Informational omission in Note 9 data input.

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

LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018
OF THE CONDITION AND AFFAIRS OF THE

Cincinnati Life Insurance Company

NAIC Group Code 0244 (Current) 0244 (Prior) NAIC Company Code 76236 Employer's ID Number 31-1213778

Organized under the Laws of Ohio, State of Domicile or Port of Entry OH

Country of Domicile United States of America

Incorporated/Organized 07/02/1987 Commenced Business 02/01/1988

Statutory Home Office 6200 SOUTH GILMORE ROAD (Street and Number), FAIRFIELD, OH, US 45014-5141 (City or Town, State, Country and Zip Code)

Main Administrative Office 6200 SOUTH GILMORE ROAD (Street and Number)
FAIRFIELD, OH, US 45014-5141 (City or Town, State, Country and Zip Code), 513-870-2000 (Area Code) (Telephone Number)

Mail Address 6200 SOUTH GILMORE ROAD (Street and Number or P.O. Box), FAIRFIELD, OH, US 45014-5141 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 6200 SOUTH GILMORE ROAD (Street and Number)
FAIRFIELD, OH, US 45014-5141 (City or Town, State, Country and Zip Code), 513-870-2000 (Area Code) (Telephone Number)

Internet Website Address WWW.CINFIN.COM

Statutory Statement Contact JOSEPH DAVID WURZELBACHER (Name), 513-870-2000-4902 (Area Code) (Telephone Number)
JOE_WURZELBACHER@CINFIN.COM (E-mail Address), 513-603-5500 (FAX Number)

OFFICERS

CEO & PRESIDENT	STEVEN JUSTUS JOHNSTON	TREASURER & VICE PRESIDENT	TODD HANCOCK PENDERY
CFO & SENIOR VICE PRESIDENT	MICHAEL JAMES SEWELL	COO & SENIOR VICE PRESIDENT	ROGER ANDREW BROWN

OTHER

JACOB FERDINAND SCHERER JR, EXECUTIVE VICE PRESIDENT	TERESA CURRIN CRACAS, SENIOR VICE PRESIDENT	SEAN MICHAEL GIVLER, SENIOR VICE PRESIDENT
THERESA ANN HOFFER, SENIOR VICE PRESIDENT	MARTIN FRANCIS HOLLENBECK, SENIOR VICE PRESIDENT	JOHN SCOTT KELLINGTON, SENIOR VICE PRESIDENT
LISA ANNE LOVE, SENIOR VICE PRESIDENT		

DIRECTORS OR TRUSTEES

WILLIAM FORREST BAHL	GREGORY THOMAS BIER	ROGER ANDREW BROWN
TERESA CURRIN CRACAS	MARTIN FRANCIS HOLLENBECK	STEVEN JUSTUS JOHNSTON
JOHN SCOTT KELLINGTON	LISA ANNE LOVE	WILLIAM RODNEY MCMULLEN
MARTIN JOSEPH MULLEN	DAVID PUTNAM OSBORN	JACOB FERDINAND SCHERER JR
THOMAS REID SCHIFF	MICHAEL JAMES SEWELL	KENNETH WILLIAM STECHER
LARRY RUSSELL WEBB		

State of Ohio
County of Butler SS:

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.

STEVEN JUSTUS JOHNSTON	MICHAEL JAMES SEWELL	TODD HANCOCK PENDERY
CEO & PRESIDENT	CFO & SENIOR VICE PRESIDENT	TREASURER & VICE PRESIDENT

Subscribed and sworn to before me this 4th day of February 2019

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

Karen S. Donner
Notary Public
October 26, 2019

1. Summary of Significant Accounting Policies

A. Accounting Policies – The financial statements of the Cincinnati Life Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

	STATE OF DOMICILE	2018	2017
NET INCOME			
(1) Company state basis (Page 4, Line 35, Columns 1 & 2)	Ohio	($12,824)	$12,361,713
(2) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(3) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(4) NAIC SAP (1-2-3=4)	Ohio	($12,824)	$12,361,713
SURPLUS			
(5) Company state basis (Page 3, Line 38, Columns 1 & 2)	Ohio	$190,576,097	$195,138,127
(6) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(7) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(8) NAIC SAP (5-6-7=8)	Ohio	$190,576,097	$195,138,127

