



ANNUAL STATEMENT

For the Year Ended December 31, 2018
of the Condition and Affairs of the

Loyal American Life Insurance Company

NAIC Group Code.....	0901, 0901	NAIC Company Code.....	65722	Employer's ID Number.....	63-0343428
	(Current Period) (Prior Period)				
Organized under the Laws of OH		State of Domicile or Port of Entry OH		Country of Domicile	US
Incorporated/Organized.....	May 18, 1955	Commenced Business.....	July 4, 1955		
Statutory Home Office	1300 East Ninth Street .. Cleveland .. OH .. US .. 44114 (Street and Number) (City or Town, State, Country and Zip Code)				
Main Administrative Office	11200 Lakeline Blvd., Suite 100 .. Austin .. TX .. US .. 78717 (Street and Number) (City or Town, State, Country and Zip Code)			(512) 451-2224	(Area Code) (Telephone Number)
Mail Address	11200 Lakeline Blvd., Suite 100 .. Austin .. TX .. US .. 78717 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)				
Primary Location of Books and Records	11200 Lakeline Blvd., Suite 100 .. Austin .. TX .. US .. 78717 (Street and Number) (City or Town, State, Country and Zip Code)			(512) 451-2224	(Area Code) (Telephone Number)
Internet Web Site Address	www.CignaSupplementalBenefits.com				
Statutory Statement Contact	Renee Wilkins Feldman (Name)			(512) 531-1465	(Area Code) (Telephone Number)
	CSBFinRpt@cigna.com (E-Mail Address)			(512) 467-1399	(Area Code) (Telephone Number)
				(Extension)	(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Stephen Burnett Jones	President	2. Byron Keith Buescher	Treasurer and Chief Accounting Officer
3. Anna Krishtul	Secretary	4. Susan Eadaoine Buck	Appointed Actuary
OTHER			
Gregory John Czar	Executive Vice President and Chief Financial Officer	Timothy Andrew Bulat #	Vice President and Chief Actuary
David Lawrence Chambers	Vice President-Sales and Marketing	Mark Fleming	Vice President and Assistant Treasurer
Joanne Ruth Hart	Vice President and Assistant Treasurer	Scott Ronald Lambert	Vice President and Assistant Treasurer
Ryan Bruce McGroarty	Vice President	Kathleen Murphy O'Neil #	Vice President
Maureen Hardiman Ryan	Vice President and Assistant Treasurer		

DIRECTORS OR TRUSTEES

Gregory John Czar	Brian Case Evanko	Stephen Burnett Jones	Ryan Bruce McGroarty
Frank Sataline, Jr.	James Yablecki		

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

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

(Signature)	(Signature)	(Signature)
Stephen Burnett Jones	Byron Keith Buescher	Anna Krishtul
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Treasurer and Chief Accounting Officer	Secretary
(Title)	(Title)	(Title)
Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This _____ day of February 2019	b. If no	1. State the amendment number
		2. Date filed
		3. Number of pages attached

Loyal American Life Insurance Company
ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	242,929,299		242,929,299	214,463,139
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	63,074,932		63,074,932	59,672,120
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....(10,557,868), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....15,605,944, Schedule DA).....	5,048,076		5,048,076	10,916,119
6. Contract loans (including \$.....0 premium notes).....	1,703		1,703	117
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	311,054,010	.0	311,054,010	285,051,495
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	2,429,583		2,429,583	2,244,638
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	(1,907,835)	49,063	(1,956,898)	(2,370,330)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,442,529		2,442,529	2,936,551
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....	1,033,105	1,254	1,031,851	1,189,082
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	6,585,226		6,585,226	4,128,000
18.2 Net deferred tax asset.....	43,742,353	28,502,192	15,240,161	12,598,958
19. Guaranty funds receivable or on deposit.....	1,181,164		1,181,164	1,248,737
20. Electronic data processing equipment and software.....	6,363		6,363	14,846
21. Furniture and equipment, including health care delivery assets (\$.....0).....	123,068	123,068	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	726,184		726,184	3,508,455
24. Health care (\$.....0) and other amounts receivable.....	7,781,047	7,781,047	.0	
25. Aggregate write-ins for other-than-invested assets.....	5,520,964	5,520,964	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	380,717,761	41,977,588	338,740,173	310,550,432
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTAL (Lines 26 and 27).....	380,717,761	41,977,588	338,740,173	310,550,432

DETAILS OF WRITE-INS

1101. ....			.0	
1102. ....			.0	
1103. ....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Premium Tax Refunds Due.....	9,057	9,057	.0	
2502. Other Receivables and Prepaid Expenses.....	536,028	536,028	.0	
2503. Fixed Assets Work in Process.....	4,975,879	4,975,879	.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	5,520,964	5,520,964	.0	.0

Loyal American Life Insurance Company
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$....946,538 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	946,538	332,317
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	143,144,778	134,993,285
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	1,589	1,618
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	378,872	502,015
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	44,454,168	36,576,193
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....3,993,810 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	3,998,071	3,385,325
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$....148,291 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....	148,291	410,292
9.3 Other amounts payable on reinsurance, including \$....2,155,924 assumed and \$.....0 ceded.....	2,155,924	1,259,854
9.4 Interest Maintenance Reserve (IMR, Line 6).....	759,908	1,845,542
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	898,919	757,024
11. Commissions and expense allowances payable on reinsurance assumed.....	392	422
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	9,098,378	7,348,424
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	2,318,631	2,649,610
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		8,802,966
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....	1,280	1,108
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	1,280,739	853,646
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 \$....2,822.....	2,822	
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR Line 16, Col. 7).....	1,748,462	1,542,662
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.....	9,666,952	11,157,294
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....		
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	894,160	1,523,981
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	221,898,874	213,943,578
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	221,898,874	213,943,578
29. Common capital stock.....	5,640,000	5,640,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other-than-special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	208,994,712	160,994,712
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	(97,793,413)	(70,027,858)
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).....	111,201,299	90,966,854
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	116,841,299	96,606,854
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	338,740,173	310,550,432

DETAILS OF WRITE-INS		
2501. Escheat.....	624,952	1,197,313
2502. Deferred Lease Liability.....	265,417	325,000
2503. Other Liabilities.....	3,791	1,668
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	894,160	1,523,981
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above).....	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0

Loyal American Life Insurance Company
SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	345,271,196	311,511,422
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	8,355,231	7,490,388
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5)	901,190	1,268,598
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	3,962,191	4,002,201
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	1,059,325	928,263
9. Totals (Lines 1 to 8.3)	359,549,133	325,200,872
10. Death benefits	586,881	347,905
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)		
13. Disability benefits and benefits under accident and health contracts	241,281,127	210,877,484
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	10,118	1,703
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	21	17
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	8,765,713	7,176,689
20. Totals (Lines 10 to 19)	250,643,860	218,403,798
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	45,092,865	40,070,822
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	6,506,820	7,002,271
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	36,486,752	37,378,270
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	8,506,774	8,265,319
25. Increase in loading on deferred and uncollected premiums	(51,196)	28,058
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions	15,570	429,624
28. Totals (Lines 20 to 27)	347,201,445	311,578,162
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	12,347,688	13,622,710
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	12,347,688	13,622,710
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	3,821,319	4,571,251
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)	8,526,369	9,051,459
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$....(49,031) transferred to the IMR)		
35. Net income (Line 33 plus Line 34)	8,526,369	9,051,459
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	96,606,854	86,273,794
37. Net income (Line 35)	8,526,369	9,051,459
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(38,597,188)	(41,481,562)
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	1,414,919	(26,398,634)
41. Change in nonadmitted assets	1,137,574	9,365,404
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	(205,800)	(158,259)
45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts Statement		
48. Change in surplus notes		
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in	48,000,000	60,000,000
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance	(41,429)	(45,348)
52. Dividends to stockholders		
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	20,234,445	10,333,060
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	116,841,299	96,606,854
DETAILS OF WRITE-INS		
08.301. Interest on Agent's Balances	1,013,808	859,669
08.302. Express Script Rebates	7,742	20,806
08.303. Other Miscellaneous Income	37,775	47,788
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	1,059,325	928,263
2701. Penalties	15,570	429,624
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	15,570	429,624
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	0	0

Loyal American Life Insurance Company
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	344,430,080	309,442,291
2. Net investment income.....	8,930,982	8,387,210
3. Miscellaneous income.....	4,980,087	4,885,116
4. Total (Lines 1 through 3).....	358,341,149	322,714,617
5. Benefit and loss related payments.....	232,608,838	204,841,918
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	94,007,814	87,938,007
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	15,032,480	(3,104,893)
10. Total (Lines 5 through 9).....	341,649,132	289,675,032
11. Net cash from operations (Line 4 minus Line 10).....	16,692,017	33,039,585
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	12,894,298	29,746,361
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	12,894,298	29,746,361
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	42,351,812	53,592,609
13.2 Stocks.....	42,000,000	60,500,000
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	84,351,812	114,092,609
14. Net increase (decrease) in contract loans and premium notes.....	1,586	117
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(71,459,100)	(84,346,365)
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.....	48,000,000	60,000,000
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(29)	(108)
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	899,069	(7,706,375)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	48,899,040	52,293,517
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(5,868,043)	986,737
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	10,916,119	9,929,382
19.2 End of year (Line 18 plus Line 19.1).....	5,048,076	10,916,119
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Bond exchanges allowed under rule 144A of the 1933 Securities Act and other security restructures.....	5,370,965	3,542,678

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance(a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts.....	345,271,196		3,105,698						2,169,191		339,996,307	
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	8,355,231		26,839						271,592		8,056,800	
4. Amortization of Interest Maintenance Reserve (IMR).....	901,190		2,895						29,294		869,001	
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	3,962,191		104,654	336					2,043,449		1,813,752	
7. Reserve adjustments on reinsurance ceded.....	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	0											
8.2 Charges and fees for deposit-type contracts.....	0											
8.3 Aggregate write-ins for miscellaneous income.....	1,059,325	0	0	0	0	0	0	0	15	0	1,059,310	0
9. Totals (Lines 1 to 8.3).....	359,549,133	0	3,240,086	336	0	0	0	0	4,513,541	0	351,795,170	0
10. Death benefits.....	586,881		586,881									
11. Matured endowments (excluding guaranteed annual pure endowments).....	0											
12. Annuity benefits.....	0											
13. Disability benefits and benefits under accident and health contracts.....	241,281,127								2,305,395		238,975,732	
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	10,118		10,118									
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	21										21	
18. Payments on supplementary contracts with life contingencies.....	0											
19. Increase in aggregate reserves for life and accident and health contracts.....	8,765,713		614,221						625,495		7,525,997	
20. Totals (Lines 10 to 19).....	250,643,860	0	1,211,220	0	0	0	0	0	2,930,890	0	246,501,750	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	45,092,865		2,068,240	336					2,044,837		40,979,452	
22. Commissions and expense allowances on reinsurance assumed.....	6,506,820		1,904						192,687		6,312,229	
23. General insurance expenses.....	36,486,752		523,817						192,036		35,770,899	
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	8,506,774		77,128						191,646		8,238,000	
25. Increase in loading on deferred and uncollected premiums.....	(51,196)		9,175						(2,342)		(58,029)	
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0											
27. Aggregate write-ins for deductions.....	15,570	0	224	0	0	0	0	0	82	0	15,264	0
28. Totals (Lines 20 to 27).....	347,201,445	0	3,891,708	336	0	0	0	0	5,549,836	0	337,759,565	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	12,347,688	0	(651,622)	0	0	0	0	0	(1,036,295)	0	14,035,605	0
30. Dividends to policyholders.....	0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	12,347,688	0	(651,622)	0	0	0	0	0	(1,036,295)	0	14,035,605	0
32. Federal income taxes incurred (excluding tax on capital gains).....	3,821,319		(201,662)						(320,709)		4,343,690	
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).....	8,526,369	0	(449,960)	0	0	0	0	0	(715,586)	0	9,691,915	0

DETAILS OF WRITE-INS

08.301. Interest on Agent's Balances.....	1,013,808										1,013,808	
08.302. Express Script Rebates.....	7,742								15		7,727	
08.303. Other Miscellaneous Income.....	37,775										37,775	
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above).....	1,059,325	0	0	0	0	0	0	0	15	0	1,059,310	0
2701. Penalties.....	15,570		224						82		15,264	
2702.	0											
2703.	0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above).....	15,570	0	224	0	0	0	0	0	82	0	15,264	0

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year.....	332,317		332,317					
2. Tabular net premiums or considerations.....	1,449,990		1,449,990					
3. Present value of disability claims incurred.....	0				XXX			
4. Tabular interest.....	35,999		35,999					
5. Tabular less actual reserve released.....	0							
6. Increase in reserve on account of change in valuation basis.....	0							
6.1 Change in excess of VM-20 deterministic/stochastic reserve over net premium reserve.....	0	XXX		XXX	XXX	XXX	XXX	XXX
7. Other increases (net).....	0							
8. Totals (Lines 1 to 7).....	1,818,306	0	1,818,306	0	0	0	0	0
9. Tabular cost.....	804,269		804,269		XXX			
10. Reserves released by death.....	9,949		9,949	XXX	XXX			XXX
11. Reserves released by other terminations (net).....	57,549		57,549					
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	0							
13. Net transfers to or (from) Separate Accounts.....	0							
14. Total deductions (Lines 9 to 13).....	871,767	0	871,767	0	0	0	0	0
15. Reserve December 31, current year.....	946,539	0	946,539	0	0	0	0	0

Loyal American Life Insurance Company
EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....82,464	.....82,464
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....8,289,557	.....8,474,501
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....122,381	.....122,381
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....(31,703)	.....(31,703)
10. Total gross investment income.....	.....8,462,698	.....8,647,643
11. Investment expenses.....	.....	(g).....292,412
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....292,412
17. Net investment income (Line 10 minus Line 16).....	.....	.....8,355,231

DETAILS OF WRITE-INS

0901. Intercompany Loan Interest Expense.....	.....(31,703)	.....(31,703)
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....(31,703)	.....(31,703)
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....214,861 accrual of discount less \$.....972,735 amortization of premium and less \$.....206,194 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(233,476)	.....	.....(233,476)	.....	.....
1.3 Bonds of affiliates.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....0	.....	.....
2.11 Preferred stocks of affiliates.....0	.....	.....
2.2 Common stocks (unaffiliated).....0	.....	.....
2.21 Common stocks of affiliates.....0	.....(38,597,188)	.....
3. Mortgage loans.....0	.....	.....
4. Real estate.....0	.....	.....
5. Contract loans.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....0	.....	.....
7. Derivative instruments.....0	.....	.....
8. Other invested assets.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....(233,476)	.....0	.....(233,476)	.....(38,597,188)	.....0

DETAILS OF WRITE-INS

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

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

	1	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	Credit Life (Group and Individual)	6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected.....	468,960		28,311							440,649	
2. Deferred and accrued.....	0										
3. Deferred, accrued and uncollected:											
3.1 Direct.....	575,705		28,311					96,640		450,754	
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	106,746							96,640		10,106	
3.4 Net (Line 1 + Line 2).....	468,960	0	28,311	0	0	0	0	0	0	440,649	0
4. Advance.....	1,180,880		2,129							1,178,751	
5. Line 3.4 - Line 4.....	(711,920)	0	26,182	0	0	0	0	0	0	(738,102)	0
6. Collected during year:											
6.1 Direct.....	66,514,022		1,519,219					1,531,337		63,463,466	
6.2 Reinsurance assumed.....	99,979							8,604		91,375	
6.3 Reinsurance ceded.....	1,781,048							1,531,337		249,711	
6.4 Net.....	64,832,953	0	1,519,219	0	0	0	0	8,604	0	63,305,130	0
7. Line 5 + Line 6.4.....	64,121,033	0	1,545,401	0	0	0	0	8,604	0	62,567,028	0
8. Prior year (uncollected + deferred and accrued - advance).....	250,652		38,742							211,910	
9. First year premiums and considerations:											
9.1 Direct.....	65,524,669		1,506,659					1,491,177		62,526,833	
9.2 Reinsurance assumed.....	86,029							8,604		77,425	
9.3 Reinsurance ceded.....	1,740,318							1,491,177		249,141	
9.4 Net (Line 7 - Line 8).....	63,870,381	0	1,506,659	0	0	0	0	8,604	0	62,355,118	0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct.....	0										
10.2 Reinsurance assumed.....	0										
10.3 Reinsurance ceded.....	0										
10.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
RENEWAL											
11. Uncollected.....	(1,720,510)		54,748					6,709		(1,781,967)	
12. Deferred and accrued.....	0										
13. Deferred, accrued and uncollected:											
13.1 Direct.....	2,071,634		690,680					362,161		1,018,793	
13.2 Reinsurance assumed.....	(2,585,204)		7,664					6,480		(2,599,348)	
13.3 Reinsurance ceded.....	1,206,940		643,596					361,932		201,412	
13.4 Net (Line 11 + Line 12).....	(1,720,510)	0	54,748	0	0	0	0	6,709	0	(1,781,967)	0
14. Advance.....	2,817,191		2,132					18,655		2,796,404	
15. Line 13.4 - Line 14.....	(4,537,701)	0	52,616	0	0	0	0	(11,946)	0	(4,578,371)	0
16. Collected during year:											
16.1 Direct.....	210,150,158		5,962,322	129,351				5,143,912		198,914,573	
16.2 Reinsurance assumed.....	89,333,185		18,912					2,106,427		87,207,846	
16.3 Reinsurance ceded.....	18,737,574		4,408,331	129,351				5,087,199		9,112,693	
16.4 Net.....	280,745,769	0	1,572,903	0	0	0	0	2,163,140	0	277,009,726	0
17. Line 15 + Line 16.4.....	276,208,068	0	1,625,519	0	0	0	0	2,151,194	0	272,431,355	0
18. Prior year (uncollected + deferred and accrued - advance).....	(5,192,747)		26,479					(9,392)		(5,209,834)	
19. Renewal premiums and considerations:											
19.1 Direct.....	210,128,567		5,917,699	129,351				5,148,837		198,932,680	
19.2 Reinsurance assumed.....	89,810,510		20,014					2,103,995		87,686,501	
19.3 Reinsurance ceded.....	18,538,262		4,338,673	129,351				5,092,246		8,977,992	
19.4 Net (Line 17 - Line 18).....	281,400,815	0	1,599,040	0	0	0	0	2,160,586	0	277,641,189	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct.....	275,653,236	0	7,424,358	129,351	0	0	0	6,640,014	0	261,459,513	0
20.2 Reinsurance assumed.....	89,896,539	0	20,014	0	0	0	0	2,112,599	0	87,763,926	0
20.3 Reinsurance ceded.....	20,278,580	0	4,338,673	129,351	0	0	0	6,583,423	0	9,227,133	0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	345,271,196	0	3,105,699	0	0	0	0	2,169,190	0	339,996,307	0

