allowance for credit losses.

(8)	Mortgage Loans Derecognized as a Result of Foreclosure:	Current Year	
		a.	Aggregate amount of mortgage loans derecognized
	a.	Aggregate amount of mortgage loans derecognized	\$ 735,000
	b.	Real estate collateral recognized	\$ 735,000
	c.	Other collateral recognized	\$
	d.	Receivable recognized from a government guarantee of the foreclosed mortgage loan	\$

(9) The company recognizes interest income on its impaired loans 26,809

B. Debt Restructuring

		Current Year	Prior Year
(1)	The total recorded investment in restructured loans, as of year-end	\$ 60,827	\$ 126,118
(2)	The realized capital losses related to these loans		
(3)	Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	\$	\$

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loan-Backed Securities

The Company has no loan-backed securities.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company has no repurchase agreements and/or securities lending transactions.

F. Real Estate

(1) During 2016, the Company did not record an OTTI on real estate

(2) a. During 2016, the Company acquired one property real estate parcel through a mortgage loan foreclosure and has classified this real estate as held for sale. This property is being marketed for sale, with an expectation of selling the property as soon as practical for a reasonable and fair price.

b. During 2016, the Company did not sell any real estate parcels that were acquired through mortgage loan foreclosures.

(3) None

(4) None

(5) None

G. Investments in Low-Income Housing Trade Credits (LIHTC)

The Company has no investments in Low-income Housing Trade Credits.

H. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year										
	1	2	3	4	5	6	7	8	9	10	11
	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown											
b. Collateral held under security lending arrangements											
c. Subject to repurchase agreements											
d. Subject to											

NOTES TO FINANCIAL STATEMENTS

reverse repurchase agreements										
e. Subject to dollar repurchase agreements										
f. Subject to dollar reverse repurchase agreements										
g. Placed under option contracts										
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock										
i. FHLB capital stock	540,900				540,900	540,900			540,900	0.159
j. On deposit with states	8,195,779				8,195,779	8,306,351	(110,572)		8,195,779	2.410
k. On deposit with other regulatory bodies										
l. Pledged as collateral to FHLB (including assets backing funding agreements)	4,591,257				4,591,257	5,583,292	(992,035)		4,591,257	1.350
m. Pledged as collateral not captured in other categories										
n. Other restricted assets										
o. Total Restricted Assets	\$ 13,327,936	\$	\$	\$	\$ 13,327,936	\$ 14,430,543	\$ (1,102,607)		\$ 13,327,936	3.919
										3.946

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted						8	Percentage	
	Current Year					6	7	9	10
	1	2	3	4	5				
Total Separate Account (S/A) Restricted Assets	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets
Total (c)	\$	\$	\$	\$	\$	\$	\$	\$	Admitted Restricted to Total Admitted Assets

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Total Line for Columns 1 through 7 should equal 5H(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5H(1)n Columns 9 through 11 respectively.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted						8	Percentage	
	Current Year					6	7	9	10
	1	2	3	4	5				
Total Separate Account (S/A) Restricted Assets	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets
Total (c)	\$	\$	\$	\$	\$	\$	\$	\$	Admitted Restricted to Total Admitted Assets

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Total Line for Columns 1 through 7 should equal 5H(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5H(1)m Columns 9 through 11 respectively.

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral Assets	1		2		3 % of BACV to Total Assets (Admitted and Nonadmitted) *	4 % of BACV to Total Admitted Assets **
	Book/Adjusted Carrying Value (BACV)		Fair Value			
a. Cash	\$	\$			%	%
b. Schedule D, Part 1					%	%
c. Schedule D, Part 2, Sec. 1					%	%
d. Schedule D, Part 2, Sec. 2					%	%
e. Schedule B					%	%
f. Schedule A					%	%
g. Schedule BA, Part 1					%	%
h. Schedule DL, Part 1					%	%
i. Other					%	%
j. Total Collateral Assets (a+b+c+d+e+f+g+i)	\$	\$			%	%

NOTES TO FINANCIAL STATEMENTS

* Column 1 divided by Asset Page, Line 26 (Column 1)

** Column 1 divided by Asset Page, Line 26, (Column 3)

1 Amount	2 % of Liability to Total Liabilities
k. Recognized Obligation to Return Collateral Asset	\$ %

* Column 1 divided by Liability Page, Line 26 (Column 1)

I. Working Capital Finance Investments

(1) Aggregate Working Capital Finance Investments (WCFI) Book/Adjusted Carrying Value by NAIC Designation:

	Gross Asset CY	Non-admitted Asset CY	Net Admitted Asset CY
a. WCFI Designation 1	\$	\$	\$
b. WCFI Designation 2			
c. WCFI Designation 3			
d. WCFI Designation 4			
e. WCFI Designation 5			
f. WCFI Designation 6			
g. Total	\$	\$	\$

(2) Aggregate Maturity Distribution on the Underlying Working Capital Finance Programs

	Book/Adjusting Carrying Value
a. Up to 180 Days	\$
b. 181 to 365 Days	
c. Total	\$

J. Offsetting and Netting of Assets and Liabilities

	Gross Amount Recognized	Amount Offset	Net Amount Presented on Financial Statements
(1) Assets	\$	\$	\$
(2) Liabilities	\$	\$	\$

K. Structured Notes

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage- Referenced Security (YES/NO)
	\$	\$	\$	
XXX	\$	\$	\$	XXX

L. 5* Securities

	Number of 5* Securities		Aggregate BACV		Aggregate Fair Value	
Investment	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
(1) Bonds – AC			\$	\$	\$	\$
(2) Bonds – FV			\$	\$	\$	\$
(3) Preferred Stock – AC			\$	\$	\$	\$
(4) Preferred Stock – FV			\$	\$	\$	\$
(5) Total (1 + 2 + 3 + 4)			\$	\$	\$	\$

AC – Amortized Cost

FV – Fair Value

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

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

B. There were no other-than-temporary impairments recognized on an investment in Joint Ventures, Partnerships or Limited Liability Companies during the twelve months ended December 31, 2016 and December 31, 2015, respectively.

Note 7 – Investment Income

A. Due and accrued income was excluded from surplus on the following bases:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. The total amount excluded was \$0.

Note 8 – Derivative Instruments

At December 31, 2016, the Company held certain derivative instruments in the form of exchange traded equity options of which a cash premium was paid or received at inception for the right/obligation specified in the contract. As the underlying instruments are exchange traded, the fair value of the instruments are subject to general market risk and company specific market risk. The options are combined with equity securities with the intent to generate a reasonable return while reducing risk. The instruments are carried at fair market value with changes in fair value recorded in surplus as unrealized gains or unrealized losses.

Note 9 – Income Taxes

A. Deferred Tax Assets/(Liabilities)

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

NOTES TO FINANCIAL STATEMENTS

	2016			2015			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 894,271	\$ 1,921,863	\$ 2,816,134	\$ 869,705	\$ 2,065,476	\$ 2,935,181	\$ 24,566	\$ (143,613)	\$ (119,047)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	894,271	1,921,863	2,816,134	869,705	2,065,476	2,935,181	24,566	(143,613)	(119,047)
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	894,271	1,921,863	2,816,134	869,705	2,065,476	2,935,181	24,566	(143,613)	(119,047)
f. Deferred tax liabilities	93,544	2,417,154	2,510,698	154,203	759,390	913,593	(60,659)	1,657,764	1,597,105
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 800,727	\$ (495,291)	\$ 305,436	\$ 715,502	\$ 1,306,086	\$ 2,021,588	\$ 85,225	\$ (1,801,377)	\$ (1,716,152)

2. Admission Calculation Components

	2016			2015			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 305,435	\$	\$ 305,435	\$ 2,021,588	\$	\$ 2,021,588	\$ (1,716,153)	\$	\$ (1,716,153)
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:									
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	305,435		305,435	2,021,588		2,021,588	(1,716,153)		(1,716,153)
Adjusted gross deferred tax assets allowed per limitation threshold			6,729,249			5,659,627			1,069,622
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	93,544	2,417,154	2,510,698	154,203	759,390	913,593	(60,659)	1,657,764	1,597,105
d. Deferred tax assets admitted as the result of application of SSAP 101.									
Total (2(a)+2(b)+2(c))	\$ 398,979	\$ 2,417,154	\$ 2,816,133	\$ 2,175,791	\$ 759,390	\$ 2,935,181	\$ (1,776,812)	\$ 1,657,764	\$ (119,048)

3. Other Admissibility Criteria

		2016	2015
a.	Ratio percentage used to determine recovery period and threshold limitation amount	584.000%	454.000%
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 59,405,027	\$ 46,186,681

4. Impact of Tax Planning Strategies

NOTES TO FINANCIAL STATEMENTS

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

	12/31/2016		12/31/2015		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTA amount from Note 9A1(c)	\$ 894,271	\$ 1,921,863	\$ 869,705	\$ 2,065,476	\$ 24,566	\$ (143,613)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0 %	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 894,271	\$ 1,921,863	\$ 869,705	\$ 2,065,476	\$ 24,566	\$ (143,613)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	0 %	0 %	0 %

(b) Does the company's tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2016	2 2015	3 (Col 1-2) Change
a. Federal	\$ 202,124	\$ 160,707	\$ 41,417
b. Foreign			
c. Subtotal	\$ 202,124	\$ 160,707	\$ 41,417
d. Federal income tax on net capital gains	8,866	970,657	(961,791)
e. Utilization of capital loss carry-forwards			
f. Other	(183,411)	(389,706)	206,295
g. Federal and Foreign income taxes incurred	\$ 27,579	\$ 741,658	\$ (714,079)