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

C. Accounting Policies – The Company uses the following accounting policies:

1. Not applicable
2. Bonds are stated at amortized cost using the scientific method.
3. Not applicable
4. Preferred Stocks are stated in accordance with the guidance provided in SSAP No. 32—Preferred Stock.
5. Not applicable
6. Loan-backed and structured securities are stated at amortized cost, except those with an NAIC "6" designation, which are stated at the lower of amortized cost or fair value. The retrospective method is used to value securities of high credit quality. The prospective approach is used to value securities where collection of contractual cash flows is not probable or that are of lower credit quality.
7. The Company's investment in limited liability entities are reported on the underlying audited GAAP equity of the investee.
8. The Company's investment in limited liability entities are reported on the underlying audited GAAP equity of the investee.
9. Not applicable
10. Not applicable
11. Unpaid accident and health losses include an amount determined from individual case estimates and an amount based on historic experience, for pending losses and losses incurred but not reported. Such liabilities are 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 reserves established. The reserve factors used to establish the resulting liabilities are periodically reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from the prior period.
13. Not applicable

D. Going Concern – Not applicable

2. Accounting Changes and Corrections of Errors – None

3. Business Combinations and Goodwill

A. Statutory Purchase Method – Not Applicable
B. Statutory Merger – Not Applicable
C. Assumption Reinsurance – Not Applicable
D. Impairment Loss – Not Applicable

4. Discontinued Operations – None

5. Investments

A. Mortgage Loans – None
B. Debt Restructuring – None
C. Reverse Mortgages – None
D. Loan – Backed Securities

1. The Company obtains prepayment assumptions from third-party vendors.
2. None
3. None
4. The following table presents the aggregate total of all impaired loan-backed and structured securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings a realized loss (including securities with a recognized other-than-temporary impairment for non-interest as related declines when a non-recognized interest related impairment remains):

The aggregate amount of unrealized losses:	
1. Less than 12 months	($511,923)
2. 12 months or longer	($1,595,304)
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	$60,498,201
2. 12 months or longer	$56,841,619

5. The Company performs a quarterly analysis to assess whether the decline in the fair value of any loan-backed or structured security is other-than-temporary. Factors considered in determining whether a decline in fair value is considered other-than-temporary include the length of time and the extent to which the fair value of the security has been below cost or amortized cost and changes in credit ratings of the issue during the period. The intent to sell, the intent and ability to hold the security for a period of time sufficient to recover its cost or amortized cost basis and the ability to recover all outstanding amounts when contractually due are also considered. The Company believes there were no indications of declines in fair value that were considered to be other-than-temporary for any loan-backed or structured securities with unrealized losses as of December 31, 2018.

E. Dollar Repurchase Agreements – None
F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
H. Repurchase Agreements Transactions Accounted for as a Sale - None
I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
J. Real Estate

1. Real Estate Improvement – None
2. Real Estate Held for Sale – None
3. Change in Plan of Sale – None
4. Retail Land Sales – None
5. Real Estate with Participating Lone Features – None

K. Low Income Housing Tax Credits

1. The Company owned one tax credit partnership at December 31, 2018. The number of years of unexpired credits range is nine years and the remaining required holding period is ten years.
2. Tax Credits and other tax benefits associated with the Company's LIHTC investments recognized for the years ended December 31, 2018 and 2017 were $13,225 and $58 respectively.
3. The balance of the LIHTC investment at December 31, 2018 is $0.
4. Management of the Company is not aware of the LIHTC investments and related properties being subject of any regulatory reviews.
5. The LIHTC investment does not exceed 10% of non-admitted assets.
6. There was no impairment of the investment in 2018.
7. There were no write-downs or losses of tax credits in 2018.

L. Restricted Assets
1. Restricted Assets (Including Pledged)

	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Restricted Asset Category	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total from Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	0.00%
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	0.00%	0.00%
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	0.00%	0.00%
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	0.00%	0.00%
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	0.00%	0.00%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	0.00%	0.00%
g. Placed under option contracts	-	-	-	-	-	-	-	-	0.00%	0.00%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-	-	0.00%	0.00%
i. FHLB capital stock	-	-	-	-	-	-	-	-	0.00%	0.00%
j. On deposit with states	-	-	-	-	-	-	-	-	0.00%	0.00%
k. On deposit with other regulatory bodies	4,239,527	-	-	-	4,239,527	4,237,833	1,694	4,239,527	0.09%	0.09%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	0.00%	0.00%
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	0.00%	0.00%
n. Other restricted assets	-	-	-	-	-	-	-	-	0.00%	0.00%
o. Total Restricted Assets	$ 4,239,527	$ -	$ -	$ -	$ 4,239,527	$ 4,237,833	$ 1,694	$ 4,239,527	0.09%	0.09%
(a) Subset of column 1										
(b) Subset of column 3										

2. Assets Pledged as Collateral Not Captured Elsewhere – Not Applicable
3. Details of Other Restricted Assets – Not Applicable
4. Collateral Received and Reflected as Assets Within the Company's Financial Statements – Not Applicable

M. Working Capital Finance Investments – None
N. Offsetting and Netting of Assets and Liabilities – None
O. Structured Notes – None
P. 5GI* Securities – None
Q. Short Sales – None
R. Prepayment Penalty and Acceleration Fees – As of December 31, 2018, the Company had recorded the following in prepayment penalty and acceleration fees.

