



ANNUAL STATEMENT

For the Year Ended December 31, 2018

of the Condition and Affairs of the

Universal Guaranty Life Insurance Company

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

NAIC Company Code..... 70130

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

Organized under the Laws of OH

State of Domicile or Port of Entry OH

Country of Domicile US

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

Commenced Business..... December 31, 1966

Statutory Home Office

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

Main Administrative Office

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

877-881-1777

(Area Code) (Telephone Number)

Mail Address

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

Primary Location of Books and Records

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

877-881-1777

(Area Code) (Telephone Number)

Internet Web Site Address

www.utgins.com

Statutory Statement Contact

Julie Ann Abel
(Name)
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888-686-6567

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OFFICERS

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

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

OTHER

Randall Lanier Attkisson
Howard Lape Dayton Jr
Gabriel John Molnar

Joseph Anthony Brinck II
Thomas Eugene Harmon
Preston Howard Correll #

Jesse Thomas Correll
Peter Loyd Ochs
John Michael Cortines #

Thomas Francis Darden II #
James Patrick Rousey

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

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

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

Subscribed and sworn to before me
This _____ day of _____ 2019

a. Is this an original filing?
b. If no
1. State the amendment number
2. Date filed
3. Number of pages attached

Yes [X] No []

Annual Statement for the year 2018 of the **Universal Guaranty Life Insurance Company**
ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	160,846,431		160,846,431	159,912,511
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	4,258,600		4,258,600	5,942,358
2.2 Common stocks.....	67,067,815	5,000,000	62,067,815	47,840,505
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	9,069,111		9,069,111	17,314,477
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	528,567		528,567	638,827
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....	19,404,681	470,048	18,934,633	19,078,883
5. Cash (\$....5,720,395, Schedule E-Part 1), cash equivalents (\$....8,592,477, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	14,312,872		14,312,872	24,679,095
6. Contract loans (including \$.....0 premium notes).....	9,204,222		9,204,222	9,559,142
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	63,064,357		63,064,357	48,927,677
9. Receivables for securities.....			0	5,000,000
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).....	347,756,656	5,470,048	342,286,608	338,893,474
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	2,119,882		2,119,882	2,990,721
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	(292,083)		(292,083)	(236,280)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	692,678		692,678	732,258
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	213,558		213,558	9,559
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....	178,331		178,331	225,523
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	268,025		268,025	528,982
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....	16,737		16,737	31,553
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	714,980	0	714,980	103,353
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	351,668,764	5,470,048	346,198,716	343,279,143
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	351,668,764	5,470,048	346,198,716	343,279,143

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Due from Unaffiliate.....	714,980		714,980	103,353
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	714,980	0	714,980	103,353

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$....231,075,554 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	231,075,554	237,543,582
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	86,217	101,465
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	11,579,237	11,630,114
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	3,744,210	3,205,410
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	56,787	57,506
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).....	381,653	401,737
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	27,833	22,092
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....	4,679	6,402
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded.....		
9.4 Interest Maintenance Reserve (IMR, Line 6).....	11,302,324	11,775,513
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....		
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	3,599,683	3,367,909
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	575,658	590,167
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		
15.2 Net deferred tax liability.....	2,794,274	1,569,159
16. Unearned investment income.....	182,437	184,555
17. Amounts withheld or retained by company as agent or trustee.....	1,638,759	2,075,314
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....		
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR Line 16, Col. 7).....	18,627,315	15,716,527
24.02 Reinsurance in unauthorized and certified (\$.....0) companies.....		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....	482,644	182,229
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....		
24.09 Payable for securities.....	14,521	124,121
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	7,354
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	286,173,785	288,561,156
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	286,173,785	288,561,156
29. Common capital stock.....	2,000,000	2,000,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other-than-special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	19,675,593	19,675,593
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	38,349,338	33,042,394
36. Less treasury stock, at cost:		
36.1 ....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 ....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	58,024,931	52,717,987
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	60,024,931	54,717,987
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	346,198,716	343,279,143

DETAILS OF WRITE-INS

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

Annual Statement for the year 2018 of the **Universal Guaranty Life Insurance Company**
SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	.5,265,114	.5,638,388
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	.11,443,890	.12,168,447
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5)	.1,065,311	.1,044,614
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)	.160,815	.167,360
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	.350,231	.354,264
9. Totals (Lines 1 to 8.3)	.18,285,361	.19,373,073
10. Death benefits	.12,515,693	.12,373,274
11. Matured endowments (excluding guaranteed annual pure endowments)	.295,046	.250,781
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	.569,957	.303,914
13. Disability benefits and benefits under accident and health contracts	.28,093	.24,514
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	.4,544,042	.4,937,073
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	.459,187	.468,308
18. Payments on supplementary contracts with life contingencies	.131,450	.139,376
19. Increase in aggregate reserves for life and accident and health contracts	(6,484,999)	(5,666,637)
20. Totals (Lines 10 to 19)	.12,058,469	.12,830,603
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	.12,258	.14,480
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	.635	.170,245
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	.8,315,690	.7,769,642
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	.242,790	.269,507
25. Increase in loading on deferred and uncollected premiums	(20,264)	(40,751)
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions	.0	.0
28. Totals (Lines 20 to 27)	.20,609,578	.21,013,726
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(2,324,217)	(1,640,653)
30. Dividends to policyholders	.370,284	.350,014
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(2,694,501)	(1,990,667)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(429,074)	(1,729,619)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(2,265,427)	(261,048)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$...2,123,948 (excluding taxes of \$....151,083 transferred to the IMR)	.8,431,838	.5,617,531
35. Net income (Line 33 plus Line 34)	.6,166,411	.5,356,483
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	.54,717,987	.45,167,092
37. Net income (Line 35)	.6,166,411	.5,356,483
38. Change in net unrealized capital gains (losses) less capital gains tax of \$....2,672,341	.10,053,095	.4,004,503
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	.1,447,226	.1,032,036
41. Change in nonadmitted assets	(4,449,000)	.1,310,780
42. Change in liability for reinsurance in unauthorized and certified companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease		
44. Change in asset valuation reserve	(2,910,788)	(1,173,157)
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		.1,020,250
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders	(5,000,000)	(2,000,000)
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)	.5,306,944	.9,550,895
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	.60,024,931	.54,717,987

DETAILS OF WRITE-INS

08.301. Reinsurance Experience Refunds	.117	.416
08.302. Miscellaneous	.16,455	.18,597
08.303. Third Party Administration Income	.333,659	.335,251
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)	.350,231	.354,264
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	.0	.0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	.0	.0
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page	.0	.0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	.0	.0

Universal Guaranty Life Insurance Company

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	5,386,851	5,570,657
2. Net investment income.....	12,134,138	12,792,280
3. Miscellaneous income.....	511,046	521,624
4. Total (Lines 1 through 3).....	18,032,035	18,884,561
5. Benefit and loss related payments.....	18,261,806	18,427,773
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....	.....
7. Commissions, expenses paid and aggregate write-ins for deductions.....	8,111,383	7,979,702
8. Dividends paid to policyholders.....	390,368	370,847
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	1,585,000	(132,911)
10. Total (Lines 5 through 9).....	28,348,557	26,645,411
11. Net cash from operations (Line 4 minus Line 10).....	(10,316,522)	(7,760,850)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:	.....	.....
12.1 Bonds.....	66,408,611	28,724,371
12.2 Stocks.....	2,250,506	7,329,943
12.3 Mortgage loans.....	8,878,073	1,840,609
12.4 Real estate.....	6,062,526	8,139,728
12.5 Other invested assets.....	15,480,169	6,487,355
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	.....	11
12.7 Miscellaneous proceeds.....	5,000,000	123,387
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	104,079,885	52,645,404
13. Cost of investments acquired (long-term only):	.....	.....
13.1 Bonds.....	56,940,882	15,615,699
13.2 Stocks.....	9,682,571	1,580,171
13.3 Mortgage loans.....	91,954	360,531
13.4 Real estate.....	4,669,314	1,080,608
13.5 Other invested assets.....	27,298,266	8,932,521
13.6 Miscellaneous applications.....	109,600	5,000,000
13.7 Total investments acquired (Lines 13.1 to 13.6).....	98,792,587	32,569,530
14. Net increase (decrease) in contract loans and premium notes.....	(354,920)	(510,992)
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	5,642,218	20,586,866
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):	.....	.....
16.1 Surplus notes, capital notes.....	.....	.....
16.2 Capital and paid in surplus, less treasury stock.....	.....	1,020,250
16.3 Borrowed funds.....	.....	.....
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	.....	.....
16.5 Dividends to stockholders.....	5,000,000	2,000,000
16.6 Other cash provided (applied).....	(691,919)	(1,322,712)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(5,691,919)	(2,302,462)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(10,366,223)	10,523,553
19. Cash, cash equivalents and short-term investments:	.....	.....
19.1 Beginning of year.....	24,679,095	14,155,541
19.2 End of year (Line 18 plus Line 19.1).....	14,312,872	24,679,095

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

20.0001
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	5,265,114	170,747	4,764,397	206,661		1,459	107,162			1,972	12,716	
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	11,443,890	806,219	9,345,891	1,225,853	.59,725	99	685		1,825	20	3,573	
4. Amortization of Interest Maintenance Reserve (IMR).....	1,065,311	75,051	.870,008	.114,115	.5,560	9	.64		.170	.2	.332	
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	160,815	55,563	.104,685								.567	
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.....	350,231	0	350,231	0	0	0	0	0	0	0	0	
9. Totals (Lines 1 to 8.3).....	18,285,361	1,107,580	15,435,212	1,546,629	.65,285	1,567	107,911	0	1,995	1,994	17,188	0
10. Death benefits.....	12,515,694	359,232	11,809,800			(5)	346,667					
11. Matured endowments (excluding guaranteed annual pure endowments).....	295,046		.295,046									
12. Annuity benefits.....	569,957			.569,957								
13. Disability benefits and benefits under accident and health contracts.....	.28,093											
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	4,544,041	89,549	3,465,779	988,691		.22						
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	.459,187		.445,007									
18. Payments on supplementary contracts with life contingencies.....	131,450				.14,180							
19. Increase in aggregate reserves for life and accident and health contracts.....	(6,484,999)	(384,286)	(5,698,994)	(307,590)	(76,129)	(333)	(696)		(11,811)	1,135	(6,295)	
20. Totals (Lines 10 to 19).....	12,058,469	64,495	10,316,638	1,251,058	.69,501	(338)	.345,993	0	(2,811)	1,135	12,798	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	.12,258		.12,249	9								
22. Commissions and expense allowances on reinsurance assumed.....	635					365					.270	
23. General insurance expenses.....	8,315,690	184,732	7,712,167	.220,946		.591	.112,669				.1,259	.83,326
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	242,790	5,394	.225,208	.6,452		17	.3,290				.36	.2,393
25. Increase in loading on deferred and uncollected premiums.....	(20,264)	(185)	(20,074)				(5)					
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0											
27. Aggregate write-ins for deductions.....	0	0	0	0	0	0	0	0	0	0	0	
28. Totals (Lines 20 to 27).....	20,609,578	.254,436	18,246,188	1,478,465	.69,501	.635	.461,947	0	(2,811)	.2,700	.98,517	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	(2,324,217)	.853,144	(2,810,976)	.68,164	(4,216)	.932	(354,036)	0		.4,806	(706)	(81,329)
30. Dividends to policyholders.....	370,284		.370,284									
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	(2,694,501)	.853,144	(3,181,260)	.68,164	(4,216)	.932	(354,036)	0		.4,806	(706)	(81,329)
32. Federal income taxes incurred (excluding tax on capital gains).....	(429,074)	.135,856	(506,533)	.10,854	(671)	.95	(56,377)			.765	(112)	(12,951)
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).....	(2,265,427)	717,288	(2,674,727)	.57,310	(3,545)	.837	(297,659)	0		.4,041	(594)	(68,378)

DETAILS OF WRITE-INS

08.301. Reinsurance Experience Refunds.....	117			117								
08.302. Miscellaneous.....	16,455			16,455								
08.303. Third Party Administration Income.....	333,659			.333,659								
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).....	350,231	0	350,231	0	0	0	0	0	0	0	0	0
2701.	0											
2702.	0											
2703.	0			0	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).....	0	0	0	0	0	0	0	0	0	0	0	0

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group				
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities			
Involving Life or Disability Contingencies (Reserves)											
(Net of Reinsurance Ceded)											
1. Reserve December 31, prior year.....	237,543,581	17,298,304	192,956,425	26,395,880	877,337	1,436	14,199				
2. Tabular net premiums or considerations.....	3,594,346	.55,007	3,202,527	230,774		.518	105,520				
3. Present value of disability claims incurred.....	10,023		10,023		XXX						
4. Tabular interest.....	8,414,692	.516,465	6,839,130	1,032,567	23,804	.48	2,678				
5. Tabular less actual reserve released.....	.58,473		(1,440)	(7,923)	67,836						
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).....	249,621,115	17,869,776	203,006,665	27,651,298	.968,977	2,002	122,397	0			
9. Tabular cost.....	6,219,493	.515,303	5,595,342		XXX	.898	107,950				
10. Reserves released by death.....	6,584,945	.219,826	6,364,192	XXX	XXX		.927	XXX			
11. Reserves released by other terminations (net).....	5,305,759	.220,628	3,789,698	1,259,094	36,319	3	.17				
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	435,364			303,914	131,450						
13. Net transfers to or (from) Separate Accounts.....	.0										
14. Total deductions (Lines 9 to 13).....	18,545,561	.955,757	15,749,232	1,563,008	167,769	901	108,894	0			
15. Reserve December 31, current year.....	231,075,554	16,914,019	187,257,433	26,088,290	.801,208	1,101	13,503	0			

