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# QUARTERLY STATEMENT

**As of June 30, 2018**

of the Condition and Affairs of the

# Universal Guaranty Life Insurance Company

| | | |
|---|---|---|
| NAIC Group Code..... 0, 0 (Current Period) (Prior Period) | NAIC Company Code..... 70130 | Employer's ID Number..... 31-0727974 |
| Organized under the Laws of OH | State of Domicile or Port of Entry OH | Country of Domicile US |
| Incorporated/Organized..... November 15, 1966 | Commenced Business..... December 31, 1966 | |

| | | |
|---|---|---|
| Statutory Home Office | 65 East State Street, Suite 2100 .. Columbus .. OH .. US .. 43215-4260<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | |
| Main Administrative Office | 5250 S 6th Street Rd .. Springfield .. IL .. US .. 62703-5158<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | 877-881-1777<br>*(Area Code) (Telephone Number)* |
| Mail Address | P.O. Box 13080 .. Springfield .. IL .. US .. 62791-3080<br>*(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)* | |
| Primary Location of Books and Records | 5250 S 6th Street Rd .. Springfield .. IL .. US .. 62703-5158<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | 877-881-1777<br>*(Area Code) (Telephone Number)* |
| Internet Web Site Address | www.utgins.com | |
| Statutory Statement Contact | Julie Ann Abel<br>*(Name)* | 217-241-6344<br>*(Area Code) (Telephone Number) (Extension)* |
| | accounting@utgins.com<br>*(E-Mail Address)* | 888-686-6567<br>*(Fax Number)* |

## OFFICERS

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

## OTHER

| | | | |
|---|---|---|---|
| Julie Ann Abel | Vice President | Jacob Joncarl Andrew | Chief Investment Officer |
| Michael Keith Borden | Chief Operating Officer | Jesse Thomas Correll | Chief Executive Officer |
| Casey Jonathan Willis | Vice President | Donald Shay Pendygraft | Vice President |
| Theodore Clayton Miller | Senior Vice President | Douglas Paul Ditto | Vice President |

## DIRECTORS OR TRUSTEES

| | | | |
|---|---|---|---|
| Randall Lanier Attkisson | Joseph Anthony Brinck II | Jesse Thomas Correll | Thomas Francis Darden II # |
| Howard Lape Dayton Jr | Thomas Eugene Harmon | Peter Loyd Ochs | James Patrick Rousey |
| Gabriel John Molnar | | | |

State of........ Kentucky
County of..... Lincoln

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

| | | |
|---|---|---|
| (Signature) | (Signature) | (Signature) |
| James Patrick Rousey | Theodore Clayton Miller | Julie Ann Abel |
| 1. (Printed Name) | 2. (Printed Name) | 3. (Printed Name) |
| President | Secretary/CFO | Treasurer |
| (Title) | (Title) | (Title) |

Subscribed and sworn to before me
This ________ day of ________________________

a. Is this an original filing? Yes [ X ] No [ ]
b. If no: 1. State the amendment number ________
2. Date filed ________
3. Number of pages attached ________

# ASSETS

| | Current Statement Date 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 December 31 Prior Year Net Admitted Assets |
|---|---|---|---|---|
| 1. Bonds | 162,323,716 | | 162,323,716 | 159,912,511 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | 5,520,358 | | 5,520,358 | 5,942,358 |
| 2.2 Common stocks | 71,545,322 | 5,000,000 | 66,545,322 | 47,840,505 |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | 15,085,559 | | 15,085,559 | 17,314,477 |
| 3.2 Other than first liens | | | 0 | |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less $..........0 encumbrances) | 582,343 | | 582,343 | 638,827 |
| 4.2 Properties held for the production of income (less $..........0 encumbrances) | | | 0 | |
| 4.3 Properties held for sale (less $..........0 encumbrances) | 21,342,495 | 470,048 | 20,872,447 | 19,078,883 |
| 5. Cash ($.....4,452,399), cash equivalents ($.....5,770,114) and short-term investments ($..........0) | 10,222,513 | | 10,222,513 | 24,679,095 |
| 6. Contract loans (including $..........0 premium notes) | 9,431,972 | | 9,431,972 | 9,559,142 |
| 7. Derivatives | | | 0 | |
| 8. Other invested assets | 51,893,309 | | 51,893,309 | 48,927,677 |
| 9. Receivables for securities | 1,030,344 | | 1,030,344 | 5,000,000 |
| 10. Securities lending reinvested collateral assets | | | 0 | |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 348,977,931 | 5,470,048 | 343,507,883 | 338,893,474 |
| 13. Title plants less $..........0 charged off (for Title insurers only) | | | 0 | |
| 14. Investment income due and accrued | 2,858,745 | | 2,858,745 | 2,990,721 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | (231,186) | | (231,186) | (236,280) |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums) | 740,333 | | 740,333 | 732,258 |
| 15.3 Accrued retrospective premiums ($..........0) and contracts subject to redetermination ($..........0) | | | 0 | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 97,433 | | 97,433 | 9,559 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 | |
| 16.3 Other amounts receivable under reinsurance contracts | 204,325 | | 204,325 | 225,523 |
| 17. Amounts receivable relating to uninsured plans | | | 0 | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 528,982 | | 528,982 | 528,982 |
| 18.2 Net deferred tax asset | | | 0 | |
| 19. Guaranty funds receivable or on deposit | 19,359 | | 19,359 | 31,553 |
| 20. Electronic data processing equipment and software | | | 0 | |
| 21. Furniture and equipment, including health care delivery assets ($..........0) | | | 0 | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | |
| 23. Receivables from parent, subsidiaries and affiliates | | | 0 | |
| 24. Health care ($..........0) and other amounts receivable | | | 0 | |
| 25. Aggregate write-ins for other than invested assets | 0 | 0 | 0 | 103,353 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25) | 353,195,922 | 5,470,048 | 347,725,874 | 343,279,143 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | |
| 28. Total (Lines 26 and 27) | 353,195,922 | 5,470,048 | 347,725,874 | 343,279,143 |

**DETAILS OF WRITE-INS**

| | | | | |
|---|---|---|---|---|
| 1101. | | | 0 | |
| 1102. | | | 0 | |
| 1103. | | | 0 | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 | 0 |
| 2501. Due from Unaffiliate | | | 0 | 103,353 |
| 2502. | | | 0 | |
| 2503. | | | 0 | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) | 0 | 0 | 0 | 103,353 |

# LIABILITIES, SURPLUS AND OTHER FUNDS

| | | 1<br>Current<br>Statement Date | 2<br>December 31<br>Prior Year |
|---|---|---|---|
| 1. | Aggregate reserve for life contracts $.....234,536,004 less $..........0 included in Line 6.3 (including $..........0 Modco Reserve) | 234,536,004 | 237,543,582 |
| 2. | Aggregate reserve for accident and health contracts (including $.........0 Modco Reserve) | 99,239 | 101,465 |
| 3. | Liability for deposit-type contracts (including $..........0 Modco Reserve) | 11,612,146 | 11,630,114 |
| 4. | Contract claims: | | |
| | 4.1 Life | 3,075,121 | 3,205,410 |
| | 4.2 Accident and health | 57,506 | 57,506 |
| 5. | Policyholders' dividends $..........0 and coupons $..........0 due and unpaid | | |
| 6. | Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts: | | |
| | 6.1 Dividends apportioned for payment (including $..........0 Modco) | 388,917 | 401,737 |
| | 6.2 Dividends not yet apportioned (including $..........0 Modco) | | |
| | 6.3 Coupons and similar benefits (including $..........0 Modco) | | |
| 7. | Amount provisionally held for deferred dividend policies not included in Line 6 | | |
| 8. | Premiums and annuity considerations for life and accident and health contracts received in advance less $..........0 discount; including $..........0 accident and health premiums | 31,177 | 22,092 |
| 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 | | 6,402 |
| | 9.3 Other amounts payable on reinsurance, including $..........0 assumed and $..........0 ceded | | |
| | 9.4 Interest Maintenance Reserve | 11,370,585 | 11,775,513 |
| 10. | Commissions to agents due or accrued - life and annuity contracts $..........0, accident and health $..........0 and deposit-type contract funds $..........0 | | |
| 11. | Commissions and expense allowances payable on reinsurance assumed | | |
| 12. | General expenses due or accrued | 3,296,126 | 3,367,909 |
| 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 | 568,259 | 590,167 |
| 15.1 | Current federal and foreign income taxes, including $..........0 on realized capital gains (losses) | | |
| 15.2 | Net deferred tax liability | 3,820,437 | 1,569,159 |
| 16. | Unearned investment income | 210,759 | 184,555 |
| 17. | Amounts withheld or retained by company as agent or trustee | 1,805,588 | 2,075,314 |
| 18. | Amounts held for agents' account, including $..........0 agents' credit balances | | |
| 19. | Remittances and items not allocated | | |
| 20. | Net adjustment in assets and liabilities due to foreign exchange rates | | |
| 21. | Liability for benefits for employees and agents if not included above | | |
| 22. | Borrowed money $..........0 and interest thereon $..........0 | | |
| 23. | Dividends to stockholders declared and unpaid | | |
| 24. | Miscellaneous liabilities: | | |
| | 24.01 Asset valuation reserve | 18,557,066 | 15,716,527 |
| | 24.02 Reinsurance in unauthorized and certified ($..........0) companies | | |
| | 24.03 Funds held under reinsurance treaties with unauthorized and certified ($..........0) reinsurers | | |
| | 24.04 Payable to parent, subsidiaries and affiliates | 107,022 | 182,229 |
| | 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 | 3,237 | 124,121 |
| | 24.10 Payable for securities lending | | |
| | 24.11 Capital notes $..........0 and interest thereon $..........0 | | |
| 25. | Aggregate write-ins for liabilities | 963 | 7,354 |
| 26. | Total liabilities excluding Separate Accounts business (Lines 1 to 25) | 289,540,152 | 288,561,156 |
| 27. | From Separate Accounts statement | | |
| 28. | Total liabilities (Lines 26 and 27) | 289,540,152 | 288,561,156 |
| 29. | Common capital stock | 2,000,000 | 2,000,000 |
| 30. | Preferred capital stock | | |
| 31. | Aggregate write-ins for other-than-special surplus funds | 0 | 0 |
| 32. | Surplus notes | | |
| 33. | Gross paid in and contributed surplus | 19,675,593 | 19,675,593 |
| 34. | Aggregate write-ins for special surplus funds | 0 | 0 |
| 35. | Unassigned funds (surplus) | 36,510,129 | 33,042,394 |
| 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) | 56,185,722 | 52,717,987 |
| 38. | Totals of Lines 29, 30 and 37 | 58,185,722 | 54,717,987 |
| 39. | Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) | 347,725,874 | 343,279,143 |