	General Account	Separate Account
Number of CUSIPS	32	0
Aggregate Amount of Investment Income	$3,866,107	$0

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
B. The Company recorded an impairment loss in 2018 on CLIC BP Investments H, LLC, an affiliated real estate investment. The impairment was a result of less favorable economic conditions. The impairment loss of $1,625,106 (pre-tax) was based on estimated fair value that was determined from a valuation model that included future projected cash flows.

7. Investment Income

A. There was no due and accrued income excluded from investment income in 2018.
B. Not applicable

8. Derivative Instruments

A. Not applicable
B. Not applicable
C. Not applicable
D. Not applicable
E. Not applicable
F. Not applicable
G. Not applicable
H. Not applicable

9 - Income Taxes

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities(DTLs):

1.

	2018 Ordinary	2018 Capital	2018 Total
(a) Gross deferred tax assets	$ 58,657,876	$ 898,181	$ 59,556,057
(b) Statutory valuation allowance	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	58,657,876	898,181	59,556,057
(d) Deferred Tax Assets Nonadmitted	44,449,014	-	44,449,014
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	14,208,862	898,181	15,107,043
(f) Deferred Tax Liabilities	$ 129,022	$ 1,836,494	$ 1,965,516
(g) Net admitted deferred tax asset/(liability) (1e - 1f)	$ 14,079,840	$ (938,313)	$ 13,141,527

	2017 Ordinary	2017 Capital	2017 Total
(a) Gross deferred tax assets	$ 53,565,239	$ 585,978	$ 54,151,217
(b) Statutory valuation allowance	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	53,565,239	585,978	54,151,217
(d) Deferred Tax Assets Nonadmitted	40,024,004	-	40,024,004
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	13,541,235	585,978	14,127,213
(f) Deferred Tax Liabilities	$ 181,710	$ -	$ 181,710
(g) Net admitted deferred tax asset/(liability) (1e - 1f)	$ 13,359,525	$ 585,978	$ 13,945,503

	Change Ordinary	Change Capital	Change Total
(a) Gross deferred tax assets	$ 5,092,637	$ 312,203	$ 5,404,840
(b) Statutory valuation allowance	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	5,092,637	312,203	5,404,840
(d) Deferred Tax Assets Nonadmitted	4,425,010	-	4,425,010
(e) Subtotal Net Admitted Deferred Tax Asset (1c- 1d)	667,627	312,203	979,830
(f) Deferred Tax Liabilities	$ (52,688)	$ 1,836,494	$ 1,783,806
(g) Net admitted deferred tax asset/(liability) (1e - 1f)	$ 720,315	$ (1,524,291)	$ (803,976)

2.

SSAP 101, paragraphs 11.a., 11.b., and 11.c.:	2018 Ordinary	2018 Capital	2018 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)	12,243,346	898,181	13,141,527
1. Adjusted Gross Deferred Tax Assets Expected tobe Realized Following the Balance Sheet Date	12,243,346	898,181	13,141,527
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	26,615,186
(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	1,965,516	-	1,965,516
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c)	14,208,862	898,181	15,107,043

SSAP 101, paragraphs 11.a., 11.b., and 11.c.:	2017 Ordinary	2017 Capital	2017 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)	13,359,525	585,978	13,945,503
1. Adjusted Gross Deferred Tax Assets Expected tobe Realized Following the Balance Sheet Date	13,359,525	585,978	13,945,503
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	27,178,894
(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	181,710	-	181,710
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c)	13,541,235	585,978	14,127,213

SSAP 101, paragraphs 11.a., 11.b., and 11.c.:	Change Ordinary	Change Capital	Change 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)	(1,116,179)	312,203	(803,976)
1. Adjusted Gross Deferred Tax Assets Expected tobe Realized Following the Balance Sheet Date	(1,116,179)	312,203	(803,976)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	(563,708)
(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	1,783,806	-	1,783,806
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c)	667,627	312,203	979,830

3.

	2018 Percentage	2017 Percentage
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	416%	481%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b) 2 above	210,069,584	214,671,270

4.