2. Deferred Tax Assets

	1 2016	2 2015	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 295,688	\$	\$ 295,688
2. Unearned premium reserve	180,774	396,994	(216,220)
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs		216,051	(216,051)
6. Policyholder dividends accrual	59,160	62,459	(3,299)
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted	326,456	115,742	210,714
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)	32,193	78,459	(46,266)
99. Subtotal	\$ 894,271	\$ 869,705	\$ 24,566
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 894,271	\$ 869,705	\$ 24,566
e. Capital:			
1. Investments	\$ 1,921,863	\$ 2,065,476	\$ (143,613)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal	\$ 1,921,863	\$ 2,065,476	\$ (143,613)
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	1,921,863	2,065,476	(143,613)
i. Admitted deferred tax assets (2d+2h)	\$ 2,816,134	\$ 2,935,181	\$ (119,047)

NOTES TO FINANCIAL STATEMENTS

3. Deferred Tax Liabilities

	1 2016	2 2015	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 93,544	\$ 154,203	\$ (60,659)
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax liabilities)	93,544	154,203	(60,659)
99. Subtotal	\$ 93,544	\$ 154,203	\$ (60,659)
b. Capital:			
1. Investments	\$ 2,417,154	\$ 759,390	\$ 1,657,764
2. Real estate			
3. Other (including items <5% of total capital tax liabilities)			
99. Subtotal	2,417,154	759,390	1,657,764
c. Deferred tax liabilities (3a99+3b99)	\$ 2,510,698	\$ 913,593	\$ 1,597,105
4. Net Deferred Tax Assets (2i - 3c)	\$ 305,436	\$ 2,021,588	\$ (1,716,152)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ 1,926,507	%
Proration of tax exempt investment income		%
Tax exempt income deduction		%
Dividends received deduction	(92,731)	%
Disallowable travel and entertainment	5,530	%
Other permanent differences	(1,346,143)	%
Temporary Differences:		
Total ordinary DTAs	\$	%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
Other:		
Statutory valuation allowance adjustment	\$	%
Accrual adjustment – prior year	(78,665)	%
Other	(260,660)	%
Totals	\$	%
Federal and foreign income taxes incurred	18,693	%
Realized capital gains (losses) tax	8,886	%
Change in net deferred income taxes	126,529	%
Total statutory income taxes	\$ 153,838	%

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

At December 31, 2016, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

The following is income tax expense for 2016 and 2015 that is available for recoupment in the event of future net losses:

Year	Amount
2016	\$ 211,010
2015	\$ 1,131,364

The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

The Company's does not file a consolidated federal income tax return.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

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

A. All outstanding shares of the Company are owned by UTG, Inc., an insurance holding company organized under the laws of the state of Delaware.

The Company currently has access to funds for operating liquidity. UTG has an \$8,000,000 revolving credit note with Illinois National Bank. At December 31, 2016, the Company had no outstanding borrowings against the UTG line of credit.

NOTES TO FINANCIAL STATEMENTS

- B. On July 5, 2016, the Company paid an ordinary dividend to UTG, Inc. of \$1,000,000. On April 13, 2015, the Company paid an ordinary dividend to UTG, Inc. of \$2,000,000. On July 2, 2015, the Company paid a second ordinary dividend to UTG, Inc. of \$2,000,000.
- C. The Company had no transactions with parents or subsidiaries that exceeded 1/2 of 1% of assets during the reporting period.
- D. The Company reported \$749,229 and \$760,595 as amounts due to affiliates as of December 31, 2016 and 2015, respectively. The terms of the settlement require that these amounts be settled within 90 days.
- E. The Company has not made any guarantees or undertakings for the benefit of an affiliate which results in a material contingent exposure of the Company's or any affiliated insurer's assets.
- F. Effective January 1, 2007, the Company has a cost sharing arrangement with its upstream parent, UTG, Inc. Under this arrangement, the Company pays its proportionate share of expense of the entire group, based on an allocation formula. The Company continually monitors expenditures looking for saving opportunities. Management places significant emphasis on expense monitoring and cost containment. Maintaining administrative efficiencies directly impacts net income. The Company paid \$7,561,326 and \$6,867,882 in 2016 and 2015, respectively, under this agreement.

The Company, from time to time, acquires mortgage loans through participation agreements with FSNB. FSNB services the Company's mortgage loans including those covered by the participation agreements. The Company pays a 0.25% servicing fee on these loans and a one-time fee at the loan origination of 0.50% of the original loan amount to cover costs incurred by FSNB relating to the processing and establishment of the loan. The Company paid \$13,517 and \$11,622 in servicing fees and \$0 and \$25,000 in origination fees to FSNB during 2016 and 2015, respectively.

- G. All outstanding shares of the Company are owned by UTG, Inc., an insurance holding Company incorporated in the State of Delaware.
- H. The Company owns 51,573 shares of common stock and 4,000 shares of preferred stock of its ultimate parent, First Southern Bancorp, Inc.
- I. The Company does not own any material subsidiaries.
- J. Other-than-temporary impairments of \$150,000 and \$800,000 were taken on investments in affiliated common stock assets during the twelve months ended December 31, 2016 and 2015, respectively. The other-than-temporary impairments were the result of management's analysis and determination of value.
- K. The Company has no investments in a foreign insurance subsidiary.
- L. The Company has no downstream noninsurance holding companies.
- M. All SCA Investments

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
	%			
Total SSAP No. 97 8a Entities	XXX	\$	\$	\$
b. SSAP No. 97 8b(ii) Entities				
	%			
Total SSAP No. 97 8b(ii) Entities	XXX	\$	\$	\$
c. SSAP No. 97 8b(iii) Entities				
Industrial Heat, LLC	0.800 %			
PGS Pooler Investco, LLC	25.600	2,503,598	1,251,799	1,251,799
Resource Land Fund III, LLC	2.300			
RLF Chinook Properties, LLC	12.200			
VMA Mobile, LLC	50.000			
Consolidated Timberlands, LLC	50.000	476,622	238,311	238,311
Midland Superblock Partners, LLC	74.100	3,655,486	1,827,743	1,827,743
NV Holding Group, LLC	70.000	4,059,998	2,029,999	2,029,999
UG Acquisitions, LLC	100.000	1,885,126	942,563	942,563
UG Norris Lake, LLC	90.000	2,535,942	1,267,971	1,267,971
UGL - Titusville Marina, LLC	100.000	5,493,770	2,746,885	2,746,885
UGLIC, LLC	80.000	1,492,382	746,191	746,191
Barton Springs Music, LLC	23.800	1,607,726	803,863	803,863
Llano Music, LLC	19.000	2,416,626	1,208,313	1,208,313
Sovereign's Capital II, LP	2.700	447,580	223,790	223,790
Stanford Wilderness Road, LLC	100.000	5,513,240	2,756,620	2,756,620
Cumberland Woodlands, LLC	100.000	2,087,996	1,043,998	1,043,998
Total SSAP No. 97 8b(iii) Entities	XXX	\$ 34,176,092	\$ 17,088,046	\$ 17,088,046
d. SSAP No. 97 8b(iv) Entities				
	%			
Total SSAP No. 97 8b(iv) Entities	XXX	\$	\$	\$
e. Total SSAP No. 97 8b Entities (exception 8b(i) entities) (b + c + d)	XXX	\$ 34,176,092	\$ 17,088,046	\$ 17,088,046
f. Aggregate Total (a + e)	XXX	\$ 34,176,092	\$ 17,088,046	\$ 17,088,046

(2) NAIC Filing Response Information

SCA Entity (Should be the same entities as shown in M(1) above)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities						

NOTES TO FINANCIAL STATEMENTS

Total SSAP No. 97 8a Entities	XXX	XXX	\$	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
PGS Pooler Investco, LLC						
Consolidated Timberlands, LLC	S1	12/21/2016			N	
Midland Superblock Partners, LLC	S1	12/21/2016			N	
NV Holding Group, LLC						
UG Acquisitions, LLC	S1	12/21/2016			N	
UG Norris Lake, LLC	S1	12/21/2016			N	
UGL - Titusville, LLC						
UGLIC, LLC	S1	12/21/2016			N	
Barton Springs Music, LLC						
Stanford Wilderness Road, LLC	S2	05/27/2016	1,238,567	Y	N	
Cumberland Woodlands, LLC	S2	05/27/2016	3,018,323	Y	N	
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$ 4,256,890	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (exception 8b(i) entities) (b + c + d)	XXX	XXX	\$ 4,256,890	XXX	XXX	XXX
f. Aggregate Total (a + e)	XXX	XXX	\$ 4,256,890	XXX	XXX	XXX

* S1 – Sub-1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing

** I – Immaterial or M – Material

N. Investment in Insurance SCAs

(1)

(2)

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment		If the Insurance SCA Had Completed Statutory Financial Statements*
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	\$	
	\$	\$	\$	\$	

* Per AP&P Manual (without permitted or prescribed practices)

(3)

Note 11 – Debt

A. None

B. FHLB (Federal Home Loan Bank) Agreements

(1) During May of 2016, the FHLB approved UG's Cash Management Advance Application ("CMA"). The CMA gives the Company the option of selecting a variable rate of interest for up to 90 days or a fixed rate for a maximum of 30 days. The variable rate CMA is prepayable at any time without a fee, while the fixed CMA is not prepayable prior to maturity.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
(a) Membership Stock – Class A	\$	\$	\$
(b) Membership Stock – Class B	401,785	401,785	
(c) Activity Stock			
(d) Excess Stock	139,115	139,115	
(e) Aggregate Total (a+b+c+d)	\$ 540,900	\$ 540,900	\$
(f) Actual or estimated borrowing capacity as determined by the insurer		XXX	XXX

