



ANNUAL STATEMENT

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

American Retirement Life Insurance Company

NAIC Group Code.....0901, 0901 (Current Period) (Prior Period)	NAIC Company Code..... 88366	Employer's ID Number..... 59-2760189
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... May 12, 1978	Commenced Business..... November 27, 1978	
Statutory Home Office	1300 East Ninth Street..... Cleveland ..... OH ..... US ..... 44114 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	11200 Lakeline Blvd., Suite 100..... Austin ..... TX ..... US..... 78717 (Street and Number) (City or Town, State, Country and Zip Code)	(512) 451-2224 (Area Code) (Telephone Number)
Mail Address	11200 Lakeline Blvd., Suite 100..... Austin ..... TX ..... US ..... 78717 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	11200 Lakeline Blvd., Suite 100..... Austin ..... TX ..... US ..... 78717 (Street and Number) (City or Town, State, Country and Zip Code)	(512) 451-2224 (Area Code) (Telephone Number)
Internet Web Site Address	CignaSupplementalBenefits.com	
Statutory Statement Contact	Renee Wilkins Feldman (Name) CSBFinRpt@cigna.com (E-Mail Address)	(512) 531-1465 (Area Code) (Telephone Number) (Extension) 512-467-1399 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Brian Case Evanko	President	2. Byron Keith Buescher	Treasuer and Chief Accounting Officer
3. Anna Krishtul	Secretary	4. Susan Eadaoine Buck #	Appointed Actuary

OTHER

Jessica Kierulf Tutwiler	Executive Vice President and Chief Financial Officer	David Lawrence Chambers	Vice President-Sales and Marketing
Mark Fleming	Vice President and Assistant Treasurer	Joanne Ruth Hart	Vice President and Assistant Treasurer
Stephen Burnett Jones #	Vice President	Scott Ronald Lambert	Vice President and Assistant Treasurer
Eric Paul Palmer	Vice President	Maureen Hardiman Ryan	Vice President and Assistant Treasurer
Man-Kit Simon Tang	Vice President and Chief Actuary		

DIRECTORS OR TRUSTEES

Brian Case Evanko	Jessica Kierulf Tutwiler	James Yablecki	Eric Paul Palmer
Frank Sataline Jr.			

State of..... Texas  
County of..... Williamson

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) Brian Case Evanko	(Signature) Byron Keith Buescher	(Signature) Anna Krishtul
1. (Printed Name) President	2. (Printed Name) Treasuer and Chief Accounting Officer	3. (Printed Name) Secretary
(Title)	(Title)	(Title)
Subscribed and sworn to before me	a. Is this an original filing?	Yes [ X ] No [ ]
This _____ day of February 2017	b. If no	1. State the amendment number _____
		2. Date filed _____
		3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	72,237,302		72,237,302	62,282,433
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(9,662,862), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....12,398,519, Schedule DA).....	2,735,657		2,735,657	14,285,265
6. Contract loans (including \$.....0 premium notes).....			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	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	74,972,959	0	74,972,959	76,567,698
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	607,678		607,678	486,580
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	698,669	12,695	685,974	270,132
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	60,948		60,948	89,755
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.....	129,999		129,999	22,977
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.....	434,019		434,019	214
24. Health care (\$.....0) and other amounts receivable.....	5,381,045	5,381,045	0	
25. Aggregate write-ins for other-than-invested assets.....	62,816	62,816	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	82,348,133	5,456,556	76,891,577	77,437,356
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	82,348,133	5,456,556	76,891,577	77,437,356

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. Premium Tax Refund Due.....	31,202	31,202	0	
2502. Suspense.....	31,614	31,614	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).....	62,816	62,816	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....152,031 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	152,031	63,674
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	6,302,771	4,732,079
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	9,505	37,214
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	23,554,493	18,279,492
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....1,827,623 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	1,827,623	1,882,447
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....		
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded.....		
9.4 Interest Maintenance Reserve (IMR, Line 6).....	21,940	
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	39,685	15,564
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	751,817	1,633,530
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	1,349,963	1,125,206
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....	646,604	712,987
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....	125	
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	484,168	356,098
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).....	327,981	215,972
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.....	426,531	879,755
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....		
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	342,511	199,555
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	36,237,748	30,133,573
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	36,237,748	30,133,573
29. Common capital stock.....	2,500,000	2,500,000
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).....	114,231,601	92,731,601
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	(76,077,772)	(47,927,818)
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).....	38,153,829	44,803,783
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	40,653,829	47,303,783
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	76,891,577	77,437,356

DETAILS OF WRITE-INS

2501. Escheat Liability.....	342,511	199,555
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).....	342,511	199,555
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

American Retirement 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)	255,500,292	192,232,815
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	2,543,942	2,067,781
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5)	918	(920)
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)	23,356	25,947
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	429,373	543,541
9. Totals (Lines 1 to 8.3)	258,497,881	194,869,164
10. Death benefits	34,446	66,337
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)		
13. Disability benefits and benefits under accident and health contracts	202,571,549	148,585,274
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	2,367	4,181
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds		
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	1,659,049	997,181
20. Totals (Lines 10 to 19)	204,267,411	149,652,973
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	43,901,143	37,286,767
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	35,567,280	29,871,128
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	6,508,969	4,988,548
25. Increase in loading on deferred and uncollected premiums	175,153	30,619
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions	2,343	8,217
28. Totals (Lines 20 to 27)	290,422,299	221,838,252
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(31,924,418)	(26,969,088)
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(31,924,418)	(26,969,088)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(5,476,482)	(4,862,014)
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)	(26,447,936)	(22,107,074)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$.....18,085 transferred to the IMR)		
35. Net income (Line 33 plus Line 34)	(26,447,936)	(22,107,074)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	47,303,783	31,011,345
37. Net income (Line 35)	(26,447,936)	(22,107,074)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax		
41. Change in nonadmitted assets	(1,590,009)	3,516,123
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	(112,009)	(116,611)
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	21,500,000	35,000,000
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders		
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	(6,649,954)	16,292,438
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	40,653,829	47,303,783
DETAILS OF WRITE-INS		
08.301. Interest on Agent Balance	427,717	540,974
08.302. Other Income	1,656	2,567
08.303.		
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)	429,373	543,541
2701. Penalties	2,343	8,217
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)	2,343	8,217
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

CASH FLOW

		1	2
		Current Year	Prior Year
CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance.....	254,847,412	192,495,955
2.	Net investment income.....	2,396,287	2,022,869
3.	Miscellaneous income.....	452,729	569,488
4.	Total (Lines 1 through 3).....	257,696,428	195,088,312
5.	Benefit and loss related payments.....	197,332,263	144,738,869
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7.	Commissions, expenses paid and aggregate write-ins for deductions.....	87,606,621	72,060,027
8.	Dividends paid to policyholders.....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(5,392,014)	(4,623,366)
10.	Total (Lines 5 through 9).....	279,546,870	212,175,530
11.	Net cash from operations (Line 4 minus Line 10).....	(21,850,442)	(17,087,218)
CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds.....		6,398,027
12.2	Stocks.....		
12.3	Mortgage loans.....		
12.4	Real estate.....		
12.5	Other invested assets.....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7	Miscellaneous proceeds.....		
12.8	Total investment proceeds (Lines 12.1 to 12.7).....	0	6,398,027
13.	Cost of investments acquired (long-term only):		
13.1	Bonds.....	9,876,645	12,954,783
13.2	Stocks.....		
13.3	Mortgage loans.....		
13.4	Real estate.....		
13.5	Other invested assets.....		
13.6	Miscellaneous applications.....		
13.7	Total investments acquired (Lines 13.1 to 13.6).....	9,876,645	12,954,783
14.	Net increase (decrease) in contract loans and premium notes.....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(9,876,645)	(6,556,756)
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.....	21,500,000	35,000,000
16.3	Borrowed funds.....		(194)
16.4	Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5	Dividends to stockholders.....		
16.6	Other cash provided (applied).....	(1,322,521)	3,776,622
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	20,177,479	38,776,428
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).....	(11,549,608)	15,132,454
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year.....	14,285,265	(847,189)
19.2	End of year (Line 18 plus Line 19.1).....	2,735,657	14,285,265

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

20.0001	Bond exchanges allowed under rule 144A of the 1933 Securities Act and other security restructures.....	1,048,580	
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance(a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts.....	255,500,292		261,230								255,239,062	
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	2,543,942		4,142								2,539,800	
4. Amortization of Interest Maintenance Reserve (IMR).....	918										918	
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	23,356			23,356								
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.....	429,373	0	0	0	0	0	0	0	0	0	429,373	0
9. Totals (Lines 1 to 8.3).....	258,497,881	0	265,372	23,356	0	0	0	0	0	0	258,209,153	0
10. Death benefits.....	34,446		34,446									
11. Matured endowments (excluding guaranteed annual pure endowments).....	0											
12. Annuity benefits.....	0											
13. Disability benefits and benefits under accident and health contracts.....	202,571,549										202,571,549	
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	2,367		2,367									
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	0											
18. Payments on supplementary contracts with life contingencies.....	0											
19. Increase in aggregate reserves for life and accident and health contracts.....	1,659,049		88,357								1,570,692	
20. Totals (Lines 10 to 19).....	204,267,411	0	125,170	0	0	0	0	0	0	0	204,142,241	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	43,901,143		59,253								43,841,890	
22. Commissions and expense allowances on reinsurance assumed.....	0											
23. General insurance expenses.....	35,567,280		33,137								35,534,143	
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	6,508,969		7,199								6,501,770	
25. Increase in loading on deferred and uncollected premiums.....	175,153		(511)								175,664	
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0											
27. Aggregate write-ins for deductions.....	2,343	0	2	0	0	0	0	0	0	0	2,341	0
28. Totals (Lines 20 to 27).....	290,422,299	0	224,250	0	0	0	0	0	0	0	290,198,049	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	(31,924,418)	0	41,122	23,356	0	0	0	0	0	0	(31,988,896)	0
30. Dividends to policyholders.....	0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	(31,924,418)	0	41,122	23,356	0	0	0	0	0	0	(31,988,896)	0
32. Federal income taxes incurred (excluding tax on capital gains).....	(5,476,482)		6,856	4,007							(5,487,345)	
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).....	(26,447,936)	0	34,266	19,349	0	0	0	0	0	0	(26,501,551)	0

DETAILS OF WRITE-INS

08.301. Interest on Agent Balance.....	427,717										427,717	
08.302. Other Income.....	1,656										1,656	
08.303. ....	0											
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above).....	429,373	0	0	0	0	0	0	0	0	0	429,373	0
2701. Penalties.....	2,343		2								2,341	
2702. ....	0											
2703. ....	0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above).....	2,343	0	2	0	0	0	0	0	0	0	2,341	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.....	63,675		63,675					
2. Tabular net premiums or considerations.....	158,674		158,674					
3. Present value of disability claims incurred.....	0				XXX			
4. Tabular interest.....	4,914		4,914					
5. Tabular less actual reserve released.....	0							
6. Increase in reserve on account of change in valuation basis.....	0							
7. Other increases (net).....	0							
8. Totals (Lines 1 to 7).....	227,263	0	227,263	0	0	0	0	0
9. Tabular cost.....	69,306		69,306		XXX			
10. Reserves released by death.....	700		700	XXX	XXX			XXX
11. Reserves released by other terminations (net).....	5,226		5,226					
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	0							
13. Net transfers to or (from) Separate Accounts.....	0							
14. Total deductions (Lines 9 to 13).....	75,232	0	75,232	0	0	0	0	0
15. Reserve December 31, current year.....	152,031	0	152,031	0	0	0	0	0

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....64,558	.....64,624
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....2,369,846	.....2,490,878
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....63,909	.....63,909
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....2,498,313	.....2,619,411
11. Investment expenses.....	.....	(g).....75,469
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....75,469
17. Net investment income (Line 10 minus Line 16).....	.....	.....2,543,942