	2018 Ordinary	2018 Capital	2018 Total
Impact of Tax Planning Strategies			
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.			
1. Adjusted Gross DTAs amount from Note 9A1(c)	58,657,876	898,181	59,556,057
2. Percentage of Adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	14,208,862	898,181	15,107,043
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	5.95%	5.95%
(b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies			

	2017 Ordinary	2017 Capital	2017 Total
Impact of Tax Planning Strategies			
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.			
1. Adjusted Gross DTAs amount from Note 9A1(c)	53,565,239	585,978	54,151,217
2. Percentage of Adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	13,541,235	585,978	14,127,213
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	4.15%	4.15%
(b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies			

	Change Ordinary	Change Capital	Change Total
Impact of Tax Planning Strategies			
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.			
1. Adjusted Gross DTAs amount from Note 9A1(c)	5,092,637	312,203	5,404,840
2. Percentage of Adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	667,627	312,203	979,830
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	1.80%	1.80%
(b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies			

B. Unrecognized DTLs

Not applicable

C. Current Tax and Change in Deferred Tax

1. Current income tax:

	2018	2017	Change
(a) Federal	$ 1,842,020	$ 66,392	$ 1,775,628
(b) Foreign	-	-	-
(c) Subtotal	1,842,020	66,392	1,775,628
(d) Federal Income Tax on capital gains/(losses)	67,103	1,015,122	(948,019)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
Federal income taxes incurred	$ 1,909,123	$ 1,081,514	$ 827,609

2. Deferred tax assets

	December 31, 2018	December 31, 2017	Change
(a) Ordinary			
(1) Life and health reserves	$ 32,672,993	$ 29,886,420	$ 2,786,573
(2) DAC	24,054,936	21,847,356	2,207,580
(3) Nonadmitted assets	743,399	523,541	219,858
(4) Other, net	1,186,548	1,307,922	(121,374)
(99) Subtotal	$ 58,657,876	$ 53,565,239	$ 5,092,637
(b) Statutory valuation allowance adj	-	-	-
(c) Nonadmitted	44,449,014	40,024,004	4,425,010
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	$ 14,208,862	$ 13,541,235	$ 667,627
(e) Capital			
(1) Investments	$ -	$ 462,564	$ (462,564)
(2) Unrealized losses on investments	898,181	123,414	774,767
(99) Subtotal	$ 898,181	$ 585,978	$ 312,203
(f) Statutory valuation allowance adj	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	$ 898,181	$ 585,978	$ 312,203
(i) Admitted deferred tax assets (2d + 2h)	$ 15,107,043	$ 14,127,213	$ 979,830

3. Deferred tax liabilities

	December 31, 2018	December 31, 2017	Change
(a) Ordinary			
(1) Other, net	$ 129,022	$ 181,710	$ (52,688)
(99) Subtotal	$ 129,022	$ 181,710	$ (52,688)
(b) Capital			
(1) Investments	$ 1,836,494	$ -	$ 1,836,494
(2) Unrealized gains on investments	$ -	$ -	$ -
(99) Subtotal	$ 1,836,494	$ -	$ 1,836,494
(c) Deferred tax liabilities (3a99 + 3b99)	$ 1,965,516	$ 181,710	$ 1,783,806

4. Net deferred tax assets/liabilities (2i-3c) $ 13,141,527 $ 13,945,503 $ (803,976)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31, 2018	December 31, 2017	Change
Total deferred tax assets	$ 59,556,057	$ 54,151,217	$ 5,404,840
Total deferred tax liabilities	1,965,516	181,710	1,783,806
Net deferred tax asset(liability)	$ 57,590,541	$ 53,969,507	$ 3,621,034
Tax effect of unrealized gains/(losses)			(774,767)
Change in net deferred income tax (charge)/benefit			$ 2,846,267

	December 31, 2017	December 31, 2016	Change
Total deferred tax assets	$ 54,151,217	$ 91,851,332	$ (37,700,115)
Total deferred tax liabilities	181,710	228,840	(47,130)
Net deferred tax asset(liability)	$ 53,969,507	$ 91,622,492	$ (37,652,985)
Tax effect of unrealized (gains)/losses			(123,414)
Change in net deferred income tax (charge)/benefit			$ (37,776,399)

Our accounting for all elements of the 2017 Tax Cut and Jobs Act ("Tax Act") is now complete, consistent with the closing of the SAB 118 measurement period on December 22, 2018. During the measurement period we revised our estimates related to the calculation of tax reserves under the Tax Act and we have adjusted our deferred tax balances related to tax base life and health reserves accordingly. The adjustment resulted in no net impact on our deferred tax balances and no impact on our effective tax rate.