**DETAILS OF WRITE-INS**

| | | | |
|---|---|---|---|
| 2501. | Due to Unaffiliates | 963 | 7,354 |
| 2502. | | | |
| 2503. | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 |
| 2599. | Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) | 963 | 7,354 |
| 3101. | | | |
| 3102. | | | |
| 3103. | | | |
| 3198. | Summary of remaining write-ins for Line 31 from overflow page | 0 | 0 |
| 3199. | Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above) | 0 | 0 |
| 3401. | | | |
| 3402. | | | |
| 3403. | | | |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | 0 | 0 |
| 3499. | Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above) | 0 | 0 |

# SUMMARY OF OPERATIONS

| | 1 Current Year to Date | 2 Prior Year to Date | 3 Prior Year Ended December 31 |
|---|---|---|---|
| 1. Premiums and annuity considerations for life and accident and health contracts | 2,798,892 | 3,036,120 | 5,638,388 |
| 2. Considerations for supplementary contracts with life contingencies | | | |
| 3. Net investment income | 6,588,552 | 5,601,120 | 12,168,447 |
| 4. Amortization of Interest Maintenance Reserve (IMR) | 520,132 | 505,960 | 1,044,614 |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | | | |
| 6. Commissions and expense allowances on reinsurance ceded | 83,390 | 90,572 | 167,360 |
| 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 | 150,069 | 182,245 | 354,264 |
| 9. Totals (Lines 1 to 8.3) | 10,141,035 | 9,416,017 | 19,373,073 |
| 10. Death benefits | 6,470,130 | 7,792,524 | 12,373,274 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | 151,565 | 145,911 | 250,781 |
| 12. Annuity benefits | 240,185 | 233,446 | 303,914 |
| 13. Disability benefits and benefits under accident and health contracts | 11,692 | 3,196 | 24,514 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | | 64 | |
| 15. Surrender benefits and withdrawals for life contracts | 2,330,943 | 2,511,262 | 4,937,073 |
| 16. Group conversions | | | |
| 17. Interest and adjustments on contract or deposit-type contract funds | 226,228 | 237,483 | 468,308 |
| 18. Payments on supplementary contracts with life contingencies | 67,499 | 74,486 | 139,376 |
| 19. Increase in aggregate reserves for life and accident and health contracts | (3,016,206) | (3,403,120) | (5,666,637) |
| 20. Totals (Lines 10 to 19) | 6,482,036 | 7,595,252 | 12,830,603 |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) | 6,745 | 7,549 | 14,480 |
| 22. Commissions and expense allowances on reinsurance assumed | 189 | 5,939 | 170,245 |
| 23. General insurance expenses | 3,774,698 | 3,678,405 | 7,769,642 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes | 120,750 | 82,583 | 269,507 |
| 25. Increase in loading on deferred and uncollected premiums | 23,425 | 10,964 | (40,751) |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | | | |
| 27. Aggregate write-ins for deductions | 0 | 0 | 0 |
| 28. Totals (Lines 20 to 27) | 10,407,843 | 11,380,692 | 21,013,726 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | (266,808) | (1,964,675) | (1,640,653) |
| 30. Dividends to policyholders | 211,470 | 208,745 | 350,014 |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | (478,278) | (2,173,420) | (1,990,667) |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) | | | (1,729,619) |
| 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) | (478,278) | (2,173,420) | (261,048) |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $..........0 (excluding taxes of $..........0 transferred to the IMR) | 434,242 | 301,259 | 5,617,531 |
| 35. Net income (Line 33 plus Line 34) | (44,036) | (1,872,161) | 5,356,483 |
| **CAPITAL AND SURPLUS ACCOUNT** | | | |
| 36. Capital and surplus, December 31, prior year | 54,717,987 | 45,167,092 | 45,167,092 |
| 37. Net income (Line 35) | (44,036) | (1,872,161) | 5,356,483 |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of $..........0 | 12,307,545 | 43,376 | 4,004,503 |
| 39. Change in net unrealized foreign exchange capital gain (loss) | | | |
| 40. Change in net deferred income tax | 993,765 | 307,355 | 1,032,036 |
| 41. Change in nonadmitted assets | (4,449,000) | 629,951 | 1,310,780 |
| 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 | (2,840,539) | (1,063,075) | (1,173,157) |
| 45. Change in treasury stock | | | |
| 46. Surplus (contributed to) withdrawn from Separate Accounts during period | | | |
| 47. Other changes in surplus in Separate Accounts Statement | | | |
| 48. Change in surplus notes | | | |
| 49. Cumulative effect of changes in accounting principles | | | |
| 50. Capital changes: | | | |
| 50.1 Paid in | | | |
| 50.2 Transferred from surplus (Stock Dividend) | | | |
| 50.3 Transferred to surplus | | | |
| 51. Surplus adjustment: | | | |
| 51.1 Paid in | | | 1,020,250 |
| 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 | (2,500,000) | (2,000,000) | (2,000,000) |
| 53. Aggregate write-ins for gains and losses in surplus | 0 | 0 | 0 |
| 54. Net change in capital and surplus (Lines 37 through 53) | 3,467,735 | (3,954,554) | 9,550,895 |
| 55. Capital and surplus as of statement date (Lines 36 + 54) | 58,185,722 | 41,212,538 | 54,717,987 |

**DETAILS OF WRITE-INS**

| | 1 | 2 | 3 |
|---|---|---|---|
| 08.301. Reinsurance Experience Refunds | | | 416 |
| 08.302. Miscellaneous | 1,904 | 9,790 | 18,597 |
| 08.303. Third Party Administration Income | 148,165 | 172,455 | 335,251 |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | 0 | 0 | 0 |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) | 150,069 | 182,245 | 354,264 |
| 2701. | | | |
| 2702. | | | |
| 2703. | | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | 0 | 0 | 0 |
| 2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) | 0 | 0 | 0 |
| 5301. | | | |
| 5302. | | | |
| 5303. | | | |
| 5398. Summary of remaining write-ins for Line 53 from overflow page | 0 | 0 | 0 |
| 5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above) | 0 | 0 | 0 |

# CASH FLOW

| | | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year Ended<br>December 31 |
|---|---|---|---|---|
| | **CASH FROM OPERATIONS** | | | |
| 1. | Premiums collected net of reinsurance | 2,771,205 | 2,903,332 | 5,570,657 |
| 2. | Net investment income | 7,005,277 | 6,247,348 | 12,792,280 |
| 3. | Miscellaneous income | 233,459 | 272,817 | 521,624 |
| 4. | Total (Lines 1 through 3) | 10,009,941 | 9,423,497 | 18,884,561 |
| 5. | Benefit and loss related payments | 9,735,225 | 10,250,157 | 18,427,773 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 3,996,073 | 4,044,833 | 7,979,702 |
| 8. | Dividends paid to policyholders | 224,290 | 221,200 | 370,847 |
| 9. | Federal and foreign income taxes paid (recovered) net of $..........0 tax on capital gains (losses) | | | (132,911) |
| 10. | Total (Lines 5 through 9) | 13,955,588 | 14,516,190 | 26,645,411 |
| 11. | Net cash from operations (Line 4 minus Line 10) | (3,945,647) | (5,092,693) | (7,760,850) |
| | **CASH FROM INVESTMENTS** | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | | |
| | 12.1 Bonds | 12,881,865 | 9,585,459 | 28,724,371 |
| | 12.2 Stocks | 422,000 | 2,107,514 | 7,329,943 |
| | 12.3 Mortgage loans | 2,240,015 | 562,793 | 1,840,609 |
| | 12.4 Real estate | 3,269,962 | 1,298,901 | 8,139,728 |
| | 12.5 Other invested assets | 6,143,059 | 3,428,662 | 6,487,355 |
| | 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | | 11 |
| | 12.7 Miscellaneous proceeds | 3,969,656 | 181,758 | 123,387 |
| | 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 28,926,557 | 17,165,087 | 52,645,404 |
| 13. | Cost of investments acquired (long-term only): | | | |
| | 13.1 Bonds | 15,304,506 | 7,141,692 | 15,615,699 |
| | 13.2 Stocks | 8,629,540 | 460,568 | 1,580,171 |
| | 13.3 Mortgage loans | | 354,306 | 360,531 |
| | 13.4 Real estate | 4,279,314 | 80,624 | 1,080,608 |
| | 13.5 Other invested assets | 8,526,746 | 5,760,429 | 8,932,521 |
| | 13.6 Miscellaneous applications | 120,884 | | 5,000,000 |
| | 13.7 Total investments acquired (Lines 13.1 to 13.6) | 36,860,990 | 13,797,619 | 32,569,530 |
| 14. | Net increase or (decrease) in contract loans and premium notes | (127,170) | (305,406) | (510,992) |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | (7,807,264) | 3,672,874 | 20,586,866 |
| | **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 | | | 1,020,250 |
| | 16.3 Borrowed funds | | | |
| | 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | | |
| | 16.5 Dividends to stockholders | 2,500,000 | 2,000,000 | 2,000,000 |
| | 16.6 Other cash provided (applied) | (203,671) | (949,982) | (1,322,712) |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) | (2,703,671) | (2,949,982) | (2,302,462) |
| | **RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS** | | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17) | (14,456,582) | (4,369,800) | 10,523,553 |
| 19. | Cash, cash equivalents and short-term investments: | | | |
| | 19.1 Beginning of year | 24,679,095 | 14,155,541 | 14,155,541 |
| | 19.2 End of period (Line 18 plus Line 19.1) | 10,222,513 | 9,785,741 | 24,679,095 |

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

| | | | | |
|---|---|---|---|---|
| 20.0001 | | | | |

# EXHIBIT 1

## DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

| | 1<br>Current Year<br>To Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year<br>Ended December 31 |
|---|---|---|---|
| 1. Industrial life | 88,295 | 100,074 | 190,719 |
| 2. Ordinary life insurance | 3,974,614 | 4,169,947 | 7,997,833 |
| 3. Ordinary individual annuities | 117,007 | 126,050 | 230,774 |
| 4. Credit life (group and individual) | | | |
| 5. Group life insurance | 55,835 | 61,443 | 117,244 |
| 6. Group annuities | | | |
| 7. A&H - group | | | |
| 8. A&H - credit (group and individual) | | | |
| 9. A&H - other | 5,580 | 9,146 | 17,803 |
| 10. Aggregate of all other lines of business | 0 | 0 | 0 |
| 11. Subtotal | 4,241,331 | 4,466,660 | 8,554,373 |
| 12. Deposit-type contracts | | | |
| 13. Total | 4,241,331 | 4,466,660 | 8,554,373 |

**DETAILS OF WRITE-INS**

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

# NOTES TO FINANCIAL STATEMENTS

**Note 1 – Summary of Significant Accounting Policies and Going Concern**

A. Accounting Practices

| | SSAP # | F/S Page | F/S Line # | 2018 Period | 2017 |
|---|---|---|---|---|---|
| **NET INCOME** | | | | | |
| (1) Universal Guaranty Life Insurance Company Company state basis (Page 4, Line 35, Columns 1 & 3) | XXX | XXX | XXX | $ (44,036) | $ 5,356,483 |
| (2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP | | | | | |
| | | | | $ | $ |
| (3) State Permitted Practices that are an increase/(decrease) from NAIC SAP | | | | | |
| | | | | $ | $ |
| (4) NAIC SAP (1 – 2 – 3 = 4) | XXX | XXX | XXX | $ (44,036) | $ 5,356,483 |
| **SURPLUS** | | | | | |
| (5) Universal Guaranty Life Insurance Company Company state basis (Page 3, line 38, Columns 1 & 2) | XXX | XXX | XXX | $ 58,185,722 | $ 54,717,987 |
| (6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP | | | | | |
| | | | | $ | $ |
| (7) State Permitted Practices that are an increase/(decrease) from NAIC SAP | | | | | |
| | | | | $ | $ |
| (8) NAIC SAP (5 – 6 – 7 = 8) | XXX | XXX | XXX | $ 58,185,722 | $ 54,717,987 |

B. Accounting Policy
No significant changes.

D. Going Concern
The company is expected to continue as a going concern.

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

No significant changes.

