

ANNUAL STATEMENT

OF THE

of _____

in the state of _____

TO THE

Insurance Department

OF THE

STATE OF

**FOR THE YEAR ENDED
December 31, 2004**

LIFE AND ACCIDENT AND HEALTH

2004



65315200420100100

ANNUAL STATEMENT

For the Year Ended December 31, 2004
OF THE CONDITION AND AFFAIRS OF THE

Liberty Life Assurance Company of Boston

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) NAIC Company Code 65315 Employer's ID Number 04-6076039

Organized under the Laws of Massachusetts, State of Domicile or Port of Entry Massachusetts

Country of Domicile United States

Incorporated: September 17, 1963 Commenced Business: January 15, 1964

Statutory Home Office: 175 Berkeley Street Boston, MA 02117

Main Administrative Office: 175 Berkeley Street Boston, MA 02117 617-357-9500

Mail Address: 100 Liberty Way Dover, NH 03820

Primary Location of Books and Records: 100 Liberty Way Dover, NH 03820 603-749-2600

Internet Website Address: www.LibertyMutual.com

Statutory Statement Contact: Andre Josephat Laurion 603-749-2600 36222
Andre.Laurion@LibertyMutual.com 603-742-1352
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 100 Liberty Way Dover, NH 03820 800-451-7065 33045

OFFICERS

Table with 2 columns: Name, Title. Rows include Edmund Francis Kelly, Dexter Robert Legg, Laurance Henry Soyer Yahia.

Vice-Presidents

Table with 4 columns: Name, Title, Name, Title. Rows include James Paul Condrin, III, Gary Jay Ostrow, Jean Marie Scarrow, Anthony Alexander Fontanes, Stephen Michael Batza #.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include James Paul Condrin, III, Jean Marie Scarrow, Anthony Alexander Fontanes, Stephen Michael Batza #, Edmund Francis Kelly, Christopher Charles Mansfield.

State of Massachusetts
County of Suffolk 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.

(Signature) Edmund Francis Kelly 1. (Printed Name)
(Signature) Dexter Robert Legg 2. (Printed Name)
(Signature) Laurance Henry Soyer Yahia 3. (Printed Name)
(Title) (Title) (Title)

Subscribed and sworn to before me this
4th day of February, 2005

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	5,115,485,641		5,115,485,641	4,738,187,495
2. Stocks (Schedule D):				
2.1 Preferred stocks	1,041,107		1,041,107	1,788,439
2.2 Common stocks	1,200,596		1,200,596	1,327,139
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 31,916,092, Schedule E-Part 1), cash equivalents (\$ 0, Schedule E-Part 2) and short-term investments (\$ 301,321,554, Schedule DA)	333,237,646		333,237,646	172,663,414
6. Contract loans (including \$ 0 premium notes)	76,583,743		76,583,743	71,240,788
7. Other invested assets (Schedule BA)	190,720,936		190,720,936	131,376,213
8. Receivable for securities	1,283,583		1,283,583	1,997,228
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	5,719,553,252		5,719,553,252	5,118,580,716
11. Investment income due and accrued	65,381,317		65,381,317	62,409,327
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	24,356,950	461,232	23,895,718	21,047,017
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	29,124,735		29,124,735	26,643,285
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	5,217,987		5,217,987	2,283,267
13.2 Funds held by or deposited with reinsured companies				
13.3 Other amounts receivable under reinsurance contracts	671,705		671,705	627,774
14. Amounts receivable relating to uninsured plans	3,238,592		3,238,592	2,673,705
15.1 Current federal and foreign income tax recoverable and interest thereon				
15.2 Net deferred tax asset	76,544,055	62,054,300	14,489,755	13,894,055
16. Guaranty funds receivable or on deposit				74,546
17. Electronic data processing equipment and software				
18. Furniture and equipment, including health care delivery assets (\$ 0)				15,748
19. Net adjustment in assets and liabilities due to foreign exchange rates				100,228
20. Receivables from parent, subsidiaries and affiliates	203,487		203,487	
21. Health care (\$ 0) and other amounts receivable				
22. Other assets nonadmitted				
23. Aggregate write-ins for other than invested assets	6,603,210	2,939,504	3,663,706	3,401,101
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	5,930,895,290	65,455,036	5,865,440,254	5,251,750,769
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	2,362,990,107		2,362,990,107	2,125,109,010
26. Total (Lines 24 and 25)	8,293,885,397	65,455,036	8,228,430,361	7,376,859,779

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through 0903 + 0998) (Line 9 above)				
2301. Fixed assets	2,939,504	2,939,504		
2302. Accounts receivable	2,326,570		2,326,570	2,166,539
2303. Amounts due from Separate Accounts	1,337,136		1,337,136	1,234,562
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 + 2398) (Line 23 above)	6,603,210	2,939,504	3,663,706	3,401,101

LIABILITIES, SURPLUS AND OTHER FUNDS	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 3,638,995,234 (Exhibit 5, Line 9999999) less \$ 0 included in Line 6.3 (including \$ 0 Modco Reserve)	3,638,995,234	3,342,782,570
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$ 0 Modco Reserve)	722,672,776	1,340,216
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1)(including \$ 0 Modco Reserve)	878,131,625	872,423,541
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	25,918,737	25,463,346
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	11,241,385	4,505
5. Policyholders' dividends \$ 98,228 and coupons \$ 0 due and unpaid (Exhibit 4, Line 10)	98,228	89,668
6. Provision for policyholders' dividends and coupons payable in following calendar year-estimated amounts:		
6.1 Dividends apportioned for payment to 2005 (including \$ 0 Modco)	11,384,779	12,025,831
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 \$ 112,249 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	370,683	498,776
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including \$ 0 accident and health experience rating refunds	6,614,066	3,528,938
9.3 Other amounts payable on reinsurance, including \$ 0 assumed and \$ 0 ceded		
9.4 Interest Maintenance Reserve (IMR, Line 6)	17,261,379	5,750,574
10. Commissions to agents due or accrued-life and annuity contracts \$ 837,295 accident and health \$ 203,654 and deposit-type contract funds \$ 0	1,040,949	904,638
11. Commissions and expense allowances payable on reinsurance assumed	16,000	
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	35,956,043	31,596,934
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)	(3,114,740)	(3,068,194)
15.1 Current federal and foreign income taxes, including \$ 9,078,707 on realized capital gains (losses)	19,431,688	(4,503,139)
15.2 Net deferred tax liability		
16. Unearned investment income	625,466	652,313
17. Amounts withheld or retained by company as agent or trustee		
18. Amounts held for agents' account, including \$ 0 agents' credit balances		
19. Remittances and items not allocated	27,966,614	14,967,354
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 \$ 30,890,171 and interest thereon \$ 0	30,890,171	15,638,711
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR, Line 16, Col. 7)	40,918,585	28,563,666
24.2 Reinsurance in unauthorized companies	381,746	629,428
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates	(6,423,539)	24,418,131
24.5 Drafts outstanding	5,950,470	8,353,676
24.6 Liability for amounts held under uninsured accident and health plans		
24.7 Funds held under coinsurance		643,335,510
24.8 Payable for securities		
24.9 Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	96,492,482	81,307,665
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	5,562,820,827	5,106,704,658
27. From Separate Accounts statement	2,362,990,107	2,125,109,010
28. Total liabilities (Lines 26 and 27)	7,925,810,934	7,231,813,668
29. Common capital stock	2,500,000	2,500,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	316,500,000	131,500,000
34. Aggregate write-ins for special surplus funds	750,000	750,000
35. Unassigned funds (surplus)	(17,130,573)	10,296,111
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 29 \$ 0)		
36.2 0 shares preferred (value included in Line 30 \$ 0)		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36)(including \$ 0 in Separate Accounts Statement)	300,119,427	142,546,111
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	302,619,427	145,046,111
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3)	8,228,430,361	7,376,859,779

DETAILS OF WRITE-INS		
2501. Securities loaned - cash collateral	64,760,041	51,712,773
2502. Qualified claims account - Internal Revenue Service Code 419	17,547,000	16,338,000
2503. Deposit suspense - group life	10,743,581	11,871,875
2598. Summary of remaining write-ins for Line 25 from overflow page	3,441,860	1,385,017
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	96,492,482	81,307,665
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401. Contingency reserve for Separate Accounts	750,000	750,000
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	750,000	750,000

SUMMARY OF OPERATIONS		1	2
(Excluding Unrealized Capital Gains and Losses)		Current Year	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)	439,901,329	492,932,375
2.	Considerations for supplementary contracts with life contingencies	586	
3.	Net investment income (Exhibit of Net Investment Income, Line 17)	348,468,019	287,248,834
4.	Amortization of Interest Maintenance Reserve (IMR) (Line 5)	1,916,960	644,984
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)	(6,448,738)	44,614,135
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	2,597,291	3,758,301
8.2	Charges and fees for deposit-type contracts		
8.3	Aggregate write-ins for miscellaneous income	1,205,869	1,202,640
9.	Totals (Lines 1 to 8.3)	787,641,316	830,401,269
10.	Death benefits	99,493,627	111,227,129
11.	Matured endowments (excluding guaranteed annual pure endowments)		
12.	Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	125,401,570	115,948,253
13.	Disability benefits and benefits under accident and health contracts	11,686,148	699,917
14.	Coupons, guaranteed annual pure endowments and similar benefits		
15.	Surrender benefits and withdrawals for life contracts	43,685,136	39,775,142
16.	Group conversions		
17.	Interest and adjustments on contract or deposit-type contract funds	53,209,208	53,818,147
18.	Payments on supplementary contracts with life contingencies	402,868	497,855
19.	Increase in aggregate reserves for life and accident and health contracts	344,080,146	351,677,936
20.	Totals (Lines 10 to 19)	677,958,703	673,644,379
21.	Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)(Exhibit 1, Part 2, Line 31, Col. 1)	16,258,611	22,290,080
22.	Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	16,000	
23.	General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	101,206,079	99,316,411
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	15,553,760	16,729,387
25.	Increase in loading on deferred and uncollected premiums	1,059,535	(362,770)
26.	Net transfers to or (from) Separate Accounts net of reinsurance	(5,568,726)	(13,812,269)
27.	Aggregate write-ins for deductions	3,914,121	6,862,663
28.	Totals (Lines 20 to 27)	810,398,083	804,667,881
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(22,756,767)	25,733,388
30.	Dividends to policyholders	11,103,596	11,891,062
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(33,860,363)	13,842,326
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	(10,378,686)	7,415,307
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)	(23,481,677)	6,427,019
34.	Net realized capital gains (losses)(excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 8,674,794 (excluding taxes of \$ 4,699,717 transferred to the IMR)	3,152,001	(5,673,053)
35.	Net income (Line 33 plus Line 34)	(20,329,676)	753,966
CAPITAL AND SURPLUS ACCOUNT			
36.	Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	145,046,111	124,845,467
37.	Net income (Line 35)	(20,329,676)	753,966
38.	Change in net unrealized capital gains (losses)	1,788,989	10,568,548
39.	Change in net unrealized foreign exchange capital gain (loss)		
40.	Change in net deferred income tax	2,321,551	(2,255,785)
41.	Change in nonadmitted assets and related items	(1,809,126)	3,890,693
42.	Change in liability for reinsurance in unauthorized companies	247,683	(629,428)
43.	Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)		
44.	Change in asset valuation reserve	(12,354,917)	(8,451,800)
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	185,000,000	25,000,000
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		
53.	Aggregate write-ins for gains and losses in surplus	2,708,812	(8,675,550)
54.	Net change in capital and surplus for the year (Lines 37 through 53)	157,573,316	20,200,644
55.	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	302,619,427	145,046,111