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

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

Description	As of December 31, 2018 Amount	Tax Effect	Effective Tax Rate
Income before taxes	$ 1,723,119	$ 361,855	21.00%
Amortization of IMR	(2,455,739)	(515,705)	-29.93%
Dividends received deduction	-	-	0.00%
Other items permanent in nature	(2,683,027)	(563,436)	-32.70%
Total	$ (3,415,647)	$ (717,286)	-41.63%
Federal income taxes incurred expense/(benefit)	$ 8,771,524	$ 1,842,020	106.90%
Tax on capital gains/(losses)	319,538	67,103	3.89%
Change in net deferred income tax charge/(benefit)	(13,553,652)	(2,846,267)	-165.18%
Change in nonadmitted excluding deferred tax asset	1,046,943	219,858	12.76%
Total statutory income taxes	$ (3,415,647)	$ (717,286)	-41.63%

Description	As of December 31, 2017 Amount	Tax Effect	Effective Tax Rate
Income before taxes	$ 13,744,323	$ 4,810,513	35.00%
Amortization of IMR	(4,019,497)	(1,406,824)	-10.24%
Dividends received deduction	-	-	0.00%
Impact of Tax Rate Change	101,566,765	35,548,368	258.65%
Other items permanent in nature	(1,074,979)	(376,243)	-2.74%
Total	$ 110,216,612	$ 38,575,814	280.67%
Federal income taxes incurred expense/(benefit)	$ 189,691	$ 66,392	0.48%
Tax on capital gains/(losses)	2,900,349	1,015,122	7.39%
Change in net deferred income tax charge/(benefit)	107,932,569	37,776,399	274.85%
Change in nonadmitted excluding deferred tax asset	(805,997)	(282,099)	-2.05%
Total statutory income taxes	$ 110,216,612	$ 38,575,814	280.67%

E. Operating Loss and Tax Credit Carryforwards

(1) At December 31, 2018, the Company had net operating loss and tax credit carryforwards of: $ -

(2) At December 31, 2018, the Company had capital loss carryforwards of: $ -

(3) The following is income tax expense for the current and prior years that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2018	$ -	$ -	$ -
2017	-	-	-
2016	-	-	-
Total	$ -	$ -	$ -

(4) Deposits admitted under Internal Revenue Code Section 6603: $ -

F. Consolidated Federal Income Tax Return

(1) The Company's federal income tax return is consolidated with the following entities:

Cincinnati Financial Corporation(Parent)
The Cincinnati Insurance Company
The Cincinnati Casualty Company
The Cincinnati Indemnity Company
The Cincinnati Specialty Underwriters Insurance Company
CFC Investment Company
CSU Producer Resources, Inc.

(2) The method of allocation between the Company is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis, with the company receiving a current benefit for losses generated to the extent federal taxes are reduced for the consolidated tax group.

G. Federal or Foreign Federal Income Tax Loss Contingencies

For the years ended December 31, 2018 and 2017, the Company did not have tax contingencies unde the principles of SSAP No. 5, *Liabilities, Contingencies and Impairment of Assets.* This is subject to change but it is not expected to significantly increase in the 12 month period following the balance sheet date. The Company is primarily subject to examination by U.S. federal and various U.S. state and local tax authorities. The statute of limitations for federal tax purposes has closed for tax years 2014 and earlier. The statute of limitations for state income tax purposes has closed for tax years 2014 and earlier.

10. Information Concerning Parent, Subsidiaries and Affiliates –

A. Not Applicable
B. Not Applicable
C. Not Applicable
D. At December 31, 2018, The Company reported $3,870,548 as amounts receivable from the Parent Company, The Cincinnati Insurance Company, and from affiliated companies, Cincinnati Specialty Underwriters Insurance Company, CFC Investment Company, and CSU Producer Resources, Inc. Also at December 31, 2018 the Company reported $287,807 as amounts due to the ultimate parent Cincinnati Financial Corporation. The terms of the settlement require that these amounts be settled within 30 days.
E. Not Applicable
F. Management, Service Contracts, Cost Sharing Agreements
The Company has the following management agreements with related parties:
1. Inter-company Benefits and Expense Allocation Agreement.
2. Inter-company Cost sharing and Expense Allocation Agreement.
3. Inter-company Tax sharing Agreement.
G. All outstanding shares of the Company are owned by the Parent Company, The Cincinnati Insurance Company, an insurance company domiciled in the State of Ohio.
H. Not Applicable
I. Not Applicable
J. Not Applicable
K. Not Applicable
L. Not Applicable
M. Not Applicable
N. Not Applicable
O. Not Applicable