**Note 3 – Business Combinations and Goodwill**

No significant changes.

**Note 4 – Discontinued Operations**

No significant changes.

**Note 5 – Investments**

D. Loan-Backed Securities

None.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

None.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

None.

H. Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Taker – Overview of Sale Transactions

None.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions

None.

M. Working Capital Finance Investments

None.

N. Offsetting and Netting of Assets and Liabilities

None.

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

No significant changes.

**Note 7 – Investment Income**

No significant changes.

**Note 8 – Derivative Instruments**

None.

**Note 9 – Income Taxes**

No significant changes.

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

No significant changes.

**Note 11 – Debt**

B. FHLB (Federal Home Loan Bank) Agreements

(1) Information on the Nature of the Agreement

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

| | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Separate<br>Accounts |
|---|---|---|---|
| (a) Membership Stock – Class A | $ | $ | $ |
| (b) Membership Stock – Class B | 411,935 | 411,935 | |
| (c) Activity Stock | | | |
| (d) Excess Stock | 128,965 | 128,965 | |
| (e) Aggregate Total (a+b+c+d) | $ 540,900 | $ 540,900 | $ |
| (f) Actual or estimated borrowing capacity as determined by the insurer | | XXX | XXX |

2. Prior Year

| | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Separate<br>Accounts |
|---|---|---|---|
| (a) Membership Stock – Class A | $ | $ | $ |
| (b) Membership Stock – Class B | 405,278 | 405,278 | |
| (c) Activity Stock | | | |
| (d) Excess Stock | 135,622 | 135,622 | |
| (e) Aggregate Total (a+b+c+d) | $ 540,900 | $ 540,900 | $ |
| (f) Actual or estimated borrowing capacity as determined by the insurer | 6,448,260 | XXX | XXX |

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

| | 1 | 2 | Eligible for Redemption | | | |
|---|---|---|---|---|---|---|
| Membership Stock | Current Year Total (2+3+4+5+6) | Not Eligible for Redemption | 3<br>Less than 6 Months | 4<br>6 Months to Less Than 1 Year | 5<br>1 to Less Than 3 Years | 6<br>3 to 5 Years |
| 1. Class A | $ | $ | $ | $ | $ | $ |
| 2. Class B | $ 411,935 | $ | $ | $ | $ | $ 411,935 |

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

| | 1<br>Fair Value | 2<br>Carrying Value | 3<br>Aggregate Total Borrowing |
|---|---|---|---|
| Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3) | $ 6,270,005 | $ 6,012,662 | $ |
| Current Year General Account Total Collateral Pledged | 6,270,005 | 6,012,662 | |
| Current Year Separate Accounts Total Collateral Pledged | | | |
| Prior Year Total General and Separate Accounts Total Collateral Pledged | $ 5,055,700 | $ 4,591,257 | $ |

b. Maximum Amount Pledged During Reporting Period

# NOTES TO FINANCIAL STATEMENTS

| | 1<br>Fair Value | 2<br>Carrying Value | 3<br>Amount of Borrowed at Time of Maximum Collateral |
|---|---|---|---|
| Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3) | $ 6,270,005 | $ 6,012,662 | $ |
| Current Year General Account Total Collateral Pledged | 6,270,005 | 6,012,662 | |
| Current Year Separate Accounts Total Collateral Pledged | | | |
| Prior Year Total General and Separate Accounts Total Collateral Pledged | $ 5,055,700 | $ 4,591,257 | $ |

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

| | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Separate<br>Accounts | 4<br>Funding Agreements Reserves Established |
|---|---|---|---|---|
| (a) Debt | $ | $ | $ | XXX |
| (b) Funding Agreements | | | | $ |
| (c) Other | | | | XXX |
| (d) Aggregate Total (a+b+c) | $ | $ | $ | $ |

2. Prior Year

| | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Separate<br>Accounts | 4<br>Funding Agreements Reserves Established |
|---|---|---|---|---|
| (a) Debt | $ | $ | $ | XXX |
| (b) Funding Agreements | | | | $ |
| (c) Other | | | | XXX |
| (d) Aggregate Total (a+b+c) | $ | $ | $ | $ |

b. Maximum Amount During Reporting Period (Current Year)

| | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Separate<br>Accounts |
|---|---|---|---|
| 1. Debt | | | |
| 2. Funding Agreements | | | |
| 3. Other | | | |
| 4. Aggregate Total (Lines 1+2+3) | | | |

c. FHLB – Prepayment Obligations

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

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

The Company has no retirement plans, deferred compensation, postemployment benefits, compensated absences, or other postretirement benefit plans the require disclosure in Note 12.

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

No significant changes.

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

No significant changes.

**Note 15 – Leases**

No significant changes.

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

No significant changes.

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

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

# NOTES TO FINANCIAL STATEMENTS

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

No significant changes.

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

No significant changes.

**Note 20 – Fair Value Measurements**

A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

| | Level 1 | Level 2 | Level 3 | Total | Net Asset Value (NAV) Included in Level 2 |
|---|---|---|---|---|---|
| Assets at Fair Value | | | | | |
| Bonds | $ 10,976,863 | $ 163,150,537 | $ 449,359 | $ 174,576,759 | $ |
| Common Stock | $ 37,302,109 | $ 10,343,283 | $ 23,899,931 | $ 71,545,323 | $ |
| Other Invested Assets | $ | $ | $ 51,893,309 | $ 51,893,309 | $ |
| Total | $ 48,278,972 | $ 173,493,820 | $ 76,242,599 | $ 298,015,391 | $ |
| Liabilities at Fair Value | | | | | |
| | $ | $ | $ | $ | $ |
| Total | $ | $ | $ | $ | $ |

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

| | Beginning Balance at 1/1/2018 | Transfers Into Level 3 | Transfers Out of Level 3 | Total Gains and (Losses) Included in Net Income | Total Gains and (Losses) Included in Surplus | Purchases | Issuances | Sales | Settle-ments | Ending Balance at 12/31/2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| a. Assets | | | | | | | | | | |
| Bonds | $ 478,389 | $ | $ | $ | $ (29,030) | $ | $ | $ | $ | $ 449,359 |
| Common Stock | $ 21,084,945 | $ | $ | $ | $ 2,814,986 | $ | $ | $ | $ | $ 23,899,931 |
| Other Invested Assets | $ 49,180,238 | $ | $ | $ | $ 329,383 | $ 8,526,746 | $ | $ (6,143,058) | $ | $ 51,893,309 |
| Total | $ 70,743,572 | $ | $ | $ | $ 3,115,339 | $ 8,526,746 | $ | $ (6,143,058) | $ | $ 76,242,599 |
| b. Liabilities | | | | | | | | | | |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Total | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |

(3) Policies when Transfers Between Levels are Recognized

There were no transfers into Level 3 and no transfers out of Level 3 as of June 30, 2018. Transfer occur when there is a lack of observable market information.

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement
Level 1 - Valuation is based upon quoted prices for identical assets or liabilities in active markets that the Company is able to access. Level 1 fair value is not subject to valuation adjustments.

Level 2 - Valuation is based upon quoted prices for similar assets and liabilities in active markets or quoted prices for identical or similar instruments in markets that are not active. In addition, the Company may use various valuation techniques or pricing models that use observable inputs to measure fair value.

Level 3 - Valuation is based upon unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Unobservable inputs reflect the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability.

(5) Fair Value Disclosures
The Company has no derivative assets or liabilities as of June 30, 2018.

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not applicable.

C. Fair Value Level

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practicable (Carrying Value) | Net Asset Value (NAV) Included in Level 2 |
|---|---|---|---|---|---|---|---|
| Bonds | $ 174,576,759 | $ 162,323,716 | $ 10,976,863 | $ 163,150,537 | $ 449,359 | $ | $ |
| Preferred stock | $ 5,520,358 | $ 5,520,358 | $ | $ | $ 5,520,358 | $ | $ |
| Common stock | $ 77,065,680 | $ 71,545,322 | $ 37,302,109 | $ 10,343,283 | $ 23,899,931 | $ | $ |
| Mortgage loans | $ 15,085,559 | $ 15,085,559 | $ | $ | $ 15,085,559 | $ | $ |
| Real estate | $ 21,924,839 | $ 21,924,839 | $ | $ | $ | $ 21,924,839 | $ |
| Cash | $ 10,222,513 | $ 10,222,513 | $ 10,222,513 | $ | $ | $ | $ |
| Contract loans | $ 9,431,972 | $ 9,431,972 | $ | $ | $ 9,431,972 | $ | $ |
| Other invested assets | $ 51,893,309 | $ 51,893,309 | $ | $ | $ 51,893,309 | $ | $ |

D. Not Practicable to Estimate Fair Value

None.

**Note 21 – Other Items**

# NOTES TO FINANCIAL STATEMENTS

No significant changes.

**Note 22 – Events Subsequent**

No significant changes.

**Note 23 – Reinsurance**

No significant changes.

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

E. Risk Sharing Provisions of the Affordable Care Act

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

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

None.

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

None.

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

None.

(5) ACA Risk Corridors Receivable as of Reporting Date

None.

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

A. Change in Incurred Losses and Loss Adjustment Expenses

None.

B. Information about Significant Changes in Methodologies and Assumptions

None.

**Note 26 – Intercompany Pooling Arrangements**

No significant changes.

**Note 27 – Structured Settlements**

No significant changes.

**Note 28 – Health Care Receivables**

No significant changes.

**Note 29 – Participating policies**

No significant changes.

**Note 30 – Premium Deficiency Reserves**

No significant changes.

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

No significant changes.

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

No significant changes.

**Note 33 – Premium and Annuity Considerations Deferred and Uncollected**

No significant changes.

**Note 34 – Separate Accounts**

No significant changes.