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	0										
22. All other.....	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded.....	1,611,674							1,157,899		453,775	
23.2 Reinsurance assumed.....	216,148							265		215,883	
23.3 Net ceded less assumed.....	1,395,526	0	0	0	0	0	0	1,157,634	0	237,892	0
24. Single:											
24.1 Reinsurance ceded.....	0										
24.2 Reinsurance assumed.....	0										
24.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded.....	2,350,517		104,654	336				885,550		1,359,977	
25.2 Reinsurance assumed.....	6,290,673		1,904					192,423		6,096,346	
25.3 Net ceded less assumed.....	(3,940,156)	0	102,750	336	0	0	0	693,127	0	(4,736,369)	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	3,962,191	0	104,654	336	0	0	0	2,043,449	0	1,813,752	0
26.2 Reinsurance assumed (Page 6, Line 22).....	6,506,821	0	1,904	0	0	0	0	192,688	0	6,312,229	0
26.3 Net ceded less assumed.....	(2,544,630)	0	102,750	336	0	0	0	1,850,761	0	(4,498,477)	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	24,045,045		1,818,641					1,158,858		21,067,546	
28. Single.....	0										
29. Renewal.....	21,047,821		249,600	336				885,979		19,911,906	
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	45,092,866	0	2,068,241	336	0	0	0	2,044,837	0	40,979,452	0

Loyal American Life Insurance Company
EXHIBIT 2 - GENERAL EXPENSES

		Insurance				5	6
		1	Accident and Health		4		
			2	3			
		Life	Cost Containment	All Other	All Other Lines of Business	Investment	Total
1.	Rent.....	13,036		821,529			834,565
2.	Salaries and wages.....	327,462		17,577,200			17,904,662
3.11	Contributions for benefit plans for employees.....	53,184		2,483,154			2,536,338
3.12	Contributions for benefit plans for agents.....						0
3.21	Payments to employees under non-funded benefit plans.....						0
3.22	Payments to agents under non-funded benefit plans.....						0
3.31	Other employee welfare.....	2,505		112,684			115,189
3.32	Other agent welfare.....						0
4.1	Legal fees and expenses.....	30		2,897			2,927
4.2	Medical examination fees.....			162,391			162,391
4.3	Inspection report fees.....						0
4.4	Fees of public accountants and consulting actuaries.....	2,619		158,797			161,416
4.5	Expense of investigation and settlement of policy claims.....		493,987	1,058,703			1,552,690
5.1	Traveling expenses.....	10,318		429,249			439,567
5.2	Advertising.....	7,689		548,722			556,411
5.3	Postage, express, telegraph and telephone.....	15,514		1,585,242			1,600,756
5.4	Printing and stationery.....			174,953			174,953
5.5	Cost or depreciation of furniture and equipment.....	5,465		298,566			304,031
5.6	Rental of equipment.....	(113)		146,871			146,758
5.7	Cost or depreciation of EDP equipment and software.....	1,684		190,799			192,483
6.1	Books and periodicals.....	281		17,687			17,968
6.2	Bureau and association fees.....	469		31,231			31,700
6.3	Insurance, except on real estate.....						0
6.4	Miscellaneous losses.....	286		18,111			18,397
6.5	Collection and bank service charges.....	16,096		1,020,323			1,036,419
6.6	Sundry general expenses.....	7,126	36,838	616,802			660,766
6.7	Group service and administration fees.....	27		1,576			1,603
6.8	Reimbursements by uninsured plans.....						0
7.1	Agency expense allowance.....	4,650		292,961			297,611
7.2	Agents' balances charged off (less \$.....0 recovered).....						0
7.3	Agency conferences other than local meetings.....	16,235		368,577			384,812
9.1	Real estate expenses.....						0
9.2	Investment expenses not included elsewhere.....					292,412	292,412
9.3	Aggregate write-ins for expenses.....	39,254	0	7,313,085	0	0	7,352,339
10.	General expenses Incurred.....	523,817	530,825	35,432,110	0	292,412	(a).....36,779,164
11.	General expenses unpaid December 31, prior year.....	83,179	119,009	7,146,236			7,348,424
12.	General expenses unpaid December 31, current year.....	130,620	132,367	8,835,391			9,098,378
13.	Amounts receivable relating to uninsured plans, prior year.....						0
14.	Amounts receivable relating to uninsured plans, current year.....						0
15.	General expenses paid during year (Lines 10+11-12-13+14).....	476,376	517,467	33,742,955	0	292,412	35,029,210
DETAILS OF WRITE-INS							
09.301.	Allocated HO.....	36,953		4,100,744			4,137,697
09.302.	Value Added Silver & Fit.....			912,151			912,151
09.303.	Outside Sales Expense.....	1,260		893,445			894,705
09.398.	Summary of remaining write-ins for Line 9.3 from overflow page.....	1,041	0	1,406,745	0	0	1,407,786
09.399.	Totals (Lines 09.301 through 09.303 plus 09.398)(Line 9.3 above).....	39,254	0	7,313,085	0	0	7,352,339

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

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

		Insurance			4	5
		1	2	3	Investment	Total
		Life	Accident and Health	All Other Lines of Business		
1.	Real estate taxes.....					0
2.	State insurance department licenses and fees.....	10,246	642,072			652,318
3.	State taxes on premiums.....	49,823	6,941,312			6,991,135
4.	Other state taxes, including \$.....0 for employee benefits.....		16,078			16,078
5.	U.S. Social Security taxes.....	17,983	890,085			908,068
6.	All other taxes.....	(924)	(59,902)			(60,826)
7.	Taxes, licenses and fees incurred.....	77,128	8,429,645	0	0	8,506,773
8.	Taxes, licenses and fees unpaid December 31, prior year.....	13,720	2,635,890			2,649,610
9.	Taxes, licenses and fees unpaid December 31, current year.....	21,022	2,297,609			2,318,631
10.	Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	69,826	8,767,926	0	0	8,837,752

EXHIBIT 4 - DIVIDENDS OR REFUNDS

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

Annual Statement for the year 2018 of the

Loyal American Life Insurance Company

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
Life Insurance:					
0100001. AM(5) 3.00% ANB.....	8,209		8,209		
0100002. 41 CET 3.00%	19,148		19,148		
0100003. 41 CSO 2.50%	16,677		16,677		
0100004. 41 CSO 2.50% CRVM.....	904		904		
0100005. 41 CSO 2.75% CRVM.....	47,516		47,516		
0100006. 41 CSO 3.00%	3,095,643		3,095,643		
0100007. 41 CSO 3.00% CRVM.....	438,955		438,955		
0100008. 58 CET 2.50%	107,718		107,718		
0100009. 58 CET 3.00%	755,921		755,921		
0100010. 58 CET 3.50%	1,541,121		1,541,121		
0100011. 58 CET 3.50% ALB.....	39,304		39,304		
0100012. 58 CET 3.50% ANB.....	412,153		412,153		
0100013. 58 CET 4.00%	5,153		5,153		
0100014. 58 CET 4.00% ALB	20,079		20,079		
0100015. 58 CET 4.50%	45,959		45,959		
0100016. 58 CSO 2.00%	26,362		26,362		
0100017. 58 CSO 2.50%	145,059		145,059		
0100018. 58 CSO 2.50% CRVM	0	-			
0100019. 58 CSO 2.75% CRVM.....	0	-			
0100020. 58 CSO 3.00%	3,809,493		3,809,493		
0100021. 58 CSO 3.00% CRVM.....	27,637,640		27,637,640		
0100022. 58 CSO 3.00% CRVM ANB.....	76,175		76,175		
0100023. 58 CSO 3.50%	558,386		558,386		
0100024. 58 CSO 3.50% ALB	57,129		57,129		
0100025. 58 CSO 3.50% ANB	8		8		
0100026. 58 CSO 3.50% CRVM.....	8,758,729		8,758,729		
0100027. 58 CSO 3.50% CRVM ALB.....	4,727		4,727		
0100028. 58 CSO 3.50% CRVM ANB.....	32,121		32,121		
0100029. 58 CSO 4.00%	86,627		86,627		
0100030. 58 CSO 4.00% ALB.....	359		359		
0100031. 58 CSO 4.00% CRVM.....	5,326,905		5,326,905		
0100032. 58 CSO 4.00% CRVM ALB.....	3,787		3,787		
0100033. 58 CSO 4.50%	442,766		442,766		
0100034. 58 CSO 4.50% CRVM.....	19,819,080		19,819,080		
0100035. 58 CSO 4.50% CRVM ALB.....	18,407		18,407		
0100036. 58 CSO 4.50%/20/3.50% CRVM.....	2,832,011		2,832,011		
0100037. 58 CSO 5.50% CRVM ALB.....	25,991		25,991		
0100038. 80 CET 3.50%	4,324		4,324		
0100039. 80 CET 4.50%	118,042		118,042		
0100040. 80 CET 5.00%.....	19,050		19,050		
0100041. 80 CET 5.50%.....	75,291		75,291		
0100042. 80 CET 6.00%.....	10,011		10,011		
0100043. 80 CSO 3.50%	1,143		1,143		
0100044. 80 CSO 3.50% CRVM.....	182,679		182,679		
0100045. 80 CSO 4.00%.....	209		209		
0100046. 80 CSO 4.00% CRVM.....	169,986		169,986		
0100047. 80 CSO 4.00% CRVM ALB.....	268,695		268,695		
0100048. 80 CSO 4.50%	182,810		182,810		
0100049. 80 CSO 4.50% CRVM.....	11,190,001		11,190,001		
0100050. 80 CSO 4.50% CRVM ALB.....	72,335		72,335		
0100051. 80 CSO 5.00%	48,139		48,139		
0100052. 80 CSO 5.00% CRVM.....	3,926,289		3,926,289		
0100053. 80 CSO 5.25% CRVM.....	11,753,447		11,753,447		
0100054. 80 CSO 5.50%	91,835		91,835		
0100055. 80 CSO 5.50% CRVM.....	6,986,715		6,986,715		
0100056. 80 CSO 6.00% ALB.....	48,587		48,587		
0100057. 80 CSO 6.00% CRVM.....	2,032,400		2,032,400		
0100058. 01 CSO 3.50% CRVM ALB.....	946,538		946,538		
0100059. 01 CSO 4.00% CRVM ANB.....	1,584,592		1,584,592		
0100060. Unearned Premium.....	3,388				3,388
0100061. a-2000 6.00% NLP.....	226,200		226,200		
0199997. Totals (Gross).....	116,158,928	0	116,155,540	0	3,388
0199998. Reinsurance ceded.....	115,212,390		115,209,002		3,388
0199999. Totals (Net).....	946,538	0	946,538	0	0

Annuities (excluding supplementary contracts with life contingencies):

0200001. 71 IAM 6.00% 1971-1973 (Imm).....	0	XXX.....		XXX.....	
0200002. 71 IAM 11.25% 1983-1984 (Imm).....	1,590	XXX.....	1,590	XXX.....	
0200003. 71 IAM 11.00% 1985 (Imm).....	49,438	XXX.....	49,438	XXX.....	
0200004. 83 IAM 9.25% 1986 (Imm).....	1,504	XXX.....	1,504	XXX.....	
0200005. 83 IAM 8.00% 1987 (Imm).....	10,862	XXX.....	10,862	XXX.....	
0200006. 83 IAM 8.75% 1988-1989 (Imm).....	35,025	XXX.....	35,025	XXX.....	
0200007. 83 IAM 8.25% 1990-1991 (Imm).....	275,656	XXX.....	275,656	XXX.....	

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EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200008. 83 IAM 7.00% 1993 (Imm).....	170,328	XXX.....	170,328	XXX.....	
0200009. 83 IAM 6.50% 1994 (Imm).....	7,801	XXX.....	7,801	XXX.....	
0200010. 83 IAM 7.25% 1995 (Imm).....	3,541	XXX.....	3,541	XXX.....	
0200011. 83 IAM 6.75% 1996-1997 (Imm).....	18,220	XXX.....	18,220	XXX.....	
0200012. 83 IAM 6.25% 1998 (Imm).....	16,319	XXX.....	16,319	XXX.....	
0200013. Annuity 2000 6.25% 1999 (Imm).....	60,851	XXX.....	60,851	XXX.....	
0200014. Annuity 2000 6.75% 2001 (Imm).....	40,223	XXX.....	40,223	XXX.....	
0200015. Annuity 2000 6.50% 2002 (Imm).....	14,587	XXX.....	14,587	XXX.....	
0200016. Annuity 2000 6.00% 2003 (Imm).....	26,076	XXX.....	26,076	XXX.....	
0200017. Annuity 2000 5.50% 2004 (Imm).....	19,355	XXX.....	19,355	XXX.....	
0200018. Annuity 2000 5.25% 2006 (Imm).....	37,565	XXX.....	37,565	XXX.....	
0200019. Annuity 2000 5.50% 2007-2008 (Imm).....	156,275	XXX.....	156,275	XXX.....	
0200020. Annuity 2000 6.00% 2009 (Imm).....	76,336	XXX.....	76,336	XXX.....	
0200021. Annuity 2000 5.25% 2010 (Imm).....	42,444	XXX.....	42,444	XXX.....	
0200022. Annuity 2000 5.00% 2011 (Imm).....	95,345	XXX.....	95,345	XXX.....	
0200023. Annuity 2000 4.25% 2012 (Imm).....	699,347	XXX.....	699,347	XXX.....	
0200024. Annuity 2000 4.00% 2013 (Imm).....	26,595	XXX.....	26,595	XXX.....	
0200025. Annuity 2000 4.50% 2014 (Imm).....	62,519	XXX.....	62,519	XXX.....	
0200026. Annuity 2000 4.00% 2015 (Imm).....	258,511	XXX.....	258,511	XXX.....	
0200027. Annuity 2000 4.00% 2016 (Imm).....	212,587	XXX.....	212,587	XXX.....	
0200028. Annuity 2000 3.75% 2017 (Imm).....	125,363	XXX.....	125,363	XXX.....	
0200029. Annuity 2000 3.75% 2018 (Imm).....	384,654	XXX.....	384,654	XXX.....	
0200030. 71 IAM 6.00% 1970-1985 (Def).....	791,792	XXX.....	791,792	XXX.....	
0200031. Annuity 2000 5.25% 1999 (Def).....	197,690	XXX.....	197,690	XXX.....	
0200032. Annuity 2000 5.75% 2000 (Def).....	71,303	XXX.....	71,303	XXX.....	
0200033. Annuity 2000 5.50% 2001-2002 (Def).....	13,571,246	XXX.....	13,571,246	XXX.....	
0200034. Annuity 2000 5.00% 2003 (Def).....	12,173,009	XXX.....	12,173,009	XXX.....	
0200035. Annuity 2000 4.75% 2004 (Def).....	2,491,775	XXX.....	2,491,775	XXX.....	
0200036. Annuity 2000 4.50% 2005-2006 (Def).....	1,547,862	XXX.....	1,547,862	XXX.....	
0200037. Annuity 2000 4.75% 2007-2008 (Def).....	77,643,257	XXX.....	77,643,257	XXX.....	
0200038. Annuity 2000 5.00% 2009 (Def).....	7,096,563	XXX.....	7,096,563	XXX.....	
0200039. Annuity 2000 4.50% 2010 (Def).....	2,266,907	XXX.....	2,266,907	XXX.....	
0200040. Annuity 2000 4.25% 2011 (Def).....	34,495	XXX.....	34,495	XXX.....	
0200041. Annuity 2000 3.75% 2013 (Def).....	91,507	XXX.....	91,507	XXX.....	
0299997. Totals (Gross).....	120,906,323	XXX.....	120,906,323	XXX.....	0
0299998. Reinsurance ceded.....	120,906,323	XXX.....	120,906,323	XXX.....	
0299999. Totals (Net).....	0	XXX.....	0	XXX.....	0