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
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....35,088 accrual of discount less \$.....8,531 amortization of premium and less \$....47,818 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 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).....	.....51,667	.....	.....51,667	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....51,667	.....0	.....51,667	.....0	.....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	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	Credit Life (Group and Individual)	6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	Aggregate of All Other Lines of Business
<b>FIRST YEAR (other than single)</b>											
1. Uncollected.....	305,375		1,570							303,805	
2. Deferred and accrued.....	0										
3. Deferred, accrued and uncollected:											
3.1 Direct.....	305,375		1,570							303,805	
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	0										
3.4 Net (Line 1 + Line 2).....	305,375	0	1,570	0	0	0	0	0	0	303,805	0
4. Advance.....	599,137									599,137	
5. Line 3.4 - Line 4.....	(293,762)	0	1,570	0	0	0	0	0	0	(295,332)	0
6. Collected during year:											
6.1 Direct.....	76,461,029		30,993							76,430,036	
6.2 Reinsurance assumed.....	0										
6.3 Reinsurance ceded.....	0										
6.4 Net.....	76,461,029	0	30,993	0	0	0	0	0	0	76,430,036	0
7. Line 5 + Line 6.4.....	76,167,267	0	32,563	0	0	0	0	0	0	76,134,704	0
8. Prior year (uncollected + deferred and accrued - advance).....	(683,084)		2,453							(685,537)	
9. First year premiums and considerations:											
9.1 Direct.....	76,850,351		30,110							76,820,241	
9.2 Reinsurance assumed.....	0										
9.3 Reinsurance ceded.....	0										
9.4 Net (Line 7 - Line 8).....	76,850,351	0	30,110	0	0	0	0	0	0	76,820,241	0
<b>SINGLE</b>											
10. Single premiums and considerations:											
10.1 Direct.....	0										
10.2 Reinsurance assumed.....	0										
10.3 Reinsurance ceded.....	0										
10.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
<b>RENEWAL</b>											
11. Uncollected.....	688,257			(358)						688,615	
12. Deferred and accrued.....	0										
13. Deferred, accrued and uncollected:											
13.1 Direct.....	688,615									688,615	
13.2 Reinsurance assumed.....	0										
13.3 Reinsurance ceded.....	358			358							
13.4 Net (Line 11 + Line 12).....	688,257	0	0	(358)	0	0	0	0	0	688,615	0
14. Advance.....	1,228,487									1,228,487	
15. Line 13.4 - Line 14.....	(540,230)	0	0	(358)	0	0	0	0	0	(539,872)	0
16. Collected during year:											
16.1 Direct.....	178,401,391		231,120	2,635						178,167,636	
16.2 Reinsurance assumed.....	0										
16.3 Reinsurance ceded.....	14,864			3,640						11,224	
16.4 Net.....	178,386,527	0	231,120	(1,005)	0	0	0	0	0	178,156,412	0
17. Line 15 + Line 16.4.....	177,846,297	0	231,120	(1,363)	0	0	0	0	0	177,616,540	0
18. Prior year (uncollected + deferred and accrued - advance).....	(803,645)			(1,363)						(802,282)	
19. Renewal premiums and considerations:											
19.1 Direct.....	178,663,801		231,120	2,635						178,430,046	
19.2 Reinsurance assumed.....	0										
19.3 Reinsurance ceded.....	13,859			2,635						11,224	
19.4 Net (Line 17 - Line 18).....	178,649,942	0	231,120	0	0	0	0	0	0	178,418,822	0
<b>TOTAL</b>											
20. Total premiums and annuity considerations:											
20.1 Direct.....	255,514,152	0	261,230	2,635	0	0	0	0	0	255,250,287	0
20.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
20.3 Reinsurance ceded.....	13,859	0	0	2,635	0	0	0	0	0	11,224	0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	255,500,293	0	261,230	0	0	0	0	0	0	255,239,063	0

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND

EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group & Individual)	Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	0										
22. All other.....	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded.....	0										
23.2 Reinsurance assumed.....	0										
23.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded.....	3,721			3,721							
24.2 Reinsurance assumed.....	0										
24.3 Net ceded less assumed.....	3,721	0	0	3,721	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded.....	19,635			19,635							
25.2 Reinsurance assumed.....	0										
25.3 Net ceded less assumed.....	19,635	0	0	19,635	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	23,356	0	0	23,356	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 22).....	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed.....	23,356	0	0	23,356	0	0	0	0	0	0	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	12,260,768		33,259							12,227,509	
28. Single.....	0										
29. Renewal.....	31,640,375		25,994							31,614,381	
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	43,901,143	0	59,253	0	0	0	0	0	0	43,841,890	0

American Retirement Life Insurance Company  
EXHIBIT 2 - GENERAL EXPENSES

		Insurance				5	6
		1	Accident and Health		4		
			2	3			
		Life	Cost Containment	All Other	All Other Lines of Business	Investment	Total
1.	Rent.....	1,013		613,149			614,162
2.	Salaries and wages.....	16,896		15,637,801			15,654,697
3.11	Contributions for benefit plans for employees.....	2,254		1,875,621			1,877,875
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.....	139		134,040			134,179
3.32	Other agent welfare.....						0
4.1	Legal fees and expenses.....						0
4.2	Medical examination fees.....			191,825			191,825
4.3	Inspection report fees.....						0
4.4	Fees of public accountants and consulting actuaries.....	237		81,459			81,696
4.5	Expense of investigation and settlement of policy claims.....		529,822	1,415,942			1,945,764
5.1	Traveling expenses.....	253		319,562			319,815
5.2	Advertising.....	168		372,689			372,857
5.3	Postage, express, telegraph and telephone.....	484		2,787,704			2,788,188
5.4	Printing and stationery.....	-		363,693			363,693
5.5	Cost or depreciation of furniture and equipment.....	76		37,134			37,210
5.6	Rental of equipment.....	606		425,002			425,608
5.7	Cost or depreciation of EDP equipment and software.....	516		457,840			458,356
6.1	Books and periodicals.....	21		15,770			15,791
6.2	Bureau and association fees.....	3		2,301			2,304
6.3	Insurance, except on real estate.....						0
6.4	Miscellaneous losses.....	11		3,897			3,908
6.5	Collection and bank service charges.....	1,423		490,091			491,514
6.6	Sundry general expenses.....	8,535	398,413	5,004,178			5,411,126
6.7	Group service and administration fees.....						0
6.8	Reimbursements by uninsured plans.....						0
7.1	Agency expense allowance.....						0
7.2	Agents' balances charged off (less \$.....0 recovered).....						0
7.3	Agency conferences other than local meetings.....	144		455,906			456,050
9.1	Real estate expenses.....						0
9.2	Investment expenses not included elsewhere.....					75,469	75,469
9.3	Aggregate write-ins for expenses.....	358	0	3,920,303	0	0	3,920,661
10.	General expenses Incurred.....	33,137	928,235	34,605,907	0	75,469	(a).....35,642,748
11.	General expenses unpaid December 31, prior year.....		37,011	1,596,519			1,633,530
12.	General expenses unpaid December 31, current year.....	717	42,925	708,175			751,817
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).....	32,420	922,321	35,494,251	0	75,469	36,524,461
DETAILS OF WRITE-INS							
09.301.	TPA Service Fees.....			52,012			52,012
09.302.	Outside Sales Expense.....			3,485,296			3,485,296
09.303.	Consulting.....	9		26,797			26,806
09.398.	Summary of remaining write-ins for Line 9.3 from overflow page.....	349	0	356,198	0	0	356,547
09.399.	Totals (Lines 09.301 through 09.303 plus 09.398)(Line 9.3 above).....	358	0	3,920,303	0	0	3,920,661

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

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

		Insurance			4	5
		1	2	3		
		Life	Accident and Health	All Other Lines of Business	Investment	Total
1.	Real estate taxes.....					0
2.	State insurance department licenses and fees.....	780	865,387			866,167
3.	State taxes on premiums.....	5,579	4,883,685			4,889,264
4.	Other state taxes, including \$.....0 for employee benefits.....		432			432
5.	U.S. Social Security taxes.....	798	737,710			738,508
6.	All other taxes.....	42	14,556			14,598
7.	Taxes, licenses and fees incurred.....	7,199	6,501,770	0	0	6,508,969
8.	Taxes, licenses and fees unpaid December 31, prior year.....		1,125,206			1,125,206
9.	Taxes, licenses and fees unpaid December 31, current year.....	1,493	1,348,470			1,349,963
10.	Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	5,706	6,278,506	0	0	6,284,212

EXHIBIT 4 - DIVIDENDS OR REFUNDS

		1	2
		Life	Accident and Health
1.	Applied to pay renewal premiums.....		
2.	Applied to shorten the endowment or premium-paying period.....		
3.	Applied to provide paid-up additions.....		
4.	Applied to provide paid-up annuities.....		
5.	Total Lines 1 through 4.....	0	0
6.	Paid-in cash.....		
7.	Left on deposit.....		
8.	Aggregate write-ins for dividend or refund options.....	0	0
9.	Total Lines 5 through 8.....	0	0
10.	Amount due and unpaid.....		
11.	Provision for dividends or refunds payable in the following calendar year.....		
12.	Terminal dividends.....		
13.	Provision for deferred dividend contracts.....		
14.	Amount provisionally held for deferred dividend contracts not included in Line 13.....		
15.	Total Lines 10 through 14.....	0	0
16.	Total from prior year.....		
17.	Total dividends or refunds (Lines 9 + 15 - 16).....	0	0
DETAILS OF WRITE-INS			
0801.	.....		
0802.	.....		
0803.	.....		
0898.	Summary of remaining write-ins for Line 8 from overflow page.....	0	0
0899.	Totals (Line 0801 through 0803 plus 0898) (Line 8 above).....	0	0

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
Life Insurance:					
0100001. 80 CSO ALB MALE 5.0 % NET LEVEL.....	.....481,686	.....	.....481,686	.....	.....
0100002. 80 CSO ALB MALE 5.5 % NET LEVEL.....	.....150,198	.....	.....150,198	.....	.....
0100003. 80 CSO ALB MALE 6.0 % NET LEVEL.....	.....783	.....	.....783	.....	.....
0100004. 80 CSO ALB FEMALE 4.0 % NET LEVEL.....	.....1,273	.....	.....1,273	.....	.....
0100005. 80 CET ALB MALE 5.0 % NET LEVEL.....	.....3,191	.....	.....3,191	.....	.....
0100006. 01 CSO ALB FEMALE 3.5% CRVM.....	.....109,448	.....	.....109,448	.....	.....
0100007. 01 CSO ALB MALE 3.5% CRVM.....	.....42,583	.....	.....42,583	.....	.....
0199997. Totals (Gross).....	.....789,162	.....0	.....789,162	.....0	.....0
0199998. Reinsurance ceded.....	.....637,130	.....	.....637,130	.....	.....
0199999. Totals (Net).....	.....152,032	.....0	.....152,032	.....0	.....0
Annuities (excluding supplementary contracts with life contingencies):					
0200001. 5.5% CARVM.....	.....2,834,536	.....XXX.....	.....2,834,536	.....XXX.....	.....
0200002. 5.75% CARVM.....	.....3,089,792	.....XXX.....	.....3,089,792	.....XXX.....	.....
0200003. 6.25% CARVM.....	.....2,133,565	.....XXX.....	.....2,133,565	.....XXX.....	.....
0200004. 6.5% CARVM.....	.....1,147,584	.....XXX.....	.....1,147,584	.....XXX.....	.....
0200005. 6.75% CARVM.....	.....1,585,592	.....XXX.....	.....1,585,592	.....XXX.....	.....
0200006. 7% CARVM.....	.....244,274	.....XXX.....	.....244,274	.....XXX.....	.....
0299997. Totals (Gross).....	.....11,035,343	.....XXX.....	.....11,035,343	.....XXX.....	.....0
0299998. Reinsurance ceded.....	.....11,035,343	.....XXX.....	.....11,035,343	.....XXX.....	.....
0299999. Totals (Net).....	.....0	.....XXX.....	.....0	.....XXX.....	.....0
Miscellaneous Reserves:					
0700001. IPC RESERVE.....	.....16,117	.....	.....16,117	.....	.....
0799997. Totals (Gross).....	.....16,117	.....0	.....16,117	.....0	.....0
0799998. Reinsurance ceded.....	.....16,117	.....	.....16,117	.....	.....
0799999. Totals (Net).....	.....0	.....0	.....0	.....0	.....0
9999999. Totals (Net) - Page 3, Line 1.....	.....152,032	.....0	.....152,032	.....0	.....0

Annual Statement for the year 2016 of the

American Retirement Life Insurance Company

EXHIBIT 5 - INTERROGATORIES

1.1

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

Yes [ ]

No [X]

1.2

If not, state which kind is issued

Non-Participating

2.1

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

Yes [ ]

No [X]

2.2

If not, state which kind is issued

Non-Participating

3.

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

Yes [X]

No [ ]

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

4.

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

Yes [ ]

No [X]

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 [X]

6.1

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

\$.....

6.2

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

\$.....

Attach statement of methods employed in their valuation.

7.

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

Yes [ ]

No [X]

7.1

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

\$.....

7.2

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

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 [X]

8.1

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

\$.....

8.2

State the amount of reserves established for this business:

\$.....

8.3

Identify where the reserves are reported in the blank:

9.

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

Yes [ ]

No [X]

9.1

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

\$.....

9.2

State the amount of reserves established for this business:

\$.....