**Note 35 – Loss/Claim Adjustment Expenses**

# NOTES TO FINANCIAL STATEMENTS

No significant changes.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ X ]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]

2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ X ] No [ ]
If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ X ]

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

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ X ] No [ ]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 832480

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation. Yes [ ] No [X] N/A [ ]

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/15/2016

6.4 By what department or departments?
Ohio Department of Insurance

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ X ] No [ ] N/A [ ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ X ] No [ ] N/A [ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ X ] No [ ]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
First Southern Bancorp, Inc.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ X ] No [ ]

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

| 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---|---|---|---|---|---|
| First Southern National Bank | Stanford, KY | | YES | | |

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]

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

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

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

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

(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]

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

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]

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

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [ X ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

### INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [ X ]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 7,092,743

13. Amount of real estate and mortgages held in short-term investments: $ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ X ] No [ ]

14.2 If yes, please complete the following:

| | | 1<br>Prior Year End Book/Adjusted Carrying Value | 2<br>Current Quarter Book/Adjusted Carrying Value |
|---|---|---|---|
| 14.21 | Bonds | $ 0 | $ 0 |
| 14.22 | Preferred Stock | 4,000,000 | 4,000,000 |
| 14.23 | Common Stock | 4,907,386 | 4,784,256 |
| 14.24 | Short-Term Investments | 0 | 0 |
| 14.25 | Mortgage Loans on Real Estate | 0 | 0 |
| 14.26 | All Other | 7,632,227 | 7,386,607 |
| 14.27 | Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | $ 16,539,613 | $ 16,170,863 |
| 14.28 | Total Investment in Parent included in Lines 14.21 to 14.26 above | $ 0 | $ 0 |

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]

If no, attach a description with this statement.

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

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

16.3 Total payable for securities lending reported on the liability page: $ 0

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

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

| 1<br>Name of Custodian(s) | 2<br>Custodian Address |
|---|---|
| TD Ameritrade | PO Box 2209, Omaha, NE 68103 |
| The Federal Home Loan Bank of Cincinnati | PO Box 598, Cincinnati, OH 45201 |
| Charles Schwab | 211 Main Street, San Francisco, CA 94105 |
| Hilliard Lyons | 446 East Main Street, Bowling Green, KY 42101 |
| Goldman Sachs Execution & Clearing, LP | 200 West Street, 2nd Floor, New York, NY 10282 |

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [ X ]

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

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

17.5 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<br>Name of Firm or Individual | 2<br>Affiliation |
|---|---|
| | |

17.5097 For those firms/individuals listed in the table for Question 17.5, 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 [ ]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [ ] No [ ]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1<br>Central Registration Depository Number | 2<br>Name of Firm or Individual | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment Management Agreement (IMA) Filed |
|---|---|---|---|---|
| | | | | |

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

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

18.2 If no, list exceptions:

19. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:
    a. Documentation necessary to permit a full credit analysis of the security does not exist.
    b. Issuer or obligor is current on all contracted interest and principal payments.
    c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

    Has the reporting entity self-designated 5*GI securities? Yes [ ] No [ X ]

# GENERAL INTERROGATORIES (continued)

## PART 2 - LIFE & HEALTH

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

| | | Amount |
|---|---|---|
| 1.1 | Long-term mortgages in good standing | |
| 1.11 | Farm mortgages | $432,220 |
| 1.12 | Residential mortgages | $19,439 |
| 1.13 | Commercial mortgages | $11,458,361 |
| 1.14 | Total mortgages in good standing | $11,910,020 |
| 1.2 | Long-term mortgages in good standing with restructured terms | |
| 1.21 | Total mortgages in good standing with restructured terms | $ |
| 1.3 | Long-term mortgage loans upon which interest is overdue more than three months | |
| 1.31 | Farm mortgages | $ |
| 1.32 | Residential mortgages | $1,223,852 |
| 1.33 | Commercial mortgages | $ |
| 1.34 | Total mortgages with interest overdue more than three months | $1,223,852 |
| 1.4 | Long-term mortgage loans in process of foreclosure | |
| 1.41 | Farm mortgages | $ |
| 1.42 | Residential mortgages | $1,951,687 |
| 1.43 | Commercial mortgages | $ |
| 1.44 | Total mortgages in process of foreclosure | $1,951,687 |
| 1.5 | Total mortgage loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2) | $15,085,559 |
| 1.6 | Long-term mortgages foreclosed, properties transferred to real estate in current quarter | |
| 1.61 | Farm mortgages | $ |
| 1.62 | Residential mortgages | $ |
| 1.63 | Commercial mortgages | $ |
| 1.64 | Total mortgages foreclosed and transferred to real estate | $0 |

2. Operating Percentages:

| | | |
|---|---|---|
| 2.1 | A&H loss percent | |
| 2.2 | A&H cost containment percent | |
| 2.3 | A&H expense percent excluding cost containment expenses | |

| | | | |
|---|---|---|---|
| 3.1 | Do you act as a custodian for health savings accounts? | Yes [ ] | No [ X ] |
| 3.2 | If yes, please provide the amount of custodial funds held as of the reporting date | $ | |
| 3.3 | Do you act as an administrator for health savings accounts? | Yes [ ] | No [ X ] |
| 3.4 | If yes, please provide the balance of the funds administered as of the reporting date | $ | |
| 4. | Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? | Yes [ X ] | No [ ] |
| 4.1 | If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile or the reporting entity? | Yes [ ] | No [ ] |

# SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

| 1<br>NAIC Company Code | 2<br>ID Number | 3<br>Effective Date | 4<br>Name of Reinsurer | 5<br>Domiciliary Jurisdiction | 6<br>Type of Reinsurance Ceded | 7<br>Type of Reinsurer | 8<br>Certified Reinsurer Rating (1 through 6) | 9<br>Effective Date of Certified Reinsurer Rating |
|---|---|---|---|---|---|---|---|---|

**NONE**

# SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

| | 1 | Direct Business Only | | | | | |
|---|---|---|---|---|---|---|---|
| | | Life Contracts | | 4 | 5 | 6 | 7 |
| | | 2 | 3 | | | | |
| States, Etc. | Active Status (a) | Life Insurance Premiums | Annuity Considerations | A&H Insurance Premiums, Including Policy Membership and Other Fees | Other Considerations | Total Columns 2 through 5 | Deposit-Type Contracts |
| 1. Alabama AL | L | 23,629 | 430 | | | 24,059 | |
| 2. Alaska AK | N | 538 | 40 | | | 578 | |
| 3. Arizona AZ | L | 9,090 | 600 | 42 | | 9,732 | |
| 4. Arkansas AR | L | 67,746 | 190 | | | 67,936 | |
| 5. California CA | N | 12,044 | 367 | | | 12,411 | |
| 6. Colorado CO | L | 23,703 | 608 | 74 | | 24,385 | |
| 7. Connecticut CT | N | 1,219 | 400 | | | 1,619 | |
| 8. Delaware DE | L | 934 | | | | 934 | |
| 9. District of Columbia DC | N | 1,231 | | | | 1,231 | |
| 10. Florida FL | N | 133,818 | 1,908 | 93 | | 135,819 | |
| 11. Georgia GA | L | 49,119 | 120 | 54 | | 49,293 | |
| 12. Hawaii HI | N | 875 | | | | 875 | |
| 13. Idaho ID | L | 2,152 | | | | 2,152 | |
| 14. Illinois IL | L | 610,493 | 33,304 | 6 | | 643,803 | |
| 15. Indiana IN | L | 101,246 | 6,802 | 2,197 | | 110,245 | |
| 16. Iowa IA | L | 112,143 | 16,852 | | | 128,995 | |
| 17. Kansas KS | L | 216,680 | 1,190 | (2,026) | | 215,844 | |
| 18. Kentucky KY | L | 29,754 | 687 | 277 | | 30,718 | |
| 19. Louisiana LA | L | 126,270 | 1,400 | | | 127,670 | |
| 20. Maine ME | N | 69 | | | | 69 | |
| 21. Maryland MD | N | 5,711 | 605 | 241 | | 6,557 | |
| 22. Massachusetts MA | L | 1,624 | 80 | | | 1,704 | |
| 23. Michigan MI | N | 79,708 | 931 | 84 | | 80,723 | |
| 24. Minnesota MN | L | 6,252 | 42 | | | 6,294 | |
| 25. Mississippi MS | L | 90,067 | 430 | | | 90,497 | |
| 26. Missouri MO | L | 128,499 | 8,218 | 11 | | 136,728 | |
| 27. Montana MT | L | 20,351 | 80 | | | 20,431 | |
| 28. Nebraska NE | L | 31,542 | 2,048 | | | 33,590 | |
| 29. Nevada NV | L | 3,805 | | | | 3,805 | |
| 30. New Hampshire NH | N | | | | | 0 | |
| 31. New Jersey NJ | N | 2,588 | 691 | | | 3,279 | |
| 32. New Mexico NM | L | 12,539 | 693 | | | 13,232 | |
| 33. New York NY | N | 4,893 | 93 | | | 4,986 | |
| 34. North Carolina NC | L | 70,686 | 1,140 | 65 | | 71,891 | |
| 35. North Dakota ND | L | (100) | | 74 | | (26) | |
| 36. Ohio OH | L | 1,103,124 | 13,077 | 101 | | 1,116,302 | |
| 37. Oklahoma OK | L | 101,029 | 1,568 | 29 | | 102,626 | |
| 38. Oregon OR | L | 3,714 | | | | 3,714 | |
| 39. Pennsylvania PA | L | 98,959 | 7,050 | | | 106,009 | |
| 40. Rhode Island RI | L | 219 | | | | 219 | |
| 41. South Carolina SC | L | 74,501 | 60 | | | 74,561 | |
| 42. South Dakota SD | L | 669 | 33 | 10 | | 712 | |
| 43. Tennessee TN | L | 75,955 | 371 | 125 | | 76,451 | |
| 44. Texas TX | L | 322,871 | 10,973 | | | 333,844 | |
| 45. Utah UT | L | 2,887 | 160 | | | 3,047 | |
| 46. Vermont VT | N | 50 | | | | 50 | |
| 47. Virginia VA | L | 63,576 | 1,187 | | | 64,763 | |
| 48. Washington WA | L | 7,107 | 149 | | | 7,256 | |
| 49. West Virginia WV | L | 239,119 | 1,550 | 4,123 | | 244,792 | |
| 50. Wisconsin WI | L | 11,451 | 840 | | | 12,291 | |
| 51. Wyoming WY | N | 1,556 | 40 | | | 1,596 | |
| 52. American Samoa AS | N | | | | | 0 | |
| 53. Guam GU | N | 118 | | | | 118 | |
| 54. Puerto Rico PR | N | | | | | 0 | |
| 55. US Virgin Islands VI | N | | | | | 0 | |
| 56. Northern Mariana Islands MP | N | | | | | 0 | |
| 57. Canada CAN | N | | | | | 0 | |
| 58. Aggregate Other Alien OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Subtotal | XXX | 4,087,823 | 117,007 | 5,580 | 0 | 4,210,410 | 0 |
| 90. Reporting entity contributions for employee benefit plans | XXX | | | | | 0 | |
| 91. Dividends or refunds applied to purchase paid-up additions and annuities | XXX | 57,357 | | | | 57,357 | |
| 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 | 22,194 | | | | 22,194 | |
| 94. Aggregate other amounts not allocable by State | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 95. Totals (Direct Business) | XXX | 4,167,374 | 117,007 | 5,580 | 0 | 4,289,961 | 0 |
| 96. Plus Reinsurance Assumed | XXX | | | | | | |
| 97. Totals (All Business) | XXX | 4,167,374 | 117,007 | 5,580 | 0 | 4,289,961 | 0 |
| 98. Less Reinsurance Ceded | XXX | 1,503,716 | | | | 1,503,716 | |
| 99. Totals (All Business) less Reinsurance Ceded | XXX | 2,663,658 | 117,007 | 5,580 | 0 | 2,786,245 | 0 |
| **DETAILS OF WRITE-INS** | | | | | | | |
| 58001. | XXX | | | | | 0 | |
| 58002. | XXX | | | | | 0 | |
| 58003. | XXX | | | | | 0 | |
| 58998. Summary of remaining write-ins for line 58 from overflow page | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 9401. | XXX | | | | | 0 | |
| 9402. | XXX | | | | | 0 | |
| 9403. | XXX | | | | | 0 | |
| 9498. Summary of remaining write-ins for line 94 from overflow page | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 |