Supplementary Contracts with Life Contingencies:

0300001. 71 IAM 6.00% 1971-1973.....	271	.....	271	.....
0300002. 71 IAM 11.25% 1983-1984.....	0	.....		.....
0300003. 83 IAM 9.25% 1986.....	8,703	.....	8,703	.....
0300004. 83 IAM 8.00% 1987.....	0	.....		.....
0300005. 83 IAM 8.75% 1988-1989.....	11,836	.....	11,836	.....
0300006. 83 IAM 8.25% 1990-1991.....	1,526	.....	1,526	.....
0300007. 83 IAM 7.75% 1992.....	1,349	.....	1,349	.....
0300008. 83 IAM 7.00% 1993.....	13,071	.....	13,071	.....
0300009. 83 IAM 6.50% 1994.....	13,143	.....	13,143	.....
0300010. 83 IAM 7.25% 1995.....	5,860	.....	5,860	.....
0300011. 83 IAM 6.75% 1996-1997.....	2,767	.....	2,767	.....
0300012. 83 IAM 6.25% 1998.....	2,355	.....	2,355	.....
0300013. Annuity 2000 7.00% 2000.....	10,321	.....	10,321	.....
0300014. Annuity 2000 5.25% 2006.....	156,044	.....	156,044	.....
0399997. Totals (Gross).....	227,246	.....0	227,246	.....0	0
0399998. Reinsurance ceded.....	227,246	.....	227,246	.....
0399999. Totals (Net).....	0	.....0	0	.....0	0

Accidental Death Benefits:

0400001. 59 ADB 3%.....	73,632	.....	73,632	.....
0400002. 59 ADB 58 CSO 3.0% NET LEVEL.....	153	.....	153	.....
0400003. 1959 ADB with 1980 CSO 4%.....	0	.....		.....
0499997. Totals (Gross).....	73,785	.....0	73,785	.....0	0
0499998. Reinsurance ceded.....	73,785	.....	73,785	.....
0499999. Totals (Net).....	0	.....0	0	.....0	0

Disability - Active Lives:

0500001. 52 DIS / 58 CSO 3% NL.....	18,452	.....	18,452	.....
0500002. Unearned Premium - Payor.....	2,100	.....	2,100	.....
0500003. 52 DIS 58 CSO 3.0%.....	365	.....	365	.....
0599997. Totals (Gross).....	20,917	.....0	20,917	.....0	0
0599998. Reinsurance ceded.....	20,917	.....	20,917	.....
0599999. Totals (Net).....	0	.....0	0	.....0	0

Disability - Disabled Lives:

0600001. 52 DIS / 58 CSO 3% BEN 4.....	50,330	.....	50,330	.....
0600002. 52 DIS / 58 CSO 3% BEN 5.....	482,419	.....	482,419	.....
0600003. 70 GROUP DIS 3.5%.....	0	.....		.....

Loyal American Life Insurance Company

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0600004. 52 DIS 58 CSO 3.5%.....	.....1,000	.....	.....1,000	.....	.....
0699997. Totals (Gross).....	.....533,749	.....0	.....533,749	.....0	.....0
0699998. Reinsurance ceded.....	.....533,749	.....	.....533,749	.....	.....
0699999. Totals (Net).....	.....0	.....0	.....0	.....0	.....0
Miscellaneous Reserves:					
0700001. Deficiency Reserves .....	.....8,959	.....	.....8,959	.....	.....
0700002. Non-Deduction Reserves .....	.....393,737	.....	.....391,752	.....	.....1,985
0700003. IPC Reserves .....	.....1,976,572	.....	.....1,976,285	.....	.....287
0700004. Guaranteed Insurability Riders .....	.....46,638	.....	.....46,638	.....	.....
0700005. Substandard Extra .....	.....6,246	.....	.....6,246	.....	.....
0799997. Totals (Gross).....	.....2,432,152	.....0	.....2,429,880	.....0	.....2,272
0799998. Reinsurance ceded.....	.....2,432,152	.....	.....2,429,880	.....	.....2,272
0799999. Totals (Net).....00000
9999999. Totals (Net) - Page 3, Line 1.....946,5380946,53800

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EXHIBIT 5 - INTERROGATORIES

1.1

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

Yes [X]

No []

1.2

If not, state which kind is issued

2.1

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

Yes []

No [X]

2.2

If not, state which kind is issued

NON-PARTICIPATING

3.

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

Yes [X]

No []

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

4.

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

Yes []

No [X]

4.1

Amount of insurance:

\$.....

4.2

Amount of reserve:

\$.....

4.3

Basis of reserve:

4.4

Basis of regular assessments:

4.5

Basis of special assessments:

4.6

Assessments collected during year:

\$.....

5.

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

Not applicable

6.

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

Yes []

No [X]

6.1

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

\$.....

6.2

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

\$.....

Attach statement of methods employed in their valuation.

7.

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

Yes []

No [X]

7.1

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

\$.....

7.2

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

7.3

State the amount of reserves established for this business:

\$.....

7.4

Identify where the reserves are reported in the blank.

8.

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

Yes []

No [X]

8.1

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

\$.....

8.2

State the amount of reserves established for this business:

\$.....

8.3

Identify where the reserves are reported in the blank:

9.

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

Yes []

No [X]

9.1

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

\$.....

9.2

State the amount of reserves established for this business:

\$.....

9.3

Identify where the reserves are reported in the blank:

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

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

NONE

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non- Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	12,142,667	90,007		20,046	73,397	11,892,850	61,617		4,750
2. Additional contract reserves (a).....	134,425,673	8,393,826		171,157	1,257,085	124,572,935	7,196		23,474
3. Additional actuarial reserves - Asset/Liability analysis.....	0								
4. Reserve for future contingent benefits.....	0								
5. Reserve for rate credits.....	0								
6. Aggregate write-ins for reserves.....	0	0	0	0	0	0	0	0	0
7. Totals (Gross).....	146,568,340	8,483,833	0	191,203	1,330,482	136,465,785	68,813	0	28,224
8. Reinsurance ceded.....	15,144,385	1,320,791				13,823,594			
9. Totals (Net).....	131,423,955	7,163,042	0	191,203	1,330,482	122,642,191	68,813	0	28,224
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	12,397,139	46,190		21,047	6,249,765	5,920,027	4,784		155,326
11. Additional actuarial reserves - Asset/Liability analysis.....	0								
12. Reserve for future contingent benefits.....	0								
13. Aggregate write-ins for reserves.....	0	0	0	0	0	0	0	0	0
14. Totals (Gross).....	12,397,139	46,190	0	21,047	6,249,765	5,920,027	4,784	0	155,326
15. Reinsurance ceded.....	676,318					676,318			
16. Totals (Net).....	11,720,821	46,190	0	21,047	6,249,765	5,243,709	4,784	0	155,326
17. TOTALS (Net).....	143,144,776	7,209,232	0	212,250	7,580,247	127,885,900	73,597	0	183,550
18. TABULAR FUND INTEREST.....	5,917,288	302,633		9,772	376,768	5,214,606	3,417		10,092

DETAILS OF WRITE-INS

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

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

Loyal American Life Insurance Company

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	10,140,202		2,266,975	44,099	5,717,742	2,111,386
2. Deposits received during the year.....	189,441				140,188	49,253
3. Investment earnings credited to the account.....	269,112		85,876	1,886	88,658	92,692
4. Other net change in reserves.....	371,608		657,625	1	(222,842)	(63,176)
5. Fees and other charges assessed.....	9,157		9,157			
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	1,476,866		1,140,214	10,734	150,178	175,740
8. Other net transfers to or (from) Separate Accounts.....	0					
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8).....	9,484,340	0	1,861,105	35,252	5,573,568	2,014,415
10. Reinsurance balance at the beginning of the year.....	(10,138,584)		(2,266,975)	(44,099)	(5,717,742)	(2,109,768)
11. Net change in reinsurance assumed.....	0					
12. Net change in reinsurance ceded.....	(655,833)		(405,870)	(8,847)	(144,174)	(96,942)
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	(9,482,751)	0	(1,861,105)	(35,252)	(5,573,568)	(2,012,826)
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	1,589	0	0	0	0	1,589

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct.....	0										
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	0										
2.12 Reinsurance assumed.....	0										
2.13 Reinsurance ceded.....	0										
2.14 Net.....	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
2.2 Other:											
2.21 Direct.....	5,157,441		1,962,443	1,656,093			11,000		28,223		1,499,682
2.22 Reinsurance assumed.....	864,059								44,588		819,471
2.23 Reinsurance ceded.....	3,445,582		1,655,544	1,656,093			11,000		27,650		95,295
2.24 Net.....	2,575,918	0	(b) 306,899	(b) 0	0	(b) 0	(b) 0	0	(b) 45,161	(b) 0	(b) 2,223,858
3. Incurred but unreported:											
3.1 Direct.....	32,906,421		1,354,337				19,596		1,043,012		30,489,476
3.2 Reinsurance assumed.....	13,953,754								629,392		13,324,362
3.3 Reinsurance ceded.....	4,603,053		1,282,364				19,596		1,036,478		2,264,615
3.4 Net.....	42,257,122	0	(b) 71,973	(b) 0	0	(b) 0	(b) 0	0	(b) 635,926	(b) 0	(b) 41,549,223
4. Totals:											
4.1 Direct.....	38,063,862	0	3,316,780	1,656,093	0	0	30,596	0	1,071,235	0	31,989,158
4.2 Reinsurance assumed.....	14,817,813	0	0	0	0	0	0	0	673,980	0	14,143,833
4.3 Reinsurance ceded.....	8,048,635	0	2,937,908	1,656,093	0	0	30,596	0	1,064,128	0	2,359,910
4.4 Net.....	44,833,040	(a) 0	(a) 378,872	0	0	0	(a) 0	0	681,087	0	43,773,081

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

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

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1. Settlements during the year:											
1.1 Direct.....	194,277,708		9,269,253	6,195,973					2,164,219		176,648,263
1.2 Reinsurance assumed.....	62,131,289								2,206,145		59,925,144
1.3 Reinsurance ceded.....	22,790,148		8,758,813	6,195,973					2,152,022		5,683,340
1.4 Net.....	(d) 233,618,849	0	510,440	0	0	0	0	0	2,218,342	0	230,890,067
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	38,063,862	0	3,316,780	1,656,093	0	0	30,596	0	1,071,235	0	31,989,158
2.2 Reinsurance assumed.....	14,817,813	0	0	0	0	0	0	0	673,980	0	14,143,833
2.3 Reinsurance ceded.....	8,048,635	0	2,937,908	1,656,093	0	0	30,596	0	1,064,128	0	2,359,910
2.4 Net.....	44,833,040	0	378,872	0	0	0	0	0	681,087	0	43,773,081
3. Amounts recoverable from reinsurers Dec. 31, current year.....	2,442,529		76,880						39,106		2,326,543
4. Liability December 31, prior year:											
4.1 Direct.....	30,633,915		3,925,345	1,482,177			63,163		991,777		24,171,453
4.2 Reinsurance assumed.....	14,939,508								586,098		14,353,410
4.3 Reinsurance ceded.....	8,495,215		3,423,330	1,482,177			63,163		984,528		2,542,017
4.4 Net.....	37,078,208	0	502,015	0	0	0	0	0	593,347	0	35,982,846
5. Amounts recoverable from reinsurers Dec. 31, prior year.....	2,937,115		276,463						38,420		2,622,232
6. Incurred benefits:											
6.1 Direct.....	201,707,655	0	8,660,688	6,369,889	0	0	(32,567)	0	2,243,677	0	184,465,968
6.2 Reinsurance assumed.....	62,009,594	0	0	0	0	0	0	0	2,294,027	0	59,715,567
6.3 Reinsurance ceded.....	21,848,982	0	8,073,808	6,369,889	0	0	(32,567)	0	2,232,308	0	5,205,544
6.4 Net.....	241,868,267	0	586,880	0	0	0	0	0	2,305,396	0	238,975,991

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

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

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

(d) Includes \$.....120,333 premiums waived under total and permanent disability benefits.

Loyal American Life Insurance Company
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	49,063	80,842	31,779
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....		300	300
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....	1,254	1,236	(18)
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	28,502,192	29,728,476	1,226,284
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....	123,068	332,544	209,476
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....	7,781,047	9,442,742	1,661,695
25. Aggregate write-ins for other-than-invested assets.....	5,520,964	3,529,021	(1,991,943)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	41,977,588	43,115,161	1,137,573
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	41,977,588	43,115,161	1,137,573

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Premium Tax Refunds Due.....	9,057	20,782	11,725
2502. Other Receivables and Prepaid Expenses.....	536,028	484,053	(51,975)
2503. Fixed Assets Work in Process.....	4,975,879	3,024,186	(1,951,693)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	5,520,964	3,529,021	(1,991,943)

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A.

Accounting Practices

The financial Statements of Loyal Ameriocan Life Insurance Company ("LALIC" or "the Company" are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

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

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

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) Company state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	\$ 8,526,369	\$ 9,051,459
(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	\$ 8,526,369	\$ 9,051,459
SURPLUS					
(5) Company state basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 116,841,299	\$ 96,606,854
(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	\$ 116,841,299	\$ 96,606,854

B.

Use of Estimates in the Preparation of the Financial Statement

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

C.

Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. The Company pays dividends to participating policyholders.

The Company uses the following accounting policies:

- (1) - (2) Basis for Bonds and Short-Term Investments
- Investments in bonds and short-term investments are carried at amortized cost, except those in or near default that are carried at the lesser of cost or fair value. Amortization of bond premium or discount is calculated using the scientific (constant yield) interest method. Bonds containing call provisions are amortized to call date which produces the lowest asset value (yield to worst). Investments with original maturities of one year or less from the time of purchase are classified as short-term. Bonds are considered impaired and their cost basis is written down to fair value through an asset valuation reserve for credit-related losses or an interest maintenance reserve for interest-related losses, when management expects a decline in value to persist (i.e., the decline is other-than-temporary).
- (3) Basis for Common Stocks
- Common stocks are carried at fair value except for common stock of affiliates which are valued using methods described below
- (4) Basis for Preferred Stocks
- Not Applicable
- (5) Basis for Mortgage Loans
- Not Applicable
- (6) Basis for Loan-Backed Securities and Adjustment Methodology
- Loan-backed bonds and structured securities are valued at amortized cost using the constant level yield method. Significant changes in estimated cash flows from the original purchase assumptions are accounted for generally using the retrospective adjustment method. For loan-backed and structured securities that have potential for loss of a significant portion of the original investment, significant changes in estimated cash flows from the original purchase assumptions are accounted for using the prospective method. These securities are presented on the balance sheet as bonds.
- Prepayment assumptions for loan-backed securities and other structured securities were obtained from external financial data sources. These assumptions are consistent with the current interest rate and economic environment.
- When the Company determines it does not expect to recover the amortized cost basis of loan-backed or structured securities with declines in fair value (even if it does not intend to sell and has the intent and ability to hold), the non-interest portion of the impairment loss is recognized in realized investment losses. The non-interest portion is the difference between the amortized cost basis of the loan-backed or structured security and the net present value of its expected future cash flows. Expected future cash flows are based on assumptions about the collateral attributes, including prepayment speeds, default rates and changes in value.
- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities
- Investments in subsidiaries, controlled and affiliated entities are reported using the statutory equity method based on the entity's audited equity prepared

NOTES TO FINANCIAL STATEMENTS

using NAIC SAP in accordance with SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities. These entities are presented on the balance sheet as common stock.

- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities
Not Applicable
- (9) Accounting Policies for Derivatives
Not Applicable
- (10) Anticipated Investment Income Used in Premium Deficiency Calculation
The Company utilizes anticipated investment income as a factor in the premium deficiency calculation.
- (11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses for A&H Contracts
Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period
Not Applicable
- (13) Method Used to Estimate Pharmaceutical Rebate Receivables
Not Applicable

D. Going Concern

In accordance with SSAP No. 1, "Accounting Policies, Risks and Uncertainties, and Other Disclosures," management has made an evaluation of the Company's ability to continue as a going concern, including such factors as its current financial position, recent earnings and cash flow trends and projections, liquidity and capital requirements, readily available sources of liquidity and such other factors deemed by management to be appropriate under the circumstances. As a result of management's evaluation, no conditions, events or trends have been identified that causes substantial doubt as to the ability of the Company to continue as a going concern and, accordingly, the accompanying financial statements have been prepared on the going concern basis.

Note 2 – Accounting Changes and Correction of Errors

Not applicable.

Note 3 – Business Combinations and Goodwill

Not applicable.

Note 4 – Discontinued Operations

Not applicable.

Note 5 – Investments

A. - C. Not Applicable.

D. Loan-Backed Securities

- (1) Description of Sources Used to Determined Prepayment Assumptions
Prepayment assumptions for loan-backed securities and other structured securities were obtained from external financial data sources. These assumptions are consistent with the current interest rate and economic environment.
- (2) Securities with Recognized Other-Than-Temporary Impairment
The Company had no loan-backed and structured securities with recognized other-than-temporary impairments where the Company had the intent to sell or does not have the intent and ability to retain the investment for a period of time sufficient to recover the amortized cost basis as of December 31, 2018.
- (3) Recognized OTTI securities
The Company had no loan-backed and structured securities with recognized other-than-temporary impairments where the present value of cash flow expected to be collected is less than the amortized cost basis as of December 31, 2018.
- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
As of December 31, 2018 loan-backed and structured securities with a decline in fair value from amortized cost were as follows, including the length of time of such decline:

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$
	2. 12 Months or Longer	\$ 61,737
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$
	2. 12 Months or Longer	\$ 992,610

- (5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary
Management reviews loan-backed and structured securities with a decline in fair value from cost for impairment based on criteria that include:
- Length of time and severity of decline.
- Financial and specific near term prospects of the issuer.
- Changes in the regulatory, economic or general market environment of the issuer's industry or geographic region.
- The Company's intent to sell or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost.
Based on this review, management believes the unrealized depreciation on loan-backed securities to be temporary and, therefore, has not impaired these

NOTES TO FINANCIAL STATEMENTS

amounts.

E. - K. Not Applicable

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending arrangements										%	%
c. Subject to repurchase agreements										%	%
d. Subject to reverse repurchase agreements										%	%
e. Subject to dollar repurchase agreements										%	%
f. Subject to dollar reverse repurchase agreements										%	%
g. Placed under option contracts										%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock										%	%
i. FHLB capital stock										%	%
j. On deposit with states	4,433,219				4,433,219	4,445,453	(12,234)		4,433,219	1.2%	1.3%
k. On deposit with other regulatory bodies										%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)										%	%
m. Pledged as collateral not captured in other categories										%	%
n. Other restricted assets	133,933,179				133,933,179	132,296,043	1,637,136		133,933,179	35.2%	39.5%
o. Total Restricted Assets	\$ 138,366,398	\$	\$	\$	\$ 138,366,398	\$ 136,741,496	\$ 1,624,902	\$	\$ 138,366,398	36.3%	40.8%

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

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

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Reinsurance with Great American and Continental General	\$ 133,933,179	\$	\$	\$	\$ 133,933,179	\$ 132,296,043	\$ 1,637,136	\$ 133,933,179	35.2%	39.5%
Total (c)	\$ 133,933,179	\$	\$	\$	\$ 133,933,179	\$ 132,296,043	\$ 1,637,136	\$ 133,933,179	35.2%	39.5%

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

- (4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements
Not applicable.

M. - Q. Not Applicable

R. Prepayment Penalty and Acceleration Fees

	General Account	Separate Account
(1) Number of CUSIPs	2	
(2) Aggregate Amount of Investment Income	\$ 55,987	\$

NOTES TO FINANCIAL STATEMENTS

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

Note 7 – Investment Income

- A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:
Bonds - When investment income due and accrued exceeds 90 days past due.
- B. The total amount excluded:
No income was excluded for the years ended December 31, 2018 and 2017.

Note 8 – Derivative Instruments

Not applicable.

Note 9 – Income Taxes

- A. The components of the net Deferred Tax Assets/(Liabilities) at December 31 are as follows:

	2018			2017			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a. Gross deferred tax assets	\$ 44,679,842	\$	\$ 44,679,842	\$ 43,392,254	\$	\$ 43,392,254	\$ 1,287,588	\$	\$ 1,287,588
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 44,679,842	\$	\$ 44,679,842	\$ 43,392,254	\$	\$ 43,392,254	\$ 1,287,588	\$	\$ 1,287,588
d. Deferred tax assets nonadmitted	28,502,192		28,502,192	29,728,476		29,728,476	(1,226,284)		(1,226,284)
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 16,177,650	\$	\$ 16,177,650	\$ 13,663,778	\$	\$ 13,663,778	\$ 2,513,872	\$	2,513,872
f. Deferred tax liabilities	937,489		937,489	1,064,820		1,064,820	(127,331)		(127,331)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 15,240,161	\$	\$ 15,240,161	\$ 12,598,958	\$	\$ 12,598,958	\$ 2,641,203	\$	\$ 2,641,203

2. Admission Calculation Components SSAP No. 101

	2018			2017			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$	\$	\$	\$	\$	\$	\$	\$	\$
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	15,240,161		15,240,161	12,598,958		12,598,958	2,641,203		2,641,203
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	15,240,161		15,240,161	12,598,958		12,598,958	2,641,203		2,641,203
Adjusted gross deferred tax assets allowed per limitation threshold			15,239,216			12,598,957			2,640,259
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	937,489		937,489	1,064,820		1,064,820	(127,331)		(127,331)
d. Deferred tax assets admitted as the	\$ 16,177,650	\$	\$ 16,177,650	\$ 13,663,778	\$	\$ 13,663,778	\$ 2,513,872	\$	\$ 2,513,872

NOTES TO FINANCIAL STATEMENTS

		2018			2017			Change	
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
result of application of SSAP 101. Total (2(a)+2(b)+2(c))									

3. Other Admissibility Criteria

		2018	2017
a.	Ratio percentage used to determine recovery period and threshold limitation amount	431.0%	407.0%
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 101,594,773	\$ 83,993,048

4. Impact of Tax Planning Strategies

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

	2018		2017		Change	
	1	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col. 1-3) Ordinary	(Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 44,679,842	\$	\$ 43,392,254	\$	\$ 1,287,588	\$
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0 %	0 %	0 %	0 %	0 %	0 %
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 16,177,650	\$	\$ 13,663,778	\$	\$ 2,513,872	\$
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0 %	0 %	0 %	0 %	0 %	0 %

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

B. Deferred Tax Liabilities Not Recognized

All deferred tax liabilities have been properly recognized.

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2018	2017	(Col 1-2) Change
a. Federal	\$ 3,786,977	\$ 4,501,263	\$ (714,286)
b. Foreign			
c. Subtotal	3,786,977	4,501,263	(714,286)
d. Federal income tax on net capital gains	(41,918)	187,587	(229,505)
e. Utilization of capital loss carry-forwards			
f. Other	27,229		27,229
g. Federal and Foreign income taxes incurred	\$ 3,772,288	\$ 4,688,850	\$ (916,562)

2. Deferred Tax Assets

	1	2	3
	2018	2017	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$	\$	\$
2. Unearned premium reserve			
3. Policyholder reserves	2,690,605	2,624,948	65,657
4. Investments		37,922	(37,922)
5. Deferred acquisition costs	17,048,721	13,381,830	3,666,891
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Tax credit carry-forward			

NOTES TO FINANCIAL STATEMENTS

	1	2	3
	2018	2017	(Col 1-2) Change
13. Other (items <=5% and >5% of total ordinary tax assets)	24,940,516	27,347,554	(2,407,038)
Other (items listed individually >5%of total ordinary tax assets)			
Goodwill and Intangibles	21,479,194	23,957,563	(2,478,369)
Nondeductible liabilities	343,408	291,531	51,877
Nonadmitted assets	2,829,833	2,811,204	18,629
99. Subtotal	44,679,842	43,392,254	1,287,588
b. Statutory valuation allowance adjustment			
c. Nonadmitted	28,502,192	29,728,476	(1,226,284)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	16,177,650	13,663,778	2,513,872
e. Capital:			
1. Investments			
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal			
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)			
i. Admitted deferred tax assets (2d+2h)	\$ 16,177,650	\$ 13,663,778	\$ 2,513,872

3. Deferred Tax Liabilities

	1	2	3
	2018	2017	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$	\$	\$
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves	884,233	1,064,820	(180,587)
5. Other (items <=5% and >5% of total ordinary tax liabilities)	53,256		53,256
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	937,489	1,064,820	(127,331)
b. Capital:			
1. Investments			
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal			
c. Deferred tax liabilities (3a99+3b99)	\$ 937,489	\$ 1,064,820	\$ (127,331)

4. Net Deferred Tax Assets (2i – 3c)

	\$ 15,240,161	\$ 12,598,958	\$ 2,641,203
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The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the change in nonadmitted assets is reported separately from the change in net deferred income taxes in the surplus section of the annual statement):

	1	2	3
	2018	2017	(Col 1-2) Change
Total deferred tax assets	\$ 44,679,842	\$ 43,392,254	\$ 1,287,588
Total deferred tax liabilities	(937,489)	(1,064,820)	127,331
Net deferred tax asset/liabilities	43,742,353	42,327,434	1,414,919
Statutory valuation allowance adjustment	-	-	-
Net deferred tax assets/liabiliites after SVA	43,742,353	42,327,434	1,414,919
Tax effect of unrealized gains (losses)			-
Statutory valuation allowance ajdustment allocated to unrealized			-
Other intraperiod allocation of deferred tax movement			-
Change in net deferred income tax			\$ 1,414,919

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

	Amount	Effective Tax Rate (%)
Provision computed at statutory rate	\$ 2,582,718	21.0%
Change in nonadmitted assets	(18,629)	(0.2)%
Nondeductible penalties and fines	3,270	0 %
Amortization of interest maintenance reserve	(227,983)	(1.9)%
Meals and entertainment	8,221	0.1%
Other, net	18,472	0.1%
Ceding commission	(8,700)	(0.1)%

NOTES TO FINANCIAL STATEMENTS

	Amount	Effective Tax Rate (%)
Totals	2,357,369	19.2%
Federal and foreign income taxes incurred	3,772,288	30.7%
Realized capital gains (losses) tax		%
Change in net deferred income taxes	(1,414,919)	(11.5)%
Total statutory income taxes	\$ 2,357,369	19.2%

Major U.S. tax reform legislation was signed into law on December 22, 2017, reducing the corporate income tax rate from 35% to 21% effective January 1, 2018, among other things.

E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:
At December 31, 2018, the Company has no net operating loss carry forward and no capital loss carry forward.
2. With the signing of tax reform legislation on December 22, 2017, life insurance companies are no longer able to carryback future net operating losses effective with tax years beginning 1/1/2018. Capital losses were not impacted as a result of tax reform and may still be carried back. Capital taxes available for recoupment in the event of future losses include:

Year	Amounts
2016	\$81,521
2017	\$187,587
2018	\$0

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code .
Not applicable

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:
Prior to 2018, the Company filed a consolidated federal income tax return with its subsidiary American Retirement Life Insurance Company ("ARLIC"). Effective for the 2018 tax year, the Company will be included in the Cigna consolidated federal income tax return with the following subsidiaries of Cigna:

Accredo Health Group, Inc.	CIGNA Healthcare of California Inc	Express Scripts Sales Operations, Inc.
Accredo Health, Inc.	CIGNA Healthcare of Colorado Inc	Express Scripts Senior Care Holdings, Inc.
AHG of New York, Inc.	CIGNA Healthcare of Connecticut Inc	Express Scripts Senior Care, Inc.
Allegiance Benefit Plan Management Inc	CIGNA Healthcare of Florida Inc	Express Scripts Services Company, Inc.
Allegiance Cobra Services Inc	CIGNA Healthcare of Georgia Inc	Express Scripts Specialty Distribution Services, Inc.
Allegiance Life & Health Insurance Co	CIGNA Healthcare of Illinois Inc	Express Scripts Strategic Development, Inc.
Allegiance Re Inc	CIGNA Healthcare of Indiana Inc	Express Scripts Utilization Management, Inc.
American Retirement Life Insurance Company	CIGNA Healthcare of Maine Inc	Express Scripts, Inc.
Arizona Healthplan Inc	CIGNA Healthcare of Massachusetts Inc	Former CIGNA Investments Inc
Benefit Management Corp	CIGNA Healthcare of New Hampshire Inc	Freco, Inc.
BioPartners in Care, Inc.	CIGNA Healthcare of New Jersey Inc	GreatWest Healthcare of Illinois Inc
Bravo Health Mid-Atlantic, Inc.	CIGNA Healthcare of North Carolina Inc	Hazard Center Investment Co LLC
Bravo Health Pennsylvania, Inc.	CIGNA Healthcare of Pennsylvania Inc	Healthbridge Reimbursement & Product Support, Inc.
Brighter, Inc.	CIGNA Healthcare of South Carolina	Healthbridge, Inc.
Care Continuum, Inc.	CIGNA Healthcare of St Louis Inc	Healthsource Benefits Inc
CareAllies, Inc.	CIGNA Healthcare of Tennessee Inc	Healthsource Inc
CG Individual Tax Benefit Payments Inc	CIGNA Healthcare of Texas Inc	Healthsource Properties Inc
CG Life Pension Benefit Payments Inc	CIGNA Healthcare of Utah Inc	Healthspring Life & Health Insurance Company
CG LINA Pension Benefit Payments Inc	Cigna Holding Company	Healthspring of Florida, Inc.
CIGNA Arbor Life Insurance Company	CIGNA Holdings Inc	Healthspring, Inc.
CIGNA Behavioral Health Inc	CIGNA Holdings Overseas Inc	IHN Inc.
CIGNA Behavioral Health of California Inc	CIGNA Integrated Care Inc	Intermountain Underwriters Inc
CIGNA Behavioral Health of Texas	CIGNA Intellectual Property Inc	Kronos Optimal Health Company
Cigna Benefit Technology Solutions, Inc.	CIGNA International Corporation	Life Ins Co of North America
CIGNA Benefits Financing, Inc.	CIGNA International Finance Inc	LINA Benefit Payments Inc
CIGNA Dental Health Inc	CIGNA International Services Inc	Loyal American Life Insurance Company
CIGNA Dental Health of California Inc	CIGNA Investment Group Inc	Lynnfield Compounding Center, Inc.
CIGNA Dental Health of Colorado Inc	CIGNA Investments Inc	Lynnfield Drug, Inc.
CIGNA Dental Health of Delaware Inc	CIGNA Life Insurance Company of New York	MAH Pharmacy, LLC
CIGNA Dental Health of Florida Inc	Cigna Linden Holdings Inc	Managed Care Consultants Inc
CIGNA Dental Health of Illinois Inc	CIGNA Managed Care Benefits Company	Matrix Healthcare Services, Inc.
CIGNA Dental Health of Kansas Inc	Cigna National Health Insurance Company	MCC Independent Practice Assoc of New York Inc
CIGNA Dental Health of Kentucky Inc	Cigna Poplar Holdings Inc	Medco Containment Insurance Company of New York
CIGNA Dental Health of Maryland Inc	CIGNA RE Corporation	Medco Containment Life Insurance Company
CIGNA Dental Health of Missouri Inc	CIGNA Resource Manager Inc	Medco Health Puerto Rico, LLC
CIGNA Dental Health of New Jersey Inc	CIGNA Worldwide Insurance Company	Medco Health Services, Inc.
CIGNA Dental Health of North Carolina Inc	Connecticut General Benefit Payments Inc.	Medco Health Solutions, Inc.
CIGNA Dental Health of Ohio Inc	Connecticut General Corporation	Medco of Willingboro Urban Renewal, LLC
CIGNA Dental Health of Pennsylvania Inc	Connecticut General Life Insurance Company	Mediversal Inc
CIGNA Dental Health of Texas Inc	Curascript, Inc.	Oz Parent, Inc.
CIGNA Dental Health of Virginia Inc	Diversified NY IPA, Inc.	Priority Healthcare Corporation
CIGNA Dental Healthplan of Arizona Inc	Diversified Pharmaceutical Services, Inc.	Priority Healthcare Distribution, Inc.
CIGNA Direct Marketing Company Inc.	ESI GP Holdings, Inc.	Provident American Life and Health Insurance Company
CIGNA Federal Benefits Inc	ESI Mail Order Processing, Inc.	QUALCARE ALLIANCE NETWORKS, INC.
CIGNA Global Holdings Inc	ESI Mail Pharmacy Service, Inc.	QUALCARE CAPTIVE INSURANCE COMPANY INC., PCC
CIGNA Global Insurance Company Limited	eviCore 1, Inc.	QUALCARE, INC.