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....221,436	.....262,989
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....7,105,600	.....7,010,168
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....54,972	.....54,972
2.11 Preferred stocks of affiliates.....	(b).....303,763	.....256,894
2.2 Common stocks (unaffiliated).....	.....1,239,853	.....1,299,283
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....1,704,181	.....1,234,115
4. Real estate.....	(d).....939,711	.....939,711
5. Contract loans.....	.....655,617	.....646,993
6. Cash, cash equivalents and short-term investments.....	(e).....368,705	.....373,351
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....2,689,715	.....2,336,356
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....15,283,553	.....14,414,832
11. Investment expenses.....	(g).....2,432,527	.....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....331,643	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....206,771	.....
15. Aggregate write-ins for deductions from investment income.....	.....0	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....2,970,941
17. Net investment income (Line 10 minus Line 16).....	.....	.....11,443,891

DETAILS OF WRITE-INS

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

(a) Includes \$.....93,215 accrual of discount less \$.....491,449 amortization of premium and less \$.....293,577 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 \$.....540,753 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 \$.....(9,876) 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 \$.....206,771 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).....	.....10,751,955	.....	.....10,751,955	.....47,929	.....
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	.....10,306,080	.....
2.21 Common stocks of affiliates.....	.....	.....(500,000)	.....(500,000)	.....305,407	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....1,347,036	.....(300,000)	.....1,047,036	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....2,066,020	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....12,098,991	.....(800,000)	.....11,298,991	.....12,725,436	.....0

DETAILS OF WRITE-INS

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

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
FIRST YEAR (other than single)											
1. Uncollected.....	0										
2. Deferred and accrued.....	1,090			1,090							
3. Deferred, accrued and uncollected:											
3.1 Direct.....	1,090			1,090							
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	0										
3.4 Net (Line 1 + Line 2).....	1,090	0	1,090	0	0	0	0	0	0	0	0
4. Advance.....	0										
5. Line 3.4 - Line 4.....	1,090	0	1,090	0	0	0	0	0	0	0	0
6. Collected during year:											
6.1 Direct.....	4,185			4,185							
6.2 Reinsurance assumed.....	0										
6.3 Reinsurance ceded.....	0										
6.4 Net.....	4,185	0	4,185	0	0	0	0	0	0	0	0
7. Line 5 + Line 6.4.....	5,275	0	5,275	0	0	0	0	0	0	0	0
8. Prior year (uncollected + deferred and accrued - advance).....	609		609								
9. First year premiums and considerations:											
9.1 Direct.....	4,666		4,666								
9.2 Reinsurance assumed.....	0										
9.3 Reinsurance ceded.....	0										
9.4 Net (Line 7 - Line 8).....	4,666	0	4,666	0	0	0	0	0	0	0	0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct.....	103,151		103,151								
10.2 Reinsurance assumed.....	3,431				1,459				1,972		
10.3 Reinsurance ceded.....	3,939		3,939		0						
10.4 Net.....	102,643	0	99,212	0	1,459	0	0	0	1,972	0	0
RENEWAL											
11. Uncollected.....	(282,461)	1,983	(285,074)			630					
12. Deferred and accrued.....	862,565	629	861,936								
13. Deferred, accrued and uncollected:											
13.1 Direct.....	897,389	2,612	894,147			630					
13.2 Reinsurance assumed.....	0										
13.3 Reinsurance ceded.....	317,285		317,285								
13.4 Net (Line 11 + Line 12).....	580,104	2,612	576,862	0	0	630	0	0	0	0	0
14. Advance.....	27,833	113	27,720								
15. Line 13.4 - Line 14.....	552,271	2,499	549,142	0	0	630	0	0	0	0	0
16. Collected during year:											
16.1 Direct.....	8,084,094	171,023	7,581,085	206,661		107,157				18,168	
16.2 Reinsurance assumed.....	0										
16.3 Reinsurance ceded.....	2,804,071		2,798,619							5,452	
16.4 Net.....	5,280,023	171,023	4,782,466	206,661	0	107,157	0	0	0	12,716	0
17. Line 15 + Line 16.4.....	5,832,294	173,522	5,331,608	206,661	0	107,787	0	0	0	12,716	0
18. Prior year (uncollected + deferred and accrued - advance).....	674,489	2,775	671,089			625					
19. Renewal premiums and considerations:											
19.1 Direct.....	8,007,952	170,747	7,505,214	206,661		107,162				18,168	
19.2 Reinsurance assumed.....	0										
19.3 Reinsurance ceded.....	2,850,147		2,844,695							5,452	
19.4 Net (Line 17 - Line 18).....	5,157,805	170,747	4,660,519	206,661	0	107,162	0	0	0	12,716	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct.....	8,115,769	170,747	7,613,031	206,661	0	107,162	0	0	0	18,168	0
20.2 Reinsurance assumed.....	3,431	0	0	0	1,459	0	0	0	1,972	0	0
20.3 Reinsurance ceded.....	2,854,086	0	2,848,634	0	0	0	0	0	0	5,452	0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	5,265,114	170,747	4,764,397	206,661	1,459	107,162	0	0	1,972	12,716	0

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health		11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)										
21. To pay renewal premiums.....	.59,457		59,457							
22. All other.....	.99,212		99,212							
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED										
23. First year (other than single):										
23.1 Reinsurance ceded.....	0									
23.2 Reinsurance assumed.....	0									
23.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0
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
25. Renewal:										
25.1 Reinsurance ceded.....	160,815	.55,563	104,685							.567
25.2 Reinsurance assumed.....	635				365				270	
25.3 Net ceded less assumed.....	160,180	.55,563	104,685	0	(365)	0	0	0	(270)	.567
26. Totals:										
26.1 Reinsurance ceded (Page 6, Line 6).....	160,815	.55,563	104,685	0	0	0	0	0	0	.567
26.2 Reinsurance assumed (Page 6, Line 22).....	635	0	0	0	365	0	0	0	270	0
26.3 Net ceded less assumed.....	160,180	.55,563	104,685	0	(365)	0	0	0	(270)	.567
COMMISSIONS INCURRED (direct business only)										
27. First year (other than single).....	0									
28. Single.....	0									
29. Renewal.....	12,258		12,249	.9						
30. Deposit-type contract funds.....	0									
31. Totals (to agree with Page 6, Line 21).....	12,258	0	12,249	.9	0	0	0	0	0	0

Universal Guaranty Life Insurance Company

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6		
	1 Life	Accident and Health		4 All Other Lines of Business				
		2 Cost Containment	3 All Other					
1. Rent.....	209,617		2,172		5,431	217,220		
2. Salaries and wages.....	4,088,100		42,466		116,069	4,246,635		
3.11 Contributions for benefit plans for employees.....	306,055		3,172		7,929	317,156		
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.....	162,457		1,683		4,209	168,349		
3.32 Other agent welfare.....						0		
4.1 Legal fees and expenses.....	2,042		21			2,063		
4.2 Medical examination fees.....	16,320					16,320		
4.3 Inspection report fees.....						0		
4.4 Fees of public accountants and consulting actuaries.....	282,218		2,850			285,068		
4.5 Expense of investigation and settlement of policy claims.....						0		
5.1 Traveling expenses.....	380,457		3,843			384,300		
5.2 Advertising.....	3,031		31			3,062		
5.3 Postage, express, telegraph and telephone.....	141,302		1,465		3,715	146,482		
5.4 Printing and stationery.....	45,339		458			45,797		
5.5 Cost or depreciation of furniture and equipment.....	316,800		3,200			320,000		
5.6 Rental of equipment.....	92,849		938			93,787		
5.7 Cost or depreciation of EDP equipment and software.....						0		
6.1 Books and periodicals.....	42,851		433			43,284		
6.2 Bureau and association fees.....						0		
6.3 Insurance, except on real estate.....	195,911		1,979			197,890		
6.4 Miscellaneous losses.....						0		
6.5 Collection and bank service charges.....	44,483		449			44,932		
6.6 Sundry general expenses.....	955,121		9,648			964,769		
6.7 Group service and administration fees.....						0		
6.8 Reimbursements by uninsured plans.....						0		
7.1 Agency expense allowance.....	2,665					2,665		
7.2 Agents' balances charged off (less \$..... 0 recovered).....						0		
7.3 Agency conferences other than local meetings.....						0		
9.1 Real estate expenses.....					671,995	671,995		
9.2 Investment expenses not included elsewhere.....					1,598,736	1,598,736		
9.3 Aggregate write-ins for expenses.....	943,483	0	9,777	0	24,443	977,703		
10. General expenses Incurred.....	8,231,101	0	84,585	0	2,432,527	(a) 10,748,213		
11. General expenses unpaid December 31, prior year.....	2,398,523		24,743		944,643	3,367,909		
12. General expenses unpaid December 31, current year.....	2,858,274		29,519		711,890	3,599,683		
13. Amounts receivable relating to uninsured plans, prior year.....						0		
14. Amounts receivable relating to uninsured plans, current year.....						0		
15. General expenses paid during year (Lines 10+11-12-13+14).....	7,771,350	0	79,809	0	2,665,280	10,516,439		

DETAILS OF WRITE-INS

09.301. Data Processing.....	943,483		9,777		24,443	977,703
09.302.						0
09.303.						0
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	0	0	0	0	0	0
09.399. Totals (Lines 09.301 through 09.303 plus 09.398)(Line 9.3 above).....	943,483	0	9,777	0	24,443	977,703

(a) Includes management fees of \$..... 0 to affiliates and \$....7,189,244 to non-affiliates.

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

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes.....				331,643	331,643
2. State insurance department licenses and fees.....	102,228	1,033			103,261
3. State taxes on premiums.....	88,864	898			89,762
4. Other state taxes, including \$..... 0 for employee benefits.....	49,269	498			49,767
5. U.S. Social Security taxes.....					0
6. All other taxes.....					0
7. Taxes, licenses and fees incurred.....	240,361	2,429	0	331,643	574,433
8. Taxes, licenses and fees unpaid December 31, prior year.....	444,099	4,486		141,582	590,167
9. Taxes, licenses and fees unpaid December 31, current year.....	439,608	4,440		131,610	575,658
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	244,852	2,475	0	341,615	588,942

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
1. Applied to pay renewal premiums.....	59,457	
2. Applied to shorten the endowment or premium-paying period.....		
3. Applied to provide paid-up additions.....	99,212	
4. Applied to provide paid-up annuities.....		
5. Total Lines 1 through 4.....	158,669	0
6. Paid-in cash.....	58,071	
7. Left on deposit.....	173,628	
8. Aggregate write-ins for dividend or refund options.....	0	0
9. Total Lines 5 through 8.....	390,368	0
10. Amount due and unpaid.....		
11. Provision for dividends or refunds payable in the following calendar year.....	381,653	
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.....	381,653	0
16. Total from prior year.....	401,737	
17. Total dividends or refunds (Lines 9 + 15 - 16).....	370,284	0

