Original filing did not contain complete set of Notes to Financial Statements.

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LIFE, ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2021

OF THE CONDITION AND AFFAIRS OF THE

Loyal American Life Insurance Company

NAIC Group Code 0901 (Current) 0901 (Prior) NAIC Company Code 65722 Employer's ID Number 63-0343428

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

Country of Domicile United States of America

Licensed as business type: Life, Accident and Health [X] Fraternal Benefit Societies [ ]

Incorporated/Organized 05/18/1955 Commenced Business 07/04/1955

Statutory Home Office 1300 East Ninth Street (Street and Number), Cleveland, OH, US 44114 (City or Town, State, Country and Zip Code)

Main Administrative Office 11200 Lakeline Blvd., Suite 100 (Street and Number)

Austin, TX, US 78717 (City or Town, State, Country and Zip Code), 512-451-2224 (Area Code) (Telephone Number)

Mail Address 11200 Lakeline Blvd., Suite 100 (Street and Number or P.O. Box), Austin, TX, US 78717 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 11200 Lakeline Blvd., Suite 100 (Street and Number)

Austin, TX, US 78717 (City or Town, State, Country and Zip Code), 512-451-2224 (Area Code) (Telephone Number)

Internet Website Address www.CignaSupplementalBenefits.com

Statutory Statement Contact Renee Wilkins Feldman (Name), 512-531-1465 (Area Code) (Telephone Number)

CSBFinRpt@cigna.com (E-mail Address), 512-467-1399 (FAX Number)

OFFICERS

President	Stephen Burnett Jones	Secretary	Jill Mary Stadelman
Treasurer and Chief Accounting Officer	Byron Keith Buescher	Appointed Actuary	Mohammed Umar Gilani

OTHER

Tyler Michael Lester, Executive Vice President and Chief Financial Officer	David Lawrence Chambers, Vice President-Sales and Marketing	Mark Fleming, Vice President and Assistant Treasurer
Joanne Ruth Hart, Vice President and Assistant Treasurer	Scott Ronald Lambert, Vice President and Assistant Treasurer	Ryan Bruce McGroarty, Vice President
Kathleen Murphy O'Neil, Vice President	Drew Jerome Reynolds, Vice President and Assistant Treasurer	

DIRECTORS OR TRUSTEES

Stephen Burnett Jones	Tyler Michael Lester	Ryan Bruce McGroarty
Frank Sataline Jr.	James Yablecki	

State of Texas
County of Williamson 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.

Stephen Burnett Jones President	Byron Keith Buescher Treasurer and Chief Accounting Officer	Mohammed Umar Gilani Appointed Actuary

Subscribed and sworn to before me this
_______ day of _______

a. Is this an original filing? Yes [ ] No [X]
b. If no,
1. State the amendment number 1
2. Date filed 05/14/2021
3. Number of pages attached 1

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

The COVID-19 pandemic has pervasively impacted the economy, financial markets and the global health care delivery systems, including significant deferral of care of our customers resulting in lower claims paid in 2020 and through March 31, 2021. The Company closely monitors its financial instruments and maintains effective controls to identify risks and evaluate potential exposures. As of March 31, 2021, the Company has not experienced a material decline in fair value relating to its financial instruments including investments, or a material decline in accounts receivable and reinsurance recoverables as a result of COVID-19. Additionally, the Coronavirus Aid, Relief, and Economic Security Act ("the Act") was enacted on March 27, 2020. The legislation did not have a material impact on the Company's results of operations for the three months ended March 31, 2021. The Company has not requested any funding under the Act.

Recent proposals related to corporate tax reform propose raising corporate tax rates, among other things. While it is unclear whether recent proposals will be enacted in their current form, the proposed increases in corporate tax rates could have a material impact on the Company's future results of operations and, in the period of enactment, both its results of operations and financial condition. The Company will continue to monitor developments.