9.3

Identify where the reserves are reported in the blank:

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

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

NONE

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non- Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	5,780,767					5,780,767			
2. Additional contract reserves (a).....	522,004					522,004			
3. Additional actuarial reserves - Asset/Liability analysis.....	.0								
4. Reserve for future contingent benefits.....	.0								
5. Reserve for rate credits.....	.0								
6. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Totals (Gross).....	6,302,771	.0	.0	.0	.0	6,302,771	.0	.0	.0
8. Reinsurance ceded.....	.0								
9. Totals (Net).....	6,302,771	.0	.0	.0	.0	6,302,771	.0	.0	.0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	.0								
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).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Reinsurance ceded.....	.0								
16. Totals (Net).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. TOTALS (Net).....	6,302,771	.0	.0	.0	.0	6,302,771	.0	.0	.0
18. TABULAR FUND INTEREST.....	200,187					200,187			

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	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	0					
2. Deposits received during the year.....	0					
3. Investment earnings credited to the account.....	0					
4. Other net change in reserves.....	0					
5. Fees and other charges assessed.....	0					
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	0					
8. Other net transfers to or (from) Separate Accounts.....	0					
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8).....	0	0	0	0	0	0
10. Reinsurance balance at the beginning of the year.....	0					
11. Net change in reinsurance assumed.....	0					
12. Net change in reinsurance ceded.....	0					
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	0	0	0	0	0	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	0	0	0	0	0	0

NONE

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct.....	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	0	(b)0	(b)0	0	0	0	0
2.2 Other:											
2.21 Direct.....	1,135,610		4,900	38,708							1,092,002
2.22 Reinsurance assumed.....	0										
2.23 Reinsurance ceded.....	38,708			38,708							
2.24 Net.....	1,096,902	0	(b)4,900	(b)0	0	(b)0	(b)0	0	(b)0	(b)0	(b)1,092,002
3. Incurred but unreported:											
3.1 Direct.....	22,470,096		7,605								22,462,491
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	3,000		3,000								
3.4 Net.....	22,467,096	0	(b)4,605	(b)0	0	(b)0	(b)0	0	(b)0	(b)0	(b)22,462,491
4. Totals:											
4.1 Direct.....	23,605,706	0	12,505	38,708	0	0	0	0	0	0	23,554,493
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	41,708	0	3,000	38,708	0	0	0	0	0	0	0
4.4 Net.....	23,563,998	(a)0	(a)9,505	0	0	0	(a)0	0	0	0	23,554,493

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

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....0, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).



EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1. Settlements during the year:											
1.1 Direct.....	199,130,252		99,469	1,238,078							197,792,705
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	1,303,194		36,309	1,266,885							
1.4 Net.....(d)	197,827,058	0	63,160	(28,807)	0	0	0	0	0	0	197,792,705
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	23,605,706	0	12,505	38,708	0	0	0	0	0	0	23,554,493
2.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded.....	41,708	0	3,000	38,708	0	0	0	0	0	0	0
2.4 Net.....	23,563,998	0	9,505	0	0	0	0	0	0	0	23,554,493
3. Amounts recoverable from reinsurers Dec. 31, current year.....	60,948			60,948							
4. Liability December 31, prior year:											
4.1 Direct.....	18,871,125		41,219	54,255							18,775,651
4.2 Reinsurance assumed.....	0										
4.3 Reinsurance ceded.....	57,255		3,000	54,255							
4.4 Net.....	18,813,870	0	38,219	0	0	0	0	0	0	0	18,775,651
5. Amounts recoverable from reinsurers Dec. 31, prior year.....	89,755			89,755							
6. Incurred benefits:											
6.1 Direct.....	203,864,833	0	70,755	1,222,531	0	0	0	0	0	0	202,571,547
6.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded.....	1,258,840	0	36,309	1,222,531	0	0	0	0	0	0	0
6.4 Net.....	202,605,993	0	34,446	0	0	0	0	0	0	0	202,571,547

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

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

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

(d) Includes \$.....0 premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	12,695	5,634	(7,061)
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.....	5,381,045	3,819,313	(1,561,732)
25. Aggregate write-ins for other-than-invested assets.....	62,816	41,600	(21,216)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	5,456,556	3,866,547	(1,590,009)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	5,456,556	3,866,547	(1,590,009)

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. Premium Tax Refund Due.....	31,202	1,916	(29,286)
2502. Disallowed IMR.....		10,724	10,724
2503. Reinstatement.....		28,960	28,960
2598. Summary of remaining write-ins for Line 25 from overflow page.....	31,614	0	(31,614)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	62,816	41,600	(21,216)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

On July 23, 2015, Cigna entered into a definitive agreement to engage in a series of transactions to merge Cigna with Anthem, subject to certain terms, conditions and customary operating covenants, with Anthem continuing as the surviving company. At special shareholders' meetings in December 2015, Cigna shareholders approved the merger with Anthem and Anthem shareholders voted to approve the issuance of shares of Anthem common stock according to the merger agreement.

Consummation of the merger is subject to certain customary conditions, including the receipt of certain necessary governmental and regulatory approvals, and the absence of a legal restraint prohibiting the consummation of the merger. On July 21, 2016, the U.S. Department of Justice ("DOJ") and certain state attorneys general filed a civil antitrust lawsuit in the U.S. District Court for the District of Columbia (the "District Court") seeking to block the merger and, on January 4, 2017, the parties concluded the District Court trial. On February 8, 2017, the District Court issued an order enjoining the proposed merger. Anthem appealed this ruling to the U.S. Court of Appeals for the District of Columbia Circuit (the "Appeals Court"). Additionally, Cigna appealed the District Court ruling following the Chancery Court ruling described below.

On February 14, 2017, Cigna delivered a notice to Anthem terminating the merger agreement and filed suit in the Delaware Court of Chancery (the "Chancery Court") seeking, among other things, declaratory judgment that Cigna's termination of the merger agreement is lawful and that Anthem does not have the right to extend the merger agreement termination date. Later that day, Anthem filed a lawsuit in the Chancery Court against Cigna seeking, among other things, a temporary restraining order to enjoin Cigna from terminating the merger agreement, specific performance and damages, and, on February 15, 2017, the Chancery Court issued an order temporarily enjoining Cigna from terminating the merger agreement. This order will be subject to further review at a preliminary injunction hearing.

a. Accounting Practices and Procedures

The financial statements of American Retirement Life Insurance Company ("ARLIC" or "the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only Statutory Accounting Principles prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Ohio.

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

	SSAP#	F/S Page	F/S Line #	2016	2015
Net Income					
1) American Retirement Life Insurance Company state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	\$ (26,447,936)	\$ (22,107,074)
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	\$ (26,447,936)	\$ (22,107,074)
Surplus					
5) American Retirement Life Insurance Company state basis (Page 3, line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 40,653,829	\$ 47,303,783
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	\$ 40,653,829	\$ 47,303,783

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

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

c. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. The Company has no participating business in force.

The company uses the following accounting policies:

- (1) – (2) Bonds and Short-term Investments. Investments in bonds and short-term investments are carried at amortized cost, except those in or near default, which are carried at the lesser of cost or fair value. Amortization of bond premium or discount is calculated using the scientific (constant yield) interest method. Bonds containing call provisions are amortized to call date which produces the lowest asset value (yield to worst). Investments with original maturities of one year or less from the time of purchase are classified as short-term. Bonds are considered impaired and their cost basis is written down to fair value through an asset valuation reserve for credit-related losses or an interest maintenance reserve for interest-related losses, when management expects a decline in value to persist (i.e., the decline is other-than-temporary).
- (3) – (10) Not applicable
- (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 is continually reviewed and any adjustments are reflected in the period determined.
- (12) – (13) -- Not applicable

**NOTES TO FINANCIAL STATEMENTS**

d. Going Concern

In accordance with SSAP No. 1, "Accounting Policies, Risks and Uncertainties, and Other Disclosures," management has made an evaluation of the Company's ability to continue as a going concern, including such factors as its current financial position, recent earnings and cash flow trends and projections, liquidity and capital requirements, readily available sources of liquidity and such other factors deemed by management to be appropriate under the circumstances.

Over the past four years, ARLIC has written significant amounts of Medicare supplement insurance resulting in annual net losses and negative cash flows from operations due to new business strain. To support the Company's operations during this time, ARLIC has received capital infusions of \$111.5 million from its immediate parent, Loyal American Life Insurance Company ("LALIC"), some of which has been passed through from LALIC's parent, Cigna Health and Life Insurance Company. Based on the Company's current operating plan, new sales will continue into 2017, resulting in additional losses and negative cash flows thus requiring additional infusions of capital.

Because the Company's operating plan is approved by Cigna, it is highly probable that the Company's capital and liquidity needs will continue to be funded by its parent thus allowing the Company to continue as a going concern and, accordingly, the accompanying financial statements have been prepared on the going concern basis.

2. Accounting Changes and Corrections of Errors – Not applicable

3. Business Combinations and Goodwill -- Not applicable

4. Discontinued Operations –Not applicable

5. Investments

A. – C. – Not applicable

D. Loan Backed Securities

- (1) Prepayment assumptions for loan-backed and other structured securities were obtained from external financial data sources. These assumptions are consistent with the current interest rate and economic environment.
- (2) The Company had no loan-backed and structured securities with recognized other-than-temporary impairments where the Company had the intent to sell or does not have the intent and ability to retain the investment for a period of time sufficient to recover the amortized cost basis as of December 31, 2016.
- (3) The Company had no loan-backed and structured securities with recognized other-than-temporary impairments where the present value of cash flow expected to be collected is less than the amortized cost basis as of December 31, 2016.
- (4) There were no loan-backed and structured securities with a fair value lower than amortized cost as of December 31, 2016.
- (5) Management reviews loan-backed and structured securities with a decline in fair value from cost for impairment based on criteria that include:
  - Length of time and severity of decline.
  - Financial and specific near term prospects of the issuer.
  - Changes in the regulatory, economic or general market environment of the issuer's industry or geographic region.
  - The Company's intent to sell or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost.

E. – G. – Not applicable

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets:

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year		Percentage	
	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)	Restricted to Total Assets (c)	Admitted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	0%	0%
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	0%	0%
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0%	0%
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	0%	0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0%	0%
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	0%	0%
h. Letter stock or securities restricted as to sale excluding FLBY capital stock	-	-	-	-	-	-	-	-	-	0%	0%
i. FHLB Capital Stock	-	-	-	-	-	-	-	-	-	0%	0%
j. On deposit with states	2,919,585	-	-	-	2,919,585	3,414,930	(495,345)	-	2,919,585	4%	4%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	0%	0%
l. Pledged as collateral to FHLB (including assets backing funding agreements	-	-	-	-	-	-	-	-	-	0%	0%
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	0%	0%
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0%	0%
o. Total Restricted Assets	\$ 2,919,585	\$ -	\$ -	\$ -	\$ 2,919,585	\$ 3,414,930	\$ (495,345)	\$ -	\$ 2,919,585	4%	4%

(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

6. Joint Ventures, Partnerships and Limited Liability Companies -- Not applicable.

7. Investment Income

a. Investment income due and accrued is excluded from investment income on the following basis:

1) Bonds – When investment income due and accrued exceeds 90 days past due.

b. No income was excluded for the years ended December 31, 2016 and 2015.

8. Derivative Instruments – Not applicable

9. Income Taxes

a. The components of the net deferred tax asset (DTA)/liability (DTL) at December 31 are as follows:

(1)	December 31, 2016			December 31, 2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross DTA	16,741,526	-	16,741,526	10,336,812	-	10,336,812	6,404,714	-	6,404,714
(b) Valuation allowance	(16,472,357)	-	(16,472,357)	(10,227,322)	-	(10,227,322)	(6,245,035)	-	(6,245,035)
(c) Adjusted gross DTA (1a - 1b)	269,169	-	269,169	109,490	-	109,490	159,679	-	159,679
(d) Nonadmitted DTA	-	-	-	-	-	-	-	-	-
(e) Subtotal Net Admitted DTA (1c - 1d)	269,169	-	269,169	109,490	-	109,490	159,679	-	159,679
(f) DTL	(269,169)	-	(269,169)	(109,490)	-	(109,490)	(159,679)	-	(159,679)
(g) Net admitted DTA (1e - 1f)	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

(2)

SSAP 101, paragraphs 11a, 11b, and 11c	December 31, 2016			December 31, 2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Admitted pursuant to ¶11.a. (loss carrybacks)	-	-	-	-	-	-	-	-	-
(b) Admitted pursuant to ¶11.b. (realization)	-	-	-	-	-	-	-	-	-
1. Realization per ¶11.b.i.	-	-	-	-	-	-	-	-	-
2. Limitation per ¶11.b.ii.	-	-	6,098,074	-	-	7,095,589	-	-	(997,515)
(c) Admitted pursuant to ¶11.c.	269,169	-	269,169	109,490	-	109,490	159,679	-	159,679
(d) Total admitted adjusted gross deferred tax asset (2a+2b+2c)	269,169	-	269,169	109,490	-	109,490	159,679	-	159,679

(3)

	2016 Percentage	2015 Percentage
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	548.39%	840.20%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	40,653,829	47,519,755

(4)

	December 31, 2016			December 31, 2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Impact of Tax Planning Strategies									
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
(b) Net admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
(c) Do TPS include a reinsurance strategy?	No			No					

b. Unrecognized DTLs

All deferred tax liabilities have been properly recognized.

c. Current tax and change in deferred tax

(1) Current Income Tax

	2016	2015	Change
(a) Current federal income tax expense/(benefit)	(5,476,695)	(4,866,859)	(609,836)
(b) Foreign income tax expense/(benefit)	-	4,845	(4,845)
(c) Subtotal	(5,476,695)	(4,862,014)	(614,681)
(d) Tax expense/(benefit) on realized capital gains/(losses)	18,298	-	18,298
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other, including prior year underaccrual/(overaccrual)	-	-	-
Federal and foreign income taxes incurred	(5,458,397)	(4,862,014)	(596,383)