2. Prior Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
(a) Membership Stock – Class A	\$	\$	\$
(b) Membership Stock – Class B	522,093	522,093	
(c) Activity Stock			
(d) Excess Stock	18,807	18,807	
(e) Aggregate Total (a+b+c+d)	\$ 540,900	\$ 540,900	\$
(f) Actual or estimated borrowing capacity as determined by the insurer		XXX	XXX

NOTES TO FINANCIAL STATEMENTS

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

Membership Stock	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	\$ 401,785	\$	\$	\$	\$	\$
2. Class B			\$	\$	\$	\$ 401,785

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	\$ 5,055,700	\$ 4,591,257	\$
2. Current Year General Account Total Collateral Pledged	\$ 5,055,700	\$ 4,591,257	\$
3. Current Year Separate Accounts Total Collateral Pledged	\$	\$	\$
4. Prior Year Total General and Separate Accounts Total Collateral Pledged	\$ 6,207,659	\$ 5,583,292	\$

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	\$ 5,055,700	\$ 4,591,257	\$
2. Current Year General Account Total Collateral Pledged	\$ 5,055,700	\$ 4,591,257	\$
3. Current Year Separate Accounts Total Collateral Pledged	\$	\$	\$
4. Prior Year Total General and Separate Accounts Total Collateral Pledged	\$ 6,207,659	\$ 5,583,292	\$

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

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

2. Prior Year

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

b. Maximum Amount During Reporting Period (Current Year)

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

c. FHLB – Prepayment Obligations

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

NOTES TO FINANCIAL STATEMENTS

A. None

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

- (1) The Company has 400,000 shares authorized, 400,000 shares issued and 400,000 shares outstanding. All shares are Class A shares.
- (2) The Company has no preferred stock outstanding.
- (3) The maximum amount of dividends which can be paid to shareholders without prior approval from the Insurance Commissioner is subject to restrictions related to statutory earnings and statutory earned surplus. Without prior approval, dividends may be paid only out of positive earned surplus at the time of the dividend, and within a calendar year may not exceed the greater of the net gain from operations of the prior year of 10% of the prior year's policyholders' surplus. Dividends are paid only as declared by the Board of Directors.
- (4) On July 5, 2016, the Company paid an ordinary dividend to UTG, Inc. of \$1,000,000. During 2015, the Company paid two ordinary dividends to UTG, Inc. of \$2,000,000 and \$2,000,000 on April 15th and July 2nd, respectively.
- (5) Within the limitation of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) There are no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) The total amount of advances to surplus not repaid is \$0.
- (8) There is no stock held by the Company, including stock of affiliated companies for special purposes.
- (9) There were no changes in balances of special surplus funds from the prior year.
- (10) The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is: \$12,910,985
- (11) The reporting entity did not issue any surplus debentures or similar obligations.
- (12) The Company did not have any impact of any restatement due to prior quasi-reorganizations.
- (13) The Company did not have any quasi-reorganizations.

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

- (1) Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: \$2,902,971.
- (2) The Company does not have guarantees.
- (3) The Company does not have guarantee obligations.

B. Assessments

None

C. Gain Contingencies

None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

None

Universal Guaranty Life Insurance Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$

E. Joint and Several Liabilities

None

F. All Other Contingencies

None

Note 15 – Leases

The Company is not involved in any material lease transactions.

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

The Company is not involved in any off-balance sheet risk or financial instruments with concentrations of credit risk.

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

The Company had no transactions of this type during the current reporting period.

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

The Company experienced no gain or loss during the current reporting period from uninsured plans.

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

No direct premium was written or produced during the current reporting period by a managing general agent or third party administrator.

Note 20 – Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Assets at Fair Value		Level 1	Level 2	Level 3	Total
Bonds	\$	\$	\$	2,583,251	\$ 2,583,251
Common Stock		18,372,136	6,553,410	19,045,678	43,971,224
Other Invested Assets				47,359,726	47,359,726
Derivatives		2,500			2,500
Total	\$	18,374,636	\$ 6,553,410	\$ 68,988,655	\$ 93,916,701

Liabilities at Fair Value		Level 1	Level 2	Level 3	Total
Derivatives	\$	1,438	\$	\$	\$ 1,438
Total	\$	1,438	\$	\$	\$ 1,438

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

a. Assets	Beginning Balance at 1/1/2016	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2016
Bonds	\$ 2,057,723	\$ 164,039	\$	\$ 60,392	\$ 900,557	\$	\$	\$ (99,460)	\$	\$ 3,083,251
Common Stock	16,214,317			(150,000)	3,006,361	150,000		(175,000)		19,045,678
Other Invested Assets	34,698,572			(465,754)	(923,524)	22,309,112		(8,258,680)		47,359,726
Total	\$ 52,970,612	\$ 164,039	\$	\$ (555,362)	\$ 2,983,394	\$ 22,459,112	\$	\$ (8,533,140)	\$	\$ 69,488,655

b. Liabilities	Beginning Balance at 1/1/2016	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

(3) None

(4) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. U.S. treasuries are in Level 1 and valuation is based on unadjusted quoted prices for identical assets in active markets that the Company can access. Equity securities and derivatives that are actively traded and exchange listed in the U.S. are also included in Level 1. Equity security valuation is based on unadjusted quoted prices for identical assets in active markets that the Company can access.

Level 2 - Quoted prices in markets that are not active or inputs that are observable either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities other than quoted prices in Level 1; quoted prices in markets that are not active; or other inputs that are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets consist of fixed income investments valued based on quoted prices for identical or similar assets in markets that are not active and investments carried as equity securities that do not have an actively traded market that are valued based on their audited GAAP book value.

Level 3 - Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

(5) None

B. None

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 181,544,718	\$ 169,520,181	\$ 9,035,810	\$ 169,425,656	\$ 3,083,251	\$
Preferred Stock	6,804,358	3,804,358				3,804,358
Common Stock	43,971,224	43,971,224	18,372,136	6,553,410	19,045,678	
Mortgage Loans	18,577,372	18,577,372				18,577,372
Real Estate	21,942,365	21,942,365				21,942,365
Cash	14,155,541	14,155,541	14,155,541			
Contract Loans	10,070,134	10,070,134				10,070,134
Derivatives (Assets)	2,500	2,500	2,500			
Other Invested Assets	47,359,726	47,359,726				47,359,726
Derivatives (Liability)	(1,438)	(1,438)	(1,438)			

D. Not Practicable to Estimate Fair Value

NOTES TO FINANCIAL STATEMENTS

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
	\$	%		

Note 21 – Other Items

- A. Unusual or Infrequent Items

None

- B. Troubled Debt Restructuring Debtors

None

- C. Other Disclosures

(1) The Company regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other than temporary. Based on an evaluation of the issues, including, but not limited to, intentions to sell or ability to hold the fixed maturity and equity securities with unrealized losses for a period of time sufficient for them to recover; the length of time and amount of the unrealized loss; and the credit ratings of the issuers of the investments, the Company held no fixed maturity investments and no fixed maturity investments as other-than-temporarily impaired at December 31, 2016 and December 31, 2015, respectively.

During the twelve months ended December 31, 2016 and December 31, 2015, the Company recognized other-than-temporary impairments of \$150,000 and \$6,254,337 on equity securities. The other-than-temporary impairments were the result of management's analysis and determination of value.

Other-than-temporary impairments of \$0 and \$0 were taken on mortgage loans during the twelve months ended December 31, 2016 and December 31, 2015, respectively.

Other-than-temporary impairments of \$0 and \$54,901 were taken on real estate during the twelve months ended December 31, 2016 and December 31, 2015, respectively. The other-than-temporary impairments were the result of appraisal valuations and management's analysis and determination of value.

Other-than-temporary impairments of \$465,754 and \$0 were taken on other invested assets during the twelve months ended December 31, 2016 and December 31, 2015, respectively.

(2) Assets in the amount of \$8,195,779 and \$8,306,351 were on deposit with government authorities or trustees as required by law at December 31, 2016, and December 31, 2015, respectively.

- D. Business Interruption Insurance Recoveries

None

- E. State Transferable and Non-Transferable Tax Credits

None

- F. Subprime Mortgage Related Risk Exposure

None

- G. Retained Assets

None

- H. Insurance-Linked Securities (ILS) Contracts

None

Note 22 – Events Subsequent

None

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

Yes [] No []

ACA fee assessment payable for the upcoming year	\$	\$
ACA fee assessment paid		
Premium written subject to ACA 9010 assessment		
Total adjusted capital before surplus adjustment (Five-Year Historical Line 30)	59,921,747	
Total adjusted capital (Five-Year Historical Line 30 minus 22B above)	59,921,747	
Authorized control level (Five-Year Historical Line 31)	\$ 12,052,430	

- H. Would reporting the ACA assessment as of December 31, 2016 have triggered an RBC action level (YES/NO)?