A. Accounting Practices

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

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

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

	SSAP #	F/S Page	F/S Line #	2021	2020
NET INCOME					
(1) Company state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	$ 6,105,546	$ 26,912,483
(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	$ 6,105,546	$ 26,912,483
SURPLUS					
(5) Company state basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	$ 170,873,640	$ 160,020,796
(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	$ 170,873,640	$ 160,020,796

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

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

C. Accounting Policy

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

The Company uses the following accounting policies:

(2) Basis for Bonds, Mandatory Convertible Securities, SVO-Identified Investments and Amortization Method
Investments in bonds and short-term investments are carried at amortized cost, except those in or near default that are carried at the lesser of cost or fair value. Amortization of bond premium or discount is calculated using the scientific (constant yield) interest method. Bonds containing call provisions are amortized to call date which produces the lowest asset value (yield to worst). Investments with original maturities of one year or less from the time of purchase are classified as short-term. Bonds are considered impaired and their cost basis is written down to fair value through an asset valuation reserve for credit-related losses or an interest maintenance reserve for interest-related losses, when management expects a decline in value to persist (i.e., the decline is other-than-temporary).

(6) Basis for Loan-Backed Securities and Adjustment Methodology
Loan-backed bonds and structured securities are valued at amortized cost using the constant level yield method. Significant changes in estimated cash flows from the original purchase assumptions are accounted for generally using the retrospective adjustment method. For loan-backed and structured securities that have potential for loss of a significant portion of the original investment, significant changes in estimated cash flows from the original purchase assumptions are accounted for using the prospective method. These securities are presented on the balance sheet as bonds.

Prepayment assumptions for loan-backed securities and other structured securities were obtained from external financial data sources. These assumptions are consistent with the current interest rate and economic environment.

NOTES TO FINANCIAL STATEMENTS

When the Company determines it does not expect to recover the amortized cost basis of loan-backed or structured securities with declines in fair value (even if it does not intend to sell and has the intent and ability to hold), the non-interest portion of the impairment loss is recognized in realized investment losses. The non-interest portion is the difference between the amortized cost basis of the loan-backed or structured security and the net present value of its expected future cash flows. Expected future cash flows are based on assumptions about the collateral attributes, including prepayment speeds, default rates and changes in value.

D. Going Concern

In accordance with SSAP No. 1, "Accounting Policies, Risks and Uncertainties, and Other Disclosures," management has made an evaluation of the Company's ability to continue as a going concern, including such factors as its current financial position, recent earnings and cash flow trends and projections, liquidity and capital requirements, readily available sources of liquidity and such other factors deemed by management to be appropriate under the circumstances. Management has assessed and concluded that there were no conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date the financial statements are issued. Accordingly, the accompanying financial statements have been prepared on the going concern basis.

Note 2 – Accounting Changes and Correction of Errors

Not applicable.

Note 3 – Business Combinations and Goodwill

Not applicable.

Note 4 – Discontinued Operations

Not applicable.

Note 5 – Investments

A. - C. Not applicable.

D. Loan-Backed Securities

(1) Description of Sources Used to Determine Prepayment Assumptions
Prepayment assumptions for loan-backed securities and other structured securities were obtained from external financial data sources. These assumptions are consistent with the current interest rate and economic environment.

(2) Securities with Recognized Other-Than-Temporary Impairment
As of March 31, 2021, the Company had no loan-backed and structured securities with recognized other-than-temporary impairments where the Company had the intent to sell or does not have the intent and ability to retain the investment for a period of time sufficient to recover the amortized cost basis.

(3) Recognized OTTI Securities
As of March 31, 2021, the Company had no loan-backed and structured securities with recognized other-than-temporary impairments where the present value of cash flow expected to be collected is less than the amortized cost basis.

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

As of March 31, 2021, there were no loan-backed and structured securities with a fair value lower than amortized cost.

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

E. - Q. Not applicable.

R. Share of Cash Pool by Asset Type

	Asset Type	Percent Share
(1)	Cash	0%
(2)	Cash Equivalents	90%
(3)	Short-Term Investments	10%
(4)	Total	100%

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 7 – Investment Income

No significant changes.

Note 8 – Derivative Instruments

Not applicable.

Note 9 – Income Taxes

No significant changes.

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

No significant changes.

Note 11 – Debt

Not applicable.

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

No significant changes.

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

No significant changes.