DETAILS OF WRITE-INS			
08.301.	Miscellaneous income	974,359	820,604
08.302.	Surrender charges	280,865	444,128
08.303.	Other administration fees	24,903	21,800
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	(74,258)	(83,892)
08.399.	Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	1,205,869	1,202,640
2701.	Increase(Decrease) in provision for experience rating refunds	3,085,129	4,289,117
2702.	Miscellaneous expense	777,603	3,443,385
2703.	Performance guarantee expense	51,389	50,856
2798.	Summary of remaining write-ins for Line 27 from overflow page		(920,695)
2799.	Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	3,914,121	6,862,663
5301.	Correction of prior years errors	2,708,812	
5302.	Initial ceding commission		(8,675,550)
5303.			
5398.	Summary of remaining write-ins for Line 53 from overflow page		
5399.	Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	2,708,812	(8,675,550)

CASH FLOW	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	433,014,455	494,047,788
2. Net investment income	319,199,228	306,433,949
3. Miscellaneous income	10,626,665	18,101,024
4. Total (Lines 1 through 3)	762,840,348	818,582,761
5. Benefit and loss related payments	270,774,027	251,882,132
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	(5,568,726)	(13,812,269)
7. Commissions, expenses paid and aggregate write-ins for deductions	127,832,332	138,755,499
8. Dividends paid to policyholders	11,736,088	13,529,980
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)	10,563,325	6,114,405
10. Total (Lines 5 through 9)	415,337,046	396,469,747
11. Net cash from operations (Line 4 minus Line 10)	347,503,302	422,113,014
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	827,744,851	1,309,484,985
12.2 Stocks	4,283,763	3,350,950
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	24,956,117	17,078,850
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	856,984,731	1,329,914,785
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,159,328,630	1,705,835,997
13.2 Stocks	1,695,539	4,788,366
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	75,407,954	83,714,786
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,236,432,123	1,794,339,149
14. Net increase (decrease) in policy loans and premium notes	5,342,956	6,078,406
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(384,790,348)	(470,502,770)
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	185,000,000	25,000,000
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(46,382,743)	(31,544,325)
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	59,244,021	(7,690,828)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	197,861,278	(14,235,153)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11, plus Lines 15 and 17)	160,574,232	(62,624,909)
19. Cash and short-term investments:		
19.1 Beginning of year	172,663,414	235,288,323
19.2 End of year (Line 18 plus Line 19.1)	333,237,646	172,663,414

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

20.0001.		
20.0002.		
20.0003.		

Annual Statement for the year 2004 of the Liberty Life Assurance Company of Boston

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit) (Excluding Capital Gains and Losses)

	1 Total	2 Industrial Life	3 Ordinary			6 Credit Life (Group and Individual)	7 Group		9 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	439,901,329		211,905,659	110,976,725			117,464,540	10,500	26,943		(483,038)	
2. Considerations for supplementary contracts with life contingencies	586				586							
3. Net investment income	348,468,019		82,666,671	166,994,486	182,177		26,859,774	24,179,515	47,558,440		26,956	
4. Amortization of Interest Maintenance Reserve (IMR)	1,916,960		(128,764)	1,030,582	1,775		(369)	1,200,011	(186,676)		401	
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded	(6,448,738)		6,882,275				9,556		(13,345,905)		5,336	
7. Reserve adjustments on reinsurance ceded												
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	2,597,291			160,642				2,436,649				
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income	1,205,869		255,738	410,121			300	268	539,442			
9. Totals (Lines 1 to 8.3)	787,641,316		301,581,579	279,572,556	184,538		144,333,801	27,826,943	34,592,244		(450,345)	
10. Death benefits	99,493,627		32,719,391				66,774,236					
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits	125,401,570			94,229,293				31,172,277				
13. Disability benefits and benefits under accident and health contracts	11,686,148								11,616,509		69,639	
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	43,685,136		24,217,796	5,684,667			7,565,383	6,217,290				
16. Group conversions			(702,711)				702,711					
17. Interest and adjustments on contract or deposit-type contract funds	53,209,208		640,913	51,599,239	(44,080)		465,825	547,311				
18. Payments on supplementary contracts with life contingencies	402,868				378,820			24,048				
19. Increase in aggregate reserves for life and accident and health contracts	344,080,146		178,358,135	101,538,353	(92,676)		23,085,830	(7,219,107)	48,472,012		(62,401)	
20. Totals (Lines 10 to 19)	677,958,703		235,233,524	253,051,552	242,064		98,593,985	30,741,819	60,088,521		7,238	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	16,258,611		6,663,893	5,483,982			2,658,820	12,148	1,439,768			
22. Commissions and expense allowances on reinsurance assumed	16,000		16,000									
23. General insurance expenses	101,206,079		47,013,696	4,179,971	10,720		10,547,843	2,904,763	36,530,934		18,152	
24. Insurance taxes, licenses and fees, excluding federal income taxes	15,553,760		4,964,535	212,526	258		2,900,726	69,793	7,404,867		1,055	
25. Increase in loading on deferred and uncollected premiums	1,059,535		775,975				283,560					
26. Net transfers to or (from) Separate Accounts net of reinsurance	(5,568,726)		2,614,999	(1,943,074)				(6,240,651)				
27. Aggregate write-ins for deductions	3,914,121		751,010	(22,381)			3,168,814	(10,634)	27,312			
28. Totals (Lines 20 to 27)	810,398,083		298,033,632	260,962,576	253,042		118,153,748	27,477,238	105,491,402		26,445	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(22,756,767)		3,547,947	18,609,980	(68,504)		26,180,053	349,705	(70,899,158)		(476,790)	
30. Dividends to policyholders	11,103,596		11,103,429	167								
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(33,860,363)		(7,555,482)	18,609,813	(68,504)		26,180,053	349,705	(70,899,158)		(476,790)	
32. Federal income taxes incurred (excluding tax on capital gains)	(10,378,686)		(488,760)	7,093,963	(25,809)		8,466,790	(537,736)	(24,889,090)		1,956	
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)	(23,481,677)		(7,066,722)	11,515,850	(42,695)		17,713,263	887,441	(46,010,068)		(478,746)	
DETAILS OF WRITE-INS												
08.301. Miscellaneous income	974,359		44,791	389,678			300	268	539,322			
08.302. Surrender charges	280,865		260,422	20,443								
08.303. Other administration fees	24,903		24,783						120			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	(74,258)		(74,258)									
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	1,205,869		255,738	410,121			300	268	539,442			
2701. Increase(Decrease) in provision for experience rating refunds	3,085,129						3,085,129					
2702. Miscellaneous expense	777,603		751,010	(22,381)			83,685	(10,634)	(24,077)			
2703. Performance guarantee expense	51,389								51,389			
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above)	3,914,121		751,010	(22,381)			3,168,814	(10,634)	27,312			

(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	3,342,782,570		1,267,092,041	1,400,109,390	2,190,155		386,214,487	287,176,497
2. Tabular net premiums or considerations	418,099,075		198,166,001	107,554,831	586		112,377,657	
3. Present value of disability claims incurred	426,678		1,138,861		X X X		(712,183)	
4. Tabular interest	197,150,830		57,621,485	97,052,747	142,715		17,970,341	24,363,542
5. Tabular less actual reserve released	(14,779,259)		(1,115,170)	(8,830,537)	136,407		(5,098,763)	128,804
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)								
8. Totals (Lines 1 to 7)	3,943,679,894		1,522,903,218	1,595,886,431	2,469,863		510,751,539	311,668,843
9. Tabular cost	125,392,831		37,792,097		X X X		87,600,734	
10. Reserves released by death	17,196,863		11,065,266	X X X	X X X		6,131,597	X X X
11. Reserves released by other terminations (net)	36,314,576		28,595,685				7,718,891	
12. Annuity, supplementary contract, and disability payments involving life contingencies	125,780,390			94,229,293	378,820			31,172,277
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Lines 9 to 13)	304,684,660		77,453,048	94,229,293	378,820		101,451,222	31,172,277
15. Reserve December 31, current year	3,638,995,234		1,445,450,170	1,501,657,138	2,091,043		409,300,317	280,496,566

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 15,625,737	14,944,038
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 322,045,438	326,195,445
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 296,675	296,676
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	31,323	31,324
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans	4,292,707	4,387,263
6. Cash, cash equivalents and short-term investments	(e) 1,881,641	2,006,369
7. Derivative instruments	(f)	
8. Other invested assets	6,174,428	5,465,694
9. Aggregate write-ins for investment income	139,606	139,606
10. Total gross investment income	350,487,555	353,466,415
11. Investment expenses		(g) 2,153,369
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 2,423,645
13. Interest expense		(h) 231,901
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		189,481
16. Total deductions (Lines 11 through 15)		4,998,396
17. Net investment income (Line 10 minus Line 16)		348,468,019

DETAILS OF WRITE-INS		
0901. Investment income securities lending	139,606	139,606
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	139,606	139,606
1501. Miscellaneous investment expenses		189,481
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		189,481