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

(2) Deferred tax assets

	December 31, 2016	December 31, 2015	Change
Other insurance & contract holder liability	347,896	138,978	208,918
Goodwill & Intangibles	485,333	530,833	(45,500)
Deferred acquisition costs	13,718,732	8,080,380	5,638,352
Nondeductible Liabilities	237,756	191,314	46,442
Nonadmitted assets	1,909,795	1,353,291	556,504
Net Operating Loss	42,014	42,016	(2)
Gross DTA	16,741,526	10,336,812	6,404,714
Valuation allowance	(16,472,357)	(10,227,322)	(6,245,035)
Adjusted gross DTA	269,169	109,490	159,679
Nonadmitted DTA	0	0	0
Admitted DTA	269,169	109,490	159,679

(3) Deferred tax liabilities

	December 31, 2016	December 31, 2015	Change
Other insurance & contract holder liability	244,660	97,046	147,614
Other	24,509	12,444	12,065
Gross DTL	269,169	109,490	159,679

(4) Net Deferred Tax Assets/Liabilities

	0	0	0
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The change in net deferred income taxes is comprised of the following: (this analysis is exclusive of nonadmitted assets as the change in nonadmitted assets is reported separately from the change in net deferred income taxes in the surplus section of the annual statement):

	December 31, 2016	December 31, 2015	Change
Total deferred tax assets	16,741,526	10,336,812	6,404,714
Total deferred tax liabilities	(269,169)	(109,490)	(159,679)
Net Deferred tax asset/liabilities	16,472,357	10,227,322	6,245,035
Statutory valuation allowance adjustment	(16,472,357)	(10,227,322)	(6,245,035)
Net deferred tax assets/liabilities after SVA	-	-	-

**NOTES TO FINANCIAL STATEMENTS**

d. Reconciliation of federal income tax rate to actual effective rate

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

	<b>December 31, 2016</b>	<b>Effective Tax Rate</b>
Provision computed at statutory rate	(11,167,268)	35.00%
Change in nonadmitted assets	(556,504)	1.74%
Change in Statutory Valuation Allowance Adjustment	6,245,035	-19.57%
IMR	11,432	-0.04%
Other, net	8,908	-0.02%
Total	<u>(5,458,397)</u>	<u>17.11%</u>
Federal and foreign income taxes incurred	(5,458,397)	17.11%
Change in deferred income taxes	0	0.00%
Total statutory income taxes	<u>(5,458,397)</u>	<u>17.11%</u>

e. Operating loss and tax credit carryforwards

(1) At December 31, 2016, the Company has a \$120,040 net operating loss forward, which originated in 2012, and no capital loss carryforward.

(2) Income taxes, ordinary and capital, available for recoupment in the event of future losses include:

<b>Year</b>	<b>Amount</b>
2015	4,845
2016	18,298

(3) Deposits under IRS Code Section 6603 - not applicable

f. Operating loss and tax credit carryforwards

The IRS completed its examination of Cigna’s 2011 and 2012 consolidated federal income tax return. The review which was completed in the fourth quarter of 2016, had no material impact on the company’s financial condition.

g. Consolidated Federal Income Tax Return

The Company elects to file a consolidated federal income tax return with its parent Loyal American Life Insurance Company.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

a. – c. – Not applicable

d. At December 31, 2016, the Company reported no amounts due from affiliated companies and \$426,531 due to affiliated companies. The terms of the agreements require that these amounts be settled within 90 days.

e. Not applicable

f. Management or service contracts and all cost sharing arrangements involving the Company:

- (1) The Company’s investment portfolio is managed by Cigna Investments, Inc. (“CII”). The Company paid \$75,469 in 2016, related to those services
- (2) The Company and certain related parties have entered into service contracts and cost-sharing arrangements, including an expense sharing agreement in which the parties share expenses for certain shared services. These arrangements include management services, computers, data processing and other services, as well as equipment, supplies and office space. Expenses incurred under these arrangements were \$27,831,157 in 2016.
- (3) Loyal American Life Insurance Company and its wholly owned domestic subsidiary American Retirement Life Insurance Company have entered into a Consolidated Federal Income Tax Agreement (the Agreement).The Agreement sets forth the method of allocation of federal income taxes for Loyal and ARLIC. The Agreement provides for immediate reimbursement to companies with net operating losses to the extent that their losses are utilized to reduce consolidated taxable income; while those companies with current taxable income as calculated under federal separate return provisions, are liable for payments determined as if they had each filed a separate return. However, current credit is given for any foreign tax credit, operating loss, or investment tax credit carryovers actually utilized in the current consolidated return.
- (4) On February 19, 2013, the Company entered into a line of credit agreement with Cigna Holdings, Inc. (“CHI”) under which ARLIC can borrow up to \$10,000,000 from CHI. The agreement provides for two rate/maturity options; a) a variable rate payable on demand or b) a fixed rate with a stated maturity not to exceed 270 days. There were no amounts outstanding at December 31, 2016, and borrowings during the year were not material.
- (5) On February 19, 2013, the Company also entered into a line of credit agreement with Cigna under which Cigna can borrow up to \$10,000,000 from ARLIC. Borrowing terms under this agreement are identical to the terms under the ARLIC/CHI agreement discussed above. Cigna did not borrow under this agreement in 2016.
- (6) ARLIC entered into an agreement with Cigna Health Management (“CHM”), effective June 5, 2015 whereby CHM will provide consultative services with respect to demand management in conjunction with the administration of health benefit plans and health insurance policies; specifically CHM provides a 24-hour health information telephone line in which nurses



## NOTES TO FINANCIAL STATEMENTS

answer questions, explain medical options and suggest resources. The Company paid CHM \$398,413 and \$83,048 in 2016 and 2015, related to these services.

- (7) ARLIC entered into an agreement with Cigna Life and Health Insurance Company ("CHLIC") whereby CHLIC will provide ARLIC access to and support for the CignaPlus Savings dental discount program to be offered to ARLIC customers. This agreement was approved by the Ohio Department of Insurance on October 30, 2015 and will be effective November 1, 2015. The Company paid CHLIC \$203,613 in 2016 and incurred no expense in 2015 for these services.

- g. All of the Company's outstanding common stock is directly owned by Loyal American Life Insurance Company, an Ohio domiciled insurance company, whose ultimate parent is Cigna Corporation, a Delaware domiciled insurance holding company.

- h – l. Management or service contracts and all cost sharing arrangements involving the Company – Not applicable

### 11. Debt – Not applicable

### 12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans.

- a. – f. Not applicable.

- g. Consolidated/Holding Company Plans:

#### (1) Employees' Retirement Plan:

- (a) Effective January 1, 2013, the Company participates in the Cigna 401(k) Plan (the Savings Plan) that is sponsored by Cigna. Employees are eligible to participate in the Savings Plan immediately upon hire; however, a one-year service requirement must be met to receive company contributions. Expense allocated to the Company was \$1,119,664 in 2016.
- (b) Salaried officers and other key employees of the Company are eligible to be awarded shares of Cigna Common Stock in the form of stock options, restricted stock grants, dividend equivalent rights and grants of Cigna Common Stock in lieu of cash payable under various plans.

The People Resources Committee of the Board of Directors of Cigna (the Committee) determines awards under these plans, including grants of restricted stock and stock options and strategic performance shares to certain employees of Cigna and its indirect subsidiaries.

In 2013, the Committee awarded restricted stock and strategic performance shares to eligible officers and employees under various plans for which an expense of \$117,810 was allocated to the Company under the plan in 2016.

#### (2) Deferred Compensation Plans:

- (a) The Company offers the Cigna Deferred Compensation Plan to officers and key employees pursuant to which they may defer receipt of all or part of their compensation. The amount of compensation deferred is not funded but represents a general liability of Cigna and participating affiliates including the Company. Currently, deferred cash compensation is credited with interest at the rate paid on contributions to the Fixed Income Fund of the Savings Plan. Certain officers and key employees also have the option of selecting to have deferred cash compensation credited with interest at the rate paid under the Savings Plan's other investment funds. Deferred compensation which would have otherwise been payable in Cigna Common Stock is hypothetically invested in the same number of Common Stock equivalent units as the number of shares which would have been paid if such compensation had not been deferred. An amount equal to cash dividends that would have been paid on such hypothetically invested Common Stock is deemed to have been paid and hypothetically invested in the same way as deferred cash compensation. At a future date or dates selected by each participant, the aggregate of amounts deferred and hypothetical investment results is distributed either in a lump sum or in installments, in which case unpaid installments continue to be credited with interest. Compensation deferred by officers and key employees that was otherwise payable in Common Stock is distributed in Common Stock.

Effective January 25, 1995, the Committee approved a special program to postpone payments to senior executive officers as needed to avoid payments to these officers which would not qualify for a tax deduction because of the provisions of Internal Revenue Code section 162(m), which limits the deductibility of compensation paid to each officer to \$1 million, unless certain exceptions apply.

The Company has not incurred any obligation under the plan as of December 31, 2016.

- h. Post-Employment Benefits and Compensated Absences:

The Company accrues obligations for post-employment benefits and compensated absences in accordance with SSAP No. 11.

- l. The Medicare Modernization Act

- (1) In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("the Act") became law. Under the Act, starting in 2006, retirees will have the ability to obtain prescription drug benefits through a new Medicare Part D program and companies that continue to provide postretirement prescription drug benefits to their retirees may be eligible to receive a new federal subsidy.
- (2) The Medicare Modernization Act had no impact on the Company's postretirement benefits.

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

- a. The Company has 250,000 shares authorized, issued and outstanding. All shares are class A shares.

- b. – c. – Not applicable



NOTES TO FINANCIAL STATEMENTS

- d. The Company received \$500,000, \$10,000,000, 5,000,000 and \$6,000,000 cash capital contributions from its parent, Loyal American Life Insurance Company ("LALIC"), its wholly-owned parent on May 11, 2016, June 27, 2016, September 30, 2016 and December 16, 2016, respectively.

The company received a \$5,000,000 and \$10,000,000 and \$10,000,000 cash capital contribution from its parent, Loyal American Life Insurance Company ("LALIC"), its wholly-owned parent on March 30, 2015, June 24, 2015 and September 30, 2015 respectively.

- e. The maximum amount of dividends that can be paid to stockholders by life insurance companies domiciled in the State of Ohio without prior approval of the Insurance Commissioner is the greater of 10% of surplus as regards to policyholders or net income as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of dividends payable in 2017 without prior approval is \$0 based on negative earned surplus.

f. – n. Not applicable

14. Contingencies

- a. Contingent Commitments – Not applicable
- b. Assessments

From time to time, insurance companies may be assessed by various state insurance guaranty funds to help pay for the cost of other insurance companies insolvencies. These assessments are generally recoverable in most states over a 3 to 10 year period through reduction in future premium tax liabilities. Management is not aware of any insolvencies that would require accrual in the accompanying financial statements. At December 31, 2016, the Company held a receivable from guaranty funds of \$4,495 representing amounts previously paid which will be offset against future premium taxes.

Assets recognized from paid and accrued tax offsets for the year ended December 31, 2016, are as follows:

Balance, beginning of year	\$ 22,977
Premium tax offsets accrued	130,080
Premium tax offsets applied	(23,059)
Allowance for unrealizability	
	<u>\$ 129,998</u>

Cigna and its subsidiaries (including the Company) are aware that Penn Treaty Network America Insurance Company, together with its subsidiary American Network Insurance Company (collectively "Penn Treaty") is in rehabilitation. In 2012, the state court denied the regulator's amended petitions for liquidation and set forth specific requirements and a deadline for the regulator to develop a plan of rehabilitation without liquidating Penn Treaty. The regulator has appealed the court's decision. More recently, the state court has been holding settlement conferences to attempt to resolve outstanding issues with the rehabilitation plan. In July 2016, the regulator, who is the rehabilitator, filed another amended petition for liquidation with the court. Based on the developments in this matter, it is reasonably likely that a guaranty fund assessment related to Penn Treaty will be finalized in 2017. Due to the uncertainties surrounding this matter, the Company's share of this guaranty fund assessment related to Penn Treaty is uncertain, but based on current information it is estimated to approximate \$481,000 after-tax and before consideration of possible future premium tax offsets.

- c. – e. – Not applicable
- f. Other Legal Matters.

In the normal course of its business operations, the Company is involved in litigation and other regulatory matters from time to time with claimants, beneficiaries, and other parties. When the Company, in the normal course of its regular review of such matters has determined that a material loss is reasonably possible, the matter is disclosed. In accordance with Statutory Accounting Principles, when litigation or other regulatory matters result in loss contingencies that are both probable and estimable, the Company accrues the estimated loss by a charge to operations. The amount accrued represents management's best estimate of the probable loss at the time. If only a range of estimated losses can be determined, the Company accrues an amount within the range that, in management's judgment, reflects the most likely outcome. If none of the estimates within the range is a better estimate than any other amount, the Company accrues the mid-point of the range.