Note 14 – Liabilities, Contingencies and Assessments

B. Assessments - There were no material impacts to existing or new guaranty fund assessments for the three months ended March 31, 2021.

F. All Other Contingencies

Other Legal Matters

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

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

Note 15 – Leases

No significant changes.

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

No significant changes.

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

B. Transfer and Servicing of Financial Assets - Not applicable.

C. The Company was not involved in any wash sale transactions in 2021.

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

Not applicable.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 20 – Fair Value Measurements

A. Fair Value Measurements

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

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

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

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

SSAP 100 allows the use of net asset value (NAV) as a practical expedient to fair value for investments in investment companies where there is no readily determinable fair value. There were no such investments owned by the Company for either period presented.

(1) Fair Value Measurements at Reporting Date
None.

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy
None.

(3) Policies when Transfers Between Levels are Recognized
None.

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement
No financial instruments at fair value

(5) Fair Value Disclosures
None.

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

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

C. Fair Value Level

The following tables provide the fair value, carrying value, and classification in the fair value hierarchy of the Company's financial instruments as of March 31, 2021 December 31, 2020.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
March 31, 2021							
Bonds	$ 322,995,590	$ 308,258,319	$ 4,137,472	$ 318,858,118	$	$	$
Cash, Cash Equavelents, and Short-term Investments	$ (2,178,537)	$ (2,178,537)	$ (5,744,376)	$ 3,565,838	$	$	$
Contract Loans	$	$ 22,176	$	$	$	$	$ 22,176
December 31, 2020							
Bonds	$ 308,255,566	$ 281,981,668	$ 4,153,255	$ 304,102,311	$	$	$
Cash, Cash Equavelents, and Short-term Investments	$ 13,327,753	$ 13,327,753	$ (7,744,066)	$ 21,071,819	$	$	$
Contract Loans	$	$ 19,798	$	$	$	$	$ 19,798

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

Bonds

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

Short-Term Investments, Cash Equivalents, and Cash

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

NOTES TO FINANCIAL STATEMENTS

D. Not Practicable to Estimate Fair Value

Contract Loans

It is not practicable to estimate the fair values of contract loans as they have no stated maturity. Contract loans are fully collateralized by the cash surrender values of the underlying insurance policies.

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Contract Loans	$ 22,176	8%	N/A	It is not practicable to estimate the fair values of contract loans as they have no stated maturity. They are fully collateralized by the cash surrender values of the underlying insurance policies.

E. NAV Practical Expedient Investments
None.

Note 21 – Other Items

No significant changes.

Note 22 – Events Subsequent

Management has evaluated the financial statements for subsequent events through May 13, 2021, the date financial statements were available to be issued.

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]

B. - H. Not applicable.

Note 23 – Reinsurance

No significant changes.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2020 were $56,389,496. As of March 31, 2021, $22,889,597 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $27,510,069 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicare Supplement, cancer treatment and disability income lines of insurance. Therefore, there has been a $5,989,830 favorable prior year development since December 31, 2020 to March 31, 2021. The change is generally the result of ongoing analysis of recent loss development trends.

B. Information about Significant Changes in Methodologies and Assumptions

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

Note 26 – Intercompany Pooling Arrangements

Not applicable.

Note 27 – Structured Settlements

Not applicable.

Note 28 – Health Care Receivables

Not applicable.

Note 29 – Participating Policies

No significant changes.

Note 30 – Premium Deficiency Reserves

Not applicable.

Note 31 – Reserves for Life Contracts and Annuity Contracts

No significant changes.

NOTES TO FINANCIAL STATEMENTS

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

No significant changes.

Note 33 – Analysis of Life Actuarial Reserves by Withdrawal Characteristics

No significant changes.

Note 34 – Premium and Annuity Considerations Deferred and Uncollected

No significant changes.

Note 35 – Separate Accounts

Not applicable.

Note 36 – Loss/Claim Adjustment Expenses

At December 31, 2020 and March 31, 2021, reserves for LAE totaled $1,659,778 and $1,696,629.

The Company incurred $3,230,838 and paid $3,193,986 of loss adjustment expenses in the current year of which $656,319 of the paid amount was attributable to insured events of prior years.

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