(a) Active Status Count

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG: 37

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state: 0

R - Registered - Non-domiciled RRGs: 0

Q - Qualified - Qualified or accredited reinsurer: 0

N - None of the above - Not allowed to write business in the state: 20

# Sch. Y - Pt. 1
# NONE

# Sch. Y - Pt. 1A
# NONE

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

**Explanations:**

1. The data for this supplement is not required to be filed.
2. The data for this supplement is not required to be filed.
3. The data for this supplement is not required to be filed.
4. The data for this supplement is not required to be filed.
5. The data for this supplement is not required to be filed.
6. The data for this supplement is not required to be filed.
7. The data for this supplement is not required to be filed.

**Bar Code:**

* 7 0 1 3 0 2 0 1 8 4 9 0 0 0 0 0 2 *

* 7 0 1 3 0 2 0 1 8 3 6 5 0 0 0 0 2 *

* 7 0 1 3 0 2 0 1 8 4 4 5 0 0 0 0 2 *

* 7 0 1 3 0 2 0 1 8 4 4 6 0 0 0 0 2 *

* 7 0 1 3 0 2 0 1 8 4 4 7 0 0 0 0 2 *

* 7 0 1 3 0 2 0 1 8 4 4 8 0 0 0 0 2 *

* 7 0 1 3 0 2 0 1 8 4 4 9 0 0 0 0 2 *

# Overflow Page for Write-Ins

**NONE**

# SCHEDULE A - VERIFICATION

Real Estate

| | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 20,486,195 | 24,274,192 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | 3,590,928 | 557,270 |
| 2.2 Additional investment made after acquisition | 688,386 | 523,338 |
| 3. Current year change in encumbrances | | |
| 4. Total gain (loss) on disposals | 534,242 | 3,501,923 |
| 5. Deduct amounts received on disposals | 3,269,962 | 8,139,728 |
| 6. Total foreign exchange change in book/adjusted carrying value | | |
| 7. Deduct current year's other-than-temporary impairment recognized | | |
| 8. Deduct current year's depreciation | 104,951 | 230,800 |
| 9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8) | 21,924,838 | 20,486,195 |
| 10. Deduct total nonadmitted amounts | 470,048 | 768,485 |
| 11. Statement value at end of current period (Line 9 minus Line 10) | 21,454,790 | 19,717,710 |

# SCHEDULE B - VERIFICATION

Mortgage Loans

| | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|---|---|---|
| 1. Book value/recorded investment excluding accrued interest, December 31 of prior year | 17,314,477 | 18,577,372 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | 305,000 |
| 2.2 Additional investment made after acquisition | | 55,531 |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | 11,098 | 289,344 |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | 2,240,015 | 1,840,609 |
| 8. Deduct amortization of premium and mortgage interest points and commitment fees | | |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest | | |
| 10. Deduct current year's other-than-temporary impairment recognized | | 72,161 |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | 15,085,560 | 17,314,477 |
| 12. Total valuation allowance | | |
| 13. Subtotal (Line 11 plus Line 12) | 15,085,560 | 17,314,477 |
| 14. Deduct total nonadmitted amounts | | |
| 15. Statement value at end of current period (Line 13 minus Line 14) | 15,085,560 | 17,314,477 |

# SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

| | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 49,180,240 | 47,359,727 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | 7,024,756 | 4,592,757 |
| 2.2 Additional investment made after acquisition | 1,501,990 | 4,339,764 |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | 329,381 | 460,390 |
| 6. Total gain (loss) on disposals | | (395,043) |
| 7. Deduct amounts received on disposals | 6,143,058 | 6,487,355 |
| 8. Deduct amortization of premium and depreciation | | |
| 9. Total foreign exchange change in book/adjusted carrying value | | |
| 10. Deduct current year's other-than-temporary impairment recognized | | 690,000 |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | 51,893,309 | 49,180,240 |
| 12. Deduct total nonadmitted amounts | | 252,563 |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 51,893,309 | 48,927,677 |

# SCHEDULE D - VERIFICATION

Bonds and Stocks

| | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|---|---|---|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 213,695,374 | 220,295,762 |
| 2. Cost of bonds and stocks acquired | 23,934,046 | 17,195,870 |
| 3. Accrual of discount | 33,968 | 59,206 |
| 4. Unrealized valuation increase (decrease) | 15,223,206 | 6,562,275 |
| 5. Total gain (loss) on disposals | 115,204 | 6,779,732 |
| 6. Deduct consideration for bonds and stocks disposed of | 13,303,865 | 36,054,314 |
| 7. Deduct amortization of premium | 208,537 | 443,159 |
| 8. Total foreign exchange change in book/adjusted carrying value | | |
| 9. Deduct current year's other-than-temporary impairment recognized | 100,000 | 700,000 |
| 10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees | | |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10) | 239,389,396 | 213,695,374 |
| 12. Deduct total nonadmitted amounts | 5,000,000 | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 234,389,396 | 213,695,374 |

# SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

| NAIC Designation | 1<br>Book/Adjusted Carrying Value Beginning of Current Quarter | 2<br>Acquisitions During Current Quarter | 3<br>Dispositions During Current Quarter | 4<br>Non-Trading Activity During Current Quarter | 5<br>Book/Adjusted Carrying Value End of First Quarter | 6<br>Book/Adjusted Carrying Value End of Second Quarter | 7<br>Book/Adjusted Carrying Value End of Third Quarter | 8<br>Book/Adjusted Carrying Value December 31 Prior Year |
|---|---|---|---|---|---|---|---|---|
| BONDS | | | | | | | | |
| 1. NAIC 1 (a) | 89,899,800 | 10,332,989 | 1,029,551 | (23,174) | 89,899,800 | 99,180,064 | | 109,306,407 |
| 2. NAIC 2 (a) | 64,129,756 | | 9,730,801 | (66,970) | 64,129,756 | 54,331,985 | | 39,702,371 |
| 3. NAIC 3 (a) | 4,448,983 | | 1,092,015 | 52,509 | 4,448,983 | 3,409,477 | | 5,549,472 |
| 4. NAIC 4 (a) | 1,014,101 | | 1,014,982 | 881 | 1,014,101 | 0 | | |
| 5. NAIC 5 (a) | | | | | | 0 | | |
| 6. NAIC 6 (a) | 5,398,422 | | | 3,768 | 5,398,422 | 5,402,190 | | 5,354,260 |
| 7. Total Bonds | 164,891,062 | 10,332,989 | 12,867,349 | (32,986) | 164,891,062 | 162,323,716 | 0 | 159,912,510 |
| PREFERRED STOCK | | | | | | | | |
| 8. NAIC 1 | 1,476,000 | | | (422,000) | 1,476,000 | 1,054,000 | | 1,476,000 |
| 9. NAIC 2 | | | | | | 0 | | |
| 10. NAIC 3 | 4,466,358 | | | | 4,466,358 | 4,466,358 | | 4,466,358 |
| 11. NAIC 4 | | | | | | 0 | | |
| 12. NAIC 5 | | | | | | 0 | | |
| 13. NAIC 6 | | | | | | 0 | | |
| 14. Total Preferred Stock | 5,942,358 | 0 | 0 | (422,000) | 5,942,358 | 5,520,358 | 0 | 5,942,358 |
| 15. Total Bonds and Preferred Stock | 170,833,420 | 10,332,989 | 12,867,349 | (454,986) | 170,833,420 | 167,844,074 | 0 | 165,854,868 |

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

## SCHEDULE DA - PART 1

Short-Term Investments

NONE

| | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Par Value | 3<br>Actual<br>Cost | 4<br>Interest Collected<br>Year To Date | 5<br>Paid for Accrued Interest<br>Year To Date |
|---|---|---|---|---|---|
| 9199999 | | XXX | | | |

## SCHEDULE DA - VERIFICATION

Short-Term Investments

| | 1<br>Year To Date | 2<br>Prior Year Ended<br>December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 0 | 5,344,572 |
| 2. Cost of short-term investments acquired | | |
| 3. Accrual of discount | | |
| 4. Unrealized valuation increase (decrease) | | |
| 5. Total gain (loss) on disposals | | |
| 6. Deduct consideration received on disposals | | 5,344,572 |
| 7. Deduct amortization of premium | | |
| 8. Total foreign exchange change in book/adjusted carrying value | | |
| 9. Deduct current year's other-than-temporary impairment recognized | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 0 | 0 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 0 | 0 |

# Sch. DB - Pt. A - Verification
# NONE

# Sch. DB - Pt. B - Verification
# NONE

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

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

# Sch. DB - Verification
# NONE

# SCHEDULE E - PART 2 - VERIFICATION

Cash Equivalents

| | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 16,302,881 | |
| 2. Cost of cash equivalents acquired | 26,174,655 | 32,587,344 |
| 3. Accrual of discount | 9,876 | |
| 4. Unrealized valuation increase (decrease) | | |
| 5. Total gain (loss) on disposals | | 11 |
| 6. Deduct consideration received on disposals | 36,717,298 | 16,284,474 |
| 7. Deduct amortization of premium | | |
| 8. Total foreign exchange change in book/ adjusted carrying value | | |
| 9. Deduct current year's other-than-temporary impairment recognized | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 5,770,114 | 16,302,881 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 5,770,114 | 16,302,881 |