Management does not believe that litigation or other matters currently pending against the Company would have a material adverse effect on the Company's results of operations, financial condition or liquidity based on its current knowledge of those matters.

**Antitrust Litigation.** On July 21, 2016, the U.S. Department of Justice ("DOJ") and certain state attorneys general filed a civil antitrust lawsuit in the U.S. District Court for the District of Columbia (the "District Court") seeking to block the merger (see note 1) and, on January 4, 2017, the parties concluded the District Court trial. On February 8, 2017, the District Court issued an order enjoining the proposed merger. Anthem filed a notice of appeal of the District Court's order with the U.S. Court of Appeals for the District of Columbia Circuit (the "Appeals Court") and requested an expedited appeal. On February 17, 2017, the Appeals Court granted Anthem's motion for an expedited appeal and set oral arguments for March 24, 2017. That same day, Cigna filed its notice of appeal of the District Court's order with the Appeals Court.

**Litigation with Anthem.** On February 14, 2017, Cigna delivered a notice to Anthem terminating the merger agreement, and notifying Anthem that it must pay Cigna the \$1.85 billion reverse termination fee pursuant to the terms of the merger agreement. Also on February 14, 2017, Cigna filed suit against Anthem in the Delaware Court of Chancery (the "Chancery Court"). The complaint sought declaratory judgments that Cigna's termination of the merger agreement was valid and that Anthem was not permitted to extend the termination date. The complaint also sought payment of the reverse termination fee and additional damages in an amount exceeding \$13 billion, which includes the lost premium value to Cigna's shareholders caused by Anthem's willful breaches of the merger agreement.

Also on February 14, 2017, Anthem filed a lawsuit in the Chancery Court against Cigna seeking (i) a temporary restraining order to enjoin Cigna from terminating and taking any action contrary to the terms of the merger agreement, (ii) specific performance compelling Cigna to comply with the merger agreement and (iii) damages. On February 15, 2017, the Chancery Court granted Anthem's motion for a temporary restraining order and issued an order temporarily enjoining Cigna from terminating the Merger

NOTES TO FINANCIAL STATEMENTS

Agreement. This is not a decision on the merits of the case, but rather an order to ensure irrevocable actions do not take place before the Chancery Court's substantive review of the issues. Cigna will continue to abide by terms of the merger agreement until the expiration or lifting of the Chancery Court's order and any further review of the case by the Chancery Court. This order will be subject to review by the Chancery Court at a preliminary injunction hearing.

Cigna believes in the merits of their claims and dispute Anthem's claims, and intends to vigorously defend themselves and pursue their claims. The outcomes of lawsuits are inherently unpredictable, and Cigna may be unsuccessful in the ongoing litigation or any future claims or litigation.

**Shareholder Litigation.** Following announcement of Cigna's merger agreement with Anthem as discussed in Note 1, putative class action complaints (collectively the "complaints" or "Cigna Merger Litigation") were filed by purported Cigna shareholders on behalf of a purported class of Cigna shareholders. Additional lawsuits arising out of or relating to the merger agreement or the merger may be filed in the future.

Cigna, members of the Cigna board of directors, Anthem and Anthem Merger Sub Corp ("Merger Sub") have been named as defendants. The plaintiffs generally assert that the members of the Cigna board of directors breached their fiduciary duties to the Cigna shareholders during merger negotiations and by entering into the merger agreement and approving the merger, and that Cigna, Anthem and Merger Sub aided and abetted such breaches of fiduciary duties. The allegations include, among other things that, (1) the merger consideration undervalues Cigna, (2) the sales process leading up to the merger was flawed due to purported conflicts of interest of members of the Cigna board of directors and (3) certain provisions of the merger agreement inappropriately favor Anthem and inhibit competing bids. Plaintiffs seek, among other things, injunctive relief enjoining the merger, rescission of the merger agreement to the extent already implemented, and costs and damages.

Effective November 24, 2015, solely to avoid the costs, risks and uncertainties inherent in litigation, and without admitting any liability or wrongdoing, Cigna, Cigna's directors, Anthem and Merger Sub entered into a Memorandum of Understanding ("MOU") to settle the Cigna Merger Litigation. Subject to court approval and further definitive documentation in a settlement agreement that will be subject to customary conditions, the MOU resolved the Cigna Merger Litigation and provided that Cigna would make certain additional disclosures related to the merger. If the Court approves the settlement, the Cigna Merger Litigation will be dismissed with prejudice and all claims that were or could have been brought in any actions challenging any aspect of the merger, the merger agreement and any related disclosures will be released. In connection with the settlement, subject to the ultimate determination of the Court, plaintiffs' counsel may receive an award of reasonable fees. There can be no assurance that the parties will ultimately enter into a settlement agreement, or that the Court will approve the settlement even if the parties were to enter into such agreement. The MOU may terminate, if, among other reasons, the Court does not approve the settlement or the merger is not consummated for any reason.

15. Leases -- Not applicable
16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk -- Not applicable
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – Not applicable.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans -- Not applicable
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators -- Not applicable
20. Fair Value Measurements

A. Fair Value Measurements

The Company's financial assets measured at fair value include bonds valued at the lower of cost or fair value when reported at fair value at the balance sheet date.

Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date. The Company's financial assets have been classified based upon a hierarchy defined by SAP. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument's fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

- Level 1

Inputs for instruments classified in Level 1 include unadjusted quoted prices for identical assets in active markets accessible at the measurement date. Active markets provide pricing data for trades occurring at least weekly and include exchanges and dealer markets.
- Level 2

Inputs for instruments classified in Level 2 include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are market observable or can be corroborated by market data for the term of the instrument. Such other inputs include market interest rates and volatilities, spreads and yield curves. An instrument is classified in Level 2 if the Company determines that unobservable inputs are insignificant. Level 2 assets primarily include corporate bonds valued using recent trades of similar securities or pricing models that discount future cash flows at estimated market interest rates.
- Level 3

Certain inputs for instruments classified in Level 3 are unobservable (supported by little or no market activity) and significant to their resulting fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

NOTES TO FINANCIAL STATEMENTS

1. Fair Value Measurements at Reporting Date – None
2. Fair Value Measurements in Level 3 of the Fair Value Hierarchy – None
3. Level 3 Transfers – None
4. Valuation Techniques and Inputs  
The Company estimates fair values using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available, and other market information that a market participant may use to estimate fair value. Such other inputs include market interest rates and volatilities, spreads, and yield curves. The internal pricing methods are performed by the Company’s investment professionals and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little or no market activity for the same or similar instruments, the fair value is estimated using methods, models, and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment that becomes significant with increasingly complex instruments or pricing models.

B. Other Fair Value Disclosures  
The Company provides additional fair value information in Notes 1 and 5.

C. Aggregate Fair Value of All Financial Instruments  
The following tables provide the fair value, carrying value, and classification in the fair value hierarchy of the Company’s financial instruments as of December 31, 2016 and 2015.

Financial Assets	Aggregate Fair Value	Admitted Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Practicable (Carrying Value)
December 31, 2016						
Bonds	\$ 73,187,356	\$ 72,237,302	\$ 3,263,052	\$ 69,924,304	\$ -	\$ -
Cash, Cash Equivalents, and Short-Term Investments	\$ 2,735,657	\$ 2,735,657	\$ (9,662,862)	\$ 12,398,519	\$ -	\$ -
Total	\$ 75,923,013	\$ 74,972,959	\$ (6,399,810)	\$ 82,322,823	\$ -	\$ -
December 31, 2015						
Bonds	\$ 61,667,494	\$ 62,282,433	\$ 3,270,951	\$ 58,396,543	\$ -	\$ -
Cash, Cash Equivalents, and Short-Term Investments	\$ 14,285,265	\$ 14,285,265	\$ (4,675,344)	\$ 18,960,609	\$ -	\$ -
Total	\$ 75,952,759	\$ 76,567,698	\$ (1,404,393)	\$ 77,357,152	\$ -	\$ -

The following valuation methodologies and significant assumptions are used by the Company to determine fair value for each instrument.

Bonds  
The methods and significant assumptions used to estimate the fair value of bonds are described in A4 above.

Short-Term Investments, Cash Equivalents, and Cash  
Short-term investments, cash equivalents, and cash are carried at cost which approximates fair value. Short-term investments and cash equivalents are classified in Level 2 and cash is classified in Level 1.

D. Disclosures about Financial Instruments Not Practicable to Estimate Fair Value – None

21. Other Items

a. - b. Not applicable

c. Other Disclosures  
Assets in the amount of \$2,919,585 and \$3,414,930 at December 31, 2016 and 2015, respectively, were on deposit with various state departments of insurance as required by law.

d . – h. Not applicable

22. Events Subsequent -- Management has evaluated the financial statements for subsequent events through February 24, 2017, the date financial statements were available to be issued.

The Company does not write health insurance subject to Section 9010 of the Federal Affordable Care Act (“ACA”) and thus is not subject to the annual fee under ACA.

**NOTES TO FINANCIAL STATEMENTS**

23. Reinsurance

a. Ceded Reinsurance Report

(1) Section 1 – General Interrogatories

- (a) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?  
Yes (    )                      No ( ☒ )

If yes, give full details.

- (b) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?  
Yes (    )                      No ( ☒ )

If yes, give full details.

(2) Section 2 – Ceded Reinsurance Report - Part A

- (a) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?  
Yes (    )                      No ( ☒ )

(i) 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. \$ \_\_\_\_\_

(ii) 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? \$ \_\_\_\_\_

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

If yes, give full details.

(3) Section 3 – Ceded Reinsurance Report - Part B

- (a) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ 0

- (b) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?  
Yes (    )                      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. – d. Not applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination -- Not applicable

25. Change in Incurred Losses and Loss Adjustment Expenses:

Reserves as of December 31, 2015 were \$18,279,492. As of December 31, 2016, \$16,460,912 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now \$149,199 as a result of re-estimation of unpaid claims principally on Medicare Supplement insurance. Therefore, there has been a \$1,669,381 favorable prior year development since December 31, 2015 to December 31, 2016. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

See Note 35 below for analysis of loss adjustment expenses.

26. Intercompany Pooling Arrangements -- Not applicable

27. Structured Settlements -- Not applicable

28. Health Care Receivables -- Not applicable

NOTES TO FINANCIAL STATEMENTS

29. Participating Policies -- Not applicable

30. Premium Deficiency Reserves -- Not applicable

31. Reserves for Life Contracts and Annuity Contracts

- a. 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.
- b. During the calendar year 2016, the Company had no policies in force valued on a substandard basis.
- c. 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.
- d. & e. Tabular interest, tabular less actual reserves released, and tabular cost are performed using standard formulas except for the Interest Sensitive products and funds not involving life contingencies used basic data roll-forwards.
- f. Nature of other reserve changes is not applicable.

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

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
a. Subject to discretionary withdrawal:					
(1) With fair value adjustment	\$ -	\$ -	\$ -	\$ -	-
(2) At book value less current surrender charge of 5% or more	-	-	-	-	-
(3) At fair value	-	-	-	-	-
(4) Total with adjustment or at fair value (total of 1 through 3)	-	-	-	-	-
(5) At book value without adjustment	11,035,343	-	-	-	100.00%
Not subject to discretionary withdrawal	-	-	-	-	
c. Total (gross: direct + assumed)	11,035,343	-	-	-	100.00%
d. Reinsurance Ceded	(11,035,343)	-	-	-	
e. Total Net	\$ -	\$ -	\$ -	\$ -	

Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

f.		Amount
	Life & Accident & Health Annual Statement:	
	Exhibit 5, Annuities Section,	
1.	Total (net)	\$ -
	Exhibit 5, Supplementary Contracts with Life Contingencies Section,	
2.	Total (net)	-
	Exhibit 7, Deposit-Type Contracts, Line 14, Column	
3.	1	-
4.	Subtotal	-
	Exhibit 3, Line 0299999,	
5.	Column2	-
	Exhibit 3, Line 0399999,	
6.	Column2	-
7.	Policyholder divided and coupon accumulations	-
8.	Policyholder premiums	-
9.	Guaranteed interest contracts	-
10.	Other contract deposit funds	-
11.	Subtotal	-
12.	Combined Total	\$ -

g. Not applicable

**NOTES TO FINANCIAL STATEMENTS**

33. Premium and Annuity Considerations Deferred and Uncollected

	Type	Gross	Net of Loading
a.	1. Industrial		
	2. Ordinary new business	\$ 1,570	\$ 661
	3. Ordinary renewal	(358)	(358)
	4. Credit Life		
	5. Group Life		
	6. Group Annuity		
	7. Totals	<u>\$ 1,212</u>	<u>\$ 303</u>

34. Separate Accounts -- Not applicable

35. Loss/Claim Adjustment Expenses

At December 31, 2016 and 2015, provision for LAE totaled \$622,691 and \$497,164, respectively.

The Company incurred \$4,832,512 and paid \$4,706,985 of loss adjustment expenses in the current year of which \$446,975 of the paid amount was attributable to insured events of prior years.