Yes [] No []

Note 23 – Reinsurance

- A. Ceded Reinsurance Report

Section1 – General Interrogatories

NOTES TO FINANCIAL STATEMENTS

- (1) Are any of the reinsurers listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? No
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business? No

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? No
- If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$ _____
 - What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$ _____
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? No

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$983,864
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? No
If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$ _____

B. Uncollectible Reinsurance None

- (1) Universal Guaranty Life Insurance Company has written off in the current year reinsurance balances due from the entities listed below, the amount of: \$
- | | | |
|----|-------------------------------------|--------|
| a. | Claims incurred | \$ |
| b. | Claims adjustment expenses incurred | |
| c. | Premiums earned | |
| d. | Other | |
| | Entity | Amount |

C. Commutation of Ceded Reinsurance None

Universal Guaranty Life Insurance Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

(1)	Claims incurred	\$
(2)	Claims adjustment expenses incurred	
(3)	Premiums earned	
(4)	Other	
	Entity	Amount

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

- (1) Reporting Entity Ceding to Certified Reinsurer Whose Rating was Downgraded or Status Subject to Revocation

a.

Name of Certified Reinsurer	Relationship to Reporting Entity	Date of Action	Jurisdiction of Action	Before	After	Net Obligation Subject to Collateral	Collateral Required (But Not Received)
				%	%	\$	\$

- (2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation

a.

Date of Action	Jurisdiction of Action	Before	After	Net Obligation Subject to Collateral	Collateral Required (But Not Received)
		%	%	\$	\$

E. None

F. None

G. Ceding Entities That Utilize Captive Reinsurers to Assume Reserves Subject to the XXX/AXXX Captive Framework None

- (1) Captive Reinsurers in Which a Risk-Based Capital Shortfall Exists per the Risk-Based Capital XXX/AXXX Captive Reinsurance Consolidated Exhibit:

a. Captives with Risk-Based Capital Shortfall

NOTES TO FINANCIAL STATEMENTS

Cession ID	NAIC Company Code	ID Number	Name of Captive Reinsurer	Amount of Risk-Based Capital Shortfall
0	0			
Total	XXX	XXX	XXX	\$

b. Effect of Risk-Based Capital Shortfall on Total Adjusted Capital (TAC)

1. Total Adjusted Capital (TAC)	(Five-Year Historical Line 30)	\$	59,921,747
2. Risk-Based Capital Shortfall	(Sum of G(1)a1 Column 5)	\$	
3. Total Adjusted Capital (TAC) Before Risk-Based Capital Shortfall	(G(1)b1 + G(1)b2)	\$	59,921,747

(2) Captive Reinsurers for Which a Non-Zero Primary Security Shortfall is Shown on the Risk-Based Capital XXX/AXXX Reinsurance Primary Security Shortfall by Cession Exhibit

Cession ID	NAIC Company Code	ID Number	Name of Captive Reinsurer	Amount of Risk-Based Capital Shortfall
0	0			
Total	XXX	XXX	XXX	\$

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination None

A.

B.

C.

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act.

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$	\$	\$	\$	\$
(2) Medical loss ratio rebates paid					
(3) Medical loss ratio rebates unpaid					
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$	\$	\$	\$	\$
(8) Medical loss ratio rebates paid					
(9) Medical loss ratio rebates unpaid					
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions
Yes [] No []

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

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

NOTES TO FINANCIAL STATEMENTS

Assets									
1.	Accrued retrospective premium due to ACA Risk Corridors								
Liabilities									
2.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors								
Operations (Revenue & Expenses)									
3.	Effect of ACA Risk Corridors on net premium income (paid/received)								
4.	Effect of ACA Risk Corridors on change in reserves for rate credits								

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

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

Explanations of Adjustments

- A.
- B.
- C.
- D.
- E.
- F.
- G.
- H.
- I.
- J.

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

				Differences				Adjustments			Unsettled Balances as of the Reporting Date		
				Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)				
				1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	9 Ref Receivable	10 (Payable)
a. 2014													
1. Accrued retrospective premium										A	\$		
2. Reserve for rate credits for policy experience rating refunds										B			
b. 2015										C	\$		
1. Accrued retrospective premium	\$									D			
2. Reserve for rate credits for policy experience rating refunds													
c. 2016										E	\$		
1. Accrued retrospective premium	\$												

NOTES TO FINANCIAL STATEMENTS

premium									
2. Reserve for rate credits or policy experience rating refunds								F	
d. Total for Risk Corridors	\$							\$	

A.
B.
C.
D.
E.
F.

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts Received from CMS	4 Asset Balance (Gross of Non-Admissions) (1-2-3)	5 Non-Admitted Amount	5 Net Admitted Asset (4-5)
a.. 2014	\$	\$	\$	\$	\$	\$
b. 2015	\$	\$	\$	\$	\$	\$
c. 2016	\$	\$	\$	\$	\$	\$
d. Total (a+b+c)	\$	\$	\$	\$	\$	\$

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

None

Note 26 – Intercompany Pooling Arrangements

None

Note 27 – Structured Settlements None

A.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
\$	\$

B.

Life Insurance Company and Location	Licensed in Company's State of Domicile YES/NO	Statement Value (i.e. Present Value) of Annuities
		\$

Note 28 – Health Care Receivables None

A.

Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
	\$	\$	\$	\$	\$

B. Risk Sharing Receivables

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
0	0	\$	\$	\$	\$	\$	\$	\$	\$

Note 29 – Participating Policies

For the reporting year ended 2016, net premiums under life participating policies were \$1,168,556 or approximately 18% of total life premiums earned.

Policyholder dividend scales are established and periodically reviewed by the Board of Directors. The Company paid dividends in the amount of \$408,584 to policyholders and did not allocate any additional income to such policyholders.

Note 30 – Premium Deficiency Reserves

- Liability carried for premium deficiency reserve: \$
- Date of most recent evaluation of this liability: December 31, 2016
- Was anticipated investment income utilized in the calculation? Yes [] No [X]

Note 31 – Reserves for Life Contracts and Annuity Contracts

- The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- Extra premiums are charged for substandard lives. Mean reserves are determined by computing the regular mean reserve for the plan at the rated age and holding, in addition, one-half (1/2) of the extra premium charge for the year. Policies issued for substandard lives, are charged an extra premium plus the regular premium for the true age. Mean reserves are based on appropriate multiples of standard rates of mortality.

NOTES TO FINANCIAL STATEMENTS

- (3) As of December 31, 2016, the Company had no insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio.
- (4) The Tabular Interest has been determined by formula as described in the instructions. The Tabular Less Actual Reserve Released has been determined by formula as described in the instructions. The Tabular Cost has been determined by formula as described in the instructions.
- (5) For the determination of Tabular Interest on funds not involving life contingencies for each valuation rate of interest, the tabular interest is calculated as one hundredth of the product of such valuation rate of interest times the mean of the amount of the funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.
- (6) The details for other changes: None

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

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

A.	Subject to Discretionary Withdrawal:	General Accounts	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1)	With market value adjustment	\$	\$	\$	\$	%
(2)	At book value less current surrender charge of 5% or more					%
(3)	At fair value					%
(4)	Total with market value adjustment or at fair value (total of 1 through 3)					%
(5)	At book value without adjustment (minimal or no charge or adjustment)	42,579,006			42,579,006	100.000%
B.	Not subject to discretionary withdrawal					%
C.	Total (gross: direct + assumed)	42,579,006			42,579,006	100.000%
D.	Reinsurance ceded	3,658,190			3,658,190	
E.	Total (net (C) - (D))	\$ 38,920,816	\$	\$	\$ 38,920,816	
F.	Life and Accident & Health Annual Statement:					
(1)	Exhibit 5, Annuities, Total (net)				\$ 26,410,072	
(2)	Exhibit 5, Supplementary contracts with life contingencies, Total (net)				945,052	
(3)	Exhibit 7, Deposit-type contracts, Line 14, Column 1				11,565,692	
(4)	Subtotal				\$ 38,920,816	
	Separate Accounts Statement:					
(5)	Exhibit 3, Line 0299999, Column 2				\$	
(6)	Exhibit 3, Line 0399999, Column 2					
(7)	Policyholder dividend and coupon accumulations					
(8)	Policyholder premiums					
(9)	Guaranteed interest contracts					
(10)	Other contract deposit funds					
(11)	Subtotal				\$	
(12)	Combined Total				\$ 38,920,816	

Note 33 – Premium and Annuity Considerations Deferred and Uncollected

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

		Gross	Net of Loading
(1)	Industrial	\$ 5,093	\$ 2,244
(2)	Ordinary new business	2,031	641
(3)	Ordinary renewal	638,540	402,177
(4)	Credit life		
(5)	Group life	1,061	
(6)	Group annuity		
(7)	Totals	\$ 646,725	\$ 405,062

Note 34 – Separate Accounts None

- A. Separate Account Activity

(1)

- (2) In accordance with the products/transactions recorded within the separate account, some assets are considered legally insulated whereas others are not legally insulated from the general account. (The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account.)

As of December 31, 2016 and 2015 the Company separate account statement included legally insulated assets of \$ _____ and \$ _____, respectively. The assets legally insulated from the general account as of December 31, 2016 are attributed to the following products/transactions:

Product/Transaction	Legally Insulated Assets	Separate Account Assets (Not Legally Insulated)
	\$	\$
Total	\$	\$

NOTES TO FINANCIAL STATEMENTS

- (3) In accordance with the products/transaction recorded within the separate account, some separate account liabilities are guaranteed by the general account. (In accordance with the guarantees provided, if the investment proceeds are insufficient to cover the rate of return guaranteed for the product, the policyholder proceeds will be remitted by the general account.)