11. Debt

A. Capital Notes – None
B. All Other Debt - None

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

A. Defined Benefit Plan – None
B. Defined Benefit Plan Investment Strategy – Not Applicable
C. Defined Benefit Plan Fair Value – Not Applicable
D. Defined Benefit Plan Rate of Return – Not Applicable
E. Defined Contribution Plan – None
F. Multi-Employer Plans – None
G. Consolidated/Holding Company Plans – The Company participates in a qualified, noncontributory defined benefit pension plan sponsored by Cincinnati Financial Corporation, an affiliate. The Company has no legal obligations for benefits under these plans. Cincinnati Financial Corporation allocates amounts to the Company based on the percentage of participants on the Company's payroll. The Company's share of net expense for the qualified pension plan was $253,224 and $408,366 for 2018 and 2017 respectively.
H. Postemployment Benefits and Compensated Absences – None
I. Impact of Medicare Modernization Act on Postretirement Benefits - None

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

A. The Company has 2,000 shares authorized, 2,000 shares issued and 2,000 shares outstanding. All shares are Class A shares. The par value per share is $1,500.
B. The Company has no preferred stock outstanding.
C. The maximum amount of dividends which may be paid by State of Ohio insurance companies to shareholders without prior approval, cannot exceed in any one year the greater of ten percent of the surplus as of December 31 next preceding, or the net income for the twelve month period ending December 31 next preceding. The maximum dividend payment that may be made in 2018 is approximately $19,050,000. Dividends are paid as determined by the Board of Directors and are not cumulative.
D. No dividends were paid during the 2018 calendar year.
E. Within the limitations of (B) above, there are no restrictions placed on the portion of company profits that may be paid as ordinary dividends.
F. There are no restrictions on unassigned surplus.
G. Not Applicable
H. The Company holds no shares of stock for special purposes.
I. Not Applicable
J. The portion of unassigned funds (surplus) represented or (reduced) by cumulative unrealized gains/(losses) are ($3,689,366) offset by deferred tax of $774,767 for a net balance of ($2,914,599).
K. Not Applicable
L. Not Applicable
M. Not Applicable

14. Contingencies

A. The Company has given an unaffiliated real estate partnership a guarantee on the construction during the 24 month construction loan period.
1. Total *SSAP No. 97—Investments in Subsidiary, Controlled, and Affiliated Entities, and SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* contingent liabilities: $247,568.
2.

Nature and Circumstances of guarantee and key attributes, including date and duration of agreement.	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted.
Guarantee the loan of an unaffiliated real estate partnership.	No liability recognized pursuant to SSAP No. 5R, paragraph 18d.	Investments in SCA	$4,375,000	Real estate partnership is current in all payments of principal and/or interest.
Guarantee the construction loan of an unaffiliated real estate partnership. The guarantee will be in place during the 24 month construction period.	$42,750	Investments in SCA	$4,759,500	Real estate partnership is current in all payments of principal and/or interest.
Total	$42,750		$9,134,500	

3.

a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.)	$ 9,134,500
b. Current Liability Recognized in F/S:	
1. Noncontingent Liabilities	$0
2. Contingent Liabilities	$42,750
c. Ultimate Financial Statement Impact if action under the guarantee is required.	
1. Investments in SCA	$9,134,500
2. Joint Venture	$0
3. Dividends to Stockholders (capital contribution)	$0
4. Expense	$0
5. Other	$0
6. Total (Should equal (3)a.)	$9,134,500

B. Assessments – None
C. Gain Contingencies – None
D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits – None
E. Joint and Several Liabilities - None
F. All Other Contingences – Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has two impaired bond.

15. Leases

A. Lessee Leasing Arrangements

1. The Company leases company automobiles under various non-cancelable operating agreements that expire through December 2019. Rental expense for 2018, and 2017 was approximately $221,863, and $177,160, respectively.
2. At January 1, 2019, the minimum agreement rental commitments are as follows:

Year Ending December 31,	Operating Leases
2019	$237,307
2020	$228,244
2021	$217,704
2022	$169,001
2023	$122,359
Total	$1,039,739

3. None

B. Significant Leases - None

16. **Off-Balance Sheet Risk** – None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. None

B. None

C. None

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

A. None

B. None

C. None

19. **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators –** The Cincinnati Life Insurance Company has direct written long term care premiums of $2,333,859 and $1,193,010 in direct premiums on certain closed blocks of life and health business through a third party administrator. This total through our third party administrators is not equal to or greater than 5% of surplus.

20. Fair Value Measurements

A. None

B. None

C. Fair Value within Fair Value Hierarchy

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	3,375,965,293	3,383,717,754	247,520	3,375,301,974	415,800		
Common Stock							
Perpetual Preferred Stock	8,386,450	5,046,800		8,386,450			
Surplus Notes	58,121,167	47,713,616		58,121,167			

D. None

E. None

21. Other Items

A. Not Applicable

B. Not Applicable

C. Assets in the amount of $4,239,527 and $4,237,833 at December 31, 2018 and 2017, respectively, were on deposit with government authorities or trustees as required by law.