- (a) Includes \$ 31,222,000 accrual of discount less \$ 5,033,512 amortization of premium and less \$ 10,813,612 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 9,023 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds	1,251,181			1,251,181
1.1 Bonds exempt from U.S. tax				
1.2 Other bonds (unaffiliated)	19,406,918	(1,132,220)		18,274,698
1.3 Bonds of affiliates				
2.1 Preferred stocks (unaffiliated)	(21,147)			(21,147)
2.11 Preferred stocks of affiliates				
2.2 Common stocks (unaffiliated)	1,863,227		(3,505)	1,859,722
2.21 Common stocks of affiliates				
3. Mortgage loans				
4. Real estate				
5. Contract loans				
6. Cash, cash equivalents and short-term investments				
7. Derivative instruments				
8. Other invested assets	7,805,794	(3,916,503)	2,284,694	6,173,985
9. Aggregate write-ins for capital gains (losses)	(2,690)			(2,690)
10. Total capital gains (losses)	30,303,283	(5,048,723)	2,281,189	27,535,749

DETAILS OF WRITE-INS				
0901. Equipment sales	(2,690)			(2,690)
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	(2,690)			(2,690)

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

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected	(120,614)		(55,614)							(65,000)	
2. Deferred and accrued	4,042,265		4,042,265								
3. Deferred, accrued and uncollected:											
3.1 Direct	4,431,378		4,431,378								
3.2 Reinsurance assumed											
3.3 Reinsurance ceded	509,727		444,727							65,000	
3.4 Net (Line 1 + Line 2)	3,921,651		3,986,651							(65,000)	
4. Advance	19,033		19,033								
5. Line 3.4 - Line 4	3,902,618		3,967,618							(65,000)	
6. Collected during year:											
6.1 Direct	62,766,144		14,076,897			28,081,530		20,469,885		137,832	
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	25,161,701		4,493,446			60,538		20,469,885		137,832	
6.4 Net	37,604,443		9,583,451			28,020,992					
7. Line 5 + Line 6.4	41,507,061		13,551,069			28,020,992				(65,000)	
8. Prior year (uncollected + deferred and accrued - advance)	3,428,573		3,493,573							(65,000)	
9. First year premiums and considerations:											
9.1 Direct	63,223,109		14,533,862			28,081,530		20,469,885		137,832	
9.2 Reinsurance assumed											
9.3 Reinsurance ceded	25,144,621		4,476,366			60,538		20,469,885		137,832	
9.4 Net (Line 7 - Line 8)	38,078,488		10,057,496			28,020,992					
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	264,853,995		120,637,666	116,761,619		27,444,210	10,500				
10.2 Reinsurance assumed											
10.3 Reinsurance ceded	6,651,466		865,904	5,785,562							
10.4 Net	258,202,529		119,771,762	110,976,057		27,444,210	10,500				
RENEWAL											
11. Uncollected	30,048,451		2,727,105			7,989,150		19,332,196			
12. Deferred and accrued	25,082,470		25,082,300	170							
13. Deferred, accrued and uncollected:											
13.1 Direct	60,334,849		29,094,472	170		10,817,158		20,423,049			
13.2 Reinsurance assumed	579,055					579,055					
13.3 Reinsurance ceded	5,782,982		1,285,067			3,407,063		1,090,852			
13.4 Net (Line 11 + Line 12)	55,130,922		27,809,405	170		7,989,150		19,332,197			
14. Advance	351,649		226,096			13,304		112,249			
15. Line 13.4 - Line 14	54,779,273		27,583,309	170		7,975,846		19,219,948			
16. Collected during year:											
16.1 Direct	383,355,361		93,964,694	668		67,685,897		221,674,343		29,759	
16.2 Reinsurance assumed	218,150		216,747			1,403					
16.3 Reinsurance ceded	246,366,026		14,477,827			10,211,137		221,164,265		512,797	
16.4 Net	137,207,485		79,703,614	668		57,476,163		510,078		(483,038)	
17. Line 15 + Line 16.4	191,986,758		107,286,923	838		65,452,009		19,730,026		(483,038)	
18. Prior year (uncollected + deferred and accrued - advance)	48,366,446		25,210,523	170		3,452,670		19,703,083			
19. Renewal premiums and considerations:											
19.1 Direct	391,737,772		96,712,472	668		73,656,122		221,338,751		29,759	
19.2 Reinsurance assumed	218,150		216,747			1,403					
19.3 Reinsurance ceded	248,335,610		14,852,818			11,658,187		221,311,808		512,797	
19.4 Net (Line 17 - Line 18)	143,620,312		82,076,401	668		61,999,338		26,943		(483,038)	
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	719,814,876		231,884,000	116,762,287		129,181,862	10,500	241,808,636		167,591	
20.2 Reinsurance assumed	218,150		216,747			1,403					
20.3 Reinsurance ceded	280,131,697		20,195,088	5,785,562		11,718,725		241,781,693		650,629	
20.4 Net (Lines 9.4 + 10.4 + 19.4)	439,901,329		211,905,659	110,976,725		117,464,540	10,500	26,943		(483,038)	

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 and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums (Exhibit 4, Line 1)	890,430		890,430								
22. All other (Exhibit 4, Lines 2, 3 & 4)	9,959,972		9,959,972								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded											
23.2 Reinsurance assumed											
23.3 Net ceded less assumed											
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed											
24.3 Net ceded less assumed											
25. Renewal:											
25.1 Reinsurance ceded	(6,448,738)		6,882,275			9,556		(13,345,905)		5,336	
25.2 Reinsurance assumed	16,000		16,000								
25.3 Net ceded less assumed	(6,464,738)		6,866,275			9,556		(13,345,905)		5,336	
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	(6,448,738)		6,882,275			9,556		(13,345,905)		5,336	
26.2 Reinsurance assumed (Page 6, Line 22)	16,000		16,000								
26.3 Net ceded less assumed	(6,464,738)		6,866,275			9,556		(13,345,905)		5,336	
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	349,174		343,625	5,549							
28. Single	13,693,472		6,298,374	5,478,434		1,904,516	12,148				
29. Renewal	2,215,966		21,194			755,004		1,439,768			
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	16,258,612		6,663,193	5,483,983		2,659,520	12,148	1,439,768			

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			
1. Rent	1,800,476		2,300,837		107,662	4,208,975
2. Salaries and wages	23,108,776		29,530,804		1,507,369	54,146,949
3.11 Contributions for benefit plans for employees	3,402,552		4,348,135		64,600	7,815,287
3.12 Contributions for benefit plans for agents						
3.21 Payments to employees under non-funded benefit plans						
3.22 Payments to agents under non-funded benefit plans						
3.31 Other employee welfare	710,697		908,202			1,618,899
3.32 Other agent welfare						
4.1 Legal fees and expenses	1,476,064		1,886,269			3,362,333
4.2 Medical examination fees	87,980	112,429				200,409
4.3 Inspection report fees	954,765	1,220,098				2,174,863
4.4 Fees of public accountants and consulting actuaries	151,455		193,545		215,337	560,337
4.5 Expense of investigation and settlement of policy claims	142,438	182,021				324,459
5.1 Traveling expenses	1,553,696		1,985,475		10,765	3,549,936
5.2 Advertising	659,945		843,346			1,503,291
5.3 Postage, express, telegraph and telephone	2,774,906		3,546,064		150,735	6,471,705
5.4 Printing and stationery	192,336		245,787		43,066	481,189
5.5 Cost or depreciation of furniture and equipment	1,071,311		1,369,032		53,835	2,494,178
5.6 Rental of equipment	18,468		23,600			42,068
5.7 Cost or depreciation of EDP equipment and software						
6.1 Books and periodicals	8,911		11,388			20,299
6.2 Bureau and association fees	139,191		177,873			317,064
6.3 Insurance, except on real estate	458,324		585,694			1,044,018
6.4 Miscellaneous losses						
6.5 Collection and bank service charges	558,980		714,323			1,273,303
6.6 Sundry general expenses	7,092,292	356,085	8,707,186			16,155,563
6.7 Group service and administration fees						
6.8 Reimbursements by uninsured accident and health plans			(25,342,793)			(25,342,793)
7.1 Agency expense allowance						
7.2 Agents' balances charged off (less \$ 0 recovered)						
7.3 Agency conferences other than local meetings						
9.1 Real estate expenses						
9.2 Investment expenses not included elsewhere						
9.3 Aggregate write-ins for expenses	18,293,431		2,643,687			20,937,118
10. General expenses incurred	64,656,994	1,870,633	34,678,454		2,153,369	(a) 103,359,450
11. General expenses unpaid December 31, prior year	8,510,975		23,085,959			31,596,934
12. General expenses unpaid December 31, current year	10,646,829		25,309,215			35,956,044
13. Amounts receivable relating to uninsured accident and health plans, prior year			2,673,705			2,673,705
14. Amounts receivable relating to uninsured accident and health plans, current year			3,238,592			3,238,592
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	62,521,140	1,870,633	33,020,085		2,153,369	99,565,227

DETAILS OF WRITE-INS						
09.301 Reimbursement of sales expense	16,253,960					16,253,960
09.302 Other professional fees	1,055,997		1,349,464			2,405,461
09.303 Administrative service expenses	983,474		1,242,283			2,225,757
09.398 Summary of remaining write-ins for Line 9.3 from overflow page			51,940			51,940
09.399 Totals(Lines 09.301 through 09.303 + 09.398) (Line 9.3 above)	18,293,431		2,643,687			20,937,118

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

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
2. State insurance department licenses and fees	287,005	339,657			626,662
3. State taxes on premiums	6,284,482	4,243,737			10,528,219
4. Other state taxes, incl. \$ 0 for employee benefits	235,356	461,990		2,423,645	3,120,991
5. U.S. Social Security taxes	1,121,946	2,201,929			3,323,875
6. All other taxes	219,047	158,612			377,659
7. Taxes, licenses and fees incurred	8,147,836	7,405,925		2,423,645	17,977,406
8. Taxes, licenses and fees unpaid December 31, prior year	(1,820,709)	(771,352)		(476,133)	(3,068,194)
9. Taxes, licenses and fees unpaid December 31, current year	(1,599,661)	(1,162,002)		(353,067)	(3,114,730)
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	7,926,788	7,796,575		2,300,579	18,023,942

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums	890,430
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions	9,959,972	
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4	10,850,402	
6. Paid-in cash	404,611	
7. Left on deposit	352,020	
8. Aggregate write-ins for dividend or refund options	129,055	
9. Total Lines 5 through 8	11,736,088	
10. Amount due and unpaid	98,228	
11. Provision for dividends or refunds payable in the following calendar year	11,384,779	
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	11,483,007	
16. Total from prior year	12,115,499	
17. Total dividends or refunds (Lines 9 + 15 - 16)	11,103,596	