To compensate the general account for the risk taken, the separate account has paid risk charges as follows for the past five (5) years:

a.	2016	\$
b.	2015	\$
c.	2014	\$
d.	2013	\$
e.	2012	\$

As of December 31, 2016, the general account of XYZ Company had paid \$_____ toward separate account guarantees. The total separate account guarantees paid by the general account for the preceding four years ending December 31, 2014, 2013, 2012, and 2011 was \$_____, \$_____, \$_____, and \$_____, respectively.

(4)

B. General Nature and Characteristics of Separate Accounts Business
Separate Accounts with Guarantees

	Index	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	Total
(1) Premiums, considerations or deposits for year ended 12/31/2016	\$	\$	\$	\$	\$
Reserves at 12/31/2016					
(2) For accounts with assets at:					
a. Fair value	\$	\$	\$	\$	\$
b. Amortized cost					
c. Total reserves*	\$	\$	\$	\$	\$
(3) By withdrawal characteristics					
a. Subject to discretionary withdrawal					
5. With market value adjustment	\$	\$	\$	\$	\$
6. At book value without market value adjustment and with current surrender charge of 5% or more					
7. At fair value					
8. At book value without market value adjustment and with current surrender charge less than 5%					
9. Subtotal	\$	\$	\$	\$	\$
b. Not subject to discretionary withdrawal					
c. Total	\$	\$	\$	\$	\$
(4) Reserves for asset default risk in lieu or AVR	\$	\$	\$	\$	\$

* Line 2(c) should equal Line 3(h)

C. Reconciliation of Net Transfers to or (from) Separate Accounts

- (1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement:

a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$
b. Transfer from Separate Accounts (Page 4, Line 10)	
c. Net transfers to or (from) Separate Accounts (a) - (b)	\$

- (2) Reconciling adjustments:

Adjustment	Amount
	\$

- (3) Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement
(1c) + (2) = (Page 4, Line 26) \$

Note 35 – Loss/Claim Adjustment Expenses

The Company has no loss/claim adjustment expenses.

The balance in the liability for unpaid accident and health claim adjustment expenses as of _____ and _____ was \$_____ and \$_____, respectively.

Universal Guaranty Life Insurance Company incurred \$_____ and paid \$_____ of claim adjustment expenses in the current year, of which \$_____ of the paid amount was attributable to insured or covered events of prior years. Universal Guaranty Life Insurance Company did not increase or decrease the provision for insured events of prior years.

Universal Guaranty Life Insurance Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$_____.

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES****GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1, 1A and 2. Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State regulating? Ohio
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014
- 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. 12/31/2014
- 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). 01/15/2016
- 3.4 By what department or departments? Ohio Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [] N/A []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1 | 2
NAIC
Company
Code | 3
State of
Domicile |
|----------------|------------------------------|---------------------------|
| Name of Entity | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control %
- 7.22 State the nationality(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, government, manager or attorney-in-fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [X] No []
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
FDIC | 6
SEC |
|------------------------------|-----------------------------|----------|----------|-----------|----------|
| First Southern National Bank | Stanford, KY | | Yes | | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? Brown Smith Wallace LLC 6 City Place Drive Suite 900, St. Louis, MO 63141
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Wilfred Joseph Albracht - Consulting Actuary 3903 Fowler Lane, Longmont, CO 80503
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No []
- 12.11 Name of real estate holding company Cumberland Woodlands, PGS Pooler Investco, Resource Land Fund III, RLF Chinook Properties, VMA Mobile Consolidated Timberlands, Midland Superblock Partners, NV Holding Group, UG Acquisitions, UG Norris Lake, UGL Titusville Marina, UGLIC.
- 12.12 Number of parcels involved 12
- 12.13 Total book/adjusted carrying value \$ 13,808,082
- 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:
- 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).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.
- | 1
American Bankers Association (ABA)
Routing Number | 2
Issuing or Confirming Bank Name | 3
Circumstances That Can Trigger
the Letter of Credit | 4
Amount |
|---|--------------------------------------|---|-------------|
| | | | |
- BOARD OF DIRECTORS**
16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all 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 or is likely to conflict with the official duties of such person? Yes [X] No []
- FINANCIAL**
19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | |
|---|-------------|
| 20.11 To directors or other officers | \$ <u>0</u> |
| 20.12 To stockholders not officers | \$ <u>0</u> |
| 20.13 Trustees, supreme or grand (Fraternal only) | \$ <u>0</u> |
- 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 | \$ <u>0</u> |
| 20.22 To stockholders not officers | \$ <u>0</u> |
| 20.23 Trustees, supreme or grand (Fraternal only) | \$ <u>0</u> |
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- | | |
|----------------------------|--------------|
| 21.21 Rented from others | \$ <u> </u> |
| 21.22 Borrowed from others | \$ <u> </u> |
| 21.23 Leased from others | \$ <u> </u> |
| 21.24 Other | \$ <u> </u> |
- 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 | \$ <u> </u> |
| 22.22 Amount paid as expenses | \$ <u> </u> |
| 22.23 Other amounts paid | \$ <u> </u> |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$ _____ 0		
INVESTMENT				
24.01	Were all of stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?	Yes [X] No []		
24.02	If no, give full and complete information, relating thereto:			
24.03	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).			
24.04	Does the company's security lending program meet the requirements for a conforming program as outlined in the <i>Risk-Based Capital Instructions</i> ?	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]		
24.10	For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:			
24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ _____ 0		
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ _____ 0		
24.103	Total payable for securities lending reported on the liability page:	\$ _____ 0		
25.1	Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)	Yes [X] No []		
25.2	If yes, state the amount thereof at December 31 of the current year:			
25.21	Subject to repurchase agreements	\$ _____ 0		
25.22	Subject to reverse repurchase agreements	\$ _____ 0		
25.23	Subject to dollar repurchase agreements	\$ _____ 0		
25.24	Subject to reverse dollar repurchase agreements	\$ _____ 0		
25.25	Placed under option agreements	\$ _____ 0		
25.26	Letter stock or securities restricted as sale – excluding FHLB Capital Stock	\$ _____ 0		
25.27	FHLB Capital Stock	\$ 540,900		
25.28	On deposit with states	\$ 8,195,779		
25.29	On deposit with other regulatory bodies	\$ 0		
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$ 0		
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	\$ 0		
25.32	Other	\$ 0		
25.3	For category (25.26) provide the following:			
	1 Nature of Restriction	2 Description	3 Amount	
			\$	
26.1	Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes [] No [X]		
26.2	If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.	Yes [] No [] N/A [X]		
27.1	Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?	Yes [] No [X]		
27.2	If yes, state the amount thereof at December 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 <i>Financial Condition Examiners Handbook</i> ?	Yes [X] No []		
28.01	For all agreements that comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , complete the following:			
	1 Name of Custodian(s)	2 Custodian's Address		
	TD Ameritrade	PO Box 2209, Omaha, NE 68103		
	The Federal Home Loan Bank of Cincinnati	PO Box 598, Cincinnati, OH 45201		
	Charles Schwab	211 Main Street, San Francisco, CA 94105		
	Hilliard Lyons	446 East Main Street, Bowling Green, KY 42101		
	Goldman Sachs Execution & Clearing, LP	200 West Street, 2nd Floor, New York, NY 10282		
28.02	For all agreements that do not comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , provide the name, location and a complete explanation:			
	1 Name(s)	2 Location(s)	3 Complete Explanation(s)	
28.03	Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?	Yes [] No [X]		
28.04	If yes, give full and complete information relating thereto:			
	1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

GENERAL INTERROGATORIES**PART 1 - COMMON 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

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

- 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	174,864,753	186,889,290	12,024,537
30.2	Preferred Stocks	6,804,358	6,804,358	0
30.3	Totals	181,669,111	193,693,648	12,024,537

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

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [X] No []

- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [X] No []

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

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

Yes [X] No []

- 32.2 If no, list exceptions:

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

- 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
	\$

- 34.1 Amount of payments for legal expenses, if any?

\$ 2,908

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

1 Name	2 Amount Paid
	\$

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

\$ 0

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

1 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES**PART 2 – LIFE INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.3	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	0
1.62	Total incurred claims	\$	0
1.63	Number of covered lives	\$	0
	All years prior to most current three years:		
1.64	Total premium earned	\$	0
1.65	Total incurred claims	\$	0
1.66	Number of covered lives	\$	0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$	0
1.72	Total incurred claims	\$	0
1.73	Number of covered lives	\$	0
	All years prior to most current three years:		
1.74	Total premium earned	\$	0
1.75	Total incurred claims	\$	0
1.76	Number of covered lives	\$	0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 0	\$ 0
2.2	Premium Denominator	\$ 6,422,355	\$ 6,754,872
2.3	Premium Ratio (2.1/2.2)	0.000	0.000
2.4	Reserve Numerator	\$ 61,080	\$ 61,717
2.5	Reserve Denominator	\$ 246,382,186	\$ 253,146,617
2.6	Reserve Ratio (2.4/2.5)	0.025	0.024
3.1	Does the reporting entity have Separate Accounts?	Yes []	No [X]
3.2	If yes, has a Separate Accounts statement been filed with this Department	Yes []	No []
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?		N/A[X]
3.4	State the authority under which Separate Accounts are maintained:		
3.5	Was any of the reporting entity's Separate Accounts business reinsured as of December 31?	Yes []	No []
3.6	Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?	Yes []	No []
3.7	If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)"?	\$ 0	
4.1	Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)"?		Yes [X] No []
4.2	Net reimbursement of such expenses between reporting entities:		
4.21	Paid	\$ 7,561,326	
4.22	Received	\$ 0	
5.1	Does the reporting entity write any guaranteed interest contracts?	Yes []	No [X]
5.2	If yes, what amount pertaining to these items is included in:		
5.21	Page 3, Line 1	\$ 0	
5.22	Page 4, Line 1	\$ 0	
6.	For stock reporting entities only:		
6.1	Total amount paid in by stockholders as surplus funds since organization of the reporting entity:	\$ 18,655,343	
7.	Total dividends paid stockholders since organization of the reporting entity:		
7.11	Cash	\$ 52,604,722	