DETAILS OF WRITE-INS

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

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

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
Life Insurance:					
0100001. 01 CSO 3% CRVM.....	2,932			2,932	
0100002. 01 CSO 3.5% CRVM NS/SK.....	33,351			33,351	
0100003. 01 CSO 3.5% NLP.....	0				
0100004. 01 CSO 4% CRVM NS/SK.....	77,700			77,700	
0100005. 01 CSO 4% NLP.....	2,297			2,297	
0100006. 01 CSO 4% NLP NS/SK.....	867			867	
0100007. 01 CSO-D 3.5% CRVM.....	0				
0100008. 01 CSO-D 3.5% NLP.....	0				
0100009. 01 CSO-D 4% CRVM.....	0				
0100010. 01 CSO-D 4% NLP.....	0				
0100011. 41 CET 2.5% NLP.....	1,140			1,140	
0100012. 41 CET 2.75% NLP.....	7,172			7,172	
0100013. 41 CET 3% NLP.....	121,412			121,412	
0100014. 41 CET 3.5% NLP.....	0				
0100015. 41 CIET 3% NLP.....	84,542		84,542		
0100016. 41 CIET 3.5% NLP.....	162,938		162,938		
0100017. 41 CSI 3% CRVM.....	36,825		36,825		
0100018. 41 CSI 3% NLP.....	736,003		736,003		
0100019. 41 CSI 3.5% CRVM.....	197		197		
0100020. 41 CSI 3.5% NLP.....	89,100		88,468		.632
0100021. 41 CSO 2.5% CRVM.....	9,747			9,747	
0100022. 41 CSO 2.75% CRVM.....	20,984			20,984	
0100023. 41 CSO 2.75% NLP.....	802			802	
0100024. 41 CSO 3% CRVM.....	925,603			925,603	
0100025. 41 CSO 3% NJS.....	39,701			39,701	
0100026. 41 CSO 3% NLP.....	5,969,419			5,969,419	
0100027. 41 CSO 3.5% CRVM.....	12,935			12,935	
0100028. 41 CSO 3.5% NLP.....	55,414			55,414	
0100029. 41 CSSI 3% CRVM.....	2,871		2,871		
0100030. 41 CSSI 3% NLP.....	19,497		19,497		
0100031. 41 CSSI 3.5% CRVM.....	398,730		398,730		
0100032. 41 CSSI 3.5% NLP.....	2,205,515		2,205,515		
0100033. 41 CSSIET 3% NLP.....	360		360		
0100034. 41 CSSIET 3.5% NLP.....	3,932		3,932		
0100035. 58 CET 2% NLP.....	14,123			14,123	
0100036. 58 CET 2.5% NLP.....	33,086			33,086	
0100037. 58 CET 3% NLP.....	2,219,607			2,219,607	
0100038. 58 CET 3.5% NLP.....	498,920			498,920	
0100039. 58 CET 4% NLP.....	172,624			172,624	
0100040. 58 CET 4.5% CRVM.....	659			659	
0100041. 58 CET 4.5% NLP.....	272,912			272,912	
0100042. 58 CET 5.5% NLP.....	8,059			8,059	
0100043. 58 CSO 2% CRVM.....	27,950			27,950	
0100044. 58 CSO 2% NLP.....	57,137			57,137	
0100045. 58 CSO 2.5% CRVM.....	496,747			496,747	
0100046. 58 CSO 2.5% NLP.....	1,377,570			1,377,570	
0100047. 58 CSO 3% CRVM.....	12,329,584		43,007	12,286,577	
0100048. 58 CSO 3% CRVM JT.....	33,328			33,328	
0100049. 58 CSO 3% FPT.....	11,487			11,487	
0100050. 58 CSO 3% NJ.....	3,924			3,924	
0100051. 58 CSO 3% NLP.....	23,229,264			23,214,660	1,101
0100052. 58 CSO 3% NLP JT.....	19,686			19,686	
0100053. 58 CSO 3.5% / 2.5% CRVM.....	0				
0100054. 58 CSO 3.5% / 2.5% NJ.....	40,131			40,131	
0100055. 58 CSO 3.5% / 3% CRVM.....	336,796			336,796	
0100056. 58 CSO 3.5% CRVM.....	7,257,690		260,903	6,996,787	
0100057. 58 CSO 3.5% NLP.....	4,270,409			4,270,409	
0100058. 58 CSO 4% CRVM.....	9,314,732		218,202	9,096,530	
0100059. 58 CSO 4% NLP.....	1,002,441			1,002,441	
0100060. 58 CSO 4.5% CRVM.....	4,526,657		198,986	4,327,671	
0100061. 58 CSO 4.5% NLP.....	539,923			539,923	
0100062. 58 CSO 5.5% NLP.....	3,794			3,794	
0100063. 58 CSO 6% CRVM.....	541,481		153,861	387,620	
0100064. 61 CIET 3% NLP.....	92,026		92,026		
0100065. 61 CIET 3.5% NLP.....	2,931,150		2,931,150		
0100066. 61 CIET 4.5% NLP.....	136,656		136,656		
0100067. 61 CIET 5% NLP.....	10,527		10,527		
0100068. 61 CIET 5.5% NLP.....	6,727		6,727		
0100069. 61 CIET 6% NLP.....	183,301		183,301		
0100070. 61 CSI 3% CRVM.....	61,719		61,719		
0100071. 61 CSI 3% NLP.....	346,150		346,150		
0100072. 61 CSI 3.5% CRVM.....	56,836		56,836		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0100073. 61 CSI 3.5% NLP.....	6,603,694	6,603,694			
0100074. 61 CSI 4% CRVM.....	0				
0100075. 80 CET 4% NLP.....	282,302		282,302		
0100076. 80 CET 4% NLP NS/SK.....	7,240		7,240		
0100077. 80 CET 4.5% NLP.....	449,465		449,465		
0100078. 80 CET 4.5% NLP NS/SK.....	773		773		
0100079. 80 CET 5% NLP.....	933,472		933,472		
0100080. 80 CET 5.5% NLP.....	863,904		863,904		
0100081. 80 CET 5.5% NLP NS/SK.....	0				
0100082. 80 CET 6% NLP.....	1,662		1,662		
0100083. 80 CET-B UNI 4% NLP.....	4,798		4,798		
0100084. 80 CET-B UNI 5% NLP.....	1,994		1,994		
0100085. 80 CET-D 4% NLP.....	32,793		32,793		
0100086. 80 CSO 3.5% CRVM.....	101,404		101,404		
0100087. 80 CSO 4% CRVM.....	63,576,540		63,576,540		
0100088. 80 CSO 4% CRVM NS/SK.....	62,675		62,675		
0100089. 80 CSO 4% NLP.....	4,022,176		4,022,176		
0100090. 80 CSO 4% NLP NS/SK.....	100,760		100,760		
0100091. 80 CSO 4.5% CRVM.....	2,608,849	64,782	2,544,067		
0100092. 80 CSO 4.5% CRVM NS/SK.....	119,702		119,702		
0100093. 80 CSO 4.5% NLP.....	3,354,073	66,483	3,287,590		
0100094. 80 CSO 4.5% NLP NS/SK.....	54,013		54,013		
0100095. 80 CSO 5% CRVM.....	11,711,906	107,591	11,604,315		
0100096. 80 CSO 5% CRVM NS/SK.....	1,924,848		1,924,848		
0100097. 80 CSO 5% NLP.....	8,262,121	79,485	8,182,636		
0100098. 80 CSO 5% NLP NS/SK.....	3,464,271		3,464,271		
0100099. 80 CSO 5.5% / 6% CRVM.....	5,673		5,673		
0100100. 80 CSO 5.5% CRVM.....	10,116,832	272,724	9,844,108		
0100101. 80 CSO 5.5% CRVM NS/SK.....	3,320,411		3,320,411		
0100102. 80 CSO 5.5% NLP.....	13,588,011	464,505	13,123,506		
0100103. 80 CSO 5.5% NLP NS/SK.....	5,072,714		5,072,714		
0100104. 80 CSO 5.75% NLP.....	626		626		
0100105. 80 CSO 6% CRVM.....	2,034,204	34,067	2,000,137		
0100106. 80 CSO 6% NLP.....	116,486	66,011	50,475		
0100107. 80 CSO-B 4% CRVM.....	80,094		80,094		
0100108. 80 CSO-B 4% NLP.....	42,235		42,235		
0100109. 80 CSO-B 5% NLP.....	330,532		330,532		
0100110. 80 CSO-D 4% CRVM.....	896,915		896,915		
0100111. 80 CSO-D 4% NLP.....	101,126		101,126		
0100112. AE 3% NLP.....	698		698		
0100113. AE 3.5% CRVM.....	13,531	13,046	485		
0100114. AE 3.5% ILL STD.....	100,604		100,604		
0100115. AE 3.5% NLP.....	1,247,116	549,397	697,719		
0100116. AE 4% NLP.....	151,706	151,706			
0199997. Totals (Gross).....	229,252,748	16,913,420	212,324,724	1,101	13,503
0199998. Reinsurance ceded.....	25,834,967		25,834,967		
0199999. Totals (Net).....	203,417,781	16,913,420	186,489,757	1,101	13,503

Annuities (excluding supplementary contracts with life contingencies):

0200001. 37 sa (-1.5) 2.5% DEF.....	4,705	XXX	4,705	XXX	
0200002. 37 SA 2.5% DEF.....	153,427	XXX	153,427	XXX	
0200003. 37 SA 3% DEF.....	389,973	XXX	389,973	XXX	
0200004. 37 SA 3.5% DEF.....	1,666,657	XXX	1,666,657	XXX	
0200005. A1949 3.5% DEF.....	14,368	XXX	14,368	XXX	
0200006. Deferred 3%.....	2,648,360	XXX	2,648,360	XXX	
0200007. Deferred 3.25%.....	230,900	XXX	230,900	XXX	
0200008. Deferred 3.5%.....	221,729	XXX	221,729	XXX	
0200009. Deferred 4%.....	5,240,284	XXX	5,240,284	XXX	
0200010. Deferred 4.5%.....	12,933,663	XXX	12,933,663	XXX	
0200011. Deferred 5%.....	2,446,566	XXX	2,446,566	XXX	
0200012. Deferred 7%.....	338,666	XXX	338,666	XXX	
0200013. 71 IAM 4.5%.....	14,195	XXX	14,195	XXX	
0200014. 71 IAM 7.5%.....	32,626	XXX	32,626	XXX	
0200015. Single Prem 3%.....	80,005	XXX	80,005	XXX	
0200016. Single Prem 4%.....	23,294	XXX	23,294	XXX	
0299997. Totals (Gross).....	26,439,418	XXX	26,439,418	XXX	0
0299998. Reinsurance ceded.....	351,128	XXX	351,128	XXX	
0299999. Totals (Net).....	26,088,290	XXX	26,088,290	XXX	0

Supplementary Contracts with Life Contingencies:

0300001. 37 Std Annuity 2.5%.....	0				
0300002. 37 Std Annuity 3%.....	4,824		4,824		
0300003. 71 IAM 6%, 7.5%, 11%, 11.25%.....	8,669		8,669		
0300004. 83 IAM 2.5%.....	47,874		47,874		
0300005. 83 IAM 2.75%.....	55,771		55,771		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0300006. 83 IAM 3%.....	127,192		127,192		
0300007. 83 IAM 3.5%.....	51,820		51,820		
0300008. 83 IAM 4%.....	60,042		60,042		
0300009. 83 IAM 4.5%.....	3,077		3,077		
0300010. 83 IAM 5%.....	40,779		40,779		
0300011. 83 IAM 5.5%.....	23,838		23,838		
0300012. 83 IAM 6%.....	30,084		30,084		
0300013. 83 IAM 8%.....	61,686		61,686		
0300014. 83 IAM 8.75%.....	0				
0300015. 83 IAM 9.25%.....	3,317		3,317		
0300016. A2000 2.5%.....	43,182		43,182		
0300017. A2000 3%.....	10,746		10,746		
0300018. A2000 3.5%.....	187,802		187,802		
0300019. A2000 4%.....	12,348		12,348		
0300020. A2000 4.5%.....	28,157		28,157		
0399997. Totals (Gross).....	801,208	0	801,208	0	0
0399999. Totals (Net).....	801,208	0	801,208	0	0

Accidental Death Benefits:

0400001. 41 CSO/52 Dis 3%.....	2,845	.538	2,307		
0400002. 58 INTERCOMPANY 3%.....	3,088		3,088		
0400003. 59 ADB/58 CSO 3%.....	73,815		73,815		
0499997. Totals (Gross).....	79,748	.538	79,210	0	0
0499999. Totals (Net).....	79,748	.538	79,210	0	0

Disability - Active Lives:

0500001. 52 Interco Disa With 58 CSO 3%.....	119,795	.60	119,735		
0599997. Totals (Gross).....	119,795	.60	119,735	0	0
0599999. Totals (Net).....	119,795	.60	119,735	0	0

Disability - Disabled Lives:

0600001. 52 Interco Disability 3%.....	358,638		358,638		
0699997. Totals (Gross).....	358,638	0	358,638	0	0
0699998. Reinsurance ceded.....	2,671		2,671		
0699999. Totals (Net).....	355,967	0	355,967	0	0

Miscellaneous Reserves:

0700001. Deficiency Reserves.....	0				
0700002. Non-Deduct Reserves.....	212,765		212,765		
0799997. Totals (Gross).....	212,765	0	212,765	0	0
0799999. Totals (Net).....	212,765	0	212,765	0	0
9999999. Totals (Net) - Page 3, Line 1.....	231,075,554	16,914,018	214,146,932	1,101	13,503

Universal Guaranty Life Insurance Company
EXHIBIT 5 - INTERROGATORIES

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

4.4 Basis of regular assessments:

4.5 Basis of special assessments:

4.6 Assessments collected during year:

\$.....

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

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

Yes [] No []

6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$.....

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

\$.....

Attach statement of methods employed in their valuation.

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

Yes [] No []

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

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

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

7.4 Identify where the reserves are reported in the blank.

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

Yes [] No []

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

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

8.3 Identify where the reserves are reported in the blank:

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

Yes [] No []

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

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

9.3 Identify where the reserves are reported in the blank:

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

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

NONE

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	3,297		1,493			1,804			
2. Additional contract reserves (a).....	27,560					27,560			
3. Additional actuarial reserves - Asset/Liability analysis.....	0								
4. Reserve for future contingent benefits.....	0								
5. Reserve for rate credits.....	4,679					4,679			
6. Aggregate write-ins for reserves.....	0	0	0	0	0	0	0	0	0
7. Totals (Gross).....	35,536	0	1,493	0	0	34,043	0	0	0
8. Reinsurance ceded.....	7,461					7,461			
9. Totals (Net).....	28,075	0	1,493	0	0	26,582	0	0	0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	239,981	153,057				86,924			
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).....	239,981	153,057	0	0	0	86,924	0	0	0
15. Reinsurance ceded.....	177,160	130,098				47,062			
16. Totals (Net).....	62,821	22,959	0	0	0	39,862	0	0	0
17. TOTALS (Net).....	90,896	22,959	1,493	0	0	66,444	0	0	0
18. TABULAR FUND INTEREST.....	2,729	866				1,863			

DETAILS OF WRITE-INS

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

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

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	14,988,343			382,678	14,601,645	4,020
2. Deposits received during the year.....	192,837			17,666	173,628	1,543
3. Investment earnings credited to the account.....	134,642			14,180	120,304	158
4. Other net change in reserves.....	0					
5. Fees and other charges assessed.....	0					
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	362,745			75,855	286,739	151
8. Other net transfers to or (from) Separate Accounts.....	0					
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8).....	14,953,077	0	0	338,669	14,608,838	5,570
10. Reinsurance balance at the beginning of the year.....	(3,358,229)				(3,358,229)	
11. Net change in reinsurance assumed.....	0					
12. Net change in reinsurance ceded.....	15,611				15,611	
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	(3,373,840)	0	0	0	(3,373,840)	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	11,579,237	0	0	338,669	11,234,998	5,570