The Company did not materially increase or decrease the provision for LAE related to insured events of the prior year.

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.

12/31/2013

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.

12/31/2013

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).

04/20/2015

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 [ ]No [ ]N/A [X]

3.6

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

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

4.1

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

4.11

sales of new business?

Yes [ ]No [X]

4.12

renewals?

Yes [ ]No [X]

4.2

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

4.21

sales of new business?

Yes [ ]No [X]

4.22

renewals?

Yes [ ]No [X]

5.1

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

Yes [ ]No [X]

5.2

If yes, provide 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 [ ]No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

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

Yes [ ]No [X]

8.4

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

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
PriceWatershouseCoopers LLP; Two Commerce Square; 2001 Market Square; Philadelphia, PA 19103-7041

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 [ ]No [X]N/A [ ]

10.6

If the response to 10.5 is no or n/a, please explain:  
The Audit Committee of Connecticut General Corporation serves as the Company's Audit Committee for the purposes of compliance with Ohio insurance law.



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?  
Susan Eadaoine Buck, ASA, MAAA, CERA, Apponinted Actuary, 11200 Lakeline Blvd, Suite 100, Austin, TX 78717
- 12.1

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

Yes ☐ No ☒
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved

0
- 12.13

Total book/adjusted carrying value

\$0
- 12.2

If yes, provide explanation
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 ☒ No ☐
- (a)

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

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

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

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

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is no, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes ☐ No ☒
- 14.21

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

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

Yes ☐ No ☒
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1

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

Yes ☐ No ☒
- 15.2

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

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

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?

Yes ☒ No ☐
17.

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

Yes ☒ No ☐
18.

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

Yes ☒ No ☐

FINANCIAL

19.

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

Yes ☐ No ☒
- 20.1

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

20.11 To directors or other officers\$0

20.12 To stockholders not officers\$0

20.13 Trustees, supreme or grand (Fraternal only)\$0
- 20.2

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

20.21 To directors or other officers\$0

20.22 To stockholders not officers\$0

20.23 Trustees, supreme or grand (Fraternal only)\$0
- 21.1

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

Yes ☐ No ☒
- 21.2

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

21.21 Rented from others\$

21.22 Borrowed from others\$

21.23 Leased from others\$

21.24 Other\$
- 22.1

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

Yes ☒ No ☐
- 22.2

If answer is yes:

22.21 Amount paid as losses or risk adjustment\$

22.22 Amount paid as expenses\$1,552

22.23 Other amounts paid\$
- 23.1

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

Yes ☒ No ☐
- 23.2

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

\$434,019



GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 ☒ No ☐

24.02

If no, give full and complete information, relating thereto:

24.03

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

24.04

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

Yes ☐ No ☐ N/A ☒

24.05

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

\$

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 ☒

24.08

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

Yes ☐ No ☐ N/A ☒

24.09

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

Yes ☐ No ☐ N/A ☒

24.10

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

24.101

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

\$0

24.102

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

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)

Yes ☒ No ☐

25.2

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

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$2,919,585

25.29

On deposit with other regulatory bodies

\$0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

26.2

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

Yes ☐ No ☐ N/A ☒

27.1

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

Yes ☐ No ☒

27.2

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

\$

28.

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

Yes ☒ No ☐

28.01

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

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase Bank, N.A.	4 Chase MetroTech Center, Brooklyn, NY 11245

28.02

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

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

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes ☐ No ☒

28.04

If yes, give full and complete information relating thereto:

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

28.05

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
Cigna Investments, Inc.	A

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 [ ☒ X ]

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 [ ☒ X ]

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	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
105811	Cigna Investments, Inc.		SEC	DS

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	84,635,821	85,585,877	950,056
30.2	Preferred Stocks	0	0	0
30.3	Totals	84,635,821	85,585,877	950,056

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

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality. In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment by the Company which become significant with increasingly complex instrument or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

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

Yes [ ☐ ] No [ ☒ X ]

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

Yes [ ☐ ] No [ ☐ ]

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

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?

\$ 0

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 [ X ]	No [   ]
1.2	If yes, indicate premium earned on U.S. business only.		\$	212,857,875	
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.		\$	170,379,396	
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned		\$	212,857,875	
1.62	Total incurred claims		\$	170,379,396	
1.63	Number of covered lives		\$	132,602	
	All years prior to most current three years:				
1.64	Total premium earned		\$	0	
1.65	Total incurred claims		\$	0	
1.66	Number of covered lives		\$	0	
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned		\$	0	
1.72	Total incurred claims		\$	0	
1.73	Number of covered lives		\$	0	
	All years prior to most current three years:				
1.74	Total premium earned		\$	0	
1.75	Total incurred claims		\$	0	
1.76	Number of covered lives		\$	0	
2.	Health Test:				
		1	2		
		Current Year	Prior Year		
2.1	Premium Numerator	\$ 254,148,386	\$ 191,085,175		
2.2	Premium Denominator	\$ 255,500,292	\$ 192,232,815		
2.3	Premium Ratio (2.1/2.2)	99.471	99.403		
2.4	Reserve Numerator	\$ 29,335,260	\$ 22,969,582		
2.5	Reserve Denominator	\$ 30,018,800	\$ 23,112,459		
2.6	Reserve Ratio (2.4/2.5)	97.723	99.382		
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 [   ]    N/A [ X ]
3.3	What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?		\$	0	
3.4	State the authority under which Separate Accounts are maintained:				
3.5	Was any of the reporting entity's Separate Accounts business reinsured as of December 31?			Yes [   ]	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		\$	27,831,157	
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:		\$	114,231,601	
7.	Total dividends paid stockholders since organization of the reporting entity:				
7.11	Cash		\$	13,887,480	

GENERAL INTERROGATORIES

PART 2 – LIFE INTERROGATORIES

7.12

Stock

\$1,500,000

8.1

Does the reporting entity reinsure any Workers' Compensation Carve-Out business defined as:  
  
Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

Yes [ ] No [X]

8.2

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

Yes [ ] No [ ]

8.3

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

	1 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

8.4

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

Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41 <\$25,000	\$0	\$0
8.42 \$25,000 — 99,999	\$0	\$0
8.43 \$100,000 — 249,999	\$0	\$0
8.44 \$250,000 — 999,999	\$0	\$0
8.45 \$1,000,000 or more	\$0	\$0

8.5

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

\$0

9.1

Does the 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.

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.

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:

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

\$261,230

13.2

Total incurred claims

\$70,755

13.3

Number of covered lives

543

\*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)

American Retirement 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).....	4,025	5,964	5,099	2,160	968
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	20	26	30	31	50
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....					
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	4,045	5,990	5,129	2,191	1,018
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	66	1,457	3,377	1,189	
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....				(1)	
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....					
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	66	1,457	3,377	1,189	0
Premium Income - Lines of Business (Exhibit 1-Part 1)					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	261,230	264,623	181,381	8,505	(694,052)
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....					
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....					
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....					
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....	255,239,063	191,968,190	120,190,802	16,737,377	
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	255,500,293	192,232,813	120,372,183	16,745,881	(694,052)
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	76,891,577	77,437,356	55,701,547	18,042,401	5,669,908
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	36,237,748	30,133,573	24,690,202	9,615,714	233,104
23. Aggregate life reserves (Page 3, Line 1).....	152,031	63,674	7,673	318	
24. Aggregate A&H reserves (Page 3, Line 2).....	6,302,771	4,732,079	3,790,899	1,500,888	
25. Deposit-type contract funds (Page 3, Line 3).....					
26. Asset valuation reserve (Page 3, Line 24.01).....	327,981	215,972	99,361	11,291	
27. Capital (Page 3, Lines 29 & 30).....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
28. Surplus (Page 3, Line 37).....	38,153,829	44,803,783	28,511,345	5,926,687	2,936,804
Cash Flow (Page 5)					
29. Net Cash from operations (Line 11).....	(21,850,442)	(17,087,218)	(2,933,942)	4,790,224	(702,325)
Risk-Based Capital Analysis					
30. Total adjusted capital.....	40,981,810	47,519,755	31,110,706	8,437,978	5,436,804
31. Authorized control level risk-based capital.....	7,473,154	5,655,778	3,403,171	516,057	62,573
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).....	96.4	81.3	101.5	19.7	22.9
33. Stocks (Lines 2.1 and 2.2).....					
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....					
35. Real estate (Line 4.1, 4.2 and 4.3).....					
36. Cash, cash equivalents and short-term investments (Line 5).....	3.6	18.7	(1.5)	79.2	77.1
37. Contract loans (Line 6).....					
38. Derivatives (Line 7).....					
39. Other invested assets (Line 8).....					
40. Receivables for securities (Line 9).....				1.1	
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

American Retirement Life Insurance Company  
FIVE-YEAR HISTORICAL DATA

(continued)

	1 2016	2 2015	3 2014	4 2013	5 2012
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Sch. D Summary, Line 12 Col. 1).....					
45. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1).....					
46. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1).....					
47. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....					
48. Affiliated mortgage loans on real estate .....					
49. All other affiliated.....					
50. Total of above Lines 44 to 49.....	0	0	0	0	0
51. Total investment in parent included in Lines 44 to 49 above.....					
<b>Total Nonadmitted and Admitted Assets</b>					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	5,456,556	3,866,547	7,382,673	6,756,620	689,654
53. Total admitted assets (Page 2, Line 28, Col. 3).....	76,891,577	77,437,356	55,701,547	18,042,401	5,669,908
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income).....	2,543,942	2,067,781	1,010,999	4,872	91,468
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....					169,898
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....					(189,022)
57. Total of above Lines 54, 55 and 56.....	2,543,942	2,067,781	1,010,999	4,872	72,344
<b>Benefits and Reserve Increase (Page 6)</b>					
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).....	36,813	70,518	25,040	1,166	26,422
59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	202,571,549	148,585,274	87,751,548	10,375,224	
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	88,357	56,001	7,355	318	(632,141)
61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	1,570,692	941,180	2,290,011	1,500,888	
62. Dividends to policyholders (Line 30, Col 1).....					
<b>Operating Percentages</b>					
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.....	31.1	34.9	42.5	61.8	(17.8)
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	3.8	8.3	8.9	0.5	
65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	80.5	78.0	74.4	68.1	
66. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....	0.4	0.2			
67. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	33.4	37.5	45.8	68.1	
<b>A&amp;H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....					
69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....					
70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	16,610,111	11,876,417	3,030,948		
71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	18,279,492	14,460,715	4,521,939		
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
72. Industrial life (Col. 2).....					
73. Ordinary - life (Col. 3).....	34,266	(47,801)	(126,532)	(117,651)	1,303
74. Ordinary - individual annuities (Col. 4).....	19,349	21,269	24,821	25,836	258
75. Ordinary - supplementary contracts (Col. 5).....					
76. Credit life (Col. 6).....					
77. Group life (Col. 7).....					
78. Group annuities (Col. 8).....					
79. A&H - group (Col. 9).....					
80. A&H - credit (Col. 10).....					
81. A&H - other (Col. 11).....	(26,501,551)	(22,088,556)	(17,334,793)	(3,861,623)	
82. Aggregate of all other lines of business (Col. 12).....		8,013	(264,714)	(302,288)	(72,348)
83. Total (Col. 1).....	(26,447,936)	(22,107,075)	(17,701,218)	(4,255,726)	(70,787)

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

Yes[ ] No[ ]

If no, please explain:

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year.....			581	5,990						5,990
2. Issued during year.....			7	66						66
3. Reinsurance assumed.....										0
4. Revived during year.....										0
5. Increased during year (net).....				22						22
6. Subtotals, Lines 2 to 5.....	0	0	7	88	0	0	0	0	0	88
7. Additions by dividends during year.....	.XXX		.XXX		.XXX		.XXX	.XXX		0
8. Aggregate write-ins for increases.....	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8).....	0	0	588	6,078	0	0	0	0	0	6,078
Deductions during year:										
10. Death.....			13	99			.XXX			99
11. Maturity.....							.XXX			0
12. Disability.....							.XXX			0
13. Expiry.....			2	6						6
14. Surrender.....			20	122						122
15. Lapse.....			10	70						70
16. Conversion.....							.XXX	.XXX	.XXX	0
17. Decreased (net).....				1,736						1,736
18. Reinsurance.....										0
19. Aggregate write-ins for decreases.....	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19).....	0	0	45	2,033	0	0	0	0	0	2,033
21. In force end of year (Line 9 minus Line 20).....	0	0	543	4,045	0	0	0	0	0	4,045
22. Reinsurance ceded end of year.....	.XXX		.XXX	990	.XXX		.XXX	.XXX		990
23. Line 21 minus Line 22.....	.XXX	0	.XXX	3,055	.XXX	(b)0	.XXX	.XXX	0	3,055

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.