GENERAL INTERROGATORIES**PART 2 – LIFE INTERROGATORIES**

7.12 Stock	\$ 0																										
8.1 Does the reporting entity 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 <i>Workers' Compensation Carve-Out Supplement</i> 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:																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 30%;"></th> <th style="text-align: center; width: 30%;">1 Reinsurance Assumed</th> <th style="text-align: center; width: 30%;">2 Reinsurance Ceded</th> <th style="text-align: center; width: 30%;">3 Net Retained</th> </tr> </thead> <tbody> <tr> <td>8.31 Earned premium</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>8.32 Paid claims</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>8.33 Claim liability and reserve (beginning of year)</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>8.34 Claim liability and reserve (end of year)</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>8.35 Incurred claims</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> </tbody> </table>		1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained	8.31 Earned premium	\$ 0	\$ 0	\$ 0	8.32 Paid claims	\$ 0	\$ 0	\$ 0	8.33 Claim liability and reserve (beginning of year)	\$ 0	\$ 0	\$ 0	8.34 Claim liability and reserve (end of year)	\$ 0	\$ 0	\$ 0	8.35 Incurred claims	\$ 0	\$ 0	\$ 0		
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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:																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 30%;"></th> <th style="text-align: center; width: 30%;">1 Earned Premium</th> <th style="text-align: center; width: 30%;">2 Claim Liability and Reserve</th> </tr> </thead> <tbody> <tr> <td>8.41 <\$25,000</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>8.42 \$25,000 — 99,999</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>8.43 \$100,000 — 249,999</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>8.44 \$250,000 — 999,999</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>8.45 \$1,000,000 or more</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> </tbody> </table>		1 Earned Premium	2 Claim Liability and Reserve	8.41 <\$25,000	\$ 0	\$ 0	8.42 \$25,000 — 99,999	\$ 0	\$ 0	8.43 \$100,000 — 249,999	\$ 0	\$ 0	8.44 \$250,000 — 999,999	\$ 0	\$ 0	8.45 \$1,000,000 or more	\$ 0	\$ 0								
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8.45 \$1,000,000 or more	\$ 0	\$ 0																									
8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools?	\$ 0																										
9.1 Does the reporting entity 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.																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 15%;">Type</th> <th style="text-align: center; width: 15%;">3</th> <th style="text-align: center; width: 15%;">4</th> <th style="text-align: center; width: 15%;">5</th> <th style="text-align: center; width: 15%;">6</th> <th style="text-align: center; width: 15%;">7</th> <th style="text-align: center; width: 15%;">8</th> <th style="text-align: center; width: 15%;">9</th> </tr> <tr> <th>1 Guaranteed Death Benefit</th> <th>2 Guaranteed Living Benefit</th> <th style="text-align: center;">Waiting Period Remaining</th> <th style="text-align: center;">Account Value Related to Col. 3</th> <th style="text-align: center;">Total Related Account Values</th> <th style="text-align: center;">Gross Amount of Reserve</th> <th style="text-align: center;">Location of Reserve</th> <th style="text-align: center;">Portion Reinsured</th> <th style="text-align: center;">Reinsurance Reserve Credit</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Type	3	4	5	6	7	8	9	1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit									
Type	3	4	5	6	7	8	9																				
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit																			
10. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:																											
10.1 Amount of loss reserves established by these annuities during the current year:	\$ 0																										
10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; width: 50%;">1 P&C Insurance Company and Location</th> <th style="text-align: center; width: 50%;">2 Statement Value on Purchase Date of Annuities (i.e., Present Value)</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">\$</td> </tr> </tbody> </table>	1 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)		\$																						
1 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)																										
	\$																										
11.1 Do you act as a custodian for health savings accounts?	Yes [] No [X]																										
11.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$ 0																										
11.3 Do you act as an administrator for health savings accounts?	Yes [] No [X]																										
11.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$ 0																										
12.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?	Yes [] No [X] N/A []																										
12.2 If the answer to 12.1 is yes, please provide the following:																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center; width: 15%;">1 Company Name</th> <th rowspan="2" style="text-align: center; width: 15%;">2 NAIC Company Code</th> <th rowspan="2" style="text-align: center; width: 15%;">3 Domiciliary Jurisdiction</th> <th rowspan="2" style="text-align: center; width: 15%;">4 Reserve Credit</th> <th colspan="3" style="text-align: center; width: 40%;">Assets Supporting Reserve Credit</th> </tr> <tr> <th style="text-align: center;">5 Letters of Credit</th> <th style="text-align: center;">6 Trust Agreements</th> <th style="text-align: center;">7 Other</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	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																
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 premiums written	\$ 8,734,250																										
13.2 Total incurred claims	\$ 17,235,057																										
13.3 Number of covered lives	74,458																										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">*Ordinary Life Insurance Includes</th> </tr> </thead> <tbody> <tr> <td>Term (whether full underwriting, limited underwriting, jet issue, "short form app")</td> </tr> <tr> <td>Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")</td> </tr> <tr> <td>Variable Life (with or without secondary guarantee)</td> </tr> <tr> <td>Universal Life (with or without secondary guarantee)</td> </tr> <tr> <td>Variable Universal Life (with or without secondary guarantee)</td> </tr> </tbody> </table>	*Ordinary Life Insurance Includes	Term (whether full underwriting, limited underwriting, jet issue, "short form app")	Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")	Variable Life (with or without secondary guarantee)	Universal Life (with or without secondary guarantee)	Variable Universal Life (with or without secondary guarantee)																				
*Ordinary Life Insurance Includes																											
Term (whether full underwriting, limited underwriting, jet issue, "short form app")																											
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")																											
Variable Life (with or without secondary guarantee)																											
Universal Life (with or without secondary guarantee)																											
Variable Universal Life (with or without secondary guarantee)																											

Universal Guaranty Life Insurance Company

FIVE-YEAR HISTORICAL DATA

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

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

	1 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).....	963,835	1,011,314	1,059,338	1,113,980	1,167,733
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	232,563	250,256	273,109	297,198	320,412
3. Credit life (Line 21, Col. 6).....	.217	.319	.454	.610	.681
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....	7,522	9,711	11,556	13,725	15,418
5. Industrial (Line 21, Col. 2).....	47,280	49,792	52,462	62,803	66,589
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	1,251,417	1,321,392	1,396,919	1,488,316	1,570,833
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	141	119	468	311	453
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....	100	212	215	352	378
11. Group (Line 2, Col. 9).....		255	255	139	184
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	241	586	938	802	1,015
Premium Income - Lines of Business (Exhibit 1-Part 1)					
14. Industrial life (Line 20.4, Col. 2).....	229,919	261,352	294,305	353,762	412,576
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	5,777,303	6,080,816	6,505,518	7,197,274	7,985,279
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....	266,793	251,791	273,334	401,402	334,760
16. Credit life (group and individual) (Line 20.4, Col. 5).....	1,437	2,525	4,234	9,850	10,415
17.1 Group life insurance (Line 20.4, Col. 6).....	132,524	147,727	165,900	185,596	202,705
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).....	116	799	353	2,996	1,038
18.3 A&H - other (Line 20.4, Col. 10).....	14,263	9,862	12,682	14,201	16,435
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	6,422,355	6,754,872	7,256,326	8,165,081	8,963,208
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	337,732,412	334,821,773	343,178,800	348,061,708	360,577,897
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	292,565,319	295,069,342	302,032,114	313,163,889	328,334,808
23. Aggregate life reserves (Page 3, Line 1).....	243,192,553	249,741,356	256,095,184	267,683,884	275,137,327
24. Aggregate A&H reserves (Page 3, Line 2).....	119,329	140,706	159,380	178,243	191,297
25. Deposit-type contract funds (Page 3, Line 3).....	11,565,691	11,368,599	11,275,339	11,214,337	11,214,601
26. Asset valuation reserve (Page 3, Line 24.01).....	14,543,370	8,232,769	9,445,671	13,234,093	12,672,756
27. Capital (Page 3, Lines 29 & 30).....	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
28. Surplus (Page 3, Line 37).....	43,167,092	37,752,432	39,146,686	32,897,819	30,243,089
Cash Flow (Page 5)					
29. Net Cash from operations (Line 11).....	(6,025,014)	(11,212,580)	6,867,583	(9,090,179)	22,095,828
Risk-Based Capital Analysis					
30. Total adjusted capital.....	59,921,747	48,208,269	50,827,101	48,385,376	45,185,689
31. Authorized control level risk-based capital.....	12,052,430	10,164,285	9,998,803	12,532,989	13,239,629
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).....	.51.0	.57.5	.55.8	.50.1	.49.0
33. Stocks (Lines 2.1 and 2.2).....	.15.3	.14.1	.14.0	.15.6	.12.7
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....	.5.6	.4.5	.6.9	.8.0	.12.4
35. Real estate (Line 4.1, 4.2 and 4.3).....	.6.6	.7.3	.3.3	.5.6	.4.3
36. Cash, cash equivalents and short-term investments (Line 5).....	.4.3	.2.8	.5.0	.5.2	.6.3
37. Contract loans (Line 6).....	.3.0	.3.3	.3.3	.3.5	.3.6
38. Derivatives (Line 7).....	.0.0		.0.0	.0.1	.1.9
39. Other invested assets (Line 8).....	.14.2	.10.6	.11.8	.12.0	.9.2
40. Receivables for securities (Line 9).....					.0.5
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