D. Not Applicable

E. Not Applicable

F. Not Applicable

G. Retained Assets

1. The Company's retained asset program is structured in the financial statements as such. Once a claimant meeting the program requirements opts to take part in the retained assets program, (Benefit Access Account), a claim is recorded and the corresponding liability set up. At that point The Northern Trust Company, which administers the program for Cincinnati Life Insurance, sets up the retained asset account and forwards all documentation including check books to the beneficiary who have full access to their funds once the necessary paperwork is completed with the administrator. During the 2018 calendar year, account holders were credited at a 1.20% interest rate. There are no monthly service or maintenance fees for the BAA and there is no charge for withdrawals or for checks, however there are fees for special services. Returned checks are charged to the account holder at $10 each and stop payments are charged at $15 each.
2. Retained Asset Balances

December 31, 2018			December 31, 2017		
Category	Number	Amount	Category	Number	Amount
Up to and including 12 months	25	$3,850,655	Up to and including 12 months	19	$2,857,415
13 to 24 months	11	$984,310.07	13 to 24 months	27	$2,898,159
25 to 36 months	19	$1,688,023	25 to 36 months	25	$2,450,535
37 to 48 months	20	$1,198,877	37 to 48 months	14	$2,356,062
49 to 60 months	11	$2,115,687	49 to 60 months	17	$1,277,093
Over 60 months	209	$10,216,423	Over 60 months	226	$10,399,660
Total	295	$20,055,297	Total	328	$22,239,449

3. The Company's retained asset program consists entirely of individual contracts.

	Number	Balance/Amount
Retained Asset accounts at 1/1/2018	328	$22,239,449
Accounts issued during 2018	31	$7,501,078
Earnings credited during 2018	N/A	$221,946
Fees & Other Charges during 2018	N/A	$40
Accounts transferred to Unclaimed Property during 2018	0	$0
Accounts closed/withdrawn during 2018	64	$9,907,136
Retained Asset accounts at 12/31/2018	295	$20,055,297

H. Not Applicable

22. **Events Subsequent –** None

23. Reinsurance

A. Ceded Reinsurance Report

1. Section 1 – General Interrogatories
   a. No
   b. No
2. Section 2 – Ceded Reinsurance Report – Part A
   a. No
   b. No
3. Section 3 – Ceded Reinsurance Report – Part B
   a. $345,258,906
   b. No

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

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

E. Reinsurance of Variable Annuities with Captive Reinsurer – None

F. Captive Reinsurer Credits – None

G. Captive Reinsurer XXX/AXXX - None

24. **Retrospectively Rated Contracts & Contract Subject to Redetermination –** Not Applicable

25. **Change in Incurred Losses and Loss Adjustment Expenses –** Reserves for prior year incurred accident and health losses are periodically updated based on the result of ongoing analysis of recent loss development trends. The resulting adjustments in prior year loss development have been immaterial.

26. **Intercompany Pooling Arrangements –** The Company is not part of a pooling arrangement with its group of affiliated insurers.

27. **Structured Settlements –** None

28. **Health Care Receivables –** None

29. **Participating Policies –** None

30. **Premium Deficiency Reserves** – None

31. Reserves for Life Contracts and Deposit Type Contracts

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

B. Extra premiums are charged for substandard lives, in addition to the regular gross premiums for the true age. Mean reserves for traditional insurance products are determined by computing the regular mean reserve for the plan at the true age, and adding one-half (1/2) of the extra premium charge for the year. For plans with explicit mortality charges, mean reserves are based on appropriate multiples of standard rates of mortality.

C. As of December 31, 2018, the Company had $8,005,021,596 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio.

D. The Tabular Interest, Tabular Less Actual Reserve Released, and Tabular Cost have been determined by formula as described in the instructions.

E. Tabular interest on funds not involving life contingencies is calculated by subtracting from the current year end total of accumulations and deposit funds prior year end total of accumulations and deposit funds and funds added during the year, and adding funds withdrawn during the year.