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct.....	0										
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	0										
2.12 Reinsurance assumed.....	0										
2.13 Reinsurance ceded.....	0										
2.14 Net.....	0	0	(b) 0	(b) 0	(b) 0	(b) 0	(b) 0	(b) 0	(b) 0	(b) 0	0
2.2 Other:											
2.21 Direct.....	2,595,964	76,207	2,258,001	192,782			40,000				28,974
2.22 Reinsurance assumed.....	17						17				
2.23 Reinsurance ceded.....	441,679		425,992								15,687
2.24 Net.....	2,154,302	76,207	(b) 1,832,009	(b) 192,782	0	(b) 17	(b) 40,000	0	(b) 0	(b) 0	(b) 13,287
3. Incurred but unreported:											
3.1 Direct.....	1,671,500	80,000	1,500,000				40,000		5,500		46,000
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	24,805		16,805								8,000
3.4 Net.....	1,646,695	80,000	(b) 1,483,195	(b) 0	0	(b) 0	(b) 40,000	0	(b) 5,500	(b) 0	(b) 38,000
4. Totals:											
4.1 Direct.....	4,267,464	156,207	3,758,001	192,782	0	0	80,000	0	5,500	0	74,974
4.2 Reinsurance assumed.....	17	0	0	0	0	17	0	0	0	0	0
4.3 Reinsurance ceded.....	466,484	0	442,797	0	0	0	0	0	0	0	23,687
4.4 Net.....	3,800,997	(a) 156,207	(a) 3,315,204	192,782	0	17	(a) 80,000	0	5,500	0	51,287

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

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

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

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

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct.....	15,349,013	347,143	14,107,011	397,890	131,450		273,000		60,000		32,519
1.2 Reinsurance assumed.....	105,070		51,404				.53,666				
1.3 Reinsurance ceded.....	2,247,926		2,181,555	2,664					.51,000		12,707
1.4 Net.....	(d) 13,206,157	347,143	11,976,860	395,226	131,450	0	.326,666	0	9,000	0	19,812
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	4,267,464	156,207	3,758,001	192,782	0	0	.80,000	0	5,500	0	74,974
2.2 Reinsurance assumed.....	17	0	0	0	0	0	.17	0	0	0	0
2.3 Reinsurance ceded.....	466,484	0	442,797	0	0	0	0	0	0	0	23,687
2.4 Net.....	3,800,997	156,207	3,315,204	192,782	0	0	.80,000	0	5,500	0	51,287
3. Amounts recoverable from reinsurers Dec. 31, current year.....	213,558		203,999						8,500		1,059
4. Liability December 31, prior year:											
4.1 Direct.....	3,777,153	144,118	3,472,994	18,051			.60,000		5,500		76,490
4.2 Reinsurance assumed.....	22					22					
4.3 Reinsurance ceded.....	514,259		489,775								24,484
4.4 Net.....	3,262,916	144,118	2,983,219	18,051	0	22	.60,000	0	5,500	0	52,006
5. Amounts recoverable from reinsurers Dec. 31, prior year.....	9,559								8,500		1,059
6. Incurred benefits:											
6.1 Direct.....	15,839,324	359,232	14,392,018	572,621	131,450	0	.293,000	0	60,000	0	31,003
6.2 Reinsurance assumed.....	105,065	0	51,404	0	0	(5)	.53,666	0	0	0	0
6.3 Reinsurance ceded.....	2,404,150	0	2,338,576	2,664	0	0	0	0	.51,000	0	11,910
6.4 Net.....	13,540,239	359,232	12,104,846	569,957	131,450	(5)	.346,666	0	9,000	0	19,093

(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 \$....311,751 in Line 1.1, \$....295,046 in Line 1.4, \$....311,751 in Line 6.1 and \$....295,046 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 \$....42,210 premiums waived under total and permanent disability benefits.

Universal Guaranty Life Insurance Company
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....	5,000,000		(5,000,000)
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.....	470,048	768,485	298,437
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).....		252,563	252,563
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).....	5,470,048	1,021,048	(4,449,000)
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	5,470,048	1,021,048	(4,449,000)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	5,470,048	1,021,048	(4,449,000)

DETAILS OF WRITE-INS

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

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

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) Company state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	\$ 6,166,415	\$ 5,356,483
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 6,166,415	\$ 5,356,483
SURPLUS					
(5) Company state basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 60,024,931	\$ 54,717,987
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 60,024,931	\$ 54,717,987

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

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

C. Accounting Policy

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

(1) Basis for Short-Term Investments

Short-term investments are stated at amortized cost.

(2) Basis for Bonds and Amortization Schedule

Bonds not backed by other loans are stated at amortized cost using the interest method.

(3) Basis for Common Stocks

Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.

(4) Basis for Preferred Stocks

Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.

(5) Basis for Mortgage Loans

Mortgage loans on real estate are stated at the aggregate carrying value less any unamortized discount or valuation allowance.

(6) Basis for Loan-Backed Securities and Adjustment Methodology

Loan-backed securities are stated at amortized cost. The prospective adjustment method is used to value all securities.

(7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities

Investments in subsidiaries, controlled and affiliated companies are reported in accordance with the guidance provided in SSAP No. 97.

(8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities

Investments in subsidiaries, controlled and affiliated companies are reported based on the underlying audited GAAP equity of the investee.

(9) Accounting Policies for Derivatives

The Company reports all derivatives at fair value.

(10) Anticipated Investment Income Used in Premium Deficiency Calculation

The Company has not 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

The Company has not modified its capitalization policy from the prior period.

(13) Method Used to Estimate Pharmaceutical Rebate Receivables

The Company has no pharmaceutical rebate receivables.

D. Going Concern

The Company is expected to continue as a going concern.

NOTES TO FINANCIAL STATEMENTS**Note 2 – Accounting Changes and Correction of Errors**

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

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method
None

B. Statutory Merger
None

C. Assumption Reinsurance
None

D. Impairment Loss
None

Note 4 – Discontinued Operations

The Company had no discontinued operations during the current reporting period.

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

(1) Maximum and Minimum Lending Rates
Commercial Mortgages 4.82%

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

		Residential		Commercial		Mezzanine	Total	Current Year	Prior Year																																																																																																																																																																																																																																																																																																										
	Farm	Insured	All Other	Insured	All Other			\$	\$																																																																																																																																																																																																																																																																																																										
(3) Taxes, assessments and any amounts advanced and not included in the mortgage loan total																																																																																																																																																																																																																																																																																																																			
(4) Age Analysis of Mortgage Loans and Identification of Mortgage Loans in which the Insurer is a Participant or Co-Lender in a Mortgage Loan Agreement:																																																																																																																																																																																																																																																																																																																			
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NOTES TO FINANCIAL STATEMENTS

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
(e) 180+ Days Past Due	\$	\$	\$	\$	\$ 2,003,536	\$	\$ 2,003,536
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	\$	\$	\$	\$	\$	\$	\$
(b) Interest Accrued	\$	\$	\$	\$	\$	\$	\$
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	\$	\$	\$	\$	\$	\$	\$
(b) Interest Accrued	\$	\$	\$	\$	\$	\$	\$
4. Interest Reduced							
(a) Recorded Investment	\$	\$	\$	\$	\$	\$	\$
(b) Number of Loans							
(c) Percent Reduced	%	%	%	%	%	%	%
5. Participant or Co-Lender in a Mortgage Loan Agreement							
(a) Recorded Investment	\$	\$	\$	\$	\$	\$	\$

(5) Investment in Impaired Loans With or Without Allowance for Credit Losses and Impaired Loans Subject to a Participant or Co-Lender Mortgage Loan Agreement for which the Reporting Entity is Restricted from Unilaterally Foreclosing on the Mortgage Loan:

The Company has no investment in impaired loans with or without allowance for credit losses and impaired loans subject to a participant or co-lender mortgage loan agreement for which the Company is restricted from unilaterally foreclosing on the mortgage loan.

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

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Average Recorded Investment					474,959		474,959
2. Interest Income Recognized					554,064		554,064
3. Recorded Investments on Nonaccrual Status					1,899,838		1,899,838
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting					554,064		554,064
b. Prior Year							
1. Average Recorded Investment					125,221		125,221
2. Interest Income Recognized					304,932		304,932
3. Recorded Investments on Nonaccrual Status					2,003,536		2,003,536
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting					304,932		304,932

(7) Allowances for Credit Balances:

The Company does not have any allowances for credit balances.

(8) Mortgage Loans Derecognized as a Result of Foreclosure:

The Company did not have any mortgage loans derecognized as a result of foreclosure.

(9) Policy for Recognizing Interest Income on Impaired Loans

Interest income is recognized using a cash-basis method of accounting.

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

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

B. Debt Restructuring

The Company does not have any restructured debt.

NOTES TO FINANCIAL STATEMENTS**C. Reverse Mortgages**

The Company has no reverse mortgages.

D. Loan-Backed Securities

The Company has no loan-backed securities.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

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

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company has no repurchase agreements transactions accounted for as secured borrowing.

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

The Company has no reverse repurchase agreements transactions accounted for as secured borrowing.

H. Repurchase Agreements Transactions Accounted for as a Sale

Repurchase Transaction – Cash Taker – Overview of Sale Transactions

The Company has no repurchase agreements transactions accounted for as a sale repurchase transaction.

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

The Company has no reverse repurchase agreements transactions accounted for as a sale repurchase transaction.

J. Real Estate**(1) Recognized Impairment Loss**

The Company did not recognize any impairment loss on real estate during the reporting period.

(2) Sold or Classified Real Estate Investments as Held for Sale

The Company sold seven properties classified as held for sale during the current reporting period and recognized net gains of \$1,047,036 on the disposal. Further details regarding the sales can be found in Schedule A - Part 3.

(3) Changes to a Plan of Sale for an Investment in Real Estate

The Company experienced no changes to the plan of sale for an investment in real estate.

(4) Retail Land Sales Operations

The Company does not participate in retail land sales operations.

(5) Real Estate Investments with Participating Mortgage Loan Features

The Company does not hold real estate investments with participating mortgage loan features.

K. Low-Income Housing Tax Credits (LIHTC)

The Company has no investments in low-income housing tax credits.

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 Total Separate Account (S/A) Restricted Assets	4 S/A Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					10					
										11					
										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						540,900	(540,900)			%	%				
i. FHLB capital stock						6,967,537	(6,967,537)			%	%				
j. On deposit with states										%	%				

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					Current Year					
	Current Year		3 Total Separate Account (S/A) Restricted Assets	4 S/A Assets Supporting G/A Activity (b)	5 Total (1 plus 3)	6 Total From Prior Year	7 Increase/(Decrease) (5 minus 6)	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)	Percentage	
	1 Total General Account (G/A)	2 G/A Supporting S/A Activity (a)								10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
k. On deposit with other regulatory bodies										%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)						4,596,604	(4,596,604)			%	%
m. Pledged as collateral not captured in other categories										%	%
n. Other restricted assets										%	%
o. Total Restricted Assets	\$	\$	\$	\$	\$	\$ 12,105,041	\$ (12,105,041)	\$	\$	%	%

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

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)
 All assets pledged by the Company as collateral have been disclosed in Note 5 H (1) above.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)
 The Company has no other restricted assets that should be disclosed in this note.

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

The Company has received no collateral that is reflected as assets within the current period financial statements.

M. Working Capital Finance Investments

The Company has no working capital finance investments.

N. Offsetting and Netting of Assets and Liabilities

The Company has no offsetting and netting of assets and liabilities.

O. Structured Notes

The Company has no structured notes.

P. 5GI Securities

The Company has no 5* securities.

Q. Short Sales

The Company has no short sales.

R. Prepayment Penalty and Acceleration Fees

The Company has no prepayment penalties and acceleration fees.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership
 The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets.

B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies
 During 2018, the Company recognized an other-than-temporary impairment of \$500,000 related to an affiliated limited liability company. The other-than-temporary impairment was the result of Management's analysis and determination of value.

Note 7 – Investment Income

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:
 All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. The total amount excluded:
 None.

NOTES TO FINANCIAL STATEMENTS**Note 8 – Derivative Instruments**

At December 31, 2018, the Company held no derivative instruments.

Note 9 – Income TaxesA. **Deferred Tax Assets/(Liabilities)**1. **Components of Net Deferred Tax Asset/(Liability)**

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 2,286,714	\$ 2,834,729	\$ 5,121,443	\$ 1,108,041	\$ 2,430,570	\$ 3,538,611	\$ 1,178,673	\$ 404,159	\$ 1,582,832
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 2,286,714	\$ 2,834,729	\$ 5,121,443	\$ 1,108,041	\$ 2,430,570	\$ 3,538,611	\$ 1,178,673	\$ 404,159	\$ 1,582,832
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 2,286,714	\$ 2,834,729	\$ 5,121,443	\$ 1,108,041	\$ 2,430,570	\$ 3,538,611	\$ 1,178,673	\$ 404,159	\$ 1,582,832
f. Deferred tax liabilities	239,363	7,676,355	7,915,718	237,182	4,870,586	5,107,768	2,181	2,805,769	2,807,950
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 2,047,351	\$ (4,841,626)	\$ (2,794,275)	\$ 870,859	\$ (2,440,016)	\$ (1,569,157)	\$ 1,176,492	\$ (2,401,610)	\$ (1,225,118)

2. **Admission Calculation Components SSAP No. 101**

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$	\$	\$	\$	\$	\$	\$	\$	\$
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:				235,935		235,935	(235,935)		(235,935)
Adjusted gross deferred tax assets expected to be realized following the balance sheet date				235,935		235,935	(235,935)		(235,935)
Adjusted gross deferred tax assets allowed per limitation threshold			11,797,837			10,595,307			1,202,530
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	874,287	2,430,570	3,304,857	872,106	2,430,570	3,302,676	2,181		2,181
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	\$ 874,287	\$ 2,430,570	\$ 3,304,857	\$ 1,108,041	\$ 2,430,570	\$ 3,538,611	\$ (233,754)	\$	\$ (233,754)

3. **Other Admissibility Criteria**

		2018	2017
a. Ratio percentage used to determine recovery period and threshold limitation amount		529.0%	576.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above		\$ 78,652,246	\$ 70,635,383

4. **Impact of Tax Planning Strategies**

NOTES TO FINANCIAL STATEMENTS

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

	2018		2017		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 2,286,714	\$ 2,834,729	\$ 1,108,041	\$ 2,430,570	\$ 1,178,673	\$ 404,159
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 2,286,714	\$ 2,834,729	\$ 1,108,041	\$ 2,430,570	\$ 1,178,673	\$ 404,159
4 Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

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

B. Deferred Tax Liabilities Not Recognized

The Company does not have any deferred tax liabilities not recognized.