NOTES TO FINANCIAL STATEMENTS

CIGNA Global Reinsurance Company LTD	eviCore 2, Inc.	Sagamore Health Network Inc
CIGNA Health and Life Insurance Company	eviCore 3, Inc.	SCIBAL ASSOCIATES, INC.
CIGNA Health Corporation	eviCore 4, Inc.	Spectracare Health Care Ventures, Inc.
CIGNA Health Management Inc	Express Reinsurance Company	SpectraCare, Inc.
CIGNA Healthcare Benefits Inc	Express Scripts Administrators, LLC	Tel-Drug Inc
CIGNA Healthcare Holdings Inc	Express Scripts Canada Holding Company	UBC Late Stage, Inc.
CIGNA Healthcare Inc	Express Scripts Holding Company, Inc.	United Benefit Life Insurance Company
CIGNA Healthcare Mid-Atlantic Inc	Express Scripts Pharmaceutical Procurement, LLC	United BioSource Patient Solutions, Inc.
CIGNA Healthcare of Arizona Inc	Express Scripts Pharmacy, Inc.	Universal Claims Administration

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax: Effective for the tax year ending in 2018, the Company became party to Cigna's Consolidated Federal Income Tax Agreement (the Agreement), which sets forth the method of allocation of Cigna's federal income taxes to its wholly-owned domestic subsidiaries subject to The Agreement. The Agreement provides for immediate reimbursement to companies with net operating losses to the extent that their losses are utilized to reduce consolidated taxable income; while those companies with current taxable income as calculated under federal separate return provisions, are liable for payments determined as if they had each filed a separate return. However, current credit is given for any foreign tax credit, operating loss, or investment tax credit carryovers actually utilized in the current consolidated return.

G. Federal or Foreign Federal Income Tax Loss Contingencies:
(1) The statute of limitations for the Company's consolidated income tax returns through 2014 have closed, and there are no pending examinations.

(2) In management's opinion the Company has adequate tax liabilities to address potential exposures involving tax positions the Company has taken that may be challenged by the IRS upon audit. These liabilities could be revised in the near term if estimates of the Company's ultimate liability change as a result of new developments or change in circumstances. No material contingent tax liability is included in the Company's current federal income tax payable. The Company does not expect a significant increase in federal contingent tax liability within the next twelve months.

H. - I. Not applicable.

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

A. - C. The Company made cash capital contributions of \$20,000,000, \$10,000,000, \$5,000,000 and \$7,000,000 on March 30, 2018, August 30, 2018, December 12, 2018 and December 27, 2018 to ARLIC, its wholly owned subsidiary.

The Company received cash capital contributions of \$35,000,000 and \$13,000,000 on March 29, 2018 and December 27, 2018 from its parent Cigna Health and Life Insurance Company ("CHLIC").

The Company made cash capital contributions of \$17,500,000, \$13,000,000, \$15,000,000 and \$15,000,000 on March 31, 2017, June 28, 2017, September 29, 2017 and December 15, 2017 to ARLIC, its wholly owned subsidiary.

The Company received cash capital contributions of \$21,500,000, \$8,500,000, \$15,000,000 and \$15,000,000 on March 31, 2017, June 28, 2017, September 29, 2017 and December 15, 2017 from its parent CHLIC.

On February 19, 2013, the Company entered into a line of credit agreement with Cigna Holdings, Inc. ("CHI") under which LALIC can borrow up to \$30,000,000 from CHI. The agreement provides for two rate/maturity options; a) a variable rate payable on demand or b) a fixed rate with a stated maturity not to exceed 270 days. There were no amounts outstanding at December 31, 2018, and borrowings during the year were not material.

On February 19, 2013, the Company also entered into a line of credit agreement with Cigna Corporation ("Cigna") under which Cigna can borrow up to \$30,000,000 from LALIC. Borrowing terms under this agreement are identical to the terms under the LALIC/CHI agreement discussed above. Cigna did not borrow under this agreement in 2018.

Several of Cigna's subsidiaries are subject to the Health Insurance Providers Fee, "the Fee", which is imposed on each covered entity engaged in the business of providing health insurance for any United States health risk. Such entities, along with Cigna, are collectively treated as a single "covered entity" as that term is defined in Section 9010(c) and Treas. Reg. § 57.2(b). By entering into this Agreement, each Party has consented to select Cigna as its "designated entity" for the payment of this Fee. The Agreement allows Cigna to pay each year to the Treasury the Fee owed collectively by all covered entities in the group, and to perform all necessary and appropriate actions that may be required to fulfill Cigna's responsibilities as the designated entity. This Agreement further allows Cigna to delegate to a wholly owned subsidiary the authority to perform these actions on Cigna's behalf. For financial management and reporting purposes, Cigna and the Parties will allocate the Fee for each Fee Year among the Parties in proportion to estimates of each Party's Premiums for that Fee Year.

D. Amounts Due From or To Related Parties
At December 31, 2018, the Company reported \$726,184 as amounts due from affiliated companies and \$9,666,952 due to affiliated companies. The terms of the agreements require that these amounts be settled within 90 days.

E. Guarantees or Undertakings
Not Applicable

F. Material Management or Service Contracts and Cost-Sharing Arrangements
(1) The Company and certain related parties have entered into service contracts and cost-sharing arrangements, including an expense sharing agreement in which the parties share expenses for certain shared services. These arrangements include providing or being provided with management services, computers, data processing and other services, as well as equipment, supplies and office space. The Company also allocates a portion of its operating expenses to affiliated companies for which it performs certain administrative services. The Company paid \$123,435,379 in 2018 under these arrangements and received \$69,893,567 in 2018.

(2) The Company's investment portfolio is managed by Cigna Investments, Inc. ("CII"). The company paid CII \$260,362 and \$244,922 in 2018 and 2017, related to those services.

(3) LALIC entered into an agreement with Cigna Health Management ("CHM"), effective June 5, 2015 whereby CHM will provide consultative services with respect to demand management in conjunction with the administration of health benefit plans and health insurance policies; specifically CHM provides a 24-hour health information telephone line in which nurses answer questions, explain medical options and suggest resources. The Company paid CHM \$36,838 and \$69,928 in 2018 and 2017, related to these services.

(4) LALIC entered into an agreement with Cigna Health and Life Insurance Company ("CHLIC"), effective November 1, 2015, whereby CHLIC will provide

NOTES TO FINANCIAL STATEMENTS

LALIC access to and support for the CignaPlus Savings dental discount program to be offered to LALIC customers. The Company paid CHLIC \$3,538 in 2018 and \$4,328 in 2017 for these services.

- G. Nature of the Control Relationship
- All of the Company's outstanding common stock is directly owned by Cigna Health and Life Insurance Company, a Connecticut domiciled insurance company, whose ultimate parent is Cigna Corporation, a Delaware domiciled insurance holding company.
- H. - O. Not applicable.

Note 11 – Debt

Not applicable

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

- A. - F. Not applicable.

- G. Consolidated/Holding Company Plans

(1) Employees' Retirement Plan:

(a) Effective January 1, 2013, the Company participates in the Cigna 401(k) Plan (the Savings Plan) that is sponsored by Cigna. Employees are eligible to participate in the Savings Plan immediately upon hire; however, a one-year service requirement must be met to receive company contributions. Expense allocated to the Company was \$502,702 in 2018.

(b) Salaried officers and other key employees of the Company are eligible to be awarded shares of Cigna Common Stock in the form of stock options, restricted stock grants, dividend equivalent rights and grants of Cigna Common Stock in lieu of cash payable under various plans. The People Resources Committee of the Board of Directors of Cigna (the Committee) determines awards under these plans, including grants of restricted stock and stock options and strategic performance shares to certain employees of Cigna and its indirect subsidiaries. In 2016, the Committee awarded restricted stock and strategic performance shares to eligible officers and employees under various plans. Cost allocated to the Company for the awards was \$141,710.

(2) Deferred Compensation Plans:

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

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

The Company has not incurred any obligation under the plan as of December 31, 2018.

(3) Post Retirement Benefits - Not applicable

- H. Postemployment Benefits and Compensated Absences

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

- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

- (1) Recognition of the Existence of the Act
- In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("the Act") became law. Under the Act, starting in 2006, retirees will have the ability to obtain prescription drug benefits through a new Medicare Part D program and companies that continue to provide postretirement prescription drug benefits to their retirees may be eligible to receive a new federal subsidy.
- (2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost
- The Medicare Modernization Act had no impact on the Company's postretirement benefits.
- (3) Disclosure of Gross Benefit Payments
- Not Applicable.

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

- (1) Number of Share and Par or State Value of Each Class
- The Company has 2,500 shares authorized and 1,800 shares issued and outstanding. All shares are class A shares.
- (2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues
- Not applicable.
- (3) Dividend Restrictions
- The maximum amount of dividends that can be paid to stockholders by life insurance companies domiciled in the State of Ohio without prior approval of the Insurance Commissioner is the greater of 10% of surplus as regards to policyholders or net income as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31.
- (4) Dates and Amounts of Dividends Paid

NOTES TO FINANCIAL STATEMENTS

Not applicable.

(5) Profits that may be Paid as Ordinary Dividends to Stockholders
The amount available to dividend in 2018 without prior approval of the Ohio Department of Insurance is \$0 based on earned surplus.

(6) - (9) Not applicable.

(10) The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$(156,800,947).

(11) - (12) Not applicable.

Note 14 – Liabilities, Contingencies and Assessments

A. Not applicable.

B. Assessments

(1) Assessments Where Amount is Known or Unknown
The Company operates in a regulatory environment that may result in it being assessed by various state insurance guaranty funds to help pay for the cost of other insurance company insolvencies. These assessments are generally recoverable in most states over a 3 to 10 year period through reduction in future premium tax liabilities. The Company periodically adjusts its accrual for future assessments utilizing information provided by the National Organization of Life and Health Insurance Guaranty Associations. At December 31, 2018, the Company held a liability for future assessments of \$743,549. The Company also holds an asset for premium tax offsets related to guaranty fund assessments paid or accrued.

(2) Assessments
Assets recognized from paid and accrued tax offsets for the year ended December 31, 2018, are as follows:

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$	1,248,737
b. Decreases current period:		
Premium tax offsets applied		918,145
Allowance for unrealizability		4,077
c. Increases current period:		
Premium tax offsets accrued		854,649
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current period	\$	1,181,164

(3) Guaranty Fund Liabilities and Assets Related to Assessments from Insolvencies for Long-Term Care Contracts
On March 1, 2017, the Commonwealth Court of Pennsylvania entered an order of liquidation of Penn Treaty Network America Insurance Company, together with its subsidiary American Network Insurance Company (collectively "Penn Treaty", a long-term care insurance carrier), triggering guaranty fund coverage and accrual of a liability. For the year ended December 31, 2018, the Company recorded \$(288,436) in taxes licenses and fees, including assessments paid and its estimate of future assessments net of future premium tax offsets on a discounted basis. This assessment is expected to be updated in future periods for changes in the estimate of the insolvency.

Assessments billed or expected to be billed within one year of the insolvency are recorded at amounts billed or expected to be billed. A liability for future assessments (expected to be due after one year) and, assets related to billed and unbilled assessments have been recorded on a discounted basis.

a. Discount Rate Applied 3.5%

b. The undiscounted and discounted amount of the guaranty fund assessments and related assets by insolvency:

Name of the Insolvency	Guaranty Fund Assessment		Related Assets	
	Undiscounted	Discounted	Undiscounted	Discounted
Penn Treaty Network America Insurance Company and American Network Insurance Company	\$ 767,018	\$ 654,854	\$ 1,064,130	\$ 975,413

c. Number of jurisdictions, ranges of years used to discount and weighted average number of years of the discounting time period for payables and recoverables by insolvency:

Name of the Insolvency	Payables			Recoverables		
	Number of Jurisdictions	Range of Years	Weighted Average Number of Years	Number of Jurisdictions	Range of Years	Weighted Average Number of Years
Penn Treaty Network America Insurance Company and American Network Insurance Company	11	2-56	14	41	2-61	8

C. - E. Not Applicable.

F. All Other Contingencies
Other Legal Matters

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

Management does not believe that litigation or other matters currently pending against the Company would have a material adverse effect on the Company's

NOTES TO FINANCIAL STATEMENTS

results of operations, financial condition or liquidity based on its current knowledge of those matters.

Note 15 – Leases

- A. Lessee Operating Lease
- (1) Lessee's Leasing Arrangements - not Applicable

(2) Leases with Initial or Remaining Noncancelable Lease Terms in Excess of One Year
LALIC leases its home office facilities under a fifteen year non-cancellable operating lease, which ends on January 31, 2023. The lease may be renewed for two additional five year terms at market rates then in effect. The Company also leases other equipment under leases with remaining terms less than one year. These leases are also renewable at market rates. Future minimum annual rentals under the leases are as follows:

a. At December 31, 2018 the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
1. 2019	\$ 1,138,409
2. 2020	\$ 1,138,409
3. 2021	\$ 1,138,409
4. 2022	\$ 1,138,409
5. 2023	\$ 95,701
6. Total	\$ 4,649,337

- B. Lessor Leases - not applicable

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

Note 20 – Fair Value Measurements

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

Updates to SSAP 100 that became effective on January 1, 2018 allow the use of net asset value (NAV) as a practical expedient to fair value for investments in investment companies where there is no readily determinable fair value. There were no such investments owned by the Company for either period presented.

Level 1

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

Level 2

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

Level 3

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

(1) Fair Value Measurements at Reporting Date

None.

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

None.

(3) Policies when Transfers Between Levels are Recognized

None.

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

No financial instruments at fair value
- 19.10

NOTES TO FINANCIAL STATEMENTS

(5) Fair Value Disclosures
None.

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

The Company provides additional fair value information in Notes 1 and 5.

C. Fair Value Level

The following tables provide the fair value, carrying value, and classification in the fair value hierarchy of the Company's financial instruments as of December 31, 2018 and 2017.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
December 31, 2018							
Bonds	\$ 237,281,100	\$ 242,929,299	\$ 4,079,455	\$ 233,201,645	\$	\$	\$
Cash, Cash Equivalents, and Short-Term Investments	\$ 5,048,076	\$ 5,048,076	\$ (10,557,868)	\$ 15,605,944	\$	\$	\$
December 31, 2017							
Bonds	\$ 217,844,811	\$ 214,463,139	\$ 4,127,671	\$ 213,717,140	\$	\$	\$
Cash, Cash Equivalents, and Short-Term Investments	\$ 10,916,119	\$ 10,916,119	\$ (7,792,671)	\$ 18,708,789	\$	\$	\$

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

Bonds
The Company estimates fair values using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available, and other market information that a market participant may use to estimate fair value. Such other inputs include market interest rates and volatilities, spreads, and yield curves. The internal pricing methods are performed by the Company's investment professionals and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little or no market activity for the same or similar instruments, the fair value is estimated using methods, models, and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment that becomes significant with increasingly complex instruments or pricing models.

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

D. Not Practicable to Estimate Fair Value

None.

E. NAV Practical Expedient Investments
None.

Note 21 – Other Items

A. - B. Not applicable

C. Other Disclosures
Assets in the amount of \$138,366,398 and \$136,741,496 at December 31, 2018 and 2017, respectively, were on deposit with government authorities or trustees as required by law or in accordance with the terms of various reinsurance agreements.

D. - H. Not applicable.

Note 22 – Events Subsequent

Management has evaluated the financial statements for subsequent events through February 26, 2019, the date financial statements were available to be issued.

Note 23 – Reinsurance

A. Ceded Reinsurance Report

Section1 – General Interrogatories

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

Section 2 – Ceded Reinsurance Report – Part A

NOTES TO FINANCIAL STATEMENTS

- (1)

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

a.

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

b.

What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$
- (2)

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

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1)

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

Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes [☐] No [☒]

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

B. Uncollectible Reinsurance

No reinsurance recoverables were written off.

C. - G. Not applicable.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

- A.

Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2017 were \$49,463,910. As of December 31, 2018, \$32,630,750 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now \$13,641,133 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicare supplement, cancer treatment and disability income lines of insurance. Therefore, there has been a \$3,192,027 favorable prior year development since December 31, 2017 to December 31, 2018. The change is generally the result of ongoing analysis of recent loss development trends.
- B.

Information about Significant Changes in Methodologies and Assumptions

Original estimates are increased or decreased as additional information becomes known regarding individual claims.

Note 26 – Intercompany Pooling Arrangements

Not applicable.

Note 27 – Structured Settlements

Not applicable.