DETAILS OF WRITE-INS		
0801. Dividends applied to loan	129,055	
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 through 0803 + 0898) (Line 8 above)	129,055	

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
LIFE INSURANCE:					
0100001.1958 CSO 2 1/2% CRVM 1973-1984	35,804,349		35,804,349		
0100002.1958 CSO 2 1/2% CRVM Graded to Net Level - 15 Years 1973-	1,474,676		1,474,676		
0100003.1958 CSO 2 1/2% Net Level 1964-1988	95,136,273		95,136,273		
0100004.1958 CSO 2 1/2% Prelim Term 1964-1981	207,888		207,888		
0100005.1958 CET 2 1/2% Net Level 1964-1981	2,527,686		2,527,686		
0100006.1958 CSO 4 1/2% Net Level 1980-1988	281,181		281,181		
0100007.1/2 Annual Extra Premium 1964-2004	839,013		839,013		
0100008.1958 CSO 4% Net Level 1981-1988	34,251,079		34,251,079		
0100009.1958 CSO 4% CRVM 1981-1988	57,053,835		57,053,835		
0100010.1958 CSO 4% Prelim Term 1981-1988	1,279,075		1,279,075		
0100011.1958 CET 4% Net Level 1981-1988	647,876		647,876		
0100012.1958 CSO 3 1/2% Net Level 1981-1988	535,214		95,955		439,259
0100013.1958 CSO 3% Net Level 1982-1988	9,275		9,275		
0100014.1960 CSG 4 1/2%	60,503				60,503
0100015.1960 CSG 2 1/2% With 1959 ADB	2,283,340				2,283,340
0100016.1958 CSO 4% Joint CRVM 1984-1988	8,025,052		8,025,052		
0100017.1958 CSO 4% Joint Net Level 1984-1988	3,920,715		3,920,715		
0100018.1958 CSO 4 1/2% CRVM 1985-1988	25,274,087		25,274,087		
0100019.1958 CET 4% Joint Net Level 1984-1988	65,382		65,382		
0100020.1958 CSO 3 1/2% Joint Net Level 1984-1988	36,874		36,874		
0100021.150% 1980 CSO 6 1/2% Net Level 1987-1988	4,113,670		4,113,670		
0100022.1980 CSO 5 1/2% 1987-2003	45,664		45,664		
0100023.1980 CSO 4 1/2% Net Level 1988-2004	16,685,898		16,685,898		
0100024.1980 CSO 4 1/2% CRVM 1989-2004	1,511,423,196		1,148,807,647		362,615,549
0100025.1980 CET 4 1/2% Net Level 1989-2004	483,490		483,490		
0100026.1980 CSO 4 1/2% Joint Net Level 1988-2004	5,523,379		5,523,379		
0100027.1980 CSO 4 1/2% Joint CRVM 1989-2004	18,127,930		18,127,930		
0100028.1980 CET 4 1/2% Joint Net Level 1996-2004	46,988		46,988		
0100029.1980 CSO 4 3/4% CRVM 1994	540,947		540,947		
0100030.1980 CSO 4 3/4% Joint CRVM 1994	11,370		11,370		
0199997. Totals (Gross)	1,826,715,905		1,461,317,254		365,398,651
0199998. Reinsurance ceded	38,166,375		38,166,375		
0199999. Totals (Net)	1,788,549,530		1,423,150,879		365,398,651
ANNUITIES					
(excluding supplementary contracts with life contingencies):					
0200001.1937 SA 3 % NL - SB 3 YRS DEFER 1975-1978	78,905	X X X	78,905	X X X	
0200002.1937 SA 2 1/2 % NL -SB 3 YRS DEFER 1975-78	70,441	X X X	70,441	X X X	
0200003.1971 GAM 6.00% IMMED & DEFER 1970-1984	488,939	X X X		X X X	488,939
0200004.1971 GAM 7 1/2 % IMMED & DEFER 1984	19,740,546	X X X		X X X	19,740,546
0200005.1971 GAM 7 3/4 % IMMED & DEFER 1983	11,627,962	X X X		X X X	11,627,962
0200006.1971 GAM 9 3/4 % IMMED & DEFER 1983-1984	28,592,718	X X X		X X X	28,592,718
0200007.1971 GAM 10 3/4 % IMMED & DEFER 1983, 1984	10,576,638	X X X		X X X	10,576,638
0200008.1971 GAM 11 1/4 % IMMED & DEFER 1983, 1984	21,301,355	X X X		X X X	21,301,355
0200009.1971 IAM 7.50%/20/7.50% IMMED & DEFER 1980-1982	12,341,846	X X X	12,341,846	X X X	
0200010.1971 IAM 11.56%/20/7.75% IMMED & DEFER 1983	27,108,662	X X X	27,108,662	X X X	
0200011.CARVM 3.5% DEFERRED 1979-1980	1,088,851	X X X	1,088,851	X X X	
0200012.CARVM 4.75% DEFERRED 2004	9,765,939	X X X	9,765,939	X X X	
0200013.CARVM 5.00% DEFERRED 2003	1,799,896	X X X	1,799,896	X X X	
0200014.CARVM 5.25% DEFERRED 1998-1999	1,838,002	X X X	1,838,002	X X X	
0200015.CARVM 5.5% DEFERRED 1994, 1996-1997, 2001-2002	7,651,814	X X X	7,651,814	X X X	
0200016.CARVM 5.75% DEFERRED 1993, 2000	5,338,986	X X X	5,338,986	X X X	
0200017.CARVM 6.00% DEFERRED 1995	763,048	X X X	763,048	X X X	
0200018.CARVM 6.25% DEFERRED 1992	6,565,935	X X X	6,565,935	X X X	
0200019.CARVM 6.50% DEFERRED 1987, 1990	1,879,675	X X X	1,879,675	X X X	
0200020.CARVM 6.75% DEFERRED 1991	2,309,880	X X X	2,309,880	X X X	
0200021.CARVM 7.00% DEFERRED 1988-1989	1,783,257	X X X	1,783,257	X X X	
0200022.CARVM 7.25% DEFERRED 1986	1,503,222	X X X	1,503,222	X X X	
0200023.CARVM 8.50% DEFERRED 1984-1985	5,512,503	X X X	5,512,503	X X X	
0200024.CARVM 8.75% DEFERRED 1983	3,409,328	X X X	3,409,328	X X X	
0200025.CARVM 9.00% DEFERRED 1981	641,667	X X X	641,667	X X X	
0200026.CARVM 10.00% DEFERRED 1982	3,954,831	X X X	3,954,831	X X X	
0200027.1983 A 5.20%/20/4.75% IMMED & DEFERRED 2003	148,219,998	X X X	148,219,998	X X X	
0200028.1983 A 5.33%/20/4.50% IMMED & DEFERRED 2004	91,920,229	X X X	91,920,229	X X X	
0200029.1983 A 6.45%/20/4.75% IMMED & DEFERRED 1998	86,487,018	X X X	86,487,018	X X X	
0200030.1983 A 6.47%/20/5.00% IMMED & DEFERRED 2002	225,568,397	X X X	225,568,397	X X X	
0200031.1983 A 6.48%/20/4.75% IMMED & DEFERRED 1999	151,797,131	X X X	151,797,131	X X X	
0200032.1983 A 6.72%/20/5.00% IMMED & DEFERRED 1994	19,954,318	X X X	19,954,318	X X X	
0200033.1983 A 6.96%/20/5.25% IMMED & DEFERRED 1997	84,203,533	X X X	84,203,533	X X X	
0200034.1983 A 6.97%/20/5.00% IMMED & DEFERRED 1996	45,741,153	X X X	45,741,153	X X X	
0200035.1983 A 7.0173%/20/5.00% IMMED & DEFER 2001	182,190,738	X X X	182,190,738	X X X	
0200036.1983 A 7.26%/20/5.25% IMMED & DEFERRED 1993	11,899,532	X X X	11,899,532	X X X	
0200037.1983 A 7.2586%/20/5.25% IMMED & DEFER 2000	174,616,681	X X X	174,616,681	X X X	
0200038.1983 A 7.51%/20/5.50% IMMED & DEFERRED 1995	52,134,520	X X X	52,134,520	X X X	
0200039.1983 A 8.04%/20/5.75% IMMED & DEFERRED 1992	10,724,829	X X X	10,724,829	X X X	
0200040.1983 A 8.32%/20/6.00% IMMED & DEFERRED 1987	5,736,001	X X X	5,736,001	X X X	
0200041.1983 A 8.50%/20/6.00% IMMED & DEFERRED 1991	7,170,646	X X X	7,170,646	X X X	
0200042.1983 A 8.55%/20/6.00% IMMED & DEFERRED 1990	11,420,441	X X X	11,420,441	X X X	
0200043.1983 A 9.08%/20/6.25% IMMED & DEFERRED 1989	5,331,088	X X X	5,331,088	X X X	
0200044.1983 A 9.12%/20/6.25% IMMED & DEFERRED 1988	8,403,036	X X X	8,403,036	X X X	
0200045.1983 A 9.64%/20/6.50% IMMED & DEFERRED 1986	9,422,567	X X X	9,422,567	X X X	
0200046.1983 A 11.39%/20/7.50% IMMED & DEFERRED 1985	16,958,910	X X X	16,958,910	X X X	
0200047.1983 A 11.72%/20/7.50% IMMED & DEFERRED 1984	32,421,404	X X X	32,421,404	X X X	
0200048.1983 A 5.25% DEFERRED	13,179	X X X		X X X	13,179
0200049.1983 GAM 5 % DEFERRED 1994	634,340	X X X		X X X	634,340
0200050.1983 GAM 5 1/4 % DEFERRED 1993	58,679	X X X		X X X	58,679