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2018	2 2017	3 (Col 1-2) Change
a. Federal	\$ (368,101)	\$ (1,480,569)	\$ 1,112,468
b. Foreign			
c. Subtotal	(368,101)	(1,480,569)	1,112,468
d. Federal income tax on net capital gains	2,275,031	2,336,865	(61,834)
e. Utilization of capital loss carry-forwards			
f. Other	(60,973)	(249,050)	188,077
g. Federal and Foreign income taxes incurred	\$ 1,845,957	\$ 607,246	\$ 1,238,711

2. Deferred Tax Assets

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 819,869	\$ 545,475	\$ 274,394
2. Unearned premium reserve	199,676	225,024	(25,348)
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual		84,365	(84,365)
7. Fixed assets	80,147		80,147
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted	1,148,710	214,420	934,290
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <=5% and >5% of total ordinary tax assets)	38,312	38,757	(445)
Other (items listed individually >5% of total ordinary tax assets)		38,757	(38,757)
99. Subtotal	2,286,714	1,108,041	1,178,673
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	2,286,714	1,108,041	1,178,673
e. Capital:			
1. Investments	2,834,729	2,430,570	404,159
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)			

NOTES TO FINANCIAL STATEMENTS

99. Subtotal	2,834,729	2,430,570	404,159
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	2,834,729	2,430,570	404,159
i. Admitted deferred tax assets (2d+2h)	\$ 5,121,443	\$ 3,538,611	\$ 1,582,832

3. Deferred Tax Liabilities

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$	\$	\$
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)	239,363	237,182	2,181
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	239,363	237,182	2,181
b. Capital:			
1. Investments	7,676,355	4,870,586	2,805,769
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	7,676,355	4,870,586	2,805,769
c. Deferred tax liabilities (3a99+3b99)	\$ 7,915,718	\$ 5,107,768	\$ 2,807,950
4. Net Deferred Tax Assets (2i – 3c)	\$ (2,794,275)	\$ (1,569,157)	\$ (1,225,118)

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

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ 8,604,490	21.0%
Proration of tax exempt investment income		%
Amortization of interest maintenance reserve	(1,065,311)	%
Small company deduction		(2.6)%
Tax exempt income deduction		%
Dividends received deduction	(812,811)	(2.0)%
Corporate owned life insurance		%
Disallowing travel and entertainment	38,475	0.1%
Lobbying expenses disallowed		%
Other permanent differences	(4,866,119)	(11.9)%
Temporary Differences:		
Total ordinary DTAs		%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
Other:		
Statutory valuation allowance adjustment		%
AMT credit		%
Accrual adjustment – prior year		%
Other		%
Totals	1,898,724	%
Federal and foreign income taxes incurred	(429,074)	(5.0)%
Realized capital gains (losses) tax	2,275,031	26.4%
Change in net deferred income taxes	(1,447,224)	(16.8)%
Total statutory income taxes	\$ 398,733	%

E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

- The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:
- The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Year	Amounts
2018	\$
2017	\$
2016	\$

- The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code is .

NOTES TO FINANCIAL STATEMENTS**F. Consolidated Federal Income Tax Return**

1. The Company's federal income tax return is consolidated with the following entities:
The Company does not file a consolidated federal income tax return.
2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:
N/A

G. Federal or Foreign Federal Income Tax Loss Contingencies:

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

H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA

1a Has the entity fully remitted the RTT? NO
1b If yes, list the amount of the RTT paid.

If no, list the future installments to satisfy the RTT:

1	Installment 1	
2	Installment 2	
3	Installment 3	
4	Installment 4	
5	Installment 5	
6	Installment 6	
7	Installment 7	
8	Installment 8	
9	Total	

I. Alternative Minimum Tax (AMT Credit)

Was the AMT Credit recognized as a current year recoverable or Deferred Tax Asset (DTA)? At December 31, 2018, the Company had \$43K of AMT credits which are included in the DTA.

Gross AMT Credit Recognized as:

1a	Current year recoverable	
1b	Deferred tax asset (DTA)	43,000
2	Beginning Balance of AMT Credit Carryforward	
3	Amounts Recovered	
4	Adjustments	
5	Ending Balance of AMT Credit Carryforward (5=2-3-4)	
6	Reduction for Sequestration	
7	Nonadmitted by Reporting Entity	
8	Reporting Entity Ending Balance (8=5-6-7)	

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**A. Nature of the Relationship Involved**

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

The Company currently has access to funds for operating liquidity. UTG has an \$8,000,000 revolving credit note with Illinois National Bank. At December 31, 2018, the Company had no outstanding borrowings against the UTG line of credit.

B. Transactions

The Company had no transactions with parents or subsidiaries that exceeded 1/2 of 1% of assets during the reporting period.

On April 9th, 2018, the Company paid an ordinary dividend to UTG, Inc. of \$2,500,000. On July 9th, 2018, the Company paid an ordinary dividend to UTG, Inc. of \$1,000,000. On October 5th, 2018, the Company paid an ordinary dividend to UTG, Inc. of \$1,500,000.

C. Dollar Amounts of Transactions

The Company had no transactions with parents or subsidiaries that exceeded 1/2 of 1% of assets during the reporting period.

D. Amounts Due From or To Related Parties

The Company reported \$482,644 and \$181,229 as amounts due to affiliates as of December 31, 2018 and 2017, respectively. The terms of the settlement require that these amounts be settled within 90 days.

E. Guarantees or Undertakings

The Company has not made any guarantees or undertakings for the benefit of an affiliate which results in a material contingent exposure of the Company's or any affiliated insurer's assets.

F. Material Management or Service Contracts and Cost-Sharing Arrangements

Effective January 1, 2007, the Company has a cost sharing arrangement with its upstream parent, UTG, Inc. Under this arrangement, the Company pays its proportionate share of expense of the entire group, based on an allocation formula. The Company continually monitors expenditures looking for saving opportunities. Management places significant emphasis on expense monitoring and cost containment. Maintaining administrative efficiencies directly impacts net income. The Company paid \$7,093,227 and \$7,213,590 in 2018 and 2017, respectively, under this agreement.

The Company, from time to time, acquires mortgage loans through participation agreements with FSNB. FSNB services the Company's mortgage loans including those covered by the participation agreements. The Company pays a 0.25% servicing fee on these loans and a one-time fee at the loan origination of 0.50% of the original loan amount to cover costs incurred by FSNB relating to the processing and establishment of the loan. The Company paid \$8,393 and \$11,108 in servicing fees and \$0 in origination fees to FSNB during 2018 and 2017, respectively.

G. Nature of the Control Relationship

All outstanding shares of the Company are owned by UTG, Inc., an insurance holding Company incorporated in the State of Delaware.

H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned

The Company owns 51,573 shares of common stock and 3,560 shares of preferred stock of its ultimate parent, First Southern Bancorp, Inc.

NOTES TO FINANCIAL STATEMENTS

I. Investments in SCA that Exceed 10% of Admitted Assets
The Company does not own any material subsidiaries.

J. Investments in Impaired SCAs
Other-than-temporary impairments of \$500,000 and \$700,000 were taken on investments in affiliated common stock assets during the twelve months ended December 31, 2018 and 2017, respectively. During 2018, an other-than-temporary impairment of \$300,000 was recognized on an investment in an affiliated SCA investment. The other-than-temporary impairments were the result of management's analysis and determination of value.

K. Investment in Foreign Insurance Subsidiary
The Company has no investments in a foreign insurance subsidiary.

L. Investment in Downstream Noninsurance Holding Company
The Company has no downstream noninsurance holding companies.

M. All SCA Investments

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

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities	%	\$	\$	\$
Total SSAP No. 97 8a Entities	XXX	\$	\$	\$
b. SSAP No. 97 8b(ii) Entities	%	\$	\$	\$
Total SSAP No. 97 8b(ii) Entities	XXX	\$	\$	\$
c. SSAP No. 97 8b(iii) Entities	%	\$	\$	\$
Total SSAP No. 97 8b(iii) Entities	XXX	\$	\$	\$
d. SSAP No. 97 8b(iv) Entities				
Consolidated Timberlands, LLC	50.0%	\$ 4,171,137	\$ 4,171,137	\$
Midland Superblock Partners, LLC	74.1%	\$ 1,712,983	\$ 1,712,983	\$
Norris Lake Holdings LLC	90.0%	\$ 1,222,971	\$ 1,222,971	\$
UG Norris Lake, LLC	90.0%	\$	\$	\$
Stanford Wilderness Road, LLC	100.0%	\$ 1,215,485	\$ 1,215,485	\$
Cumberland Woodlands, LLC	100.0%	\$ 2,092,241	\$ 2,092,241	\$
Total SSAP No. 97 8b(iv) Entities	XXX	\$ 10,414,817	\$ 10,414,817	\$
e. Total SSAP No. 97 8b Entities (except 8b(i) entities) (b + c + d)	XXX	\$ 10,414,817	\$ 10,414,817	\$
f. Aggregate Total (a + e)	XXX	\$ 10,414,817	\$ 10,414,817	\$

(2) NAIC Filing Response Information

SCA Entity (Should be the same entities as shown in M(1) above)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities			\$			
Total SSAP No. 97 8a Entities	XXX	XXX	\$	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities			\$			
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities			\$			
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities			\$			
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8b(i) entities) (b + c + d)	XXX	XXX	\$	XXX	XXX	XXX
f. Aggregate Total (a + e)	XXX	XXX	\$	XXX	XXX	XXX

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

** I – Immaterial or M – Material

N. Investment in Insurance SCAs

None

O. SCA Loss Tracking

None.

NOTES TO FINANCIAL STATEMENTS**Note 11 – Debt**

A. **Debt Including Capital Notes**
The Company has no outstanding debt at December 31, 2018.

B. **FHLB (Federal Home Loan Bank) Agreements**
During May of 2017, the FHLB approved UG's Cash Management Advance Application ("CMA").

(1) **Information on the Nature of the Agreement**
The CMA gives the Company the option of selecting a variable rate of interest for up to 90 days or a fixed rate for a maximum of 30 days. The variable rate CMA is prepayable at any time without a fee, while the fixed CMA is not prepayable prior to maturity.

(2) **FHLB Capital Stock**

a. **Aggregate Totals**1. **Current Year**

	1 Total 2 + 3	2 General Account	3 Separate Accounts
(a) Membership Stock – Class A	\$	\$	\$
(b) Membership Stock – Class B	411,935	411,935	
(c) Activity Stock			
(d) Excess Stock	128,965	128,965	
(e) Aggregate Total (a+b+c+d)	\$ 540,900	\$ 540,900	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	6,448,260	XXX	XXX

2. **Prior Year-End**

	1 Total 2 + 3	2 General Account	3 Separate Accounts
(a) Membership Stock – Class A	\$	\$	\$
(b) Membership Stock – Class B	405,278	405,278	
(c) Activity Stock			
(d) Excess Stock	135,622	135,622	
(e) Aggregate Total (a+b+c+d)	\$ 540,900	\$ 540,900	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	6,781,080	XXX	XXX

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d).

11B(2)a2(f) should be equal to or greater than 11B(4)a2(d).

b. **Membership Stock (Class A and B) Eligible for Redemption and Not Eligible for Redemption**

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

11B(2)B1 current year total (column 1) should equal 11B(2)a1(a) total (column 1).

11B(2)B2 current year total (column 1) should equal 11B(2)a1(b) total (column 1).

(3) **Collateral Pledged to FHLB**a. **Amount Pledged as of Reporting Date**

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	\$ 12,300,836	\$ 12,154,885	\$
2. Current Year General Account Total Collateral Pledged	12,300,836	12,154,885	
3. Current Year Separate Accounts Total Collateral Pledged			
4. Prior Year-End Total General and Separate Accounts Total Collateral Pledged	\$ 4,715,260	\$ 4,596,604	\$

11B(3)a1 (columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (columns 1, 2 and 3, respectively).

11B(3)a2 (columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (columns 1, 2 and 3, respectively).

11B(3)a3 (columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (columns 1, 2 and 3, respectively).

11B(3)a4 (columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (columns 1, 2 and 3, respectively).

b. **Maximum Amount Pledged During Reporting Period**

	1 Fair Value	2 Carrying Value	3 Amount of Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Maximum Collateral Pledged (Lines 2+3)	\$ 12,300,836	\$ 12,154,885	\$
2. Current Year General Account Maximum Collateral Pledged	12,300,836	12,154,885	

NOTES TO FINANCIAL STATEMENTS

	1 Fair Value	2 Carrying Value	3 Amount of Borrowed at Time of Maximum Collateral
3. Current Year Separate Accounts Maximum Collateral Pledged			
4. Prior Year-End Total General and Separate Accounts Maximum Collateral Pledged	\$ 4,715,260	\$ 4,596,604	\$

(4) Borrowing from FHLB

The Company has no borrowings from FHLB.

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

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

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

(1) Number of Share and Par or State Value of Each Class
The Company has 400,000 shares authorized, 400,000 shares issued and 400,000 shares outstanding. All shares are Class A shares.

(2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues
The Company has no preferred stock outstanding.