# SCHEDULE A - PART 2

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

| 1 | Location | | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| | 2 | 3 | | | | | | |
| Description of Property | City | State | Date Acquired | Name of Vendor | Actual Cost at Time of Acquisition | Amount of Encumbrances | Book/Adjusted Carrying Value Less Encumbrances | Additional Investment Made After Acquisition |
| **Acquired by Purchase** | | | | | | | | |
| Additional Oakhill Acres | Gilmer Co. | GA | 05/07/2018 | Billy G Middleton | | | | 28,577 |
| Tract 3 (Somerset) | Somerset | KY | 06/20/2018 | The Cumberland Church of Christ | | | | 142,962 |
| 0199999. Totals | | | | | 0 | 0 | 0 | 171,539 |
| **Acquired by Internal Transfer** | | | | | | | | |
| UG Acquisitions | Scottsdale | AZ | 05/16/2018 | Universal Guaranty | 201,563 | | | |
| 0299999. Totals | | | | | 201,563 | 0 | 0 | 0 |
| 0399999. Totals | | | | | 201,563 | 0 | 0 | 171,539 |

# SCHEDULE A - PART 3

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

| 1 | Location | | 4 | 5 | 6 | 7 | 8 | Change in Book/Adjusted Carrying Value Less Encumbrances | | | | | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2 | 3 | | | | | | 9 | 10 | 11 | 12 | 13 | | | | | | | |
| Description of Property | City | State | Disposal Date | Name of Purchaser | Actual Cost | Expended for Additions, Permanent Improvements and Changes in Encumbrances | Book/Adjusted Carrying Value Less Encumbrances Prior Year | Current Year's Depreciation | Current Year's Other-Than-Temporary Impairment Recognized | Current Year's Change in Encumbrances | Total Change in B./A.C.V. (11 - 9 - 10) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value Less Encumbrances on Disposal | Amounts Received During Year | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Gross Income Earned Less Interest Incurred on Encumbrances | Taxes, Repairs, and Expenses Incurred |
| **Property Disposed** | | | | | | | | | | | | | | | | | | | |
| Titusville Marina | Titusville | FL | 04/30/2018 | Westland Marina | | 150,000 | | | | | 0 | | 150,000 | 150,000 | | | 0 | | |
| 0199999. Totals | | | | | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 150,000 | 150,000 | 0 | 0 | 0 | 0 | 0 |
| 0399999. Totals | | | | | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 150,000 | 150,000 | 0 | 0 | 0 | 0 | 0 |

# SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1 | Location 2 | Location 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Loan Number | City | State | Loan Type | Date Acquired | Rate of Interest | Actual Cost at Time of Acquisition | Additional Investment Made After Acquisition | Value of Land and Buildings |

**NONE**

# SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

| 1 | Location | | 4 | 5 | 6 | 7 | Change in Book Value/Recorded Investment | | | | | | 14 | 15 | 16 | 17 | 18 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2 | 3 | | | | | 8 | 9 | 10 | 11 | 12 | 13 | | | | | |
| Loan Number | City | State | Loan Type | Date Acquired | Disposal Date | Book Value/Recorded Investment Excluding Accrued Interest Prior Year | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Capitalized Deferred Interest and Other | Total Change in Book Value (8 + 9 - 10 + 11) | Total Foreign Exchange Change in Book Value | Book Value / Recorded Investment Excluding Accrued Interest on Disposal | Consideration | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal |
| **Mortgages With Partial Repayments** | | | | | | | | | | | | | | | | | |
| 90000116-39000 | Grayson | KY | | 03/27/2017 | | 302,012 | | | | | 0 | | 2,108 | 2,108 | | | 0 |
| 024F630 | Wickliff | OH | | 12/14/2009 | | | | | | | 0 | | 25,925 | 25,925 | | | 0 |
| 024F803 | Phoenix | AZ | | 09/21/2010 | | 1,951,687 | | | | | 0 | | 88,878 | 88,878 | | | 0 |
| 024F840 | Inez, Mt. Sterling, Catlettsburg | KY, WV | | 04/24/2015 | | 2,221,286 | | | | | 0 | | 416 | 416 | | | 0 |
| 024F821 | Tucson | AZ | | 01/31/2012 | | | | | | | 0 | | 101,393 | 101,393 | | | 0 |
| 024F841 | Huntington | WV | | 06/25/2015 | | 872,825 | | | | | 0 | | 4,501 | 4,501 | | | 0 |
| 024F846 | Greenup | KY | | 05/10/2016 | | 130,208 | | | | | 0 | | 3,000 | 3,000 | | | 0 |
| 300F019 | Toledo | OH | | 12/30/2009 | | | | | | | 0 | | 1,092 | 1,092 | | | 0 |
| ML-0218011 | Winchester | TN | | 12/30/2009 | | 19,439 | | | | | 0 | | 2,988 | 2,988 | | | 0 |
| 0299999. Total - Mortgages With Partial Repayments | | | | | | 5,497,457 | 0 | 0 | 0 | 0 | 0 | 0 | 230,301 | 230,301 | 0 | 0 | 0 |
| **Mortgages Disposed** | | | | | | | | | | | | | | | | | |
| 300F045 | Pittsburgh | PA | | 12/30/2009 | | | | | | | 0 | | | | | | 0 |
| 300F046 | Pittsburgh | PA | | 12/30/2009 | | | | | | | 0 | | | | | | 0 |
| 300F047 | Pittsburgh | PA | | 12/30/2009 | | | | | | | 0 | | | | | | 0 |
| 300F048 | Pittsburgh | PA | | 12/30/2009 | | | | | | | 0 | | | | | | 0 |
| 300F049 | Pittsburgh | PA | | 12/30/2009 | | | | | | | 0 | | | | | | 0 |
| 300F050 | New Kingsington | PA | | 12/30/2009 | | | | | | | 0 | | | | | | 0 |
| 0399999. Total - Mortgages Disposed | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0599999. Total Mortgages | | | | | | 5,497,457 | 0 | 0 | 0 | 0 | 0 | 0 | 230,301 | 230,301 | 0 | 0 | 0 |

# SCHEDULE BA - PART 2

## Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1<br>CUSIP Identification | 2<br>Name or Description | Location<br>3<br>City | <br>4<br>State | 5<br>Name of Vendor or General Partner | 6<br>NAIC Desig-nation | 7<br>Date Originally Acquired | 8<br>Type and Strategy | 9<br>Actual Cost at Time of Acquisition | 10<br>Additional Investment Made after Acquisition | 11<br>Amount of Encumbrances | 12<br>Commitment for Additional Investment | 13<br>Percentage of Ownership |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Oil and Gas Production Payments - Unaffiliated** | | | | | | | | | | | | |
| | Dawson (Ozier) | Dawson County | TX | Lone Wolf Oil Co., LLC | | 04/23/2018 | | 500,000 | | | | 21.450 |
| | Pecos (Trees Ranch) | Pecos County | TX | Copper Creek Acquisitions | | 06/07/2018 | | 274,125 | | | | 23.125 |
| 0199999. Total - Oil and Gas Production Payments - Unaffiliated | | | | | | | | 774,125 | 0 | 0 | 0 | XXX |
| **Mineral Rights - Unaffiliated** | | | | | | | | | | | | |
| | Master Mineral Holdings III, LP | Various | OH,PA,WV | Master Minerals Inc. | | 03/14/2018 | | | 466,760 | | | 17.000 |
| 0599999. Total - Mineral Rights - Unaffiliated | | | | | | | | 0 | 466,760 | 0 | 0 | XXX |
| **Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated** | | | | | | | | | | | | |
| | Jupiter Self Storage LLC | Jupiter | FL | Jupiter Self Storage MM LLC | | 05/04/2018 | | 800,000 | | | | 20.000 |
| 1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated | | | | | | | | 800,000 | 0 | 0 | 0 | XXX |
| **Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated** | | | | | | | | | | | | |
| | Barton Springs Music LLC | Nashville | TN | Barton Springs Music LLC | | 01/04/2016 | | | 60,500 | | | 23.750 |
| | Sovereign's Capital II | Durham | NC | Sovereign's Capital II, LP | | 04/23/2015 | | | 73,000 | | | 2.730 |
| 2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated | | | | | | | | 0 | 133,500 | 0 | 0 | XXX |
| **Collateral Loans - Unaffiliated** | | | | | | | | | | | | |
| | Loan to Crown & Caliber | Atlanta | GA | Crown & Caliber LLC | | 06/15/2018 | | 4,000,000 | | | | 100.000 |
| 2599999. Total - Collateral Loans - Unaffiliated | | | | | | | | 4,000,000 | 0 | 0 | 0 | XXX |
| 4499999. Subtotal - Unaffiliated | | | | | | | | 5,574,125 | 600,260 | 0 | 0 | XXX |
| 4699999. Totals | | | | | | | | 5,574,125 | 600,260 | 0 | 0 | XXX |



# SCHEDULE BA - PART 3

## Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

| 1<br>CUSIP Identification | 2<br>Name or Description | Location<br>3<br>City | <br>4<br>State | 5<br>Name of Purchaser or Nature of Disposal | 6<br>Date Originally Acquired | 7<br>Disposal Date | 8<br>Book/Adjusted Carrying Value Less Encumbrances, Prior Year | Changes in Book/Adjusted Carrying Value<br>9<br>Unrealized Valuation Increase (Decrease) | <br>10<br>Current Year's (Depreciation) or (Amortization) / Accretion | <br>11<br>Current Year's Other-Than-Temporary Impairment Recognized | <br>12<br>Capitalized Deferred Interest and Other | <br>13<br>Total Change in B./A.C.V. (9+10-11+12) | <br>14<br>Total Foreign Exchange Change in B./A.C.V. | 15<br>Book/Adjusted Carrying Value Less Encumbrances on Disposal | 16<br>Consideration | 17<br>Foreign Exchange Gain (Loss) on Disposal | 18<br>Realized Gain (Loss) on Disposal | 19<br>Total Gain (Loss) on Disposal | 20<br>Investment Income |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Oil and Gas Production Payments - Unaffiliated** | | | | | | | | | | | | | | | | | | | |
| | Brewster Package | Upton County | TX | Various | 12/21/2015 | 06/30/2018 | 363,897 | | | | | 0 | | 14,107 | 14,107 | | | 0 | |
| | Cazadores Permian | Midland County | TX | Various | 07/20/2016 | 06/30/2018 | 251,608 | | | | | 0 | | 1,458 | 1,458 | | | 0 | |
| | Fisher Package | Howard County | TX | Various | 09/15/2016 | 06/30/2018 | 1,315,531 | | | | | 0 | | 45,693 | 45,693 | | | 0 | |
| | Houston Package | Houston | TX | Various | 12/01/2015 | 06/30/2018 | 300,545 | | | | | 0 | | 2,576 | 2,576 | | | 0 | |
| | Howard (Contender) | Howard County | TX | Various | 03/27/2018 | 06/30/2018 | | | | | | 0 | | 3,845 | 3,845 | | | 0 | |
| | Liberty Property | Midland | TX | Various | 03/24/2015 | 06/30/2018 | 4,469,685 | | | | | 0 | | 205,745 | 205,745 | | | 0 | |
| | Midland Klapproth | Midland | TX | Various | 02/09/2017 | 06/30/2018 | 361,095 | | | | | 0 | | 2,140 | 2,140 | | | 0 | |
| | Pearce Package | Glasscock County | TX | Various | 04/18/2016 | 06/30/2018 | 821,471 | | | | | 0 | | 8,156 | 8,156 | | | 0 | |
| | Reagan (Christy-Thomas) | Reagan, Upton County | TX | Various | 02/05/2018 | 06/30/2018 | | | | | | 0 | | 32 | 32 | | | 0 | |
| | Cazadores | Reagan County | TX | Various | 06/27/2016 | 06/30/2018 | 59,611 | | | | | 0 | | 1,265 | 1,265 | | | 0 | |
| | White Package | Loving County | TX | Various | 02/02/2016 | 06/30/2018 | 361,095 | | | | | 0 | | 7,908 | 7,908 | | | 0 | |
| 0199999. Total - Oil and Gas Production Payments - Unaffiliated | | | | | | | 8,304,538 | 0 | 0 | 0 | 0 | 0 | 0 | 292,925 | 292,925 | 0 | 0 | 0 | 0 |
| **Mineral Rights - Unaffiliated** | | | | | | | | | | | | | | | | | | | |