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200051.1983 GAM 6 % DEFERRED 1987, 1994	6,697,250	X X X		X X X	6,697,250
0200052.1983 GAM 6 1/4 % DEFERRED 1993	169,158	X X X		X X X	169,158
0200053.1983 GAM 6 1/2 % DEFERRED 1986, 1994, 1995	21,193,686	X X X		X X X	21,193,686
0200054.1983 GAM 6 3/4 % DEFERRED 1993	209,541	X X X		X X X	209,541
0200055.1983 GAM 7 % IMMED & DEFERRED 1993, 1995	1,704,706	X X X		X X X	1,704,706
0200056.1983 GAM 7 1/4 % IMMED & DEFERRED 1987, 1995	6,556,635	X X X		X X X	6,556,635
0200057.1983 GAM 7 1/2 % DEFERRED 1985	26,282,932	X X X		X X X	26,282,932
0200058.1983 GAM 7 3/4 % DEFERRED 1987	2,775,519	X X X		X X X	2,775,519
0200059.1983 GAM 8 % IMMED & DEFERRED 1986-1987	21,172,083	X X X		X X X	21,172,083
0200060.1983 GAM 8 1/4 % IMMEDIATE 1990, 1991	216,047	X X X		X X X	216,047
0200061.1983 GAM 8 3/4 % DEFERRED 1986	8,809,489	X X X		X X X	8,809,489
0200062.1983 GAM 9 1/4 % IMMED & DEFER 1986	13,024,597	X X X		X X X	13,024,597
0200063.1983 GAM 9 1/2 % DEFERRED 1985	32,990,585	X X X		X X X	32,990,585
0200064.1983 GAM 9 3/4 % DEFERRED 1985	14,868	X X X		X X X	14,868
0200065.1983 GAM 10 1/2 % DEFERRED 1985	15,108,546	X X X		X X X	15,108,546
0200066.1983 GAM 11 % IMMED & DEFER 1985	28,097,797	X X X		X X X	28,097,797
0200067.ANNUITY 2000 4.00% IMMEDIATE	125,866	X X X		X X X	125,866
0200068.ANNUITY 2000 5.00% DEFERRED	2,358,199	X X X		X X X	2,358,199
0200069.ANNUITY 2000 5.50 % IMMEDIATE 2004	964,280	X X X	964,280	X X X	
0200070.ANNUITY 2000 6.00 % IMMEDIATE 2003	733,249	X X X	733,249	X X X	
0200071.ANNUITY 2000 6 1/4 % IMMEDIATE 1998, 1999	494,546	X X X	494,546	X X X	
0200072.ANNUITY 2000 6 1/2 % IMMEDIATE 2002	959,391	X X X	959,391	X X X	
0200073.ANNUITY 2000 6 3/4 % IMMEDIATE 2001	924,724	X X X	924,724	X X X	
0200074.ANNUITY 2000 7.0% IMMEDIATE 2000	563,041	X X X	563,041	X X X	
0200075.ANNUITY 2000 5.20%/20/4.75% IMMEDIATE 2003	5,110,585	X X X	5,110,585	X X X	
0200076.ANNUITY 2000 5.33%/20/4.50% IMMEDIATE 2004	6,350,732	X X X	6,350,732	X X X	
0200077.ANNUITY 2000 6.47%/20/5.00% IMMEDIATE 2002	1,175,962	X X X	1,175,962	X X X	
0200078.ANNUITY 2000 7.0173%/20/5.00% IMMEDIATE 2001	10,349,009	X X X	10,349,009	X X X	
0200079.ANNUITY 2000 7.2586%/20/5.25% IMMEDIATE 2000	21,465,738	X X X	21,465,738	X X X	
0200080.GUARANTEED MINIMUM DEATH BENEFIT	379,138	X X X	56,688	X X X	322,450
0200081.CARVM Adjustment on Variable Annuities	(438,333)	X X X	(70,589)	X X X	(367,744)
0299997. Totals (Gross)	1,807,302,780	X X X	1,526,806,214	X X X	280,496,566
0299998. Reinsurance ceded	25,149,076	X X X	25,149,076	X X X	
0299999. Totals (Net)	1,782,153,704	X X X	1,501,657,138	X X X	280,496,566
SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:					
0300001.1937 SA % NL-Set Back 3 Years	6,714		6,714		
0300002.1971 IAM 7 1/2%	5,251		5,251		
0300003.1983a 6 1/2%	82,463		82,463		
0300004.1983a 6 3/4%	346,230		346,230		
0300005.1983a 7%	59,507		59,507		
0300006.1983a 7 1/4%	204,146		204,146		
0300007.1983a 7 3/4%	91,283		91,283		
0300008.1983a 8%	65,017		65,017		
0300009.1983a 8 1/4%	79,753		79,753		
0300010.1983a 8 3/4%	174,344		174,344		
0300011.1983a 9 1/4%	15,765		15,765		
0300012.1983a 11%	32,515		32,515		
0300013.1983a 11 1/4%	16,854		16,854		
0300014.ANNUITY 2000 6 1/4%	610,644		610,644		
0300015.ANNUITY 2000 6.5%	129,170		129,170		
0300016.ANNUITY 2000 7%	171,387		171,387		
0399997. Totals (Gross)	2,091,043		2,091,043		
0399998. Reinsurance ceded					
0399999. Totals (Net)	2,091,043		2,091,043		
ACCIDENTAL DEATH BENEFITS:					
0400001.1959 ADB With 1958 CSO 2 1/2% NL	298,276		298,276		
0499997. Totals (Gross)	298,276		298,276		
0499998. Reinsurance ceded	123,751		123,751		
0499999. Totals (Net)	174,525		174,525		
DISABILITY - ACTIVE LIVES:					
0500001.1952 Disability Study Period 2 Benefit 5					
0500002.with 1958 CSO 2 1/2% NL	4,165,579		4,165,579		
0599997. Totals (Gross)	4,165,579		4,165,579		
0599998. Reinsurance ceded					
0599999. Totals (Net)	4,165,579		4,165,579		
DISABILITY - DISABLED LIVES:					
0600001.1952 Disability Study - Benefit 2 1/2%	2,277,721		2,277,721		
0600002.1970 Inter-Co Disability 3.5%	14,714				14,714
0600003.1970 Inter-Co Disability 4.0%	72,058				72,058
0600004.1970 Inter-Co Disability 4.2%	11,335,555				11,335,555
0600005.1970 Inter-Co Disability 4.5%	5,067,290				5,067,290
0600006.1970 Inter-Co Disability 5.0%	32,487,536				32,487,536
0600007.1970 Inter-Co Disability 5.5%	310,844				310,844
0699997. Totals (Gross)	51,565,718		2,277,721		49,287,997
0699998. Reinsurance ceded	5,386,331				5,386,331
0699999. Totals (Net)	46,179,387		2,277,721		43,901,666

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? YES NO
- 1.2 If not, state which kind is issued
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? YES NO
- 2.2 If not, state which kind is issued
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? YES NO
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? YES NO
If so, state:
 - 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 the 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 which 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: \$ 777,690,582
- 6.2 Which 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: \$ 997,299,074
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

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	
LIFE CONTRACTS (Including supplementary contracts set upon a basis other than that used to determine benefits)(Exhibit 5)			
0199999 Subtotal (Page 7, Line 6)	X X X	X X X	
ACCIDENT AND HEALTH CONTRACTS (Exhibit 6)			
0299999 Subtotal	X X X	X X X	
DEPOSIT-TYPE CONTRACTS (Exhibit 7)			
0399999 Subtotal	X X X	X X X	
9999999 TOTAL (Column 4 only)			

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	893,487	887,042			6,445				
2. Additional contract reserves (a)	163,646				163,646				
3. Additional actuarial reserves - Asset/Liability analysis									
4. Reserve for future contingent benefits									
5. Reserve for rate credits	2,718,926	2,718,926							
6. Aggregate write-ins for reserves									
7. Totals (Gross)	3,776,059	3,605,968			170,091				
8. Reinsurance ceded	10,391				10,391				
9. Totals (Net)	3,765,668	3,605,968			159,700				
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	740,579,784	739,337,991			1,241,793				
11. Additional actuarial reserves - Asset/Liability analysis									
12. Reserve for future contingent benefits	12,160,420	11,024,112			1,136,308				
13. Aggregate write-ins for reserves									
14. Totals (Gross)	752,740,204	750,362,103			2,378,101				
15. Reinsurance ceded	33,833,096	31,696,803			2,136,293				
16. Totals (Net)	718,907,108	718,665,300			241,808				
17. TOTAL (Net)	722,672,776	722,271,268			401,508				
18. TABULAR FUND INTEREST	37,249,987	37,239,338			10,649				

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

(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	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	871,634,953		824,485,362	1,741,722	8,919,131	36,488,738
2. Deposits received during the year	75,685,781		59,556,551		352,020	15,777,210
3. Investment earnings credited to the account	52,041,404		50,030,068	72,943	337,435	1,600,957
4. Other net change in reserves	629					629
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	121,981,060		103,511,618	291,766	565,969	17,611,707
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8)	877,381,707		830,560,363	1,522,899	9,042,617	36,255,827
10. Reinsurance balance at the beginning of the year	788,588		788,588			
11. Net change in reinsurance assumed	(38,670)		(38,670)			
12. Net change in reinsurance ceded						
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12)	749,918		749,918			
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	878,131,625		831,310,281	1,522,899	9,042,617	36,255,827

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS
PART 1 - Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct	1,994,691			1,994,691							
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net	1,994,691			1,994,691							
2. In course of settlement:											
2.1 Resisted											
2.11 Direct											
2.12 Reinsurance assumed											
2.13 Reinsurance ceded											
2.14 Net			(b)	(b)		(b)	(b)				
2.2 Other	19,121,352		7,981,065	283,434	15,754		8,476,492		2,362,310		2,297
2.21 Direct											
2.22 Reinsurance assumed											
2.23 Reinsurance ceded	3,632,280		2,224,770	472,010			935,500				
2.24 Net	15,489,072		(b) 5,756,295	(b) (188,576)	15,754	(b)	(b) 7,540,992		(b) 2,362,310	(b)	(b) 2,297
3. Incurred but unreported:											
3.1 Direct	22,890,019		1,175,000				10,514,960		11,129,824		70,235
3.2 Reinsurance assumed	313,360						313,360				
3.3 Reinsurance ceded	3,527,020						1,203,739		2,253,046		70,235
3.4 Net	19,676,359		(b) 1,175,000	(b)		(b)	(b) 9,624,581		(b) 8,876,778	(b)	(b)
4. TOTALS											
4.1 Direct	44,006,062		9,156,065	2,278,125	15,754		18,991,452		13,492,134		72,532
4.2 Reinsurance assumed	313,360						313,360				
4.3 Reinsurance ceded	7,159,300		2,224,770	472,010			2,139,239		2,253,046		70,235
4.4 Net	37,160,122	(a)	(a) 6,931,295	1,806,115	15,754		(a) 17,165,573		11,239,088		2,297