(3) Dividend Restrictions
The maximum amount of dividends which can be paid to shareholders without prior approval from the Insurance Commissioner is subject to restrictions related to statutory earnings and statutory earned surplus. Without prior approval, dividends may be paid only out of positive earned surplus at the time of the dividend, and within a calendar year may not exceed the greater of the net gain from operations of the prior year or 10% of the prior year's policyholders' surplus. Dividends are paid only as declared by the Board of Directors.

(4) Dates and Amounts of Dividends Paid
On April 9th, 2018, the Company paid an ordinary dividend to UTG, Inc. of \$2,500,000. On July 9th, 2018, the Company paid an ordinary dividend to UTG, Inc. of \$1,000,000. On October 5th, 2018, the Company paid an ordinary dividend to UTG, Inc. of \$1,500,000.

(5) Profits that may be Paid as Ordinary Dividends to Stockholders
Within the limitation of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) Restrictions Plans on Unassigned Funds (Surplus)
There are no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(7) Amount of Advances to Surplus not Repaid
None.

(8) Amount of Stock Held for Special Purposes
There is no stock held by the Company, including stock of affiliated companies for special purposes.

(9) Reasons for Changes in Balance of Special Surplus Funds from Prior Period
There were no changes in balances of special surplus funds from the prior year.

(10) The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$41,306,309.

(11) The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations
The reporting entity did not issue any surplus debentures or similar obligations.

(12) The impact of any restatement due to prior quasi-reorganizations is as follows
The Company did not have any impact of any restatement due to prior quasi-reorganizations.

(13) Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization
N/A

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

(1) Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: \$3,099,066.

(2) Detail of other contingent commitments
The Company has no other contingent commitments.

(3) Guarantee Obligations
The Company does not have guarantees.

B. Assessments

The Company has no assessments.

NOTES TO FINANCIAL STATEMENTS

C. Gain Contingencies
The Company has no gain contingencies.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - Total SSAP 97 and SSAP 48 Contingent Liabilities
The Company has no claim related extra contractual obligations or bad faith losses stemming from lawsuits.

E. Joint and Several Liabilities
The Company has no joint and several liabilities.

F. All Other Contingencies
The Company has no other contingencies.

Note 15 – Leases

The Company is not involved in any material lease transactions.

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

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

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

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

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

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

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

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

Note 20 – Fair Value Measurements

A. Fair Value Measurements
(1) Fair Value Measurements at Reporting Date

Description for Each Type of Asset or Liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at Fair Value					
Bonds	\$	\$	\$ 434,844	\$	\$ 434,844
Common Stock	\$ 31,676,308	\$ 10,016,130	\$ 25,375,377	\$	\$ 67,067,815
Other Invested Assets	\$	\$	\$ 63,064,357	\$	\$ 63,064,357
Total	\$ 31,676,308	\$ 10,016,130	\$ 88,874,578	\$	\$ 130,567,016
Liabilities at Fair Value					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

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

Description	Beginning Balance at 1/1/2018	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlem-ents	Ending Balance at 12/31/2018
a. Assets										
Bonds	\$ 478,389	\$	\$	\$ (43,545)	\$	\$	\$	\$	\$	\$ 434,844
Common Stock	\$ 21,084,945	\$	\$	\$ (500,000)	\$ 5,357,180	\$	\$	\$ (566,748)	\$	\$ 25,375,377
Other Invested Assets	\$ 49,180,238	\$	\$	\$ 2,066,022	\$ 27,298,266	\$	\$	\$ (15,480,169)	\$	\$ 63,064,357
Total	\$ 70,743,572	\$	\$	\$ (500,000)	\$ 7,379,657	\$ 27,298,266	\$	\$ (16,046,917)	\$	\$ 88,874,578
b. Liabilities										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

(3) Policies when Transfers Between Levels are Recognized

There were no transfers in to Level 3 and no transfers out of Level 3 as of December 31, 2017. Transfers occur when there is a lack of observable market information.

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

Level 1 - Valuation is based upon quoted prices for identical assets or liabilities in active markets that the Company is able to access. Level 1 fair value is not subject to valuation adjustments.

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

Level 3 - Valuation is based upon unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or

NOTES TO FINANCIAL STATEMENTS

liabilities. Unobservable inputs reflect the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability.

(5) Fair Value Disclosures

The Company has no derivative assets or liabilities as of December 31, 2017.

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

Not applicable

C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 160,960,784	\$ 160,846,431	\$ 25,660,194	\$ 134,865,746	\$ 434,844	\$	\$
Preferred stock	\$ 4,258,600	\$ 4,258,600	\$	\$	\$ 4,258,600	\$	\$
Common stock	\$ 67,067,815	\$ 62,067,815	\$ 31,676,308	\$ 10,016,130	\$ 25,375,377	\$	\$
Mortgage loans	\$ 9,069,111	\$ 9,069,111	\$	\$	\$ 9,069,111	\$	\$
Real estate	\$ 38,345,539	\$ 19,463,200	\$	\$	\$	\$	\$ 19,463,200
Cash	\$ 14,312,872	\$ 14,312,872	\$ 14,312,872	\$	\$	\$	\$
Contract loans	\$ 9,204,222	\$ 9,402,222	\$	\$	\$ 9,402,222	\$	\$
Other invested assets	\$ 63,064,357	\$ 63,064,357	\$	\$	\$ 63,064,357	\$	\$

D. Not Practicable to Estimate Fair Value

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

E. NAV Practical Expedient Investments

None.

Note 21 – Other Items

A. Unusual or Infrequent Items

None

B. Troubled Debt Restructuring Debtors

None

C. Other Disclosures

The Company regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other than temporary. Based on an evaluation of the issues, including, but not limited to, intentions to sell or ability to hold the fixed maturity and equity securities with unrealized losses for a period of time sufficient for them to recover; the length of time and amount of the unrealized loss; and the credit ratings of the issuers of the investments, the Company held no fixed maturity investments and no fixed maturity investments as other-than-temporarily impaired at December 31, 2018 and December 31, 2018, respectively.

During the twelve months ended December 31, 2018 and December 31, 2017, the Company recognized other-than-temporary impairments of \$500,000 and \$700,000 on equity securities. The other-than-temporary impairments were the result of management's analysis and determination of value.

Other-than-temporary impairments of \$0 and \$72,161 were taken on mortgage loans during the twelve months ended December 31, 2018 and December 31, 2017, respectively. The other-than-temporary impairments were the result of management's analysis and determination of value.

Other-than-temporary impairments of \$300,000 and \$0 were taken on real estate during the twelve months ended December 31, 2018 and December 31, 2017, respectively.

Other-than-temporary impairments of \$0 and \$690,000 were taken on other invested assets during the twelve months ended December 31, 2018 and December 31, 2017, respectively. The other-than-temporary impairments were the result of management's analysis and determination of value.

D. Business Interruption Insurance Recoveries

None.

E. State Transferable and Non-Transferable Tax Credits

None.

F. Subprime Mortgage Related Risk Exposure

None.

G. Retained Assets

None.

H. Insurance-Linked Securities (ILS) Contracts

None.

NOTES TO FINANCIAL STATEMENTS**Note 22 – Events Subsequent**

None

Subsequent events have been considered through 2/20/2019 for these statutory financial statements which are to be issued on 3/1/2019.

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

Yes [] No [X]

	2018	2017
B. ACA fee assessment payable for the upcoming year	\$	\$
C. ACA fee assessment paid	\$	\$
D. Premium written subject to ACA 9010 assessment	\$	\$
E. Total adjusted capital before surplus adjustment (Five-Year Historical Line 30)	\$ 78,811,573	
F. Total adjusted capital after surplus adjustment (Five-Year Historical Line 30 minus 22B above)	\$ 78,811,573	
G. Authorized control level (Five-Year Historical Line 31)	\$ 14,864,076	

H. Would reporting the ACA assessment as of December 31, 2018 have triggered an RBC action level (YES/NO)?

Yes [] No [X]

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

(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 [X]
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. \$0
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? \$0

(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 [X]

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. \$981,095

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

B. Uncollectible Reinsurance

None

C. Commutation of Ceded Reinsurance Reflected in Income and Expenses

None.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

None.

E. Reinsurance of variable annuity contracts/certificates with an affiliated captive reinsurer

None

F. Reinsurance Agreement with Affiliated Captive Reinsurer

None

G. Ceding Entities That Utilize Captive Reinsurers to Assume Reserves Subject to the XXX/AXXX Captive Framework

None.

NOTES TO FINANCIAL STATEMENTS**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

None.

- A. Method Used by the Reporting Entity to Estimate Accrued Retrospective Premium Adjustments
N/A
- B. Disclose Whether Accrued Retrospective Premiums are Recorded Through Written Premium or as an Adjustment to Earned Premium
N/A
- C. Disclose the Amount of Net Premiums Written Subject to Retrospective Rating Features
N/A
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act
N/A
- E. Risk Sharing Provisions of the Affordable Care Act
 - (1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions
Yes [] No [X]
 - (2) Impact of Risk Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year:
None.
 - (3) Roll forward of prior year ACA Risk Sharing Provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance:
None.
 - (4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year
None.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

None.

Note 26 – Intercompany Pooling Arrangements

None.

Note 27 – Structured Settlements

None.

Note 28 – Health Care Receivables

None.

Note 29 – Participating Policies

For the reporting year ended 2018, net premiums under life participating policies were \$903,336 or approximately 17% of total life premiums earned.

Policyholder dividend scales are established and periodically reviewed by the Board of Directors. The Company paid dividends in the amount of \$370,284 to policyholders and did not allocate any additional income to such policyholders.

Note 30 – Premium Deficiency Reserves

None.

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.
- (2) Valuation of Substandard Policies
Extra premiums are charged for substandard lives. Mean reserves are determined by computing the regular mean reserve for the plan at the rated age and holding, in addition, one-half (1/2) of the extra premium charge for the year. Policies issued for substandard lives, are charged an extra premium plus the regular premium for the true age. Mean reserves are based on appropriate multiples of standard rates of mortality.
- (3) Amount of Insurance Where Gross Premiums are Less than the Net Premiums
As of December 31, 2018, the Company had no insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio.
- (4) 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 contingencies for each valuation rate of interest, the tabular interest is calculated as one hundredth of the product of such valuation rate of interest times the mean of the amount of the funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.

NOTES TO FINANCIAL STATEMENTS

(6) Details for Other Changes
None

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

	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					%
(3) At fair value					%
(4) Total with market value adjustment or at fair value (total of 1 through 3)	\$	\$	\$	\$	%
(5) At book value without adjustment (minimal or no charge or adjustment)	42,193,703			42,193,703	100.0%
B. Not subject to discretionary withdrawal					%
C. Total (gross: direct + assumed)	42,193,703			42,193,703	100.0%
D. Reinsurance ceded	3,724,968			3,724,968	
E. Total (net) (C) - (D)	\$ 38,468,735	\$	\$	\$ 38,468,735	

F. Life and Accident & Health Annual Statement:

(1) Exhibit 5, Annuities section, Total (net)	\$ 26,088,290
(2) Exhibit 5, Supplementary contracts with life contingencies section, Total (net)	801,208
(3) Exhibit 7, Deposit-type contracts, Line 14, Column 1	11,579,237
(4) Subtotal	\$ 38,468,735
Separate Accounts Statement:	
(5) Exhibit 3, Line 0299999, Column 2	\$
(6) Exhibit 3, Line 0399999, Column 2	
(7) Policyholder dividend and coupon accumulations	
(8) Policyholder premiums	
(9) Guaranteed interest contracts	
(10) Other contract deposit funds	
(11) Subtotal	\$
(12) Combined Total	\$ 38,468,735

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	\$ 2,612	\$ 962
(2) Ordinary new business	1,090	767
(3) Ordinary renewal	576,862	396,236
(4) Credit life		
(5) Group life	630	
(6) Group annuity		
(7) Totals	\$ 581,194	\$ 397,965

Note 34 – Separate Accounts

The Company has no separate accounts.

Note 35 – Loss/Claim Adjustment Expenses

The Company has no loss/claim adjustment expenses.

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? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A and 2.

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 Yes [X] No []

1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes [X] No []
If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 832480

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: 12/31/2014

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

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

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

3.4 By what department or departments? Ohio Department of Insurance Yes [X] No [] N/A []

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

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

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

4.11 sales of new business? Yes [] No [X]

4.12 renewals? Yes [] No [X]

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

4.21 sales of new business? Yes [] No [X]

4.22 renewals? Yes [] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If the answer is YES, complete and file the merger history data file with the NAIC.