# SCHEDULE BA - PART 3

## Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

| 1 | 2 | Location | | 5 | 6 | 7 | 8 | Changes in Book/Adjusted Carrying Value | | | | | | 15 | 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 3 | 4 | | | | | 9 | 10 | 11 | 12 | 13 | 14 | | | | | | |
| CUSIP Identification | Name or Description | City | State | Name of Purchaser or Nature of Disposal | Date Originally Acquired | Disposal Date | Book/Adjusted Carrying Value Less Encumbrances, Prior Year | Unrealized Valuation Increase (Decrease) | Current Year's (Depreciation) or (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Capitalized Deferred Interest and Other | Total Change in B./A.C.V. (9+10-11+12) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value Less Encumbrances on Disposal | Consideration | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Investment Income |
| | Master Mineral Holdings I, LP | Various | OH, PA, WV | Master Mineral Holdings, Inc. | 11/08/2013 | 06/04/2018 | 4,641,310 | | | | | 0 | | 110,491 | 110,491 | | | 0 | |
| | Master Mineral Holdings II, LP | Various | OH, PA, WV | Master Mineral Holdings, Inc. | 04/14/2016 | 06/04/2018 | 4,120,375 | | | | | 0 | | 28,710 | 28,710 | | | 0 | |
| 0599999. Total - Mineral Rights - Unaffiliated | | | | | | | 8,761,685 | 0 | 0 | 0 | 0 | 0 | 0 | 139,201 | 139,201 | 0 | 0 | 0 | 0 |
| **Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Affiliated** | | | | | | | | | | | | | | | | | | | |
| | UG Acquisitions | Scottsdale | AZ. | Anasazi | 08/01/2011 | 05/16/2018 | 252,563 | | | | | 0 | | 51,000 | 51,000 | | | 0 | |
| | UG Acquisitions | Scottsdale | AZ. | Xfer to Real Estate | 08/01/2011 | 05/16/2018 | 252,563 | | | | | 0 | | 201,563 | 201,563 | | | 0 | |
| | UGLIC, LLC | Dallas | TX. | UGLIC, LLC | 07/21/2014 | 06/26/2018 | 622,669 | (2,692) | | | | (2,692) | | 622,669 | 622,669 | | | 0 | 90,661 |
| 1899999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Affiliated | | | | | | | 1,127,795 | (2,692) | 0 | 0 | 0 | (2,692) | 0 | 875,232 | 875,232 | 0 | 0 | 0 | 90,661 |
| **Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated** | | | | | | | | | | | | | | | | | | | |
| | Llano Music LLC | Nashville | TN. | Llano Music LLC | 09/22/2010 | 04/08/2018 | 2,002,087 | | | | | 0 | | 60,500 | 60,500 | | | 0 | |
| | Ten Tex Music LLC | Nashville | TN. | TenTex Music LLC | 01/01/2017 | 04/09/2018 | 1,589,234 | | | | | 0 | | 42,525 | 42,525 | | | 0 | |
| 2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated | | | | | | | 3,591,321 | 0 | 0 | 0 | 0 | 0 | 0 | 103,025 | 103,025 | 0 | 0 | 0 | 0 |
| **Collateral Loans - Unaffiliated** | | | | | | | | | | | | | | | | | | | |
| | Severn Capital LLC | Servena Park | MD. | Severn Capital LLC | 08/31/2016 | 06/11/2018 | 930,836 | | | | | 0 | | 52,394 | 52,394 | | | 0 | |
| | SM Funding LLC | El Paso | TX. | SM Funding LLC | 04/12/2016 | 06/12/2018 | 587,124 | | | | | 0 | | 6,316 | 6,316 | | | 0 | |
| | Tax Protection Plus, LLC | Winston-Salem | NC. | Tax Protection Plus, LLC | 12/01/2014 | 06/29/2018 | 2,696,988 | | | | | 0 | | 102,987 | 102,987 | | | 0 | |
| | Bluegrass Newsmedia Loan #39000 | Salem | AL. | Bluegrass Newsmedia LLC | 12/31/2015 | 06/04/2018 | 1,000,000 | | | | | 0 | | 10,516 | 10,516 | | | 0 | |
| | Bluegrass Newsmedia Loan #39010 | Salem | AL. | Bluegrass Newsmedia LLC | 08/31/2017 | 06/04/2018 | 750,000 | | | | | 0 | | 10,422 | 10,422 | | | 0 | |
| 2599999. Total - Collateral Loans - Unaffiliated | | | | | | | 5,964,948 | 0 | 0 | 0 | 0 | 0 | 0 | 182,635 | 182,635 | 0 | 0 | 0 | 0 |
| **Non-Collateral Loans - Unaffiliated** | | | | | | | | | | | | | | | | | | | |
| | Llano Music LLC | Nashville | TN. | Llano Music LLC | 12/30/2016 | 06/29/2018 | 2,889,068 | | | | | 0 | | 77,500 | 77,500 | | | 0 | |
| 2799999. Total - Non-Collateral Loans - Unaffiliated | | | | | | | 2,889,068 | 0 | 0 | 0 | 0 | 0 | 0 | 77,500 | 77,500 | 0 | 0 | 0 | 0 |
| 4499999. Subtotal - Unaffiliated | | | | | | | 29,511,560 | 0 | 0 | 0 | 0 | 0 | 0 | 795,286 | 795,286 | 0 | 0 | 0 | 0 |
| 4599999. Subtotal - Affiliated | | | | | | | 1,127,795 | (2,692) | 0 | 0 | 0 | (2,692) | 0 | 875,232 | 875,232 | 0 | 0 | 0 | 90,661 |
| 4699999. Totals | | | | | | | 30,639,355 | (2,692) | 0 | 0 | 0 | (2,692) | 0 | 1,670,518 | 1,670,518 | 0 | 0 | 0 | 90,661 |

# SCHEDULE D - PART 3

## Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends | 10<br>NAIC Designation or Market Indicator (a) |
|---|---|---|---|---|---|---|---|---|---|
| **Bonds - U.S. Government** | | | | | | | | | |
| 912828 4P 2 | UNITED STATES TREASURY | | 06/12/2018 | GOLDMAN SACHS | | 3,497,700 | 3,500,000 | 6,527 | 1 |
| 0599999. Total - Bonds - U.S. Government | | | | | | 3,497,700 | 3,500,000 | 6,527 | XXX |
| **Bonds - Industrial and Miscellaneous** | | | | | | | | | |
| 19416Q EG 1 | COLGATE-PALMOLIVE CO. | | 06/20/2018 | GOLDMAN SACHS | | 3,000,386 | 3,000,000 | 24,826 | 1FE |
| 427866 AX 6 | HERSHEY CO | | 06/20/2018 | GOLDMAN SACHS | | 453,708 | 500,000 | 4,057 | 1FE |
| 427866 BA 5 | HERSHEY CO | | 05/08/2018 | GOLDMAN SACHS | | 1,001,098 | 1,000,000 | | 1FE |
| 478160 CF 9 | JOHNSON & JOHNSON | | 06/08/2018 | GOLDMAN SACHS | | 490,868 | 500,000 | 4,984 | 1FE |
| 742718 DY 2 | PROCTER & GAMBLE COPGYUSUS | | 04/12/2018 | GOLDMAN SACHS | | 980,748 | 1,000,000 | 4,472 | 1FE |
| 88579Y AV 3 | 3M CO | | 06/06/2018 | GOLDMAN SACHS | | 908,481 | 1,000,000 | 4,906 | 1FE |
| 3899999. Total - Bonds - Industrial and Miscellaneous | | | | | | 6,835,289 | 7,000,000 | 43,246 | XXX |
| 8399997. Total - Bonds - Part 3 | | | | | | 10,332,989 | 10,500,000 | 49,773 | XXX |
| 8399999. Total - Bonds | | | | | | 10,332,989 | 10,500,000 | 49,773 | XXX |
| **Common Stocks - Industrial and Miscellaneous** | | | | | | | | | |
| 351858 10 5 | FRANCO NEVADA ORD | | 04/13/2018 | GOLDMAN SACHS | 2,000.000 | 138,821 | XXX | | L |
| 780287 10 8 | ROYAL GOLD ORD | | 04/06/2018 | Unknown | 3,000.000 | 258,907 | XXX | | L |
| 80013R 20 6 | SANDSTORM GOLD ORD | | 04/18/2018 | GOLDMAN SACHS | 60,000.000 | 288,903 | XXX | | L |
| 962879 10 2 | WHEATON PRECIOUS METALS ORD | A | 04/10/2018 | GOLDMAN SACHS | 7,000.000 | 144,689 | XXX | | L |
| 9099999. Total - Common Stocks - Industrial and Miscellaneous | | | | | | 831,319 | XXX | 0 | XXX |
| **Common Stocks - Parent, Subsidiaries and Affiliates** | | | | | | | | | |
| 85440# 10 5 | STANFORD WILDERNESS ROAD, LLC | | 05/31/2018 | Capital Contribution | | 100,000 | XXX | | V |
| 9199999. Total - Common Stocks - Parent, Subsidiaries and Affiliates | | | | | | 100,000 | XXX | 0 | XXX |
| 9799997. Total - Common Stocks - Part 3 | | | | | | 931,319 | XXX | 0 | XXX |
| 9799999. Total - Common Stocks | | | | | | 931,319 | XXX | 0 | XXX |
| 9899999. Total - Preferred and Common Stocks | | | | | | 931,319 | XXX | 0 | XXX |
| 9999999. Total - Bonds, Preferred and Common Stocks | | | | | | 11,264,308 | XXX | 49,773 | XXX |