Note 28 – Health Care Receivables

Not applicable.

Note 29 – Participating Policies

- a.

Participating policies represent approximately 5.6% of the total life insurance inforce at December 31, 2018. Most of the Company's life business in force is ceded under a 100% coinsurance agreement.
- b.

Policyholder dividends are recognized on the policy's anniversary.
- c.

Dividends to policyholders in 2018 were \$229,082, all of which was ceded to another company.
- d.

No additional income was allocated to participating policyholders.

Note 30 – Premium Deficiency Reserves

Not applicable.

Note 31 – Reserves for Life Contracts and Annuity Contracts

- (1)

Reserve Practices

The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

NOTES TO FINANCIAL STATEMENTS

- (2)

Valuation of Substandard Policies
Extra premiums are charged for substandard lives. Reserves are based on a combination of mean reserves for substandard lives and the gross premiums charged for such.
- (3)

Amount of Insurance Where Gross Premiums are Less than the Net Premiums
As of December 31, 2018, the Company had \$1,153,814 of insurance in force, all of which is 100% ceded, for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio. Reserves to cover the above insurance totaled \$8,959 at year-end and are reported in Exhibit5, Miscellaneous Reserves section.
- (4)

Method Used to Determine Tabular Interest, Reserves Released, and Cost
The Tabular Interest has been determined by formula as described in the instructions. The Tabular Less Actual Reserve Released has been determined by formula as described in the instructions. The Tabular Cost has been determined by formula as described in the instructions.
- (5)

Method of Determination of Tabular Interest on Funds not Involving Life Contingencies
For the determination of tabular interest on funds not involving life for each valuation rate of interest, the tabular interest is calculated as one hundredth of the product of such valuation rate of interest times the mean of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.
- (6)

Details for Other Changes
The change in reserves in Exhibit 7, Line 4, Column 3 of \$657,626 is a balancing item.

The changes in column 4 of \$1, column 5 of (\$222,841), and column 6 of (\$63,177) are balancing items.

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

Withdrawal Characteristics of Annuity Actuarial Reserves and Deposit-Type contract Funds and Other Liabilities Without Life or Disability Contingencies

	General Accounts	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to Discretionary Withdrawal:					
(1) With market value adjustment	\$	\$	\$	\$	%
(2) At book value less current surrender charge of 5% or more	688,575			688,575	0.5%
(3) At fair value					%
(4) Total with market value adjustment or at fair value (total of 1 through 3)	\$ 688,575	\$	\$	\$ 688,575	0.5%
(5) At book value without adjustment (minimal or no charge or adjustment)	124,860,612			124,860,612	95.6%
B. Not subject to discretionary withdrawal	5,070,311			5,070,311	3.9%
C. Total (gross: direct + assumed)	130,619,498			130,619,498	100.0%
D. Reinsurance ceded	130,617,909			130,617,909	
E. Total (net) (C) - (D)	\$ 1,589	\$	\$	\$ 1,589	

F. Life and Accident & Health Annual Statement:

(1) Exhibit 5, Annuities section, Total (net)	\$
(2) Exhibit 5, Supplementary contracts with life contingencies section, Total (net)	
(3) Exhibit 7, Deposit-type contracts, Line 14, Column 1	1,589
(4) Subtotal	\$ 1,589
Separate Accounts Statement:	
(5) Exhibit 3, Line 0299999, Column 2	\$
(6) Exhibit 3, Line 0399999, Column 2	
(7) Policyholder dividend and coupon accumulations	
(8) Policyholder premiums	
(9) Guaranteed interest contracts	
(10) Other contract deposit funds	
(11) Subtotal	\$
(12) Combined Total	\$ 1,589

Note 33 – Premium and Annuity Considerations Deferred and Uncollected

A. Deferred and uncollected life insurance premiums and annuity considerations as of end of December 31, 2018 were:

	Gross	Net of Loading
(1) Industrial	\$	\$
(2) Ordinary new business	28,311	11,924
(3) Ordinary renewal	54,748	23,060

NOTES TO FINANCIAL STATEMENTS

	Gross	Net of Loading
(4) Credit life		
(5) Group life		
(6) Group annuity		
(7) Totals	\$ 83,059	\$ 34,984

Note 34 – Separate Accounts

Not applicable.

Note 35 – Loss/Claim Adjustment Expenses

At December 31, 2018 and December 31, 2017, reserves for LAE totaled \$1,887,449 and \$1,746,127.

The Company incurred \$4,973,130 and paid \$4,831,808 of loss adjustment expenses in the current year of which \$1,223,281 of the paid amount was attributable to insured events of prior years.

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

Loyal American Life Insurance Company
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

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

Yes [X] No []

1.2

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

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

1.3

State regulating? Ohio

1.4

Is the reporting entity publicly traded or a member of publicly traded group?

Yes [X] No []

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

701221

2.1

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

Yes [] No [X]

2.2

If yes, date of change:

3.1

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

12/31/2018

3.2

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

12/31/2013

3.3

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

04/20/2015

3.4

By what department or departments?
Ohio Department of Insurance

3.5

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

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

3.6

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

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

4.1

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

4.11

sales of new business?

Yes [] No [X]

4.12

renewals?

Yes [] No [X]

4.2

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

4.21

sales of new business?

Yes [] No [X]

4.22

renewals?

Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If the answer is YES, complete and file the merger history data file with the NAIC.

Yes [] No [X]

5.2

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

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

6.1

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

Yes [] No [X]

6.2

If yes, give full information:

7.1

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

Yes [] No [X]

7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

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

1	2
Nationality	Type of Entity

8.1

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

Yes [] No [X]

8.2

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

8.3

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

Yes [] No [X]

8.4

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

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

9.

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

10.1

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

Yes [] No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

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

Yes [] No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

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

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

Loyal American Life Insurance Company
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 10.6

If the response to 10.5 is no or n/a, please explain:
The Audit Committee of Connecticut General Corporation will serve as the Company's Audit Committee for the purposes of compliance with Ohio insurance law.
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Susan Buck, ASA, MAAA, CERA, Appointed Actuary, 11200 Lakeline Blvd., Suite 100, Austin, TX 78717.
- 12.1

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

Yes ☐ No ☒

12.11

Name of real estate holding company

12.12

Number of parcels involved

0

12.13

Total book/adjusted carrying value

\$0
- 12.2

If yes, provide explanation
13.

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

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

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

Yes ☐ No ☐
- 13.3

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

Yes ☐ No ☐
- 13.4

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

Yes ☐ No ☐ N/A ☐
- 14.1

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

Yes ☒ No ☐

(a)

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

(b)

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

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

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

(e)

Accountability for adherence to the code.
- 14.11

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

Has the code of ethics for senior managers been amended?

Yes ☐ No ☒
- 14.21

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

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

Yes ☐ No ☒
- 14.31

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

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

Yes ☐ No ☒
- 15.2

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

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

BOARD OF DIRECTORS

16.

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

Yes ☒ No ☐
17.

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

Yes ☒ No ☐
18.

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

Yes ☒ No ☐

FINANCIAL

19.

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

Yes ☐ No ☒
- 20.1

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

20.11

To directors or other officers

\$0

20.12

To stockholders not officers

\$0

20.13

Trustees, supreme or grand (Fraternal only)

\$0
- 20.2

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

20.21

To directors or other officers

\$0

20.22

To stockholders not officers

0

20.23

Trustees, supreme or grand (Fraternal only)

0
- 21.1

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

Yes ☐ No ☒
- 21.2

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

21.21

Rented from others

\$0

21.22

Borrowed from others

\$0

21.23

Leased from others

\$0

21.24

Other

\$0
- 22.1

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

Yes ☒ No ☐
- 22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$0

22.22

Amount paid as expenses

\$215,625

22.23

Other amounts paid

\$0
- 23.1

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

Yes ☒ No ☐

Loyal American Life Insurance Company
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.2

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

\$0

INVESTMENT

24.01

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

Yes [X]No []

24.02

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

24.03

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

24.04

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

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

24.05

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

\$0

24.06

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

\$0

24.07

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

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

24.08

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

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

24.09.

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

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

24.10

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

24.101

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

\$0

24.102

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

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

25.1

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

Yes [X]No []

25.2

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

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

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

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$4,433,220

25.29

On deposit with other regulatory bodies

\$133,933,179

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1

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

Yes []No [X]

26.2

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

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

27.1

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

Yes []No [X]

27.2

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

\$0

28.

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

Yes [X]No []

28.01

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase Bank, NA	4 Chase MetroTech Center, Brooklyn, NY 11245
The Bank of New York Mellon	101 Barclay Street, Mail Stop 101-0850, New York, NY 10286

28.02

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

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

28.03

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

Yes []No [X]

28.04

If yes, give full and complete information relating thereto:

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

28.05

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

1 Name of Firm or Individual	2 Affiliation

Loyal American Life Insurance Company
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

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

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
105811	Cigna Investments, Inc.		SEC	DS

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		\$
29.2999	TOTAL	\$

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 258,535,243	\$ 252,887,053	\$ (5,648,190)
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 258,535,243	\$ 252,887,053	\$ (5,648,190)

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

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

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

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

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

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

32.2 If no, list exceptions:

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- 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 5GI securities? Yes [] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [] No [X]

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 27,700

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

1 Name	2 Amount Paid
AMBEST	\$ 27,700

36.1 Amount of payments for legal expenses, if any? \$ 0

36.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal

Loyal American Life Insurance Company
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

expenses during the period covered by this statement.

1	2
Name	Amount Paid
	\$

37.1

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

\$

0

37.2

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

1	2
Name	Amount Paid
	\$

Loyal American Life Insurance Company
GENERAL INTERROGATORIES

PART 2 – LIFE INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes [X]	No []
1.2	If yes, indicate premium earned on U.S. business only.	\$	203,969,817	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0	
1.3	Reason for excluding:			
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	163,454,096	
1.6	Individual policies:			
	Most current three years:			
1.61	Total premium earned	\$	89,798,621	
1.62	Total incurred claims	\$	74,437,042	
1.63	Number of covered lives	\$	53,791	
	All years prior to most current three years:			
1.64	Total premium earned	\$	114,171,196	
1.65	Total incurred claims	\$	89,017,054	
1.66	Number of covered lives	\$	39,642	
1.7	Group policies:			
	Most current three years:			
1.71	Total premium earned	\$	0	
1.72	Total incurred claims	\$	0	
1.73	Number of covered lives	\$	0	
	All years prior to most current three years:			
1.74	Total premium earned	\$	0	
1.75	Total incurred claims	\$	0	
1.76	Number of covered lives	\$	0	
2.	Health Test:			
		1	2	
		Current Year	Prior Year	
2.1	Premium Numerator	\$ 258,813,044	\$ 231,475,240	
2.2	Premium Denominator	\$ 345,271,196	\$ 311,511,422	
2.3	Premium Ratio (2.1/2.2)	75.0%	74.3%	
2.4	Reserve Numerator	\$ 56,596,835	\$ 49,252,163	
2.5	Reserve Denominator	\$ 188,924,356	\$ 172,403,810	
2.6	Reserve Ratio (2.4/2.5)	30.0%	28.6%	
3.1	Does the reporting entity have Separate Accounts?		Yes []	No [X]
3.2	If yes, has a Separate Accounts statement been filed with this Department		Yes []	No [] N/A[X]
3.3	What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?	\$	0	
3.4	State the authority under which Separate Accounts are maintained:			
3.5	Was any of the reporting entity's Separate Accounts business reinsured as of December 31?		Yes []	No []
3.6	Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?		Yes []	No []
3.7	If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?"	\$	0	
4.1	Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)?"		Yes [X]	No []
4.2	Net reimbursement of such expenses between reporting entities:			
4.21	Paid	\$	123,435,379	
4.22	Received	\$	69,893,567	
5.1	Does the reporting entity write any guaranteed interest contracts?		Yes []	No [X]
5.2	If yes, what amount pertaining to these items is included in:			
5.21	Page 3, Line 1	\$	0	
5.22	Page 4, Line 1	\$	0	
6.	For stock reporting entities only:			
6.1	Total amount paid in by stockholders as surplus funds since organization of the reporting entity:	\$	208,994,712	
7.	Total dividends paid stockholders since organization of the reporting entity:			
7.11	Cash	\$	171,293,877	

GENERAL INTERROGATORIES

PART 2 – LIFE INTERROGATORIES

7.12

Stock

\$

0

8.1

Does the reporting entity reinsure any Workers' Compensation Carve-Out business defined as:

Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

Yes []

No [X]

8.2

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

Yes []

No []

8.3

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

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium	\$ 0	\$ 0	\$ 0
8.32 Paid claims	\$ 0	\$ 0	\$ 0
8.33 Claim liability and reserve (beginning of year)	\$ 0	\$ 0	\$ 0
8.34 Claim liability and reserve (end of year)	\$ 0	\$ 0	\$ 0
8.35 Incurred claims	\$ 0	\$ 0	\$ 0

8.4

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

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

8.5

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

\$

0

9.

For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

9.1

Amount of loss reserves established by these annuities during the current year:

\$

0

9.2

List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

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

10.1

Do you act as a custodian for health savings accounts?

Yes []

No [X]

10.2

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

\$

0

10.3

Do you act as an administrator for health savings accounts?

Yes []

No [X]

10.4

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

\$

0

11.1

Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes []

No []

N/A [X]

11.2

If the answer to 11.1 is yes, please provide the following:

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

12.

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

12.1

Direct premiums written

\$

7,424,358

12.2

Total incurred claims

\$

8,660,688

12.3

Number of covered lives

28,996

13.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes [X]

No []

13.1

If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?

Yes []

No []

Loyal American Life Insurance Company
FIVE-YEAR HISTORICAL DATA

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

\$000 omitted for amounts of life insurance

	1 2018	2 2017	3 2016	4 2015	5 2014
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....	339,699	352,383	359,241	376,238	393,424
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	84,829	96,120	105,535	111,213	116,717
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....	3,022	3,423	3,974	5,088	6,909
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	427,550	451,926	468,750	492,539	517,050
7.1 Total in force for which VM-20 deterministic/stochastic reserves are calculated.....			XXX	XXX	XXX
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	20,566	23,616	17,131	12,219	95
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....					
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	20,566	23,616	17,131	12,219	95
Premium Income - Lines of Business (Exhibit 1-Part 1)					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col.. 3).....	3,105,699	2,072,061	848,964	192,054	3,414
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....					
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....					
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....	2,169,190	2,605,716	3,085,020	3,725,249	4,592,070
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....	339,996,307	306,833,647	277,804,490	274,628,498	239,083,793
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	345,271,196	311,511,424	281,738,474	278,545,801	243,679,277
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)....	338,740,173	310,550,432	272,856,422	266,704,142	249,349,234
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	221,898,874	213,943,578	186,582,628	181,076,598	175,805,143
23. Aggregate life reserves (Page 3, Line 1).....	946,538	332,317	58,882	11,258	16
23.1 Excess VM-20 deterministic/stochastic reserve over NPR related to Line 7.1.....			XXX	XXX	XXX
24. Aggregate A&H reserves (Page 3, Line 2).....	143,144,778	134,993,285	128,090,033	123,429,371	120,565,404
25. Deposit-type contract funds (Page 3, Line 3).....	1,589	1,618	1,726	1,823	8,861
26. Asset valuation reserve (Page 3, Line 24.01).....	1,748,462	1,542,662	1,384,403	1,228,898	1,203,381
27. Capital (Page 3, Lines 29 & 30).....	5,640,000	5,640,000	5,640,000	5,640,000	5,640,000
28. Surplus (Page 3, Line 37).....	111,201,299	90,966,854	80,633,794	79,987,544	67,904,091
Cash Flow (Page 5)					
29. Net cash from operations (Line 11).....	16,692,017	33,039,585	21,583,988	24,051,784	21,413,958
Risk-Based Capital Analysis					
30. Total adjusted capital.....	119,200,522	98,604,994	87,658,197	87,072,414	74,846,833
31. Authorized control level risk-based capital.....	24,105,821	21,114,826	17,080,635	15,217,630	11,882,686
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1).....	78.1	75.2	79.1	74.9	83.4
33. Stocks (Lines 2.1 and 2.2).....	20.3	20.9	16.8	19.7	13.7
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....					
35. Real estate (Line 4.1, 4.2 and 4.3).....					
36. Cash, cash equivalents and short-term investments (Line 5).....	1.6	3.8	4.1	5.4	3.0
37. Contract loans (Line 6).....	0.0				
38. Derivatives (Line 7).....					
39. Other invested assets (Line 8).....					
40. Receivables for securities (Line 9).....					
41. Securities lending reinvested collateral assets (Line 10).....					
42. Aggregate write-ins for invested assets (Line 11).....					
43. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0