Universal Guaranty Life Insurance Company

FIVE-YEAR HISTORICAL DATA

(continued)

	1 2016	2 2015	3 2014	4 2013	5 2012
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12 Col. 1).....					
45. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1).....	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
46. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1).....	5,326,663	5,687,009	6,057,819	9,576,432	9,950,989
47. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....					
48. Affiliated mortgage loans on real estate					
49. All other affiliated.....	9,799,663	11,468,705	24,407,444	22,048,231	15,570,906
50. Total of above Lines 44 to 49.....	19,126,326	21,155,714	34,465,263	35,624,663	29,521,895
51. Total investment in parent included in Lines 44 to 49 above.....	5,526,045	5,430,119	5,369,779	5,299,640	5,213,513
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	2,331,828	826,729	503,392	343,364	566,972
53. Total admitted assets (Page 2, Line 28, Col. 3).....	337,732,412	334,821,773	343,178,800	348,061,708	360,577,897
Investment Data					
54. Net investment income (Exhibit of Net Investment Income).....	17,679,065	17,830,090	34,789,455	21,251,673	15,896,375
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....	1,434,196	(726,312)	(1,600,728)	(1,434,096)	4,880,399
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	9,766,482	257,837	(4,098,705)	1,599,712	(655,391)
57. Total of above Lines 54, 55 and 56.....	28,879,743	17,361,615	29,090,022	21,417,289	20,121,383
Benefits and Reserve Increase (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 & 11).....	21,237,103	21,922,915	24,132,804	23,854,472	22,036,072
59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	49,398	83,251	86,641	83,881	86,533
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	(6,510,176)	(5,867,624)	(10,941,912)	(7,391,533)	27,734,828
61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	(30,539)	(49,731)	(44,537)	(39,643)	(38,835)
62. Dividends to policyholders (Line 30, Col 1).....	408,584	423,216	441,718	492,232	494,400
Operating Percentages					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	106.2	127.6	190.0	99.5	(274.1)
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	3.4	3.8	3.4	3.5	3.8
65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	134.1	309.8	300.7	270.8	270.0
66. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....					
67. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	508.5	826.4	766.1	544.3	570.9
A&H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	65,543	76,611	86,660	95,806	104,150
69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	60,411	70,460	79,606	87,950	95,578
70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	80,262	121,594	108,552	92,705	92,835
71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	101,922	104,902	107,888	110,864	113,815
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2).....	470,248	845,195	3,411,201	1,623,106	1,681,802
73. Ordinary - life (Col. 3).....	2,261,575	82,514	8,501,970	4,177,397	374,360
74. Ordinary - individual annuities (Col. 4).....	542,117	646,771	2,217,797	808,800	307,785
75. Ordinary - supplementary contracts (Col. 5).....	296,500	24,604	72,227	(20,483)	22,610
76. Credit life (Col. 6).....	(652)	1,619	888	3,095	(2,600)
77. Group life (Col. 7).....	(347,232)	(448,920)	(312,522)	(224,955)	(305,373)
78. Group annuities (Col. 8).....					
79. A&H - group (Col. 9).....	(1,448)	(2,219)	1,692	(1,674)	(2,842)
80. A&H - credit (Col. 10).....	(4,959)	1,026	(63)	(8,041)	(5,930)
81. A&H - other (Col. 11).....	(60,206)	(118,218)	(92,437)	(80,270)	(82,100)
82. Aggregate of all other lines of business (Col. 12).....					
83. Total (Col. 1).....	3,155,943	1,032,372	13,800,753	6,276,975	1,987,712

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

Yes [] No []

If no, please explain:

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group		10 Total Amount of Insurance (a)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	7 Number of Policies	8 Certificates		
1. In force end of prior year.....	66,081	49,792	78,013	1,261,570	.89	.319	.26	.870	.9,711	1,321,392
2. Issued during year.....			36	141	.22	.100				241
3. Reinsurance assumed.....										0
4. Revived during year.....	.21	.19	92	1,057						1,076
5. Increased during year (net).....				1,092						1,092
6. Subtotals, Lines 2 to 5.....	.21	.19	128	2,290	.22	.100	.0	.0		2,409
7. Additions by dividends during year.....	XXX		XXX	273	XXX		XXX	XXX		273
8. Aggregate write-ins for increases.....	0	0	0	0	0	0	0	0		0
9. Totals (Lines 1 and 6 to 8).....	66,102	49,811	78,141	1,264,133	.111	.419	.26	.870	.9,711	1,324,074
Deductions during year:										
10. Death.....	442	.392	1,595	16,632			XXX	.42	.309	17,333
11. Maturity.....	346	.66	93	283			XXX			349
12. Disability.....							XXX			0
13. Expiry.....	1,956	1,782	863	6,502	.48	.202				8,513
14. Surrender.....	287	.291	923	29,739						30,030
15. Lapse.....			209	12,615					.87	1,853
16. Conversion.....							XXX	XXX	XXX	0
17. Decreased (net).....				1,964						1,964
18. Reinsurance.....										0
19. Aggregate write-ins for decreases.....	0	0	0	0	0	0	0	0		0
20. Totals (Lines 10 to 19).....	3,031	2,531	3,683	67,735	.48	.202	.0	.129	.2,189	.72,657
21. In force end of year (Line 9 minus Line 20).....	63,071	47,280	74,458	1,196,398	.63	.217	.26	.741	.7,522	1,251,417
22. Reinsurance ceded end of year.....	XXX		XXX	265,551	XXX		XXX	XXX		265,551
23. Line 21 minus Line 22.....	XXX	47,280	XXX	930,847	XXX	(b).217	XXX	XXX	.7,522	985,866

DETAILS OF WRITE-INS

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

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

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

Universal Guaranty Life Insurance Company

EXHIBIT OF LIFE INSURANCE (continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends.....	XXX.....		XXX.....	17,828
25. Other paid-up insurance.....	58,315	42,351	37,428	175,519
26. Debit ordinary insurance.....	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing.....			191	1,630
28. Term policies-other.....			605	34,435
29. Other term insurance-decreasing.....	XXX		XXX	85,622
30. Other term insurance.....	XXX		XXX	68,760
31. Totals (Lines 27 to 30).....	0	0	796	190,447
Reconciliation to Lines 2 and 21:				
32. Term additions.....	XXX		XXX	
33. Totals, extended term insurance.....	XXX	XXX	9,212	42,116
34. Totals, whole life and endowment.....	36	141	64,450	963,835
35. Totals (Lines 31 to 34).....	36	141	74,458	1,196,398

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial.....			47,279	
37. Ordinary.....	141		1,072,779	123,619
38. Credit Life (Group and Individual).....	100		217	
39. Group.....			7,523	
40. Totals (Lines 36 to 39).....	241	0	1,127,798	123,619

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies.....	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis.....		XXX		XXX
43. Federal Employees' Group Life Insurance included in Line 21.....				
44. Servicemen's Group Life Insurance included in Line 21.....				
45. Group Permanent Insurance included in Line 21.....			740	7,523

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a).....	43,172
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.
47.1 Actual Amount
47.2 For each \$5,000 on husband, wife \$1,000, children \$2,500

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium.....	26	20	4,003	118,512				
49. Disability Income.....								
50. Extended Benefits.....			XXX	XXX			143	3,031
51. Other.....								
52. Total.....	26	(b) 20	4,003	(b) 118,512	0	(b) 0	143	(b) 3,031

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

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

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

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year.....	114	.25		
2. Issued during year.....	3			
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	117	.25	.0	.0
Deductions during year:				
6. Decreased (net).....	.27			
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	.27	.0	.0	.0
9. In force end of year.....	.90	.25	.0	.0
10. Amount on deposit.....		(a). 159,230		(a)
11. Income now payable.....	.90	.22		
12. Amount of income payable.....	(a). 130,282	(a). 38,535	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....	.10	2,459		
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....		2,141		
5. Total (Lines 1 to 4).....	.10	4,600	.0	.0
Deductions during year:				
6. Decreased (net).....	3	.62		
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	3	.62	.0	.0
9. In force end of year.....	7	4,538	.0	.0
Income now payable:				
10. Amount of income payable.....	(a). 15,019	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance.....	XXX	(a). 14,780,435	XXX	(a)
Deferred not fully paid:				
12. Account balance.....	XXX	(a). 11,557,089	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.....						
2. Issued during year.....	2		.14	.799	.540	9,862
3. Reinsurance assumed.....			2			
4. Increased during year (net).....		XXX		XXX		XXX
5. Total (Lines 1 to 4).....	2	XXX	.16	XXX	.540	XXX
Deductions during year:						
6. Conversions.....		XXX	XXX	XXX	XXX	XXX
7. Decreased (net).....		XXX	.11	XXX	.56	XXX
8. Reinsurance ceded.....		XXX		XXX		XXX
9. Totals (Lines 6 to 8).....	0	XXX	.11	XXX	.56	XXX
10. In force end of year.....	2	(a)	5	(a)	116	(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds		2 Dividend Accumulations	
	Contracts	Contracts	Contracts	Contracts
1. In force end of prior year.....				
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....				
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) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the Annual Statement Instructions.