EXHIBIT OF LIFE INSURANCE (continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends.....	XXX.....		XXX.....	
25. Other paid-up insurance.....			.....171	.....992
26. Debit ordinary insurance.....	XXX.....	XXX.....		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing.....				
28. Term policies-other.....				
29. Other term insurance-decreasing.....	XXX.....		XXX.....	
30. Other term insurance.....	XXX.....		XXX.....	
31. Totals (Lines 27 to 30).....	.....0	.....0	.....0	.....0
Reconciliation to Lines 2 and 21:				
32. Term additions.....	XXX.....		XXX.....	
33. Totals, extended term insurance.....	XXX.....	XXX.....	.....4	.....20
34. Totals, whole life and endowment.....	.....7	.....66	.....539	.....4,025
35. Totals (Lines 31 to 34).....	.....7	.....66	.....543	.....4,045

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial.....				
37. Ordinary.....	.....66		.....4,045	
38. Credit Life (Group and Individual).....				
39. Group.....				
40. Totals (Lines 36 to 39).....	.....66	.....0	.....4,045	.....0

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

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

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a).....	.....
--	-------

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

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

POLICIES WITH DISABILITY PROVISIONS

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

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

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



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

**SUPPLEMENTARY CONTRACTS**

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year.....	.....	.....	.....	.....
2. Issued during year.....	.....	.....	.....	.....
3. Reinsurance assumed.....	.....	.....	.....	.....
4. Increased during year (net).....	.....	.....	.....	.....
5. Total (Lines 1 to 4).....	.....0	.....0	.....0	.....0
Deductions during year:				
6. Decreased (net).....	.....	.....	.....	.....
7. Reinsurance ceded.....	.....	.....	.....	.....
8. Totals (Lines 6 and 7).....	.....0	.....0	.....0	.....0
9. In force end of year.....	.....0	.....0	.....0	.....0
10. Amount on deposit.....	(a).....		(a).....	
11. Income now payable.....				
12. Amount of income payable.....	(a).....	(a).....	(a).....	(a).....

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....	.....	.....	.....	.....
2. Issued during year.....	.....	.....	.....	.....
3. Reinsurance assumed.....	.....	.....	.....	.....
4. Increased during year (net).....	.....	.....	.....	.....
5. Total (Lines 1 to 4).....	.....0	.....0	.....0	.....0
Deductions during year:				
6. Decreased (net).....	.....	.....	.....	.....
7. Reinsurance ceded.....	.....	.....	.....	.....
8. Totals (Lines 6 and 7).....	.....0	.....0	.....0	.....0
9. In force end of year.....	.....0	.....0	.....0	.....0
Income now payable:				
10. Amount of income payable.....	(a).....	.....XXX	.....XXX	(a).....
Deferred fully paid:				
11. Account balance.....	.....XXX	(a).....	.....XXX	(a).....
Deferred not fully paid:				
12. Account balance.....	.....XXX	(a).....	.....XXX	(a).....

**ACCIDENT AND HEALTH INSURANCE**

	Group		Credit		Other	
	1 Certificates	2 Premiums in force	3 Policies	4 Premiums in force	5 Policies	6 Premiums in force
1. In force end of prior year.....	.....	.....	.....	.....	.....121,853	.....211,721,385
2. Issued during year.....	.....	.....	.....	.....	.....47,616	.....82,695,967
3. Reinsurance assumed.....	.....	.....	.....	.....	.....	.....
4. Increased during year (net).....	.....	.....XXX	.....	.....XXX	.....	.....XXX
5. Total (Lines 1 to 4).....	.....0	.....XXX	.....0	.....XXX	.....169,469	.....XXX
Deductions during year:						
6. Conversions.....	.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX
7. Decreased (net).....	.....	.....XXX	.....	.....XXX	.....16,536	.....XXX
8. Reinsurance ceded.....	.....	.....XXX	.....	.....XXX	.....	.....XXX
9. Totals (Lines 6 to 8).....	.....0	.....XXX	.....0	.....XXX	.....16,536	.....XXX
10. In force end of year.....	.....0	(a).....	.....0	(a).....	.....152,933	(a).....278,793,966

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

	1 Deposit Funds Contracts	2 Dividend Accumulations Contracts
1. In force end of prior year.....	.....	.....
2. Issued during year.....	.....	.....
3. Reinsurance assumed.....	.....	.....
4. Increased during year (net).....	.....	.....
5. Total (Lines 1 to 4).....	.....0	.....0
Deductions during year:		
6. Decreased (net).....	.....	.....
7. Reinsurance ceded.....	.....	.....
8. Totals (Lines 6 and 7).....	.....0	.....0
9. In force end of year.....	.....0	.....0
10. Amount of account balance.....	(a).....	(a).....

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

American Retirement Life Insurance Company  
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS  
Allocated by States and Territories

			1	Direct Business Only					
				Life Contracts		4	5	6	7
				2	3				
States, Etc.			Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1.	Alabama.....	AL	L	6,245	-	5,277,184		5,283,429	
2.	Alaska.....	AK	N	-	-	18,717		18,717	
3.	Arizona.....	AZ	L	4,316	-	3,513,179		3,517,495	
4.	Arkansas.....	AR	L	-	58	1,886,835		1,886,893	
5.	California.....	CA	L	-	-	250,321		250,321	
6.	Colorado.....	CO	L	11,274	-	12,911,659		12,922,933	
7.	Connecticut.....	CT	N	-	-	27,768		27,768	
8.	Delaware.....	DE	L	-	-	864,048		864,048	
9.	District of Columbia.....	DC	N	-	-	6,587		6,587	
10.	Florida.....	FL	L	3,896	525	6,338,367		6,342,788	
11.	Georgia.....	GA	L	12,877	285	6,719,705		6,732,867	
12.	Hawaii.....	HI	N	-	-	13,536		13,536	
13.	Idaho.....	ID	N	-	-	54,944		54,944	
14.	Illinois.....	IL	L	24,544	-	8,477,513		8,502,057	
15.	Indiana.....	IN	L	11,630	-	18,360,473		18,372,103	
16.	Iowa.....	IA	L	1,903	-	2,433,153		2,435,056	
17.	Kansas.....	KS	L	3,810	-	11,941,154		11,944,964	
18.	Kentucky.....	KY	L	9,916	-	9,215,316		9,225,232	
19.	Louisiana.....	LA	L	2,676	-	4,288,892		4,291,568	
20.	Maine.....	ME	N	-	-	38,518		38,518	
21.	Maryland.....	MD	L	-	-	1,709,920		1,709,920	
22.	Massachusetts.....	MA	N	-	-	52,372		52,372	
23.	Michigan.....	MI	N	-	-	86,680		86,680	
24.	Minnesota.....	MN	L	-	-	49,066		49,066	
25.	Mississippi.....	MS	L	4,987	-	6,321,174		6,326,161	
26.	Missouri.....	MO	L	1,283	-	1,915,683		1,916,966	
27.	Montana.....	MT	L	1,663	-	2,418,498		2,420,161	
28.	Nebraska.....	NE	L	5,220	-	2,253,510		2,258,730	
29.	Nevada.....	NV	L	2,401	-	8,100,053		8,102,454	
30.	New Hampshire.....	NH	L	-	-	807,087		807,087	
31.	New Jersey.....	NJ	N	-	-	130,948		130,948	
32.	New Mexico.....	NM	L	4,571	-	1,330,369		1,334,940	
33.	New York.....	NY	N	-	-	92,130		92,130	
34.	North Carolina.....	NC	L	-	-	7,448,762		7,448,762	
35.	North Dakota.....	ND	L	-	-	51,435		51,435	
36.	Ohio.....	OH	L	14,964	-	12,567,001		12,581,965	
37.	Oklahoma.....	OK	L	11,753	-	7,494,936		7,506,689	
38.	Oregon.....	OR	L	-	-	70,138		70,138	
39.	Pennsylvania.....	PA	L	21,619	-	33,560,984		33,582,603	
40.	Rhode Island.....	RI	L	-	-	190,506		190,506	
41.	South Carolina.....	SC	L	8,626	-	13,614,492		13,623,118	
42.	South Dakota.....	SD	L	654	-	458,571		459,225	
43.	Tennessee.....	TN	L	8,421	-	4,915,004		4,923,425	
44.	Texas.....	TX	L	32,287	1,767	25,356,212		25,390,266	
45.	Utah.....	UT	L	1,626	-	1,517,688		1,519,314	
46.	Vermont.....	VT	N	-	-	8,597		8,597	
47.	Virginia.....	VA	L	44,876	-	15,639,777		15,684,653	
48.	Washington.....	WA	N	-	-	127,390		127,390	
49.	West Virginia.....	WV	L	1,343	-	3,776,958		3,778,301	
50.	Wisconsin.....	WI	L	2,732	-	7,349,103		7,351,835	
51.	Wyoming.....	WY	L	-	-	2,537,986		2,537,986	
52.	American Samoa.....	AS	N	-	-	-		0	
53.	Guam.....	GU	N	-	-	1,824		1,824	
54.	Puerto Rico.....	PR	N	-	-	3,885		3,885	
55.	US Virgin Islands.....	VI	N	-	-	1,064		1,064	
56.	Northern Mariana Islands.....	MP	N	-	-	-		0	
57.	Canada.....	CAN	N	-	-	-		0	
58.	Aggregate Other Alien.....	OT	XXX	0	0	0	0	0	0
59.	Subtotal.....	(a) 39	XXX	262,113	2,635	254,597,672	0	254,862,420	0
90.	Reporting entity contributions for employee benefit plans.....	XXX						0	
91.	Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX						0	
92.	Dividends or refunds applied to shorten endowment or premium paying period.....	XXX						0	
93.	Premium or annuity considerations waived under disability or other contract provisions.....	XXX						0	
94.	Aggregate other amounts not allocable by State.....	XXX		0	0	0	0	0	0
95.	Totals (Direct Business).....	XXX		262,113	2,635	254,597,672	0	254,862,420	0
96.	Plus reinsurance assumed.....	XXX						0	
97.	Totals (All Business).....	XXX		262,113	2,635	254,597,672	0	254,862,420	0
98.	Less reinsurance ceded.....	XXX			3,640	11,224		14,864	
99.	Totals (All Business) less reinsurance ceded.....	XXX		262,113	(1,005)	(b) 254,586,448	0	254,847,556	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
58999.	Total (Lines 58001 through 58003 plus 58998) (Line 58 above).....	XXX		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
9499.	Total (Lines 9401 through 9403 plus 9498) (Line 94 above).....	XXX		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.  
Premiums and annuity considerations are allocated to the resident state related to the policy or certificate holder at the time the transaction is generated.

(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, Line 6.4, 10.4 and 16.4, Cols 8,9 and 10

PART 1 -- ORGANIZATION CHART

The following is a listing identifying and indicating the interrelationships among all affiliated insurers (identified by an asterisk, and if such insurer is incorporated in the United States of America, by a Federal Employer Identification Number, NAIC Company Code and Jurisdiction of Incorporation) and all other affiliates, as of December 31, 2016:

<u>Cigna CORPORATION</u> (A Delaware corporation and ultimate parent company)			
<u>a Holdings, Inc.</u>			
<u>Cigna Intellectual Property, Inc.</u>			
<u>Cigna Investment Group, Inc.</u>			
	<u>Cigna International Finance Inc.</u>		
	<u>Former Cigna Investments, Inc.</u>		
	<u>Cigna Investments, Inc.</u>		
		<u>Cigna Benefits Financing, Inc.</u> (EI # 010947889, DE)	
<u>Connecticut General Corporation</u>			
	<u>Benefit Management Corp.</u> (EI # 81-0585518)		
		<u>*Allegiance Life &amp; Health Insurance Company</u> (EI # 20-4433475, NAIC # 12814, MT)	
		<u>*Allegiance Re, Inc.</u> (EI # 20-3851464, MT)	
		<u>Allegiance Benefit Plan Management, Inc.</u>	
		<u>Allegiance COBRA Services, Inc.</u>	
		<u>Allegiance Provider Direct, LLC</u>	
		<u>Community Health Network, LLC</u>	
		<u>Intermountain Underwriters, Inc.</u>	
		<u>Star Point, LLC</u>	
	<u>HealthSpring, Inc.</u>		
		<u>NewQuest, LLC</u>	
		<u>NewQuest Management Northeast, LLC</u>	
			<u>*Bravo Health Mid-Atlantic, Inc.</u> (EI # 52-2259087, NAIC # 10095, MD)
			<u>*Bravo Health Pennsylvania, Inc.</u> (EI # 52-2363406, NAIC # 11254, PA)
		<u>*HealthSpring Life &amp; Health Insurance Company</u> (EI # 20-8534298, NAIC # 12902, TX)	