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

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

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

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,

7.21 State the percentage of foreign control %

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

1 Nationality	2 Type of Entity

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? Brown Smith Wallace LLC 6 City Place Drive Suite 900, St. Louis, MO 63141

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

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

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

10.6 If the response to 10.5 is no or n/a, please explain:

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?
 Gary Rose - Consulting Actuary 11225 College Boulevard, Overland Park, KS 66210-2770

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No []

12.11 Name of real estate holding company Cumberland Woodlands, Jupiter Self Storage LLC, PGS Pooler Investco, Resource Land Fund III, RLF Chinook Properties, VMA Mobile, Consolidated Timberlands, Midland Superblock Partners, Norris Lake Holdings LLC

12.12 Number of parcels involved 8

12.13 Total book/adjusted carrying value \$ 12,414,200

12.2 If yes, provide explanation

13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

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

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

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

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

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

(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

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

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

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

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

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

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

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

20.11 To directors or other officers	\$ 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 [X]

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 [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	\$ 0
22.22 Amount paid as expenses	\$ 0
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 [X]

Universal Guaranty 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 <i>Risk-Based Capital Instructions</i> ?	Yes [] No [] N/A [X]
-------	--	------------------------

24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$ _____ 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	\$ 540,900
-------	--------------------	------------

25.28	On deposit with states	\$ 8,221,088
-------	------------------------	--------------

25.29	On deposit with other regulatory bodies	\$ _____ 0
-------	---	------------

25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$ _____ 0
-------	---	------------

25.31	Pledged as collateral to FHLB – including assets backing funding agreements	\$ _____ 0
-------	---	------------

25.32	Other	\$ _____ 0
-------	-------	------------

25.3	For category (25.26) provide the following:	
------	---	--

1 Nature of Restriction	2 Description	3 Amount
		\$ _____

26.1	Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes [] No [X]
------	--	----------------

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

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

27.2	If yes, state the amount thereof at December 31 of the current year:	\$ _____ 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 <i>Financial Condition Examiners Handbook</i> ?	Yes [X] No []
-----	--	----------------

28.01	For agreements that comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , complete the following:	
-------	--	--

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

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

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

28.03	Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?	Yes [] No [X]
-------	---	----------------

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

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

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

1 Name of Firm or Individual	2 Affiliation

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes [] No [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 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [] No [X]

29.2 If yes, complete the following schedule:

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

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 160,846,431	\$ 160,960,784	\$ 114,353
30.2	Preferred Stocks	\$ 4,258,600	\$ 4,258,600	\$ 0
30.3	Totals	\$ 165,105,031	\$ 165,219,384	\$ 114,353

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

Fair values are generally obtained from SVO, S&P, and custodians. Internal pricing models are used when sufficient market data is not available.

Yes [X] No []

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

Yes [X] No []

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

Yes [X] No []

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

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

Yes [X] No []

32.2 If no, list exceptions:

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

- 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.
- Issuer or obligor is current on all contracted interest and principal payments.
- 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:

- The security was purchased prior to January 1, 2018.
- The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- 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.
- 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?

\$ 0

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
	\$

36.1 Amount of payments for legal expenses, if any?

\$ 3,101

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

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

expenses during the period covered by this statement.

1 Name	2 Amount Paid
Capin Crouse	\$ 2,133

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 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES**PART 2 – LIFE INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.3	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	0
1.62	Total incurred claims	\$	0
1.63	Number of covered lives	\$	0
	All years prior to most current three years:		
1.64	Total premium earned	\$	0
1.65	Total incurred claims	\$	0
1.66	Number of covered lives	\$	0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$	0
1.72	Total incurred claims	\$	0
1.73	Number of covered lives	\$	0
	All years prior to most current three years:		
1.74	Total premium earned	\$	0
1.75	Total incurred claims	\$	0
1.76	Number of covered lives	\$	0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 0	\$ 0
2.2	Premium Denominator	\$ 5,265,114	\$ 5,638,388
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	\$ 58,591	\$ 59,575
2.5	Reserve Denominator	\$ 234,750,003	\$ 240,676,846
2.6	Reserve Ratio (2.4/2.5)	0.0%	0.0%
3.1	Does the reporting entity have Separate Accounts?	Yes []	No [X]
3.2	If yes, has a Separate Accounts statement been filed with this Department	Yes []	No []
3.3	What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?		N/A[X]
3.3		\$	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]
4.2	Net reimbursement of such expenses between reporting entities:		
4.21	Paid	\$ 7,189,244	
4.22	Received	\$ 0	
5.1	Does the reporting entity write any guaranteed interest contracts?	Yes []	No [X]
5.2	If yes, what amount pertaining to these items is included in:		
5.21	Page 3, Line 1	\$ 0	
5.22	Page 4, Line 1	\$ 0	
6.	For stock reporting entities only:		
6.1	Total amount paid in by stockholders as surplus funds since organization of the reporting entity:	\$ 19,675,593	
7.	Total dividends paid stockholders since organization of the reporting entity:		
7.11	Cash	\$ 60,604,722	

GENERAL INTERROGATORIES**PART 2 – LIFE INTERROGATORIES**

7.12 Stock	\$	0					
8.1 Does the reporting entity reinsure any Workers' Compensation Carve-Out business defined as:	Yes [] No [X]						
Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.							
8.2 If yes, has the reporting entity completed the <i>Workers' Compensation Carve-Out Supplement</i> to the Annual Statement?	Yes [] No []						
8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:							
	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:							
	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).	\$	3,144,091					
12.1 Direct premiums written	\$	6,050,262					
12.2 Total incurred claims	\$	66,392					
12.3 Number of covered lives							
	*Ordinary Life Insurance Includes						
	Term (whether full underwriting, limited underwriting, jet issue, "short form app")						
	Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")						
	Variable Life (with or without secondary guarantee)						
	Universal Life (with or without secondary guarantee)						
	Variable Universal Life (with or without secondary guarantee)						
13. Is the reporting entity licensed or charted, 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 []						

Universal Guaranty Life Insurance Company

FIVE-YEAR HISTORICAL DATA

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

\$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).....	874,591	920,282	963,835	1,011,314	1,059,338
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	195,605	213,517	232,563	250,256	273,109
3. Credit life (Line 21, Col. 6).....	.91	.110	.217	.319	.454
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....	5,770	6,477	7,522	9,711	11,556
5. Industrial (Line 21, Col. 2).....	42,821	44,989	47,280	49,792	52,462
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	1,118,878	1,185,375	1,251,417	1,321,392	1,396,919
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).....	.297	.121	.141	.119	.468
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....	.61	.26	.100	.212	.215
11. Group (Line 2, Col. 9).....				.255	.255
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	.358	.147	.241	.586	.938
Premium Income - Lines of Business (Exhibit 1-Part 1)					
14. Industrial life (Line 20.4, Col. 2).....	170,747	190,719	229,919	261,352	294,305
15.1 Ordinary life insurance (Line 20.4, Col.. 3).....	4,764,397	5,087,039	5,777,303	6,080,816	6,505,518
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....	206,661	230,774	266,793	251,791	273,334
16. Credit life (group and individual) (Line 20.4, Col. 5).....	1,459	.617	1,437	2,525	4,234
17.1 Group life insurance (Line 20.4, Col. 6).....	107,162	117,244	132,524	147,727	165,900
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....					
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....	1,972	.269	.116	.799	.353
18.3 A&H - other (Line 20.4, Col. 10).....	12,716	11,726	14,263	9,862	12,682
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	5,265,114	5,638,388	6,422,355	6,754,872	7,256,326
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3).....	346,198,716	343,279,143	337,732,412	334,821,773	343,178,800
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	286,173,785	288,561,156	292,565,319	295,069,342	302,032,114
23. Aggregate life reserves (Page 3, Line 1).....	231,075,554	237,543,582	243,192,553	249,741,356	256,095,184
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).....	86,217	101,465	119,329	140,706	159,380
25. Deposit-type contract funds (Page 3, Line 3).....	11,579,237	11,630,114	11,565,691	11,368,599	11,275,339
26. Asset valuation reserve (Page 3, Line 24.01).....	18,627,315	15,716,527	14,543,370	8,232,769	9,445,671
27. Capital (Page 3, Lines 29 & 30).....	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
28. Surplus (Page 3, Line 37).....	58,024,931	52,717,987	43,167,092	37,752,432	39,146,686
Cash Flow (Page 5)					
29. Net cash from operations (Line 11).....	(10,316,522)	(7,760,850)	(6,025,014)	(11,212,580)	6,867,583
Risk-Based Capital Analysis					
30. Total adjusted capital.....	78,811,573	70,635,383	59,921,747	48,208,269	50,827,101
31. Authorized control level risk-based capital.....	14,864,076	12,262,688	12,052,430	10,164,285	9,998,803
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).....	47.0	47.2	51.0	57.5	55.8
33. Stocks (Lines 2.1 and 2.2).....	19.4	15.9	15.3	14.1	14.0
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....	2.6	5.1	5.6	4.5	6.9
35. Real estate (Line 4.1, 4.2 and 4.3).....	5.7	5.8	6.6	7.3	3.3
36. Cash, cash equivalents and short-term investments (Line 5).....	4.2	7.3	4.3	2.8	5.0
37. Contract loans (Line 6).....	2.7	2.8	3.0	3.3	3.3
38. Derivatives (Line 7).....			0.0		0.0
39. Other invested assets (Line 8).....	18.4	14.4	14.2	10.6	11.8
40. Receivables for securities (Line 9).....		1.5			
41. Securities lending reinvested collateral assets (Line 10).....					
42. Aggregate write-ins for invested assets (Line 11).....					
43. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0

Universal Guaranty Life Insurance Company

FIVE-YEAR HISTORICAL DATA

(continued)

	1 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).....	3,560,000	4,000,000	4,000,000	4,000,000	4,000,000
46. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1).....	4,646,045	4,907,386	5,326,663	5,687,009	6,057,819
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.....	3,874,680	7,632,227	9,799,663	11,468,705	24,407,444
50. Total of above Lines 44 to 49.....	12,080,725	16,539,613	19,126,326	21,155,714	34,465,263
51. Total investment in parent included in Lines 44 to 49 above.....		5,314,905	5,526,045	5,430,119	5,369,779
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	5,470,048	1,021,048	2,331,828	826,729	503,392
53. Total admitted assets (Page 2, Line 28, Col. 3).....	346,198,716	343,279,143	337,732,412	334,821,773	343,178,800
Investment Data					
54. Net investment income (Exhibit of Net Investment Income).....	11,443,891	12,168,447	17,679,065	17,830,090	34,789,455
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....	8,431,838	5,617,531	1,434,196	(726,312)	(1,600,728)
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	10,053,095	4,004,503	9,766,482	257,837	(4,098,705)
57. Total of above Lines 54, 55 and 56.....	29,928,824	21,790,481	28,879,743	17,361,615	29,090,022
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).....	17,924,738	17,865,042	21,237,103	21,922,915	24,132,804
59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	28,093	24,514	49,398	83,251	86,641
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	(6,083,280)	(5,564,506)	(6,510,176)	(5,867,624)	(10,941,912)
61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	(16,971)	(17,665)	(30,539)	(49,731)	(44,537)
62. Dividends to policyholders (Line 30, Col 1).....	370,284	350,014	408,584	423,216	441,718
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.....	155.1	138.1	106.2	127.6	190.0
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	3.9	3.3	3.4	3.8	3.4
65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	69.5	(337.8)	134.1	309.8	300.7
66. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....					
67. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	590.4	(3,734.7)	508.5	826.4	766.1
A&H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	37,459	52,610	65,543	76,611	86,660
69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	40,270	49,343	60,411	70,460	79,606
70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	72,422	63,548	80,262	121,594	108,552
71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	94,023	98,946	101,922	104,902	107,888
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2).....	717,288	32,894	470,248	845,195	3,411,201
73. Ordinary - life (Col. 3).....	(2,674,727)	(286,410)	2,261,575	82,514	8,501,970
74. Ordinary - individual annuities (Col. 4).....	57,310	23,631	542,117	646,771	2,217,797
75. Ordinary - supplementary contracts (Col. 5).....	(3,545)	4,410	296,500	24,604	72,227
76. Credit life (Col. 6).....	.837	.217	(652)	1,619	.888
77. Group life (Col. 7).....	(297,659)	(33,479)	(347,232)	(448,920)	(312,522)
78. Group annuities (Col. 8).....					
79. A&H - group (Col. 9).....	4,041	6,913	(1,448)	(2,219)	1,692
80. A&H - credit (Col. 10).....	(594)	(110)	(4,959)	1,026	(63)
81. A&H - other (Col. 11).....	(68,378)	(9,114)	(60,206)	(118,218)	(92,437)
82. Aggregate of all other lines of business (Col. 12).....					
83. Total (Col. 1).....	(2,265,427)	(261,048)	3,155,943	1,032,372	13,800,753

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	7 Policies	8 Certificates			
1. In force end of prior year.....	60,184	44,989	69,721	1,133,799	.38	.110	.26	.665	.6,477	1,185,375	
2. Issued during year.....			6	297	.14	.61				358	
3. Reinsurance assumed.....										0	
4. Revived during year.....	1	1	20	541						542	
5. Increased during year (net).....				1,904						1,904	
6. Subtotals, Lines 2 to 5.....	1	1	26	2,742	.14	.61	.0	.0		2,804	
7. Additions by dividends during year.....	XXX		XXX	254	XXX		XXX	XXX		254	
8. Aggregate write-ins for increases.....	0	0	0	0	0	0	0	0		0	
9. Totals (Lines 1 and 6 to 8).....	60,185	44,990	69,747	1,136,795	.52	.171	.26	.665	.6,477	1,188,433	
Deductions during year:											
10. Death.....	393	353	1,537	14,628			XXX	.42	.362	15,343	
11. Maturity.....	496	68	120	272			XXX			340	
12. Disability.....							XXX			0	
13. Expiry.....	1,629	1,535	.571	4,740	.22	.80			.14	6,369	
14. Surrender.....	188	.212	.901	26,237						26,449	
15. Lapse.....	2	1	.226	17,065					.277	17,343	
16. Conversion.....							XXX	XXX	XXX	0	
17. Decreased (net).....				3,657					.54	3,711	
18. Reinsurance.....										0	
19. Aggregate write-ins for decreases.....	0	0	0	0	0	0	0	0		0	
20. Totals (Lines 10 to 19).....	2,708	.2,169	3,355	66,599	.22	.80	.0	.59	.707	.69,555	
21. In force end of year (Line 9 minus Line 20).....	57,477	42,821	66,392	1,070,196	.30	.91	.26	.606	.5,770	1,118,878	
22. Reinsurance ceded end of year.....	XXX		XXX	228,445	XXX		XXX	XXX		228,445	
23. Line 21 minus Line 22.....	XXX	42,821	XXX	841,751	XXX	(a)	91	XXX	XXX	5,770	890,433

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 \$.00; Individual \$.00.