(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 \$ 2,276,564 Individual Annuities \$ 1,157, Credit Life (Group and Individual) \$ 0, and Group Life \$ 43,901,666, are included in Page 3, Line 1. (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ 718,665,300, Credit (Group and Individual) Accident and Health \$ 0 and Other Accident and Health \$ 241,808 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	446,250,662		40,341,198	94,965,334	404,687		73,414,520	31,172,277	205,860,799		91,847
1.2 Reinsurance assumed	2,182,983		22,287	1,569,337					591,359		
1.3 Reinsurance ceded	220,206,983		7,046,615	1,997,227			5,013,760		206,130,381		19,000
1.4 Net	(d) 228,226,662		33,316,870	94,537,444	404,687		68,400,760	31,172,277	321,777		72,847
2. Liability December 31, current year from Part 1:											
2.1 Direct	44,006,062		9,156,065	2,278,125	15,754		18,991,452		13,492,134		72,532
2.2 Reinsurance assumed	313,360						313,360				
2.3 Reinsurance ceded	7,159,300		2,224,770	472,010			2,139,239		2,253,046		70,235
2.4 Net	37,160,122		6,931,295	1,806,115	15,754		17,165,573		11,239,088		2,297
3. Amounts recoverable from reinsurers December 31, current year	5,217,987		2,629,218				1,477,000		1,109,769		2,000
4. Liability December 31, prior year:											
4.1 Direct	44,036,537		8,107,258	2,525,309	17,573		19,611,719		13,691,180		83,498
4.2 Reinsurance assumed	345,412						345,412				
4.3 Reinsurance ceded	18,914,098		2,305,608	411,043			2,427,274		13,691,180		78,993
4.4 Net	25,467,851		5,801,650	2,114,266	17,573		17,529,857				4,505
5. Amounts recoverable from reinsurers December 31, prior year	2,283,267		902,094				214,760		1,165,413		1,000
6. Incurred benefits:											
6.1 Direct	446,220,187		41,390,005	94,718,150	402,868		72,794,253	31,172,277	205,661,753		80,881
6.2 Reinsurance assumed	2,150,931		22,287	1,569,337			(32,052)		591,359		
6.3 Reinsurance ceded	211,386,905		8,692,901	2,058,194			5,987,965		194,636,603		11,242
6.4 Net	236,984,213		32,719,391	94,229,293	402,868		66,774,236	31,172,277	11,616,509		69,639

- (a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
- (b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 6.1 and \$ in Line 6.4.
- (c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
- (d) Includes \$ 0 premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivable for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Investment income due and accrued			
12. Premiums and considerations:			
12.1 Uncollected premiums and agents' balances in the course of collection	461,232	92,139	(369,093)
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
12.3 Accrued retrospective premiums			
13. Reinsurance:			
13.1 Amounts recoverable from reinsurers			
13.2 Funds held by or deposited with reinsured companies			
13.3 Other amounts receivable under reinsurance contracts			
14. Amounts receivable relating to uninsured plans			
15.1 Current federal and foreign income tax recoverable and interest thereon			
15.2 Net deferred tax asset	62,054,300	60,328,450	(1,725,850)
16. Guaranty funds receivable or on deposit			
17. Electronic data processing equipment and software			
18. Furniture and equipment, including health care delivery assets			
19. Net adjustment in assets and liabilities due to foreign exchange rates			
20. Receivable from parent, subsidiaries and affiliates			
21. Health care and other amounts receivable			
22. Other assets nonadmitted			
23. Aggregate write-ins for other than invested assets	2,939,504	3,225,319	285,815
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	65,455,036	63,645,908	(1,809,128)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	65,455,036	63,645,908	(1,809,128)

DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301. Fixed assets	2,939,504	3,220,187	280,683
2302. Accounts receivable		5,132	5,132
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,939,504	3,225,319	285,815

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. The financial statements of Liberty Life Assurance Company of Boston (the Company) are presented on the basis of accounting policies prescribed or permitted by the Massachusetts Insurance Department. The Massachusetts Insurance Department Recognizes only statutory accounting practices prescribed by the state for determining and reporting the financial conditions and results of operation of an insurance company. Massachusetts has adopted the prescribed practices set forth in the January 1, 2004 National Association of Insurance Commissioners' Accounting Practices and Procedures manual.
- B. 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. The accounting policies of the Company do not deviate materially from those Prescribed in the National Association of Insurance Commissioners' Accounting Practices and Procedures manual.

The Company uses the following accounting policies with regards to investments:

1. Investment grade short-term investments are carried at cost adjusted where appropriate for amortization of premium or discount, or markets as specified by the Purposes and Procedures Manual of the NAIC Securities Valuation Office (SVO Manual).
2. Investment grade bonds are carried at cost adjusted where appropriate for amortization of premium or discount, or market as specified by the SVO Manual.
3. Common stocks are carried at market value except that investments in stocks of subsidiaries and affiliates are carried on the equity basis.
4. Preferred stocks are carried at cost or market in accordance with the SVO Manual.
5. Mortgage-backed/asset backed securities are stated at amortized value. Prepayment assumptions for single class mortgage-backed/asset backed securities and multi-class securities were obtained from internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all single class mortgage-backed/asset-backed securities and multi-class securities. Non-investment grade mortgage-backed/asset-backed securities are stated at the lower of amortized value or fair value.
6. The Company carries its investments in subsidiaries, controlled, and affiliated (SCA) companies in accordance with SSAP No. 46 and the SVO Manual. Schedule D, Part 6-Section 1 illustrates the valuation method used for each SCA company.
7. Investments in joint ventures, partnerships, and limited liability companies are carried at the underlying audited GAAP equity value, when available.

2. Accounting Changes and Corrections of Errors

- A. There were no material or significant corrections of errors since year ended December 31, 2004.
- B. There were no changes in accounting principles as a result of implementation of Codification in 2004.

NOTES TO FINANCIAL STATEMENTS

3. Business Combinations and Goodwill

- A. The Company neither purchased nor combined with any companies in 2004.

4. Discontinued Operations

- A. Liberty Life Assurance Company of Boston reported no discontinued operations in 2004.

5. Investments

- A. The Company does not have any mortgage loans or Mezzanine Real Estate Loans.
- B. The Company does not have any restructured debt for which the Company is a creditor.
- C. Liberty Life Assurance Company of Boston does not have any Reverse Mortgages.
- D. Loan - Backed Securities
 - 1. The company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date where historical cash flows are not readily available.
 - 2. Prepayment assumptions for single class and multi-class mortgage-backed securities were based upon 1-month historical constant prepayment rates.
 - 3. The Company used IDSI, Bloomberg and Lehman Index data in determining the market value of the vast majority of its loan-backed securities. A small number of securities are priced in other ways, such as contacting brokers.
 - 4. The Company had no negative yield situations requiring a change from the retrospective to prospective method.
- E. The Company has no outstanding Repurchase Agreements as of December 31, 2004.
- F. Liberty Life Assurance Company of Boston had no real estate investments as of December 31, 2004.

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 invests in various limited partnerships that are reported in accordance with SSAP No. 48. The partnerships are valued using traditional private equity metrics. Interim poor performance with the partnerships may lead to impairment losses being recognized by management. The Company realized limited partnership impairment losses of \$ 3.9 million in 2004.

7. Investment Income

- A. All investment income due and accrued over 90 days past due is excluded from investment income.
- B. The amount excluded in 2004 was \$ 0.

8. Derivative Instruments

- A. Liberty Life Assurance Company of Boston holds no derivative instruments.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The components of the net deferred tax asset/(liability) are as follows:

	December 31, 2004	December 31, 2003	Change
Total of all deferred tax assets	\$ 89.9 mil	\$ 89.0 mil	\$ 0.9mil
Total of all deferred tax liabilities	(13.3) mil	(14.8) mil	1.5mil
Total nonadmitted tax assets	<u>62.0 mil</u>	<u>60.3 mil</u>	<u>1.7mil</u>
Deferred Tax Assets Admitted	\$ <u>14.6 mil</u>	\$ <u>13.9 mil</u>	\$ <u>0.7 mil</u>

B. The Company has no deferred tax liabilities not recognized for amounts described in SSAP No. 10, paragraph 6(b).

C. Current income taxes incurred consist of the following major components:

	December 31, 2004	December 31, 2003
Federal Income Tax on operations	\$ (10.4)mil	\$ 7.4 mil
Net operating loss benefit	<u>0 mil</u>	<u>0 mil</u>
Federal Income Tax before capital gains	(10.4)mil	7.4 mil
Federal Income Tax on net capital gains	8.7mil	3.8 mil
Utilization of capital losses	<u>0 mil</u>	<u>(7.0) mil</u>
Federal Income Taxes incurred	\$ <u>(1.7) mil</u>	\$ <u>4.2 mil</u>

The Company's deferred tax assets and liabilities result primarily from differences in Statutory and Tax policy reserves, amortization of acquisition expenses, reversal of discount accretion on bonds, deferred and uncollected premium and recognition of impairment losses.

D. Effective tax rates differ from the current statutory rate of 35%, principally due to effects of tax-exempt interest, dividends received deductions, interest maintenance reserve capitalization and amortization and revisions to prior year's estimates.