Loyal American Life Insurance Company
FIVE-YEAR HISTORICAL DATA

(continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
45. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1).....					
46. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1).....	63,074,932	59,672,120	40,653,682	47,303,783	31,011,488
47. Affiliated short-term investments (subtotal included in Sch. DA, Verif., Col. 5, Line 10).....					
48. Affiliated mortgage loans on real estate					
49. All other affiliated.....					
50. Total of above Lines 44 to 49.....	63,074,932	59,672,120	40,653,682	47,303,783	31,011,488
51. Total investment in parent included in Lines 44 to 49 above.....					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	41,977,588	43,115,161	52,480,565	49,566,003	53,880,597
53. Total admitted assets (Page 2, Line 28, Col. 3).....	338,740,173	310,550,432	272,856,422	266,704,142	249,349,234
Investment Data					
54. Net investment income (Exhibit of Net Investment Income).....	8,355,231	7,490,388	6,823,628	6,618,886	6,807,565
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....					
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	(38,597,188)	(41,481,562)	(28,150,101)	(18,707,705)	(18,415,199)
57. Total of above Lines 54, 55 and 56.....	(30,241,957)	(33,991,174)	(21,326,473)	(12,088,819)	(11,607,634)
Benefits and Reserve Increase (Page 6)					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15, Col. 1 minus Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....	596,999	349,608	205,022	13,917	142
59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	241,281,127	210,877,484	187,692,251	186,188,506	156,643,423
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	614,221	273,435	47,624	11,242	16
61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	8,151,492	6,903,254	3,650,126	2,863,966	1,800,816
62. Dividends to policyholders (Line 30, Col 1).....					
Operating Percentages					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line (6) / (Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	24.4	25.8	24.8	24.5	24.8
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	7.6	6.1	4.9	12.0	5.6
65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	73.1	70.6	69.1	68.3	65.2
66. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....	0.2	0.2	0.2	0.2	
67. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	26.1	27.7	26.6	26.5	26.6
A&H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	589,038	526,243	406,438	532,833	900,269
69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	636,904	674,250	637,455	860,470	922,242
70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	45,682,844	44,978,058	44,835,893	41,897,965	46,523,610
71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	48,827,004	44,269,601	43,334,061	43,148,248	47,625,511
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2).....					
73. Ordinary - life (Col. 3).....	(449,960)	(513,538)	(447,277)	(123,392)	(88,702)
74. Ordinary - individual annuities (Col. 4).....					
75. Ordinary - supplementary contracts (Col. 5).....					
76. Credit life (Col. 6).....					
77. Group life (Col. 7).....					
78. Group annuities (Col. 8).....					
79. A&H - group (Col. 9).....	(715,586)	11,711	480,841	599,653	140,199
80. A&H - credit (Col. 10).....					
81. A&H - other (Col. 11).....	9,691,915	9,553,288	15,545,143	16,045,095	21,155,554
82. Aggregate of all other lines of business (Col. 12).....				(52,275)	(1,005,871)
83. Total (Col. 1).....	8,526,369	9,051,461	15,578,707	16,469,081	20,201,180

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

Yes[] No[]

If no, please explain:

EXHIBIT OF LIFE INSURANCE

(\$000 Omitted for Amounts of Life Insurance)

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance	Number of		9 Amount of Insurance	
							7 Policies	8 Certificates		
1. In force end of prior year.....			29,426	448,503			4	1,916	3,423	451,926
2. Issued during year.....			2,065	20,566						20,566
3. Reinsurance assumed.....										0
4. Revived during year.....			1	38						38
5. Increased during year (net).....										0
6. Subtotals, Lines 2 to 5.....	0	0	2,066	20,604	0	0	0	0	0	20,604
7. Additions by dividends during year.....	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases.....	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8).....	0	0	31,492	469,107	0	0	4	1,916	3,423	472,530
Deductions during year:										
10. Death.....			1,261	8,312			XXX			8,312
11. Maturity.....			14	78			XXX			78
12. Disability.....							XXX			0
13. Expiry.....			225	2,413						2,413
14. Surrender.....			238	9,192						9,192
15. Lapse.....			757	23,855				33	401	24,256
16. Conversion.....			1	5			XXX	XXX	XXX	5
17. Decreased (net).....				724						724
18. Reinsurance.....										0
19. Aggregate write-ins for decreases.....	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19).....	0	0	2,496	44,579	0	0	0	33	401	44,980
21. In force end of year (Line 9 minus Line 20).....	0	0	28,996	424,528	0	0	4	1,883	3,022	427,550
22. Reinsurance ceded end of year.....	XXX		XXX	380,658	XXX		XXX	XXX	3,022	383,680
23. Line 21 minus Line 22.....	XXX	0	XXX	43,870	XXX	(a) 0	XXX	XXX	0	43,870

DETAILS OF WRITE-INS

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

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

EXHIBIT OF LIFE INSURANCE

(\$000 Omitted for Amounts of Life Insurance) (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
24. Additions by dividends.....	XXX.....	.....	XXX.....	.....
25. Other paid-up insurance.....	.....	.....	7,657.....	27,802.....
26. Debit ordinary insurance.....	XXX.....	XXX.....	.....	.....

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
27. Term policies-decreasing.....	.....	.....	101.....	476.....
28. Term policies-other.....	.....	.....	238.....	55,793.....
29. Other term insurance-decreasing.....	XXX.....	.....	XXX.....	100.....
30. Other term insurance.....	XXX.....	.....	XXX.....	13,905.....
31. Totals (Lines 27 to 30).....	0.....	0.....	339.....	70,274.....
Reconciliation to Lines 2 and 21:				
32. Term additions.....	XXX.....	.....	XXX.....	.....
33. Totals, extended term insurance.....	XXX.....	XXX.....	1,905.....	14,557.....
34. Totals, whole life and endowment.....	2,065.....	20,566.....	26,752.....	339,699.....
35. Totals (Lines 31 to 34).....	2,065.....	20,566.....	28,996.....	424,530.....

CLASSIFICATION OF AMOUNT OF INSURANCE BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial.....	.....	.....	.....	.....
37. Ordinary.....	20,566.....	.....	400,778.....	23,750.....
38. Credit Life (Group and Individual).....	.....	.....	.....	.....
39. Group.....	.....	.....	3,022.....	.....
40. Totals (Lines 36 to 39).....	20,566.....	0.....	403,800.....	23,750.....

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance	3 Number of Certificates	4 Amount of Insurance
41. Amount of insurance included in Line 2 ceded to other companies.....	XXX.....	.....	XXX.....	.....
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis.....	XXX.....	1,883.....	XXX.....
43. Federal Employees' Group Life Insurance included in Line 21.....
44. Servicemen's Group Life Insurance included in Line 21.....
45. Group Permanent Insurance included in Line 21.....

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies.....	74,512.....
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.
47.1
47.2 actual for spouse, \$1,000 per unit for children

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance	5 Number of Policies	6 Amount of Insurance	7 Number of Certificates	8 Amount of Insurance\
48. Waiver of Premium.....	1,014.....	12,261.....	.....	.....	.....	.....
49. Disability Income.....
50. Extended Benefits.....	XXX.....	XXX.....	.....	.....	.....	.....
51. Other.....
52. Total.....	0.....	(a).....0.....	1,014.....	(a).....12,261.....	0.....	(a).....0.....	0.....	(a).....0.....

(a) See the Annual Audited Financial Reports section of the Annual Statement Instructions.

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

SUPPLEMENTARY CONTRACTS

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

ANNUITIES

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

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in force	3 Policies	4 Premiums in force	5 Policies	6 Premiums in force
1. In force end of prior year.....	.....4,496	.....2,570,041	.....	.....	.....272,573	.....334,297,467
2. Issued during year.....	.....4,502	.....769,730	.....	.....	.....61,949	.....68,972,614
3. Reinsurance assumed.....	.....19	.....7,452	.....	.....	.....199	.....328,995
4. Increased during year (net).....	.....	.....XXX.....	.....	.....XXX.....	.....	.....XXX.....
5. Total (Lines 1 to 4).....	.....9,017	.....XXX.....	.....0	.....XXX.....	.....334,721	.....XXX.....
Deductions during year:						
6. Conversions.....	.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....
7. Decreased (net).....	.....470	.....XXX.....	.....	.....XXX.....	.....43,601	.....XXX.....
8. Reinsurance ceded.....	.....4,502	.....XXX.....	.....	.....XXX.....	.....213	.....XXX.....
9. Totals (Lines 6 to 8).....	.....4,972	.....XXX.....	.....0	.....XXX.....	.....43,814	.....XXX.....
10. In force end of year.....	.....4,045	(a).....2,151,416	.....0	(a).....	.....290,907	(a).....369,453,532

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds Contracts	2 Dividend Accumulations Contracts
1. In force end of prior year.....	.....13	.....
2. Issued during year.....	.....	.....
3. Reinsurance assumed.....	.....	.....
4. Increased during year (net).....	.....2	.....
5. Total (Lines 1 to 4).....	.....15	.....0
Deductions during year:		
6. Decreased (net).....	.....3	.....
7. Reinsurance ceded.....	.....	.....
8. Totals (Lines 6 and 7).....	.....3	.....0
9. In force end of year.....	.....12	.....0
10. Amount of account balance.....	(a).....1,589	(a).....

(a) See the Annual Audited Financial Reports section of the Annual Statement Instructions.

Loyal American Life Insurance Company
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS (b)
Allocated by States and Territories

States, Etc.		1	Direct Business Only					
			Life Contracts		4	5	6	7
			2	3				
		Active Status (a)	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1.	Alabama.....	AL	513,781	3,242	3,823,348		4,340,371	627
2.	Alaska.....	AK	1,884	25	832,328		834,237	
3.	Arizona.....	AZ	31,798	61	1,278,805		1,310,664	1,713
4.	Arkansas.....	AR	215,386	367	4,271,798		4,487,551	151
5.	California.....	CA	123,205	895	35,621,148		35,745,248	1,802
6.	Colorado.....	CO	50,924	39	2,072,880		2,123,843	532
7.	Connecticut.....	CT	19,811	30	3,853,340		3,873,181	
8.	Delaware.....	DE	20,807	38	98,390		119,235	
9.	District of Columbia.....	DC	10,169	8	335,809		345,986	21
10.	Florida.....	FL	439,494	37,393	4,323,664		4,800,551	1,269
11.	Georgia.....	GA	356,267	152	3,370,105		3,726,524	4,751
12.	Hawaii.....	HI	9,074	23	658,754		667,851	574
13.	Idaho.....	ID	9,687	-	2,595,214		2,604,901	
14.	Illinois.....	IL	289,341	376	11,354,780		11,644,497	
15.	Indiana.....	IN	272,672	574	10,842,081		11,115,327	468
16.	Iowa.....	IA	48,417	45	2,965,785		3,014,247	235
17.	Kansas.....	KS	95,884	8	9,341,478		9,437,370	461
18.	Kentucky.....	KY	195,765	113	5,442,213		5,638,091	198
19.	Louisiana.....	LA	238,643	216	5,199,699		5,438,558	255
20.	Maine.....	ME	60,187	401	2,342,863		2,403,451	
21.	Maryland.....	MD	87,517	551	386,178		474,246	2,215
22.	Massachusetts.....	MA	66,834	297	102,680		169,811	385
23.	Michigan.....	MI	138,262	947	7,962,142		8,101,351	96
24.	Minnesota.....	MN	25,081	50,814	3,163,256		3,239,151	48
25.	Mississippi.....	MS	252,834	3,171	7,145,290		7,401,295	206
26.	Missouri.....	MO	183,654	350	4,531,173		4,715,177	
27.	Montana.....	MT	802	8	1,238,436		1,239,246	
28.	Nebraska.....	NE	23,728	-	3,028,278		3,052,006	3,910
29.	Nevada.....	NV	39,184	4	442,855		482,043	4,399
30.	New Hampshire.....	NH	12,231	10	102,664		114,905	
31.	New Jersey.....	NJ	134,331	3,685	18,523,556		18,661,572	323
32.	New Mexico.....	NM	42,344	125	1,817,826		1,860,295	178
33.	New York.....	NY	14,556	269	117,896		132,721	347
34.	North Carolina.....	NC	458,979	584	5,964,070		6,423,633	14,152
35.	North Dakota.....	ND	1,204	-	167,881		169,085	
36.	Ohio.....	OH	197,339	737	5,404,574		5,602,650	77
37.	Oklahoma.....	OK	108,358	137	3,321,437		3,429,932	
38.	Oregon.....	OR	31,610	54	12,317,742		12,349,406	23
39.	Pennsylvania.....	PA	188,030	6,484	3,732,727		3,927,241	69
40.	Rhode Island.....	RI	17,042	38	33,384		50,464	
41.	South Carolina.....	SC	335,023	1,434	6,262,307		6,598,764	1,900
42.	South Dakota.....	SD	14,621	-	888,119		902,740	
43.	Tennessee.....	TN	436,217	1,039	9,997,717		10,434,973	366
44.	Texas.....	TX	781,835	374	30,442,032		31,224,241	4,131
45.	Utah.....	UT	22,266	11,986	823,291		857,543	826
46.	Vermont.....	VT	112,632	445	1,824,869		1,937,946	
47.	Virginia.....	VA	201,172	528	1,128,387		1,330,087	795
48.	Washington.....	WA	95,712	(5)	25,072,093		25,167,800	107
49.	West Virginia.....	WV	133,810	716	1,133,155		1,267,681	48
50.	Wisconsin.....	WI	25,559	23	917,785		943,367	
51.	Wyoming.....	WY	5,683	15	408,854		414,552	948
52.	American Samoa.....	AS	N	-	-		0	
53.	Guam.....	GU	N	-	449		1,332	201
54.	Puerto Rico.....	PR	N	-	2,603		9,681	357
55.	US Virgin Islands.....	VI	N	-	682		8,788	
56.	Northern Mariana Islands.....	MP	N	-	827		827	
57.	Canada.....	CAN	N	-	-		190	
58.	Aggregate Other Alien.....	OT	XXX	15	131	0	172,293	79
59.	Subtotal.....	XXX	7,379,540	129,351	269,031,828	0	276,540,719	49,243
90.	Reporting entity contributions for employee benefit plans.....	XXX					0	
91.	Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX					0	
92.	Dividends or refunds applied to shorten endowment or premium paying period.....	XXX					0	
93.	Premium or annuity considerations waived under disability or other contract provisions.....	XXX	102,001		21,460		123,461	
94.	Aggregate other amounts not allocable by State.....	XXX	0	0	0	0	0	0
95.	Totals (Direct Business).....	XXX	7,481,541	129,351	269,053,288	0	276,664,180	49,243
96.	Plus reinsurance assumed.....	XXX	18,912		89,414,252		89,433,164	
97.	Totals (All Business).....	XXX	7,500,453	129,351	358,467,540	0	366,097,344	49,243
98.	Less reinsurance ceded.....	XXX	4,408,331	129,351	15,980,940		20,518,622	49,243
99.	Totals (All Business) less reinsurance ceded.....	XXX	3,092,122	0	(c) 342,486,600	0	345,578,722	0

DETAILS OF WRITE-INS								
58001.	OT.....	XXX	172,147	15	131		172,293	79
58002.	.....	XXX					0	
58003.	.....	XXX					0	
58998.	Summ. of remaining write-ins for line 58 from overflow page.....	XXX	0	0	0	0	0	0
58999.	Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....	XXX	172,147	15	131	0	172,293	79
9401.	.....	XXX					0	
9402.	.....	XXX					0	
9403.	.....	XXX					0	
9498.	Summ. of remaining write-ins for line 94 from overflow page.....	XXX	0	0	0	0	0	0
9499.	Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX	0	0	0	0	0	0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	51	R - Registered - Non-domiciled RRGs.....	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....	0	Q - Qualified - Qualified or accredited reinsurer.....	0
		N - None of the above - Not allowed to write business in the state.....	6

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

Premiums are allocated to the state in which the related policy or certificate holder resides.