Universal Guaranty Life Insurance Company**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.....	.....16,708
25. Other paid-up insurance.....	.....53,740	.....38,926	.....35,489	.....168,751
26. Debit ordinary insurance.....	.....XXX	.....XXX	.....	.....

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
Term Insurance Excluding Extended Term Insurance				
27. Term policies-decreasing.....	.....	.....	.....149	.....279
28. Term policies-other.....	.....	.....	.....496	.....29,429
29. Other term insurance-decreasing.....	....XXX	.....	....XXX.....	.....70,827
30. Other term insurance.....	....XXX	.....	....XXX.....	.....55,685
31. Totals (Lines 27 to 30).....	.....0	.....0	.....645	.....156,220
Reconciliation to Lines 2 and 21:				
32. Term additions.....	....XXX	.....	....XXX.....	.....
33. Totals, extended term insurance.....	....XXX	.....XXX	.....8,470	.....39,387
34. Totals, whole life and endowment.....	.....6	.....297	.....57,277	.....874,591
35. Totals (Lines 31 to 34).....	.....6	.....297	.....66,392	.....1,070,198

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.....	.....	.....	.....42,821	.....
37. Ordinary.....	.....297	.....	.....955,369	.....114,829
38. Credit Life (Group and Individual).....	.....61	.....	.....92	.....
39. Group.....	.....	.....	.....5,770	.....
40. Totals (Lines 36 to 39).....	.....358	.....0	.....1,004,052	.....114,829

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	.....	.....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.....606	.....5,771

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies.....37,081
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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 <u>Actual Amount</u>	
47.2 <u>For each \$5,000 on husband, wife \$1,000, children \$2,500</u>	

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.....	.....16	.....15	....3,232	.....107,325	.....	.....	.....	.....
49. Disability Income.....	.....	.....	.....	.....	.....	.....	.....	.....
50. Extended Benefits.....	.....	.....	....XXX	....XXX	.....	.....	.....103	.....2,142
51. Other.....	.....	.....	.....	.....	.....	.....	.....	.....
52. Total.....	.....16	.....(a).....15	....3,232	.....107,325	.....0	.....(a).....0	.....103	.....(a).....2,142

(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.....	83	25		
2. Issued during year.....	1	1		
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	84	26	0	0
Deductions during year:				
6. Decreased (net).....	6	1		
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	6	1	0	0
9. In force end of year.....	78	25	0	0
10. Amount on deposit.....		(a). 140,734		(a).....
11. Income now payable.....	78	19		
12. Amount of income payable.....	(a).....115,286	(a).....75,855	(a).....	(a).....

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....	7	4,311		
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....		2,141		
5. Total (Lines 1 to 4).....	7	6,452	0	0
Deductions during year:				
6. Decreased (net).....		2,359		
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	0	2,359	0	0
9. In force end of year.....	7	4,093	0	0
Income now payable:				
10. Amount of income payable.....	(a).....15,016	XXX.....	XXX.....	(a).....
Deferred fully paid:				
11. Account balance.....	XXX.....	(a).....14,657,800	XXX.....	(a).....
Deferred not fully paid:				
12. Account balance.....	XXX.....	(a).....11,365,484	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.....	1		4	116	442	11,726
2. Issued during year.....			5			
3. Reinsurance assumed.....						
4. Increased during year (net).....		XXX.....		XXX.....		XXX.....
5. Total (Lines 1 to 4).....	1	XXX.....	9	XXX.....	442	XXX.....
Deductions during year:						
6. Conversions.....		XXX.....	XXX.....	XXX.....		XXX.....
7. Decreased (net).....		XXX.....	1	XXX.....	43	XXX.....
8. Reinsurance ceded.....		XXX.....		XXX.....		XXX.....
9. Totals (Lines 6 to 8).....	0	XXX.....	1	XXX.....	43	XXX.....
10. In force end of year.....	1	(a).....	8	(a).....1,972	399	(a).....11,726

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds		2 Dividend Accumulations	
	Contracts	Contracts	Contracts	Contracts
1. In force end of prior year.....		12		4,524
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....		8		
5. Total (Lines 1 to 4).....		20		4,524
Deductions during year:				
6. Decreased (net).....		8		206
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....		8		206
9. In force end of year.....		12		4,318
10. Amount of account balance.....	(a).....	5,450	(a).....	11,234,998

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

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS (b)

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Business Only					
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Mem- bership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
		2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama.....	AL.....	47,186	.820			48,006	
2. Alaska.....	AK.....	1,114	.80			1,194	
3. Arizona.....	AZ.....	19,212	.800	.84		20,096	
4. Arkansas.....	AR.....	109,849	.630			110,479	
5. California.....	CA.....	24,080	.647			24,727	
6. Colorado.....	CO.....	44,920	1,195	.149		46,264	
7. Connecticut.....	CT.....	2,288	.800			3,088	
8. Delaware.....	DE.....	1,973				1,973	
9. District of Columbia.....	DC.....	2,648				2,648	
10. Florida.....	FL.....	262,653	4,042	.179		266,874	
11. Georgia.....	GA.....	99,025	.240	.121		99,386	
12. Hawaii.....	HI.....	1,196				1,196	
13. Idaho.....	ID.....	4,491				4,491	
14. Illinois.....	IL.....	1,156,464	.62,250	.10		1,218,724	
15. Indiana.....	IN.....	193,546	.14,290	4,509		212,345	
16. Iowa.....	IA.....	184,348	.27,744			.212,092	
17. Kansas.....	KS.....	410,042	.2,580	3,449		.416,071	
18. Kentucky.....	KY.....	57,952	.1,046	.478		.59,476	
19. Louisiana.....	LA.....	242,360	.1,953			.244,313	
20. Maine.....	ME.....	.69				.69	
21. Maryland.....	MD.....	10,865	.1,210			12,075	
22. Massachusetts.....	MA.....	3,756	.163			3,919	
23. Michigan.....	MI.....	153,894	.1,912	.168		.155,974	
24. Minnesota.....	MN.....	12,108	.42			12,150	
25. Mississippi.....	MS.....	179,613	.1,011			.180,624	
26. Missouri.....	MO.....	241,363	11,845	.492		.253,700	
27. Montana.....	MT.....	31,012	.360			31,372	
28. Nebraska.....	NE.....	56,624	.2,655			.59,279	
29. Nevada.....	NV.....	8,956				8,956	
30. New Hampshire.....	NH.....	.40				.40	
31. New Jersey.....	NJ.....	6,293	.1,562			7,855	
32. New Mexico.....	NM.....	25,259	.1,427			.26,686	
33. New York.....	NY.....	12,514	.186			12,700	
34. North Carolina.....	NC.....	139,132	.2,219	.91		.141,442	
35. North Dakota.....	ND.....	.325		.147		.472	
36. Ohio.....	OH.....	2,125,463	.20,622	.177		.2,146,262	
37. Oklahoma.....	OK.....	202,957	.3,838	.57		.206,852	
38. Oregon.....	OR.....	6,663				.6,663	
39. Pennsylvania.....	PA.....	192,564	13,123			.205,687	
40. Rhode Island.....	RI.....	.517				.517	
41. South Carolina.....	SC.....	145,200	.493			.145,693	
42. South Dakota.....	SD.....	1,327	.80	.10		.1,417	
43. Tennessee.....	TN.....	146,203	.748	.237		.147,188	
44. Texas.....	TX.....	631,012	.17,561			.648,573	
45. Utah.....	UT.....	5,771	.320			.6,091	
46. Vermont.....	VT.....	.100				.100	
47. Virginia.....	VA.....	116,844	.2,109			.118,953	
48. Washington.....	WA.....	15,426	.149			.15,575	
49. West Virginia.....	WV.....	457,252	.2,156	.7,810		.467,218	
50. Wisconsin.....	WI.....	23,309	.1,573			.24,882	
51. Wyoming.....	WY.....	3,167	.180			.3,347	
52. American Samoa.....	AS.....					.0	
53. Guam.....	GU.....	.295				.295	
54. Puerto Rico.....	PR.....					.0	
55. US Virgin Islands.....	VI.....					.0	
56. Northern Mariana Islands.....	MP.....					.0	
57. Canada.....	CAN.....	N				.0	
58. Aggregate Other Alien.....	OT.....	.0	0	.0	0	0	0
59. Subtotal.....		7,821,240	206,661	18,168	0	8,046,069	0
60. Reporting entity contributions for employee benefit plans.....		XXX.....				0	
61. Dividends or refunds applied to purchase paid-up additions and annuities.....		XXX.....	103,151			103,151	
62. Dividends or refunds applied to shorten endowment or premium paying period.....		XXX.....				0	
63. Premium or annuity considerations waived under disability or other contract provisions.....		XXX.....	.42,210	.0	.0	.42,210	
64. Aggregate other amounts not allocable by State.....		XXX.....	.0	0	0	0	0
65. Totals (Direct Business).....		XXX.....	7,966,601	206,661	18,168	8,191,430	0
66. Plus reinsurance assumed.....		XXX.....	1,459		.972	3,431	
67. Totals (All Business).....		XXX.....	7,968,060	206,661	.20,140	8,194,861	0
68. Less reinsurance ceded.....		XXX.....	2,802,558		.5,452	2,808,010	
69. Totals (All Business) less reinsurance ceded.....		XXX.....	5,165,502	206,661	(c) 14,688	.0	.5,386,851

DETAILS OF WRITE-INS

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

(a) Active Status Counts:

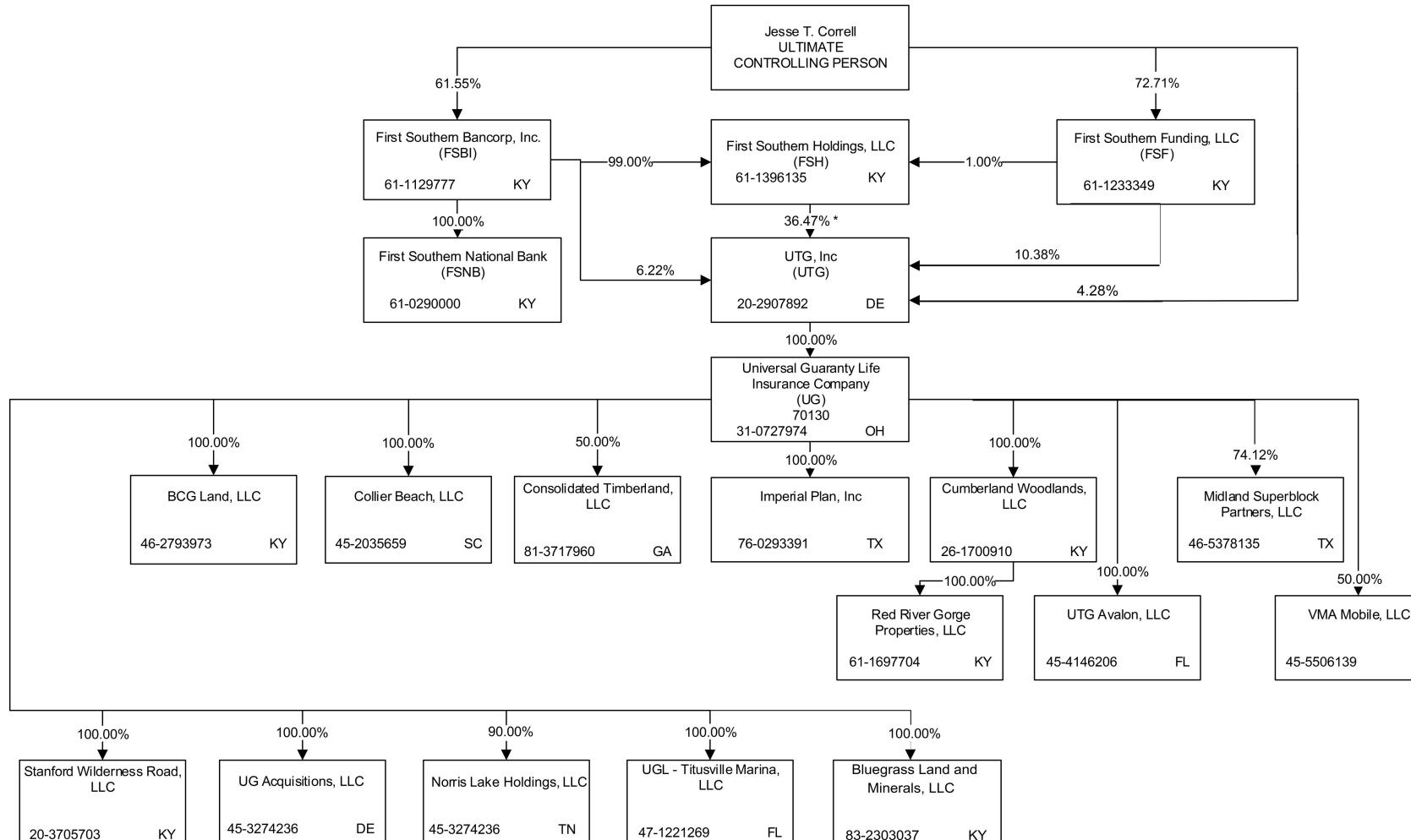
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 37
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state..... 0R - Registered - Non-domiciled RRGs..... 0
Q - Qualified - Qualified or accredited reinsurer..... 0
N - None of the above - Not allowed to write business in the state..... 20(b) **Explanation of basis of allocation by states, etc., of premiums and annuity considerations.**

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

(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 16.4m cols 8, 9 and 10

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

PART 1 – ORGANIZATIONAL CHART



* Jesse T. Correll owns or controls 65.17% of UTG, Inc.

2018 ALPHABETICAL INDEX
LIFE ANNUAL STATEMENT BLANK

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