F. No other reserve changes.

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

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A Subject to discretionary withdrawal					
(1) With fair value adjustment	$	$	$	$	
(2) At book value less current surrender charge of 5% or more	67,128,321			67,128,321	7%
(3) At fair value					
(4) Total with adjustment or at fair value (total of 1 through 3)					
(5) At book value without adjustment (minimal or no charge or adjustment)	715,166,943			715,166,943	75%
B Not subject to discretionary withdrawal	167,669,733			167,669,733	18%
C Total (gross: direct + assumed)	949,964,997			949,964,997	100%
D Reinsurance ceded	250,372			250,372	
E Total (net)* (C) – (D)	$949,714,625			$949,714,625	

F. Reconciliation of Total Annuity Actuarial Reserves and Deposit Fund Liabilities*

Life & Accident & Health Annual Statement:	
Exhibit 5, Annuities Section, Totals (net)	$ 789,253,812
Exhibit 5, Supplementary Contracts with Life Contingencies Section, Totals (net)	3,168,938
Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	157,291,875
Subtotal	949,714,625
Separate Accounts Annual Statement	
Exhibit 3, Line 0199999, Column 2	797,252,953
Policyholder dividend and coupon accumulations	0
Policyholder premiums	0
Guaranteed interest contracts	0
Other contract deposit funds	0
Subtotal	797,252,953
Combined Total	$ 1,746,967,578

33. Premium and Annuity Considerations Deferred and Uncollected

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

Type	Gross	Net of Loading
Industrial	$253	$89
Ordinary New Business	10,325,093	921,872
Ordinary Renewal	56,461,444	123,270,221
Credit Life		
Group Life	175,107	175,107
Group Annuity		
Total	$66,961,897	$124,367,289

34. Separate Accounts

A. Separate Account Activity

1. The Cincinnati Life Insurance Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and transactions. For the current reporting year, Cincinnati Life reported assets and liabilities from certain Bank Owned Life Insurance (BOLI) policies into a separate account. In accordance with the Ohio state procedures of approving items within the separate account, the classification of the BOLI policies into separate accounts is supported by Ohio revised code 3911.011 (B).
2. As of December 31, 2018 and 2017 the Company separate account statement included legally insulated assets of $804,132,552 and $776,423,736 respectively. The assets legally insulated from the general account as of December 31, 2018 are attributed to the following products/transactions:

Product/Transaction	Legally Insulated Assets	Separate Account Assets (Not Legally Insulated)
Fifth Third Bank (FTB)	$761,435,361	$0
Huntington Bank (FM)	42,697,191	0
Total	**$804,132,552**	**$0**

3. In accordance with the products/transactions recorded within the separate account, some separate account liabilities are guaranteed by the general account. In accordance with these guarantees, if the investment proceeds are insufficient to cover the rate of return guaranteed for the product, the policyholder proceeds will be remitted by the general account. As of December 31, 2018, the general account of The Cincinnati Life Insurance Company had a maximum guarantee for separate account liabilities of $0 and has not made any payments towards separate account guarantees. To compensate the general account for the risk taken, the separate account has paid risk charges as follows for the past five years.
   a. 2018 $4,252,432
   b. 2017 $5,419,045
   c. 2016 $5,318,053
   d. 2015 $5,232,105
   e. 2014 $5,715,555
4. The Company does not engage in security lending transactions within the separate account.

B. General Nature and Characteristics of Separate Account Business – Separate accounts held by the Company relate to certain single premium bank-owned group life insurance policies. The assets of these accounts are carried at amortized cost. Information regarding the separate accounts of the Company is as follows:

	Separate Accounts with Guarantees			Non-guaranteed	
	(1)	(2)	(3)	(4)	(5)
		Non-indexed	Non-indexed	Non-guaranteed	
		Guarantee less	Guarantee	Separate	
	Indexed	Than/equal to 4%	More than 4%	Accounts	Total
1. Premiums, considerations or deposits for year ended 12/31/18					
2. Reserves at 12/31/18					
I. For accounts with assets at:					
a. Market value					
b. Amortized cost		$ 797,252,953			$ 797,252,953
c. Total reserves		$ 797,252,953			$ 797,252,953
II. By withdrawal characteristics:					
a. Subject to discretionary withdrawal		$ 797,252,953			$ 797,252,953
b. With MV adjustment					
c. At book value without MV adjustment and with current surrender charge of 5%					
d. At market value					
e. At book value without MV adjustment and with current surrender charge less than 5%					
f. Subtotal		$ 797,252,953			$ 797,252,953
g. Not subject to discretionary withdrawal					
h. Total		$ 797,252,953			$ 797,252,953

C. Reconciliation of Net Transfers To or (From) Separate Accounts

Transfers as reported in the Summary of Operations of the Separate Accounts Statement:	
Transfers to Separate Accounts (Page 4, Line 1.4)	$ 0
Transfers from Separate Accounts (Page 4, Line 10)	$ 2,412,336
Net transfer to or (From) Separate Accounts (a) – (b)	($ 2,412,336)
Reconciling Adjustments	
Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) = (Page 4, Line 26)	($ 2,412,336)

35. **Loss/Claim Adjustment Expense –** None