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

Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10

PART 1 -- ORGANIZATION CHART

The following is a listing identifying and indicating the interrelationships among all affiliated insurers (identified by an asterisk, and if such insurer is incorporated in the united States of America, by a Federal Employer Identification Number, NAIC Company Code and Jurisdiction of Incorporation) and all other affiliates, as of December 31, 2018:

Entity Name

- Cigna Corporation (A Delaware corporation and ultimate parent company)
 - Cigna Holding Company
 - Cigna Holdings, Inc.
 - Cigna Intellectual Property, Inc.
 - Cigna Investment Group, Inc.
 - Cigna International Finance Inc.
 - Former Cigna Investments, Inc.
 - Cigna Investments, Inc.
 - Cigna Benefits Financing, Inc.
 - CareAllies, Inc.
 - Connecticut General Corporation
 - Benefit Management Corp.
 - *Allegiance Life & Health Insurance Company
 - *Allegiance Re, Inc.
 - Allegiance Benefit Plan Management, Inc.
 - Allegiance COBRA Services, Inc.
 - Allegiance Provider Direct, LLC
 - Community Health Network, LLC
 - Intermountain Underwriters, Inc.
 - Allegiance Care Management, LLC
 - HealthSpring, Inc.
 - NewQuest, LLC
 - NewQuest Management Northeast, LLC
 - *Bravo Health Mid-Atlantic, Inc.
 - *Bravo Health Pennsylvania, Inc.
 - *HealthSpring Life & Health Insurance Company
 - *HealthSpring of Florida, Inc.
 - NewQuest Management of Illinois, LLC
 - NewQuest Management of Florida, LLC
 - HealthSpring Management of America, LLC
 - NewQuest Management of West Virginia, LLC
 - TexQuest, LLC
 - HouQuest, LLC
 - GulfQuest, LP

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Entity Name
NewQuest Management of Alabama, LLC
HealthSpring USA, LLC
Tennessee Quest, LLC
HealthSpring Pharmacy Services, LLC
HealthSpring Pharmacy of Tennessee, LLC
Home Physicians Management, LLC
Alegis Care Services, LLC
*Cigna Arbor Life Insurance Company
Cigna Behavioral Health, Inc.
Cigna Behavioral Health of California, Inc.
Cigna Behavioral Health of Texas, Inc.
MCC Independent Practice Association of New York, Inc.
Cigna Dental Health, Inc.
Cigna Dental Health of California, Inc.
Cigna Dental Health of Colorado, Inc.
Cigna Dental Health of Delaware, Inc.
Cigna Dental Health of Florida, Inc.
Cigna Dental Health of Illinois, Inc.
Cigna Dental Health of Kansas, Inc.
Cigna Dental Health of Kentucky, Inc.
Cigna Dental Health of Missouri, Inc.
Cigna Dental Health of New Jersey, Inc.
Cigna Dental Health of North Carolina, Inc.
Cigna Dental Health of Ohio, Inc.
Cigna Dental Health of Pennsylvania, Inc.
Cigna Dental Health of Texas, Inc.
Cigna Dental Health of Virginia, Inc.
Cigna Dental Health Plan of Arizona, Inc.
Cigna Dental Health of Maryland, Inc.
Cigna Health Corporation
Healthsource, Inc.
Cigna HealthCare of Arizona, Inc.
Cigna HealthCare of California, Inc.
Cigna HealthCare of Colorado, Inc.

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	Entity Name
	Cigna HealthCare of Connecticut, Inc.
	Cigna HealthCare of Florida, Inc.
	Cigna HealthCare of Illinois, Inc.
	Cigna HealthCare of Maine, Inc.
	Cigna HealthCare of Massachusetts, Inc.
	Cigna HealthCare Mid-Atlantic, Inc.
	Cigna HealthCare of New Hampshire, Inc.
	Cigna HealthCare of New Jersey, Inc.
	Cigna HealthCare of Pennsylvania, Inc.
	Cigna HealthCare of St. Louis, Inc.
	Cigna HealthCare of Utah, Inc.
	Cigna HealthCare of Georgia, Inc.
	Cigna HealthCare of Texas, Inc.
	Cigna HealthCare of Indiana, Inc.
	Cigna HealthCare of Tennessee, Inc.
	Cigna HealthCare of North Carolina, Inc.
	Cigna HealthCare of South Carolina, Inc.
	*Temple Insurance Company Limited
	Arizona Health Plan, Inc.
	Healthsource Properties, Inc.
	Managed Care Consultants, Inc.
	Cigna Benefit Technology Solutions, Inc.
	Sagamore Health Network, Inc.
	Cigna Healthcare Holdings, Inc.
	Great-West Healthcare of Illinois, Inc.
	Cigna Healthcare, Inc.
	*Cigna Life Insurance Company of New York
	*Connecticut General Life Insurance Company
	CG Mystic Center LLC
	CG Mystic Land LLC
	CG Skyline, LLC
	Careallies, LLC
	Cigna Onsite Health, LLC
	Gillette Ridge Community Council, Inc.

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Entity Name
Gillette Ridge Golf LLC
Hazard Center Investment Company LLC
Tel-Drug of Pennsylvania, LLC
GRG Acquisitions LLC
Cigna Affiliates Realty Investment Group, LLC
CR Longwood Investors, LP
ND/CR Longwood LLC
ARE/ND/CR Longwood LLC
Secon Properties, LP
Transwestern Federal Holdings, L.L.C.
Transwestern Federal, L.L.C.
Diamondview Tower CM-CG LLC
CR Washington Street Investors LP
Dulles Town Center Mall, LLC
PUR Arbors Apartments Venture LLC
CG Seventh Street, LLC
Ideal Properties II LLC
Mallory Square Partners I, LLC
Houston Briar Forest Apartments Limited Partnership
SB-SNH LLC
680 Investors LLC
685 New Hampshire LLC
222 Main Street Caring GP LLC
222 Main Street Investors LP
Notch 8 Residential, L.L.C.
UVL, LLC
3601 North Fairfax Drive Associates, LLC
CI Perris 151, LLC
Lakehills CM – CG LLC
Affiliated Hotel Subsidiary LLC
Berewick Apartments LLC
CIG-LEI Ygnacio Associates LLC
CGGL Orange Collection LLC
CGGL Chapman LLC

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Entity Name
CGGL City Parkway LLC
Heights at Bear Creek Venture LLC
SOMA Apartments Venture LLC
Arbor Heights Venture LLC
CG/Wood ALTA 601, LLC
CPI-CII 9171 Wilshire JV LLC
9171 Wilshire CPI-CII LLC
CARING Capitol Hill GP LLC
CARING Capitol Hill LP LLC
Rise-CG Capitol Hill, LP
CARING 9171 Wilshire Investor LLC
CARING Heights at Bear Creek Investor LLC
CARING Dulles Town Center Investor LLC
CARING 500 Ygnacio Investor LLC
CARING Alta Woodson Investor LLC
CARING Mallory Square Investor LLC
CARING Soma Investor LLC
CORAC LLC
Henry on the Park Associates, LLC
*Cigna Health and Life Insurance Company
CarePlexus, LLC
Cigna Corporate Services, LLC
Cigna Insurance Agency, LLC
Ceres Sales of Ohio, LLC
Cigna National Health Insurance Company
Provident American Life & Health Insurance Company
United Benefit Life Insurance Company
Loyal American Life Insurance Company
American Retirement Life Insurance Company
QualCare Alliance Networks, Inc.
QualCare, Inc.
Scibal Associates, Inc.
QualCare Captive Insurance Company Inc., PCC
QualCare Management Resources Limited Liability Company

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Entity Name
Health-Lynx, LLC
Sterling Life Insurance Company
Olympic Health Management Systems, Inc.
Olympic Health Management Services, Inc.
WorldDoc, Inc.
Omada Health, Inc.
Cigna Ventures, LLC
Cricket Health, Inc.
Cigna Health Management, Inc.
Kronos Optimal Health Company
*Life Insurance Company of North America
*Cigna & CMB Life Insurance Company Limited
Cigna & CMB Health Services Company, Ltd.
Cigna Direct Marketing Company, Inc.
Tel-Drug, Inc.
Cigna Global Wellbeing Holdings Limited
Cigna Global Wellbeing Solutions Limited
Vielife Services, Inc.
CG Individual Tax Benefit Payments, Inc.
CG Life Pension Benefits Payments, Inc.
CG LINA Pension Benefits Payments, Inc.
Cigna Federal Benefits, Inc.
Cigna Healthcare Benefits, Inc.
Cigna Integratedcare, Inc.
Cigna Managed Care Benefits Company
Cigna Re Corporation
Blodget & Hazard Limited
Cigna Resource Manager, Inc.
Connecticut General Benefit Payments, Inc.
Healthsource Benefits, Inc.
IHN, Inc.
LINA Benefit Payments, Inc.
Mediversal, Inc.
Universal Claims Administration

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Entity Name
Brighter, Inc
Patient Provider Alliance, Inc
Cigna Global Holdings, Inc.
Cigna International Corporation, Inc.
Cigna International Services, Inc.
Cigna International Marketing (Thailand) Limited
CGO Participatos LTDA
YCFM Servicos LTDA
*Cigna Global Reinsurance Company, Ltd.
Cigna Holdings Overseas, Inc.
Cigna Bellevue Alpha LLC
Cigna Linden Holdings, Inc.
Cigna Palmetto Holdings, Ltd.
Cigna Apac Holdings, Ltd.
Cigna Alder Holdings, LLC
Cigna Walnut Holdings, Ltd.
Cigna Chestnut Holdings, Ltd.
*LINA Life Insurance Company of Korea
Cigna International Services Australia Pty Ltd.
Cigna Hong Kong Holdings Company Limited
Cigna Data Services (Shanghai) Company Limited
Cigna HLA Technology Services Limited
*Cigna Worldwide General Insurance Company Limited
*Cigna Worldwide Life Insurance Company Limited
Cigna International Health Services Sdn Bhd.
*Cigna Life Insurance New Zealand Limited
Grown Ups New Zealand Limited
Cigna New Zealand Holdings Limited
Cigna New Zealand Finance Limited
OnePath Life (NC) Limited
*Cigna Life Insurance Company of Canada(AA-1560515)
Cigna Korea Chusik Heosa (A/K/A Cigna Korea Company Limited)
LINA Financial Service

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Entity Name

- Cigna Nederland Gamma B.V.
- Cigna Finans Emeklilik Ve Hayat A.S.
- RHP (Thailand) Limited
 - *Cigna Brokerage & Marketing (Thailand) Limited
 - KDM (Thailand) Limited
 - *Cigna Insurance Public Company Limited
- Cigna Taiwan Life Assurance Company Limited
- Cigna Myrtle Holdings, Ltd.
 - Cigna Elmwood Holdings, SPRL
 - Cigna Beechwood Holdings
 - Cigna Life Insurance Company of Europe S.A.-N.V.
 - Cigna Europe Insurance Company S.A.-N.V.
 - Cigna European Services (UNITED KINGDOM) Limited
 - Cigna 2000 UNITED KINGDOM Pension LTD
 - Cigna Oak Holdings, LTD.
 - Cigna Willow Holdings, LTD.
 - FirstAssist Administration Limited
 - Cigna Legal Protection U.K. Ltd.
 - Cigna Insurance Services (Europe) Ltd.
 - Cigna International Health Services, BVBA
 - Cigna International Health Services, LLC
 - Cigna International Health Services Kenya Limited
 - Cigna Sequoia Holdings, SPRL
 - Cigna Cedar Holdings, Ltd.
 - Cigna Insurance Middle East S.A.L.
 - Cigna Insurance Management Services (DIFC), Ltd.
 - Cigna Magnolia Holdings, Ltd.
 - Cigna Turkey Danismanlik Hizmetleri, A.S (A/K/A Cigna Turkey Consultancy Services, A.S.)
 - Cigna Nederland Alpha Cooperatief U.A.
 - Cigna Nederland Beta B.V.
 - Cigna Health Solution India Pvt. Ltd.
 - Cigna Poplar Holdings, Inc.
 - PT GAR Indonesia
 - PT PGU Indonesia

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	Entity Name
	*Cigna Global Insurance Company Limited
	*Cigna TTK Health Insurance Company Limited
	*Cigna Worldwide Insurance Company
	*PT. Asuransi Cigna
	Cigna Teak Holdings, LLC
Express Scripts Holding Company, Inc.	
Express Scripts, Inc.	
Express Scripts Services Co.	
Diversified Pharmaceutical Services, Inc.	
Diversified NY IPA, Inc.	
ESI Mail Pharmacy Service, Inc.	
Express Scripts Pharmaceutical Procurement, LLC	
Econdisc Contracting Solutions, LLC	
Express Scripts Sales Operations, Inc.	
Express Scripts Specialty Distribution Services, Inc.	
ESI Partnership (82% Direct ownership, 18% Indirect ownership)	
ESI Resources, Inc.	
ESI GP Holdings, Inc.	
Express Scripts Utilization Management Company	
Express Scripts Strategic Development, Inc.	
Airport Holdings, LLC	
CuraScript, Inc.	
Priority Healthcare Corporation	
Lynnfield Drug, Inc.	
Freedom Service Company, LLC	
Priority Healthcare Distribution, Inc.	
Freco, Inc.	
Lynnfield Compounding Center, Inc.	
SpectraCare, Inc.	
SpectraCare Health Care Ventures, Inc.	
Care Continuum, Inc.	
Matrix GPO, LLC	
Healthbridge Reimbursement & Product Support, Inc.	
Strategic Pharmaceutical Investments, LLC	

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Entity Name

- Naryx Pharma, Inc.
- L&C Investments, LLC
- Express Scripts Senior Care Holdings, Inc.
 - Express Scripts Senior Care, Inc.
- ESI Mail Order Processing, Inc. (f/k/a NXI)
- *Express Reinsurance Company
- Express Scripts Canada Holding Co.
 - Express Scripts Canada Co.
 - ESI Canada
 - ESI GP Canada ULC
 - ESI GP2 Canada ULC
 - Express Scripts Canada Wholesale
 - Express Scripts Canada Services (Ontario Partnership) (99.9% Direct ownership, 0.1% Indirect ownership)
 - Express Scripts Pharmacy Ontario, Ltd.
 - Express Scripts Pharmacy West, Ltd.
 - Express Scripts Pharmacy Central, Ltd.
 - Express Scripts Pharmacy Atlantic, Ltd.
 - Express Scripts Canada Holding, LLC
- Healthbridge, Inc.
- Inside RX, LLC
- myMatrixx Holdings, LLC
 - Matrix Healthcare Services, Inc.
 - myMatrixx-B, LLC
 - MyM Technology Services, LLC
- Innovative Product Alignment, LLC
- Piso Delmatico, LLC (55%)
- Medco Health Solutions, Inc.
 - MAH Pharmacy, LLC
 - *Medco Containment Life Insurance Company
 - *Medco Containment Insurance Company of NY
- Accredo Health, Incorporated
 - AHG of New York, Inc.
 - Biopartners in Care, Inc.
 - Accredo Health Group, Inc.

PART 1 -- ORGANIZATION CHART

The following is a listing identifying and indicating the interrelationships among all affiliated insurers (identified by an asterisk, and if such insurer is incorporated in the united States of America, by a Federal Employer Identification Number, NAIC Company Code and Jurisdiction of Incorporation) and all other affiliates, as of December 31, 2018:

Entity Name

- Medco Europe, LLC
 - Medco Europe II, LLC
 - MHS Holdings, CV
 - Medco International Holdings, BV
- Express Scripts Administrators LLC
- Medco Health Puerto Rico, LLC
- Systemed, LLC
- Medco Health Services, Inc.
 - Express Scripts Pharmacy, Inc.
- Specialty Products Acquisitions, LLC
 - ValoremRx Sourcing Solutions, LLC (50%)
- SureScripts, LLC (16.67%)
- Oz Parent, Inc.
 - eviCore 1, LLC
 - eviCore 2, Inc.
 - eviCore 3, LLC
 - eviCore 4, Inc.
 - eviCore 5, LLC
 - eviCore 6, LLC
 - eviCore 8, LLC
 - eviCore 9, LP
 - CareCore National Group, LLC
 - CareCore National Intermediate Holdings, LLC
 - CareCore National, LLC
 - CareNext Post-Acute, LLC
 - CareNext Managed Care, LLC
 - MedSolutions Holdings, Inc.
 - eviCore healthcare MSI, LLC
 - *CareCore NJ, LLC
 - CCN-WNY IPA, LLC
 - CCN NMO, LLC
 - MedSolutions of Texas, Inc.
 - MSI Health Organization of Texas, Inc.
 - Premerus, Inc.

PART 1 -- ORGANIZATION CHART

The following is a listing identifying and indicating the interrelationships among all affiliated insurers (identified by an asterisk, and if such insurer is incorporated in the united States of America, by a Federal Employer Identification Number, NAIC Company Code and Jurisdiction of Incorporation) and all other affiliates, as of December 31, 2018:

Entity Name
Triad Healthcare, Inc.
MSIAZ I, LLC
MSICA I, LLC
MSICO I, LLC
MSIFL, LLC
MSIMD I, LLC
MSINC I, LLC
MSINH, LLC
MSINH II, LLC
MSINJ I, LLC
MSINV I, LLC
MSI HT, LLC
MSI LT, LLC
MSI SAR-GW, LLC
MSISC II, LLC
MSIVT I, LLC
MSIWA, LLC
Palladian Independent Practice Association, LLC
Palladian Health of Florida, LLC
Chiro Alliance Corporation
AS Acquisition Corp.
HealthFortis, Inc.
DNA Direct, Inc.
Landmark Healthcare, Inc.
Landmark Healthcare Services, Inc.
Landmark Healthcare Colorado, Inc.
QPID Health, LLC

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