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only					
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
		2	3				
1. Alabama.....	.AL.....	37,942	.653			38,595	
2. Alaska.....	.AK.....	1,129	.80			1,209	
3. Arizona.....	.AZ.....	20,901	.688	.96		21,685	
4. Arkansas.....	.AR.....	123,101	.87			123,188	
5. California.....	.CA.....	30,752	.621	.84		31,457	
6. Colorado.....	.CO.....	48,779	1,185	149		50,113	
7. Connecticut.....	.CT.....	3,117	.400			3,517	
8. Delaware.....	.DE.....	2,089				2,089	
9. District of Columbia.....	.DC.....	3,025				3,025	
10. Florida.....	.FL.....	286,621	3,608	159		290,388	
11. Georgia.....	.GA.....	117,221	.733	112		118,066	
12. Hawaii.....	.HI.....	1,076				1,076	
13. Idaho.....	.ID.....	4,555				4,555	
14. Illinois.....	.IL.....	1,108,385	.61,194	.7		1,169,586	
15. Indiana.....	.IN.....	247,140	18,324	5,576		271,040	
16. Iowa.....	.IA.....	188,515	29,586			218,101	
17. Kansas.....	.KS.....	473,526	4,697	1,793		480,016	
18. Kentucky.....	.KY.....	61,280	.921	567		62,768	
19. Louisiana.....	.LA.....	292,362	8,256			300,618	
20. Maine.....	.ME.....	2,377				2,377	
21. Maryland.....	.MD.....	11,934	1,396			13,330	
22. Massachusetts.....	.MA.....	7,418	.147			7,565	
23. Michigan.....	.MI.....	176,837	1,992	168		178,997	
24. Minnesota.....	.MN.....	11,997	.345			12,342	
25. Mississippi.....	.MS.....	218,666	.1,067			219,733	
26. Missouri.....	.MO.....	273,936	13,584			287,520	
27. Montana.....	.MT.....	32,327	.367	647		33,341	
28. Nebraska.....	.NE.....	60,343	2,896			63,239	
29. Nevada.....	.NV.....	9,597	.100			9,697	
30. New Hampshire.....	.NH.....	103				103	
31. New Jersey.....	.NJ.....	7,439	1,039			8,478	
32. New Mexico.....	.NM.....	26,470	1,574			28,044	
33. New York.....	.NY.....	9,837	.254			10,091	
34. North Carolina.....	.NC.....	154,807	2,431	120		157,358	
35. North Dakota.....	.ND.....	1,765		147		1,912	
36. Ohio.....	.OH.....	2,334,621	19,602	304		2,354,527	
37. Oklahoma.....	.OK.....	238,520	4,108	.62		242,690	
38. Oregon.....	.OR.....	9,245				9,245	
39. Pennsylvania.....	.PA.....	212,857	.52,352			265,209	
40. Rhode Island.....	.RI.....	538				538	
41. South Carolina.....	.SC.....	157,212	.712			157,924	
42. South Dakota.....	.SD.....	2,334	.40	10		2,384	
43. Tennessee.....	.TN.....	185,656	1,021	232		186,909	
44. Texas.....	.TX.....	856,465	12,504	(12)		868,957	
45. Utah.....	.UT.....	5,439	.495			5,934	
46. Vermont.....	.VT.....	.559				559	
47. Virginia.....	.VA.....	140,865	13,859			154,724	
48. Washington.....	.WA.....	15,672	.141			15,813	
49. West Virginia.....	.WV.....	580,110	1,154	9,845		.591,109	
50. Wisconsin.....	.WI.....	23,427	2,407			25,834	
51. Wyoming.....	.WY.....	18,734	.173			18,907	
52. American Samoa.....	.AS.....					0	
53. Guam.....	.GU.....					0	
54. Puerto Rico.....	.PR.....					0	
55. US Virgin Islands.....	.VI.....					0	
56. Northern Mariana Islands.....	.MP.....					0	
57. Canada.....	.CAN.....					0	
58. Aggregate Other Alien.....	.OT.....	.0	.0	.0	.0	0	
59. Subtotal.....	(a).....37	8,839,623	266,793	20,066	.0	9,126,482	0
90. Reporting entity contributions for employee benefit plans.....	XXX.....					0	
91. Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX.....	110,585				110,585	
92. Dividends or refunds applied to shorten endowment or premium paying period.....	XXX.....					0	
93. Premium or annuity considerations waived under disability or other contract provisions.....	XXX.....	.49,616				.49,616	
94. Aggregate other amounts not allocable by State.....	XXX.....	.0	.0	.0	.0	0	0
95. Totals (Direct Business).....		8,999,824	266,793	20,066	.0	9,286,683	0
96. Plus reinsurance assumed.....	XXX.....	22,918		116		23,034	
97. Totals (All Business).....	XXX.....	9,022,742	266,793	20,182	.0	9,309,717	0
98. Less reinsurance ceded.....	XXX.....	2,538,070		5,637		2,543,707	
99. Totals (All Business) less reinsurance ceded.....	XXX.....	6,484,672	266,793	(b).....14,545	.0	6,766,010	0

DETAILS OF WRITE-INS

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

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

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

All premiums and annuity considerations are allocated by the policyholder's state of residence.

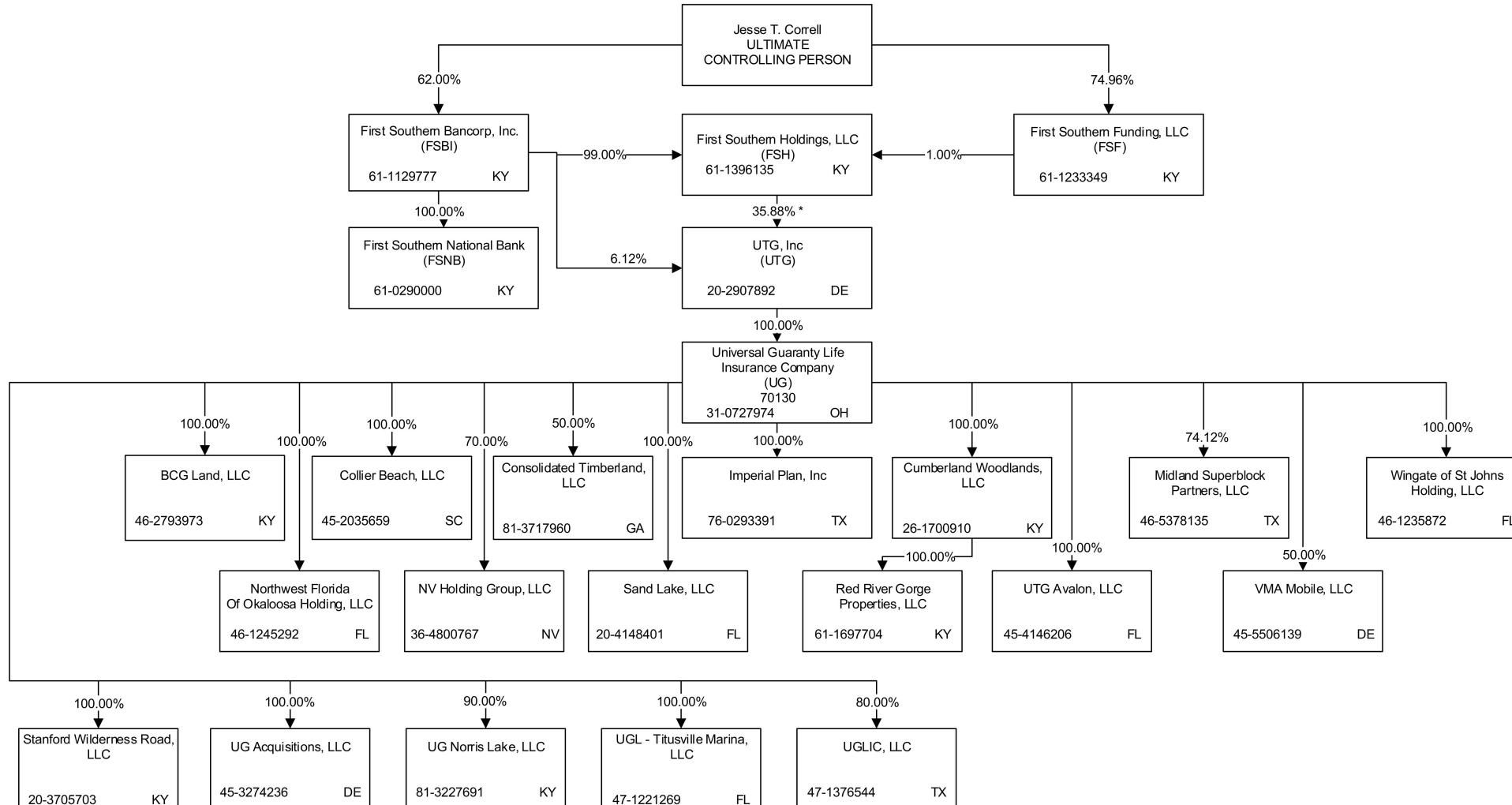
(a) Insert the number of "L" responses except for Canada and Other Alien.

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

Exhibit 1, lines 6.4, 10.4 and 16.4m cols 8, 9 and 10

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



2016 ALPHABETICAL INDEX
LIFE ANNUAL STATEMENT BLANK

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