E. The Company had no tax attribute carryovers which will expire if not used in the future. The Company had no federal income taxes available for recoupment in the event of future losses

F. The Company's federal income tax return is consolidated with the following companies of the Liberty Mutual Group:

Access Insurance Services, Co.	Liberty International Holdings, Inc.
ALM Services, Inc.	Liberty Life Assurance Company of Boston
Ambco Capital Corporation	Liberty Life Holdings, Inc.
America First Insurance Company	Liberty Lloyds of Texas Insurance Company
America First Lloyds Insurance Company	Liberty Management Services, Inc.
American Ambassador Casualty Company	Liberty Mexico Holdings, Inc.
Berkeley Management Corporation	Liberty Mutual Capital Corporation (Boston)
Bridgefield Casualty Insurance Company	Liberty Mutual Fire Insurance Company
Bridgefield Employers Insurance Company	Liberty Mutual Group Inc.
Capitol Agency, Inc. (Arizona corporation)	Liberty Mutual Holding Company, Inc.
Capitol Agency, Inc. (Ohio corporation)	Liberty Mutual Insurance Company
Capitol Agency, Inc. (Tennessee corporation)	Liberty Mutual Managed Care, Inc.
Cascade Disability Management, Inc.	Liberty Northwest Insurance Corporation
Colorado Casualty Insurance Company	Liberty Personal Insurance Company
Companies Agency Insurance Services of California	* Liberty RE (Bermuda) Limited
Companies Agency of Alabama, Inc.	Liberty Real Estate Corporation
Companies Agency of Georgia, Inc.	Liberty Surplus Insurance Corporation
Companies Agency of Kentucky, Inc.	Liberty-USA Corporation
Companies Agency of Massachusetts, Inc.	LIH-Re of America Corporation

NOTES TO FINANCIAL STATEMENTS

Companies Agency of Michigan, Inc.	LIH U.S. P&C Corporation
Companies Agency of New York, Inc.	LIIA Insurance Agency, Inc.
Companies Agency of Pennsylvania, Inc.	LIU Specialty Agency, Inc.
Companies Agency of Phoenix, Inc.	LLS Insurance Agency of Nevada, Inc.
Companies Agency, Inc.	LM Insurance Corporation
Companies Annuity Agency of Texas, Inc.	LMHC Massachusetts Holding, Inc.
Consolidated Insurance Company	LRE Properties, Inc.
Copley Venture Capital, Inc.	Mid-American Agency, Inc.
Countrywide Services Corporation	Mid-American Fire and Casualty Company
Diversified Settlements, Inc.	Missouri Agency, Inc.
Employers Insurance Company of Wausau	North Pacific Insurance Company
Excelsior Insurance Company	Oregon Automobile Insurance Company
First State Agency, Inc.	Peerless Indemnity Insurance Company
Florida State Agency, Inc.	Peerless Insurance Company
Globe American Casualty Company	LM Personal Insurance Company
Golden Eagle Insurance Corporation	LM General Insurance Company
Gulf States AIF, Inc.	LM Property and Casualty Insurance Company
Hawkeye-Security Insurance Company	San Diego Insurance Company
Helmsman Insurance Agency of Illinois, Inc.	State Agency, Inc. (Indiana corporation)
Helmsman Insurance Agency of Texas, Inc.	State Agency, Inc. (Wisconsin corporation)
Heritage-Summit Healthcare of Florida, Inc.	St. James Insurance Company
Indiana Insurance Company	Summit Consulting, Inc.
LEXCO Limited	Summit Consulting, Inc. of Louisiana
Liberty Assignment Corporation	Summit Holding Southeast, Inc.
Liberty Corporate Services, Inc.	The First Liberty Insurance Corporation
Liberty Energy Corporation	The Midwestern Indemnity Company
Liberty Financial Services, Inc.	The National Corporation
Liberty Hospitality Group, Inc.	The Netherlands Insurance Company
Liberty Insurance Company of America	Wausau (Bermuda) Ltd.
Liberty Insurance Corporation	Wausau Business Insurance Company
Liberty Insurance Holdings, Inc.	Wausau General Insurance Company
Liberty Insurance Underwriters, Inc.	Wausau Holdings, Inc.
Liberty International Aberdeen, Inc.	Wausau Service Corporation
Liberty International Asia Pacific Holdings, Inc.	Wausau Underwriters Insurance Company

*These companies joined the consolidated group in 2004, their short period income from this point will be included in the consolidated return.

The method of federal income tax allocation is subject to a written agreement. Allocation is based upon separate return calculation with credit applied for losses as appropriate.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company is directly owned 100% by Liberty Mutual Property-Casualty Holding Corporation (8,000 shares at \$312.50 par value)
- B. All of the non-insurance transactions which the Company had with its parent company involved less than 1/2 of 1% of the admitted assets of the reporting entity.
- C. In 2004 the Company received capital contributions in the total of \$ 185 million from our parent.
- D. As of December 31, 2004 the Company reported a \$ 6.4 million receivable from the parent company and affiliates. The terms of the settlement require that these amounts are settled within 30 days.
- E. The Company has no guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that result in a material contingent exposure of the reporting entity's or any related party's assets or liabilities.
- F. There is a service agreement between the Company and Liberty Mutual Insurance Group under which the latter provides the former with services of personnel, equipment, telephone, wire service, computers and similar

NOTES TO FINANCIAL STATEMENTS

machines to the extent necessary and appropriate. The Company reimburses the parent for the cost of all services provided under this agreement and for any other services that shall be supplied at the request of the Company.

- G. All outstanding shares of the Company are owned by the Liberty Mutual Insurance Company (90%) and the Liberty Mutual Fire Insurance Company (10%).
- H. The Company does not own any shares of an upstream intermediate or ultimate parent, either directly or indirectly.
- I. The Company has no investments in subsidiaries, controlled or affiliated entities which exceed 10% of the admitted assets of the Company.
- J. The Company did not recognize any impairment write down for its investments in subsidiary, controlled or affiliated companies during the statement period.

11. Debt

- A. As of December 31, 2004 the Company had no outstanding capital notes or other debt obligations not already addressed in other notes as described in Statement of Statutory Accounting Principles number 15.
- B. The Company has outstanding reverse repurchase agreements as of December 31, 2004 in the amount of \$ 30.9 million.

12. Deferred Compensation and Retirement Plans

A-E. The Company does not have any direct employees and therefore, does not have any direct obligations for a defined benefit plan, deferred compensation arrangements, compensated absences or other post retirement benefit plans. Services for the operation of the Company are provided under provision of an intercompany cost-sharing arrangement as described in note 10(f).

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

- A. The Company has 8,000 shares authorized, 8,000 shares issued and outstanding. All shares are Class A shares.
- B. The Company has no preferred stock outstanding.
- C. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the state of Massachusetts.
- D. According to a resolution voted by the Board of Directors, not more than the larger of 10% of the statutory profits on participating business or 50 cents per \$ 1,000 of participating business in force may accrue to the shareholders' surplus account.
- E. Restricted surplus for Participating shareholders is (32,429,593).
- F. There are no advances to surplus held by the Company.
- G. The Company holds no stock for special purposes.
- H. There were no changes in the amount of special surplus funds held in 2004

NOTES TO FINANCIAL STATEMENTS

- I. The portion of unassigned surplus represented or reduced by each item below is as follows:

1. unrealized gains and losses	\$ (3,538,609)
2. non admitted asset values	\$ 65,455,036
3. separate account business	\$ 750,000
4. asset valuation reserves	\$ 40,918,577
5. reinsurance in unauthorized companies	\$ 381,746
- J. As of December 31, 2004 the Company has not issued any surplus debentures.
- K. The Company has not undertaken any quasi-reorganizations in 2004.

14. Contingencies

- A. The Company is not aware of any material contingent liabilities as of December 31, 2004.
- B. The Company is not aware of any impending assessments which may have a material financial impact on its financial position.
- C. The Company is not aware of any material gain contingencies per SSAP No. 5.
- D. In the normal course of its business operations, The Company is involved in litigation from time to time with claimants, beneficiaries and others, and several lawsuits were pending on December 31, 2004. In the opinion of the Company, the ultimate liability, if any, would not have a material adverse financial effect upon the Company.

15. Leases

- A. The Company does not have any lease obligations.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

- A. The Company owns no Financial Instruments with Off-Balance Sheet Risk or Financial Instruments with Concentrations of Credit Risk.

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

- A. The Company did not have any transfers of receivables reported as sales during the year.
- B. The Company did not have any transfers and servicing of financial asset changes during the year.
- C. The Company's wash sales during the year are as follows:

Bonds:	Number of Transactions	BV of Securities Sold	Cost of Securities Repurchased	Gain (Loss)
a.NAIC 3	3	\$ 3,600,000	\$ 3,600,000	\$ (52,750)
b.NAIC 4	8	\$ 3,547,442	\$ 3,647,500	\$ (29,942)
c.NAIC 5	5	\$ 740,362	\$ 735,375	\$ (29,362)

NOTES TO FINANCIAL STATEMENTS

18. Gain or (Loss) to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

	Uninsured Plans	Uninsured Portion Partially Insured Plans	Total
Net reimbursement or administrative expenses over (under) actual expenses	\$(3.2)mil	\$0	\$(3.2)mil
Other income or (expense)	\$0	\$0	\$0
Net gain or loss from operations	\$(3.2)mil	\$0	\$(3.2)mil
Claim Payment Volume	\$68.0mil	\$0	\$68.0mil

19. Direct Premium Written By Managing General Agents/Third Party Administrators

- A. The Company does not have any direct premium written by managing general agents/third party administrators.

20. September 11 Events

- A. The events of September 11, 2001 did not materially impact the 2004 financial statements of the Company.

21. Other Items

- A. The Company has no reporting requirements referred to in Statement of Statutory Accounting Principles number 24 "Discontinued Operations and Extraordinary Items".
- B. The Company has no reporting requirements referred to in Statement of Statutory Accounting Principles number 36 "Trouble Debt Restructuring".
- C. At this time the Company is not aware of any other disclosures which have a material financial impact.
- D. The Company routinely assesses the collectibility of receivables on its balance sheet and based on Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
- E. Not applicable
- F. Not applicable

22. Events Subsequent

- A. The Company is not aware of any events occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition.

23. Reinsurance

- A. Ceded Reinsurance Report

Section 1 - 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 of the Company? Yes () No (X) If yes, give full details.

NOTES TO FINANCIAL STATEMENTS

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) which is owned in excess of 10% or controlled directly or indirectly, by an insured, a beneficiary, a creditor or an insured 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)
2. Does the Company 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 which, 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) If yes, give full details.

Section 3 - Ceded Reinsurance Report - Part B

1. What is the estimated amount of the aggregate reduction in surplus, for agreements not 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. \$0
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 which 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 as asset or a reduction of liability, taken for such no agreements or amendments.

B. Uncollectible Reinsurance

1. The Company had no uncollectible reinsurance balances written off through income and expenses in the current year.

C. Commutation of Ceded Reinsurance

1. In 2004 the Company commuted a reinsurance treaty with our parent, Liberty Mutual Insurance Group. Results of the commutation appear in our current year operations as follows:

Claims	\$ 190 mil
Premium	238 mil
Other	3 mil

Without the affect of the treaty commutation, the Company's net income would have Increased \$ 39 million to \$ 19 million.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments for its Group Life and Group Disability contracts. The estimate for each case is derived from actual policy year-to-date premiums and paid claims, along with estimates for unpaid claims reserves and expenses.
- B. Annual Premiums Subject to Retrospective Ratings in 2004 were \$ 79.7 million. This represented approximately 23% of total written premium for group policies. The Company has a reinsurance agreement in place for these policies with our parent company.