**American Retirement Life Insurance Company**

	* <u>HealthSpring of Alabama, Inc.</u> (EI # 63-0925225, NAIC # 95781, AL)
	* <u>HealthSpring of Florida, Inc.</u> (EI # 65-1129599, NAIC #11532, FL)
	<u>NewQuest Management of Illinois, LLC</u>
	<u>NewQuest Management of Florida, LLC</u>
	<u>HealthSpring Management of America, LLC</u>
	<u>NewQuest Management of West Virginia, LLC</u>
	<u>TexQuest, LLC</u>
	<u>HouQuest, LLC</u>
	<u>GulfQuest, LP</u>
	<u>NewQuest Management of Alabama, LLC</u>
	<u>HealthSpring USA, LLC</u>
	<u>HealthSpring Management, Inc.</u>
	<u>HealthSpring of Tennessee, Inc.</u> (EI # 62-1593150, NAIC # 11522, MD)
	<u>Tennessee Quest, LLC</u>
	<u>HealthSpring Pharmacy Services, LLC</u>
	<u>HealthSpring Pharmacy of Tennessee, LLC</u>
	<u>Home Physicians Management, LLC</u>
	Alegis Care Services, LLC
	* <u>Cigna Arbor Life Insurance Company</u> (EI # 03-0452349, NAIC # 13733, CT)
	<u>Cigna Behavioral Health, Inc.</u>
	<u>Cigna Behavioral Health of California, Inc.</u> (EI# 94-3107309)
	<u>Cigna Behavioral Health of Texas, Inc.</u> (EI# 75-2751090)
	<u>MCC Independent Practice Association of New York, Inc.</u>
	<u>Cigna Dental Health, Inc.</u>
	<u>Cigna Dental Health of California, Inc.</u> (EI# 59-2600475, CA)
	<u>Cigna Dental Health of Colorado, Inc.</u> (EI# 59-2675861, NAIC # 11175, CO)
	<u>Cigna Dental Health of Delaware, Inc.</u>

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			(EI# 59-2676987, NAIC # 95380, DE)
			<u>Cigna Dental Health of Florida, Inc.</u> (EI# 59-1611217, NAIC # 52021, FL)
			<u>Cigna Dental Health of Illinois, Inc.</u> (EI# 06-1351097, IL)
			<u>Cigna Dental Health of Kansas, Inc.</u> (EI# 59-2625350, NAIC # 52024, KS)
			<u>Cigna Dental Health of Kentucky, Inc.</u> (EI# 59-2619589, NAIC # 52108, KY)
			<u>Cigna Dental Health of Missouri, Inc.</u> (EI#06-1582068, NAIC # 11160, MO)
			<u>Cigna Dental Health of New Jersey, Inc.</u> (EI# 59-2308062, NAIC # 11167, NJ)
			<u>Cigna Dental Health of North Carolina, Inc.</u> (EI# 56-1803464 , NAIC # 95179, NC)
			<u>Cigna Dental Health of Ohio, Inc.</u> (EI# 59-2579774, NAIC # 47805, OH)
			<u>Cigna Dental Health of Pennsylvania, Inc.</u> (EI# 52-1220578, NAIC # 47041, PA)
			<u>Cigna Dental Health of Texas, Inc.</u> (EI# 59-2676977, NAIC # 95037, TX)
			<u>Cigna Dental Health of Virginia, Inc.</u> (EI# 52-2188914, NAIC # 52617, VA)
			<u>Cigna Dental Health Plan of Arizona, Inc.</u> (EI# 86-0807222, NAIC # 47013, AZ)
			<u>Cigna Dental Health of Maryland, Inc.</u> (EI#20-2844020, NAIC #48119, MD)
			<u>Cigna Health Corporation</u>
			<u>Healthsource, Inc.</u>
			<u>Cigna HealthCare of Arizona, Inc.</u> (EI# 86-0334392, NAIC#95125, AZ)
			<u>Cigna HealthCare of California, Inc.</u> (EI# 95-3310115, CA)
			<u>Cigna HealthCare of Colorado, Inc.</u> (EI# 84-1004500, NAIC # 95604, CO)
			<u>Cigna HealthCare of Connecticut, Inc.</u> (EI# 06-1141174, NAIC # 95660, CT)
			<u>Cigna HealthCare of Florida, Inc.</u> (EI# 59-2089259, NAIC # 95136, FL)
			<u>Cigna HealthCare of Illinois, Inc.</u> (EI# 36-3385638, NAIC # 95602, IL)

			<u>Cigna HealthCare of Maine, Inc.</u> (EI# 01-0418220, NAIC # 95447, ME)
			<u>Cigna HealthCare of Massachusetts, Inc.</u> (EI# 02-0402111, NAIC # 95220, MA)
			<u>Cigna HealthCare Mid-Atlantic, Inc.</u> (EI# 52-1404350, NAIC # 95599, MD)
			<u>Cigna HealthCare of New Hampshire, Inc.</u> (EI# 02-0387749, NAIC # 95493, NH)
			<u>Cigna HealthCare of New Jersey, Inc.</u> (EI# 22-2720890, NAIC # 95500, NJ)
			<u>Cigna HealthCare of Pennsylvania, Inc.</u> (EI# 23-2301807, NAIC # 95121, PA)
			<u>Cigna HealthCare of St. Louis, Inc.</u> (EI# 36-3359925, NAIC # 95635, MO)
			<u>Cigna HealthCare of Utah, Inc.</u> (EI# 62-1230908, NAIC # 95518, UT)
			<u>Cigna HealthCare of Georgia, Inc.</u> (EI# 58-1641057, NAIC # 96229, GA)
			<u>Cigna HealthCare of Texas, Inc.</u> (EI# 74-2767437, NAIC # 95383, TX)
			<u>Cigna HealthCare of Indiana, Inc.</u> (EI# 35-1679172, NAIC # 95525, IN)
			<u>Cigna HealthCare of Tennessee, Inc.</u> (EI# 62-1218053, NAIC # 95606, TN)
			<u>Cigna HealthCare of North Carolina, Inc.</u> (EI# 56-1479515, NAIC# 95132, NC)
			<u>Cigna HealthCare of South Carolina, Inc.</u> (EI# 06-1185590, NAIC # 95708, SC)
			<u>*Temple Insurance Company Limited</u>
			<u>Arizona Health Plan, Inc.</u>
			<u>Healthsource Properties, Inc.</u>
			<u>Managed Care Consultants, Inc.</u>
			<u>Cigna Benefit Technology Solutions, Inc.</u>
			<u>Sagamore Health Network, Inc.</u>
			<u>Cigna Healthcare Holdings, Inc.</u> (EI# 84-0985843)
			<u>Great-West Healthcare of Illinois, Inc.</u> (EI# 93-1174749, NAIC 95388, IL)
			<u>Cigna Healthcare, Inc.</u>
			<u>*Cigna Life Insurance Company of New York</u> (EI# 13-2556568, NAIC # 64548, NY)

*Connecticut General Life Insurance Company			
(EI# 06-0303370, NAIC # 62308, CT)			
CG Mystic Center LLC			
Station Landing LLC			
CG Mystic Land LLC			
CG Skyline, LLC			
Skyline ND/CG LLC			
Skyline Mezzanine Borrower, LLC			
Skyline at Station Landing, LLC			
Careallies, LLC			
CG Bayport LLC			
Bayport Colony Apartments LLC			
Cigna Onsite Health, LLC			
Gillette Ridge Community Council, Inc.			
Gillette Ridge Golf LLC			
Hazard Center Investment Company LLC			
Tel-Drug of Pennsylvania, LLC			
GRG Acquisitions LLC			
Cigna Affiliates Realty Investment Group, LLC			
(EI# 27-5402196, DE)			
CR Longwood Investors, LP			
ND/CR Longwood LLC			
ARE/ND/CR Longwood LLC			
Secon Properties, LP			
Transwestern Federal Holdings, L.L.C.			
Transwestern Federal, L.L.C.			
Market Street Residential Holdings LLC			
Arborpoint at Market Street LLC			
Diamondview Tower CM-CG LLC			
CR Washington Street Investors LP			
Dulles Town Center Mall, LLC			

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			<u>ND/CR Unicorn LLC</u>
			<u>Union Wharf Apartments LLC</u>
			<u>AMD Apartments Limited Partnership</u>
			<u>SP Newport Crossing LLC</u>
			<u>PUR Arbors Apartments Venture LLC</u>
			<u>CG Seventh Street, LLC</u>
			<u>Ideal Properties II LLC</u>
			<u>Alessandro Partners, LLC</u>
			<u>Mallory Square Partners I, LLC</u>
			<u>Houston Briar Forest Apartments Limited Partnership</u>
			<u>Newtown Partners II, LP</u>
			<u>Newtown Square GP LLC</u>
			<u>AFA Apartments Limited Partnership</u>
			<u>SB-SNH LLC</u>
			<u>680 Investors LLC</u>
			<u>685 New Hampshire LLC</u>
			<u>CGGL 18301 LLC</u>
			<u>222 Main Street Caring GP LLC</u>
			<u>222 Main Street Investors LP</u>
			<u>Notch 8 Residential, L.L.C.</u>
			<u>UVL, LLC</u>
			<u>3601 North Fairfax Drive Associates, LLC</u>
			CI Perris 151, LLC
			Lakehills CM - CG LLC
			Affiliated Hotel Subsidiary LLC
			CGGL 6280 LLC
			Berewick Apartments LLC
			CIG-LEI Ygnacio Associates LLC
			CGGL Orange Collection LLC
			CGGL Chapman LLC
			CGGL City Parkway LLC



			Heights at Bear Creek Venture LLC
		CORAC LLC	
			<u>Bridgepoint Office Park Associates, LLC</u> (EI# 27-3923999, DE)
			<u>Fairway Center Associates, LLC</u> (EI# 27-3126102, DE)
			<u>Henry on the Park Associates, LLC</u> (EI 27-3582688, DE)
			<u>*Cigna Health and Life Insurance Company</u> (EI # 59-1031071, NAIC # 67369, CT)
			<u>CarePlexus, LLC</u> (EI# 45-2681649; DE)
			<u>Cigna Corporate Services, LLC</u> (EI 27-3396038, DE)
			<u>Cigna Insurance Agency, LLC</u> (EI # 27-1903785, CT)
			<u>Ceres Sales of Ohio, LLC</u> (EI # 34-1970892, OH)
			<u>Central Reserve Life Insurance Company</u> (EI # 34-0970995, NAIC # 61727, OH)
			<u>Provident American Life &amp; Health Insurance Company</u> (EI # 23-1335885, NAIC # 67903, OH)
			<u>United Benefit Life Insurance Company</u> (EI # 75-2305400, NAIC # 65269, OH)
			<u>Loyal American Life Insurance Company</u> (EI # 63-0343428, NAIC # 65722, OH)
			<u>American Retirement Life Insurance Company</u> (EI # 59-2760189, NAIC # 88366, OH)
			<u>QualCare Alliance Networks, Inc.</u>
			<u>QualCare, Inc.</u>
			<u>Scibal Associates, Inc.</u>
			<u>QualCare Captive Insurance Company Inc., PCC</u>
			<u>QualCare Management Resources Limited Liability Company</u>
			<u>Health-Lynx, LLC</u>
			<u>Sterling Life Insurance Company</u> (EI # 13-1867829, NAIC # 77399, IL)
			<u>Olympic Health Management Sytesms, Inc.</u>
			<u>Olympic Health Management Services, Inc.</u>
			<u>WorldDoc, Inc.</u>
			<u>Cigna Health Management, Inc.</u> (EI# 23-1728483, DE)
			<u>Kronos Optimal Health Company</u> (20-8064696, AZ)

	<u>*Life Insurance Company of North America</u> <u>(EI# 23-1503749, NAIC # 65498, PA)</u>
	<u>*Cigna &amp; CMB Life Insurance Company Limited</u> <u>(remaining interest owned by an unaffiliated party)</u>
	<u>Cigna Direct Marketing Company, Inc.</u>
	<u>Tel-Drug, Inc.</u>
	<u>Cigna Global Wellbeing Holdings Limited</u>
	<u>Cigna Global Wellbeing Solutions Limited</u> <u>Vielife Services, Inc.</u>
	<u>CG Individual Tax Benefit Payments, Inc.</u>
	<u>CG Life Pension Benefits Payments, Inc.</u>
	<u>CG LINA Pension Benefits Payments, Inc.</u>
	<u>Cigna Federal Benefits, Inc.</u>
	<u>Cigna Healthcare Benefits, Inc.</u>
	<u>Cigna Integratedcare, Inc.</u>
	<u>Cigna Managed Care Benefits Company</u>
	<u>Cigna Re Corporation</u>
	<u>Blodget &amp; Hazard Limited</u>
	<u>Cigna Resource Manager, Inc.</u>
	<u>Connecticut General Benefit Payments, Inc.</u>
	<u>Healthsource Benefits, Inc.</u>
	<u>IHN, Inc.</u>
	<u>LINA Benefit Payments, Inc.</u>
	<u>Mediversal, Inc.</u>
	<u>Universal Claims Administration</u>
	<u>CareAllies, Inc.</u>
	<u>Cigna Global Holdings, Inc.</u>
	<u>Cigna International Corporation, Inc.</u>
	<u>Cigna International Services, Inc.</u>
	<u>Cigna International Marketing (Thailand) Limited</u>
	<u>CGO Participatos LTDA</u>
	<u>YCFM Servicos LTDA</u>
	<u>*Cigna Global Reinsurance Company, Ltd.</u>
	<u>Cigna Holdings Overseas, Inc.</u>

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