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

# SCHEDULE D - PART 4

## Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest / Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Designation or Market Indicator (a) |
| **Bonds - Industrial and Miscellaneous** | | | | | | | | | | | | | | | | | | | | | |
| 001084 AQ 5 | AGCO CORP. | .. | 05/08/2018. | GOLDMAN SACHS. | | 1,077,500 | 1,000,000 | 1,065,009 | 1,028,672 | | (2,503) | | (2,503) | | 1,026,169 | | 51,331 | 51,331 | 25,622 | 12/01/2021. | 3FE. |
| 134429 AZ 2 | CAMPBELL SOUP CO. | .. | 06/27/2018. | GOLDMAN SACHS. | | 1,551,944 | 2,000,000 | 1,766,098 | 1,780,909 | | 2,408 | | 2,408 | | 1,783,317 | | (231,373) | (231,373) | 68,664 | 08/02/2042. | 2FE. |
| 13763# AA 4 | CANJEL ENERGY, LLC. | .. | 04/25/2018. | Call @ 100.00. | | 14,515 | 14,515 | 14,515 | 14,515 | | | | 0 | | 14,515 | | | 0 | | 02/27/2024. | 3. |
| 20826F AF 3 | CONOCOPHILLIPS CO. | .. | 06/12/2018. | VARIOUS. | | 1,029,551 | 1,000,000 | 1,003,868 | 1,003,472 | | (67) | | (67) | | 1,003,405 | | 26,146 | 26,146 | 23,836 | 11/15/2034. | 1FE. |
| 257559 AH 7 | DOMTAR CORP. | .. | 06/28/2018. | Unknown. | | 1,019,222 | 1,000,000 | 1,002,258 | 1,001,096 | | (120) | | (120) | | 1,000,976 | | 18,246 | 18,246 | 33,122 | 04/01/2022. | 2FE. |
| 260543 BJ 1 | DOW CHEMICAL CO. | .. | 06/20/2018. | GOLDMAN SACHS. | | 1,252,272 | 1,000,000 | 1,343,711 | 1,288,339 | | (8,981) | | (8,981) | | 1,279,358 | | (27,086) | (27,086) | 47,323 | 11/01/2029. | 2FE. |
| 496902 AJ 6 | KINROSS GOLD CORP. | .. | 04/12/2018. | GOLDMAN SACHS. | | 1,103,112 | 1,071,000 | 1,105,667 | 1,086,078 | | (1,176) | | (1,176) | | 1,084,902 | | 18,210 | 18,210 | 34,305 | 09/01/2021. | 2FE. |
| 615369 AC 9 | MOODY'S CORP. | .. | 06/12/2018. | GOLDMAN SACHS. | | 2,098,882 | 2,000,000 | 1,995,278 | 1,997,049 | | 189 | | 189 | | 1,997,238 | | 101,645 | 101,645 | 80,979 | 02/15/2024. | 2FE. |
| 775371 AU 1 | ROHM AND HAAS COMPANY. | .. | 06/05/2018. | GOLDMAN SACHS. | | 653,567 | 500,000 | 558,105 | 537,388 | | (941) | | (941) | | 536,448 | | 117,119 | 117,119 | 35,107 | 07/15/2029. | 2FE. |
| 811904 AK 7 | SEACOR HOLDINGS INC. | .. | 06/12/2018. | GOLDMAN SACHS. | | 1,014,982 | 1,000,000 | 1,060,018 | 1,016,284 | | (4,024) | | (4,024) | | 1,012,260 | | 2,722 | 2,722 | 51,830 | 10/01/2019. | 4FE. |
| 899896 AC 8 | TUPPERWARE BRANDS CORP. | .. | 06/07/2018. | GOLDMAN SACHS. | | 2,051,802 | 2,000,000 | 2,039,418 | 2,015,588 | | (2,029) | | (2,029) | | 2,013,558 | | 38,244 | 38,244 | 50,139 | 06/01/2021. | 2FE. |
| 3899999. | Total - Bonds - Industrial and Miscellaneous. | | | | | 12,867,349 | 12,585,515 | 12,953,945 | 12,769,389 | 0 | (17,244) | 0 | (17,244) | 0 | 12,752,146 | 0 | 115,204 | 115,204 | 450,927 | XXX | XXX |
| 8399997. | Total - Bonds - Part 4. | | | | | 12,867,349 | 12,585,515 | 12,953,945 | 12,769,389 | 0 | (17,244) | 0 | (17,244) | 0 | 12,752,146 | 0 | 115,204 | 115,204 | 450,927 | XXX | XXX |
| 8399999. | Total - Bonds. | | | | | 12,867,349 | 12,585,515 | 12,953,945 | 12,769,389 | 0 | (17,244) | 0 | (17,244) | 0 | 12,752,146 | 0 | 115,204 | 115,204 | 450,927 | XXX | XXX |
| **Preferred Stocks - Industrial and Miscellaneous** | | | | | | | | | | | | | | | | | | | | | |
| 01207# 10 5 | ALBANY BANCORP STATUTORY TRUST I | .. | 04/02/2018. | Redemption @ 1000.00. | 422.000 | 422,000 | | 422,000 | 422,000 | | | | 0 | | 422,000 | | | 0 | | XXX | |
| 8499999. | Total - Preferred Stocks - Industrial and Miscellaneous. | | | | | 422,000 | XXX | 422,000 | 422,000 | 0 | 0 | 0 | 0 | 0 | 422,000 | 0 | 0 | 0 | 0 | XXX | XXX |
| 8999997. | Total - Preferred Stocks - Part 4. | | | | | 422,000 | XXX | 422,000 | 422,000 | 0 | 0 | 0 | 0 | 0 | 422,000 | 0 | 0 | 0 | 0 | XXX | XXX |
| 8999999. | Total - Preferred Stocks. | | | | | 422,000 | XXX | 422,000 | 422,000 | 0 | 0 | 0 | 0 | 0 | 422,000 | 0 | 0 | 0 | 0 | XXX | XXX |
| **Common Stocks - Industrial and Miscellaneous** | | | | | | | | | | | | | | | | | | | | | |
| 780287 10 8 | ROYAL GOLD ORD. | .. | 03/08/2018. | Adjustment. | | | XXX | | 134,677 | (4,126) | | | (4,126) | | | | | 0 | | XXX | |
| 9099999. | Total - Common Stocks - Industrial and Miscellaneous. | | | | | 0 | XXX | 0 | 134,677 | (4,126) | 0 | 0 | (4,126) | 0 | 0 | 0 | 0 | 0 | 0 | XXX | XXX |
| 9799997. | Total - Common Stocks - Part 4. | | | | | 0 | XXX | 0 | 134,677 | (4,126) | 0 | 0 | (4,126) | 0 | 0 | 0 | 0 | 0 | 0 | XXX | XXX |
| 9799999. | Total - Common Stocks. | | | | | 0 | XXX | 0 | 134,677 | (4,126) | 0 | 0 | (4,126) | 0 | 0 | 0 | 0 | 0 | 0 | XXX | XXX |
| 9899999. | Total - Preferred and Common Stocks. | | | | | 422,000 | XXX | 422,000 | 556,677 | (4,126) | 0 | 0 | (4,126) | 0 | 422,000 | 0 | 0 | 0 | 0 | XXX | XXX |
| 9999999. | Total - Bonds, Preferred and Common Stocks. | | | | | 13,289,349 | XXX | 13,375,945 | 13,326,066 | (4,126) | (17,244) | 0 | (21,370) | 0 | 13,174,146 | 0 | 115,204 | 115,204 | 450,927 | XXX | XXX |

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

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

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

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

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

## Sch. DL - Pt. 1
## NONE

## Sch. DL - Pt. 2
## NONE

# SCHEDULE E - PART 1 - CASH

Month End Depository Balances

| 1 | 2 | 3 | 4 | 5 | Book Balance at End of Each Month During Current Quarter | | | 9 |
|---|---|---|---|---|---|---|---|---|
| | | | | | 6 | 7 | 8 | |
| Depository | Code | Rate of Interest | Amount of Interest Received During Current Quarter | Amount of Interest Accrued at Current Statement Date | First Month | Second Month | Third Month | * |
| **Open Depositories** | | | | | | | | |
| FSNB NP-Somerset Plaza | | | | | 49,863 | 75,793 | 114,250 | XXX |
| FSNB Policy | | | | | 2,604,505 | 2,860,309 | 3,949,408 | XXX |
| FSNB (BCG) | | | | | 25,349 | 396,179 | 63,062 | XXX |
| FSNB ML | | | | | 24,765 | 29,524 | 210,070 | XXX |
| FSNB Reinsurance | | | | | 5,007 | 5,007 | 5,007 | XXX |
| JP Morgan Chase | | | | | 47,967 | 49,930 | 53,039 | XXX |
| Illinois National Bank | | | | | 59,662 | 39,183 | 57,563 | XXX |
| 0199999. Total Open Depositories | XXX | XXX | 0 | 0 | 2,817,118 | 3,455,925 | 4,452,399 | XXX |
| 0399999. Total Cash on Deposit | XXX | XXX | 0 | 0 | 2,817,118 | 3,455,925 | 4,452,399 | XXX |
| 0599999. Total Cash | XXX | XXX | 0 | 0 | 2,817,118 | 3,455,925 | 4,452,399 | XXX |

# SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1<br>CUSIP | 2<br>Description | 3<br>Code | 4<br>Date Acquired | 5<br>Rate of Interest | 6<br>Maturity Date | 7<br>Book/Adjusted Carrying Value | 8<br>Amount of Interest Due & Accrued | 9<br>Amount Received During Year |
|---|---|---|---|---|---|---|---|---|
| **Exempt Money Market Mutual Funds as Identified by the SVO** | | | | | | | | |
| | FIRST AMER:TRES OBLG;V | | | 1.650 | | | 8 | |
| | GOLDMAN:FS TRS I;CAP | | | 1.620 | | 3,750,084 | 3,237 | |
| | WELLS FRGO TREASURY PLUS CL I MMF | | | 1.770 | | 0 | | |
| | NA | | | | | 172,687 | | |
| | REGIONS TRUST CASH SWEEP | | | | | 2 | | |
| | HILLIARD LYONS INSURED DEPOSIT PROGRAM FDIC INS | | | | | 1,790,716 | | |
| | Deposits in 1 depositories that do not exceed allowable limits in any one depository (see Instructions) - Open Depositories | | | | | 56,625 | | |
| 8599999. Total - Exempt Money Market Mutual Funds as Identified by the SVO | | | | | | 5,770,114 | 3,246 | 0 |
| 8899999. Total - Cash Equivalents | | | | | | 5,770,114 | 3,246 | 0 |