NOTES TO FINANCIAL STATEMENTS

25. Change in Incurred Losses and Loss Adjustment Expenses

- A. Reserves are calculated on a tabular basis. There are no material changes in the provision of incurred loss and loss adjustment expenses as a result of additional information becoming available on an individual claim from prior year insured events.

26. Intercompany Pooling Arrangements

- A. Liberty Life Assurance Company of Boston is not a part of any intercompany pooling arrangements.

27. Structured Settlements

- A. The Company did not purchase any structured settlements in 2004.

28. Health Care Receivables

- A. The Company has no Health Care Receivables in accordance with SSAP No. 84.

29. Participating Policies

- A. For the year ending December 31, 2004 premiums collected under participating Policies were \$ 50.4 million, or 11.5% of total premium collected by our Company. The Company holds a liability for any dividends that will be declared at the end of the current policy year for all of our participating policies. We also hold a liability for all unpaid but declared dividends. The Company paid dividends of \$ 11.1 million in 2004 and did not allocate any additional income to such policyholders.

30. Premium Deficiency Reserves

- A. The Company has no premium deficiency reserves for its accident and health business.

31. Reserves for Life Contracts and Deposit-Type Contracts

- A. The Company waives deductions of deferred fractional premiums upon death of the Insured on all policies and returns any portion of the final premium beyond the date of death for all policies issued on the Extra Value Life form, and for all policies issued in Massachusetts since July 1, 1976, and for all policies issued since February 1, 1981. The Company holds a net level premium reserve on mortality and interest bases consistent with the basic policy. Surrender values are not promised in excess of the legally computed reserves.
- B. Additional premiums are charged for policies issued on Sub-standard lives according to underwriting classification. Mean reserves are determined by computing the regular mean reserve for the plan at the issue age and duration and holding an additional one-half of the extra premium for the year.
- C. As of December 31, 2004 the Company had \$ 1,867,025,342 of insurance in force for which gross premiums are less than the net premiums according to the standard of valuation set by the Commonwealth of Massachusetts.
- D. The Tabular Interest (Page 7, Part A, Line 4), Tabular less Actuarial Reserves Released (Page 7, Part A, Line 5) and Tabular Cost (Page 7, Part A, Line 9) have been determined by the formula as described for these lines in the instructions for Page 7.
- E. The Tabular Interest (Page 7, Part B, Line 3) has been determined by the formula as described for these lines in the instructions for Page 7.
- F. There were no other reserve changes for 2004.

NOTES TO FINANCIAL STATEMENTS

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

1. Subject to discretionary withdrawal:	Amount	% of Total
1.1 - With Market Value Adjustment	0	
1.2 - at Book Value less Surrender Chg	\$ 55,956,177	1%
1.3 - at Market Value	<u>2,128,395,889</u>	<u>42%</u>
1.4 - Total with adjustment or at Mkt Value	2,184,352,066	43%
1.5 - at Book Value with adjustment	44,622,110	1%
 2. Not Subject to Discretionary Withdrawal	 <u>2,785,659,920</u>	 <u>56%</u>
3. Total (gross)	5,014,634,097	100%
4. Reinsurance Ceded	<u>25,149,076</u>	
5. Total Net (3-4)	<u>\$ 4,989,485,021</u>	

Reconciliation of total annuity actuarial reserves, deposit liabilities and other liabilities

Life and Accident and Health Annual Statement:

6. Exhibit 5, Section B, Net	\$ 1,782,370,026
7. Exhibit 5, Section C, Net	1,874,722
8. Exhibit 7, Column 1, Line 14	<u>878,131,623</u>
9. Subtotal	\$ 2,662,376,371

Separate Account Annual Statement

10. Exhibit 6, Line 0299999, Column 2	0
11. Exhibit 6, Line 0399999, Column 2	0
12. Page 3, Lines 1 + 2	\$ <u>2,327,108,650</u>
13. Subtotal	\$ 2,327,108,650
14. Total	\$ <u>4,989,485,021</u>

33. Premium and Annuity Considerations Deferred and Uncollected

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2004 were as follows:

	Gross	Net of Loading
Ordinary New Business	\$ 4,431,378	\$ 2,623,112
Ordinary Renewal Business	29,094,472	25,879,190
Individual Annuity	170	142
Group Life	10,817,158	10,269,846
Group Annuity	<u>0</u>	<u>0</u>
Total	\$ <u>44,343,178</u>	\$ <u>38,772,290</u>

34. Separate Accounts

A. Separate Accounts assets and liabilities represent designated funds held and invested by the Company for the benefit of contractholders. Separate Accounts invested assets are carried at market value. Investment income and changes in asset values do not affect the operating results of the Company. Separate Accounts business is maintained independently from the general account of the Company. The Company provides administrative services for these contracts. All Separate Accounts of the Company are nonguaranteed.

NOTES TO FINANCIAL STATEMENTS

	<u>Nonguaranteed Separate Accounts</u>
1. Premiums, considerations or deposits for year	\$ 133,918,289
2. Market Value invested assets at 12/31/2004	2,348,727,025
3. Assets Categorized by Withdrawal Characteristics:	
a. Subject to Discretionary Withdrawal	0
b. With Market Value adjust	0
c. At book value without MV adjustment and with current surrender charge 5% or more	0
d. At Market Value	2,148,734,448
e. At book value without MV adjustment and with current surrender charge less than 5%	0
f. Subtotal	\$ 2,148,734,448
g. Not subject to discretionary withdrawal	199,992,577
h. Total withdrawal	<u>0</u>
Total Market Value	<u>\$ 2,348,727,025</u>
B. Reconciliation of Net Transfers to (from) Separate Accounts	
1. Transfers as reported in the Separate Accounts Statement;	
a. Transfers to Separate Accounts (Page 4 Line 1.4)	\$ 4,951,743
b. Transfers from Separate Accounts (Page 4, Line 10)	10,583,099
c. Net transfers	<u>(5,631,356)</u>
2. Reconciling Adjustments:	
a. Net transfer of reserves from (to) Separate Accounts	(240,171)
b. Other transfers to Separate Accounts	<u>302,801</u>
3. Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement	\$ <u>(5,568,726)</u>

35. Loss/Claim Adjustment Expenses

- A. The balance in the liability for unpaid accident and health claim adjustment expenses as of 2004 and 2003 was \$ 16.8 million and \$ 16.7 million, respectively.
- B. The Company incurred \$ 6.1 million and paid \$ 6.1 million of claim adjustment expenses in the current year, of which \$ 3.9 million of the paid amount is attributable to insured or covered events of prior years.
- C. The Company does not have any anticipated salvage or subrogation in its loss adjustment expense reserves.

NOTES TO FINANCIAL STATEMENTS

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	153,930,154	2.691	153,930,154	2.691
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	250,020,576	4.371	250,020,576	4.371
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)	19,940,849	0.349	19,940,849	0.349
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	45,282,625	0.792	45,282,625	0.792
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	30,472,633	0.533	30,472,633	0.533
1.43 Revenue and assessment obligations	19,881,450	0.348	19,881,450	0.348
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	46,894,250	0.820	46,894,250	0.820
1.512 Issued or guaranteed by FNMA and FHLMC	22,147,725	0.387	22,147,725	0.387
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	936,052,537	16.366	936,052,537	16.366
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	60,900,055	1.065	60,900,055	1.065
1.523 All other	625,698,449	10.940	625,698,449	10.940
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	2,653,830,896	46.399	2,653,830,896	46.399
2.2 Unaffiliated foreign securities	250,433,440	4.379	250,433,440	4.379
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds	500,000	0.009	500,000	0.009
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated	1,041,107	0.018	1,041,107	0.018
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated	54,022	0.001	54,022	0.001
3.4 Other equity securities:				
3.41 Affiliated	641,579	0.011	641,579	0.011
3.42 Unaffiliated	4,995		4,995	
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans	76,583,744	1.339	76,583,744	1.339
7. Receivables for securities	1,283,559	0.022	1,283,559	0.022
8. Cash, cash equivalents and short-term investments	333,237,646	5.826	333,237,646	5.826
9. Other invested assets	190,720,936	3.335	190,720,936	3.335
10. Total invested assets	5,719,553,227	100.000	5,719,553,227	100.000

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 []
- 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? Massachusetts
- 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:
If not previously filed, furnish herewith a certified copy of the instrument as amended. _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1999
- 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. 12/31/1999
- 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). 05/01/2001
- 3.4 By what department or departments? Massachusetts
.....
.....
- 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 [X] No []
- 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]
- 5.2 If yes, provide the name of the 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 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement.) 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 0 %
- 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

GENERAL INTERROGATORIES

INVESTMENT

18. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes [] No [X]	Yes [] No [X]
Common	8,000	8,000	313	X X X	X X X X X X	X X X X X X

19.1 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, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No []

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

20.1 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, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1). Yes [X] No []

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

20.21 Loaned to others	\$ _____
20.22 Subject to repurchase agreements	\$ _____
20.23 Subject to reverse repurchase agreements	\$ 30,890,170
20.24 Subject to dollar repurchase agreements	\$ _____
20.25 Subject to reverse dollar repurchase agreements	\$ _____
20.26 Pledged as collateral	\$ _____
20.27 Placed under option agreements	\$ _____
20.28 Letter stock or securities restricted as to sale	\$ _____
20.29 Other	\$ _____

20.3 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

22.1 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]

22.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

GENERAL INTERROGATORIES

INVESTMENT

23. Excluding items in Schedule E, 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 Part 1-General, Section IV.H-Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes No

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase	3 Metro Tech Center, Brooklyn, NY 11245
Royal Trust/ RBC	77 King Street West, Toronto, ONT 1PQ

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

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

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year? Yes No

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

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

23.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

24.1 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

24.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
3002505C7	Evergreen Select Instl Treasury	500,000
9999999	Total	500,000

24.3 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

GENERAL INTERROGATORIES

INVESTMENT

25. 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 (+)
25.1 Bonds	5,163,370,842	5,690,747,340	527,376,498
25.2 Preferred stocks	1,041,107	1,041,107	
25.3 Totals	5,164,411,949	5,691,788,447	527,376,498

25.4 Describe the sources or methods utilized in determining the fair values: Fair values are based on quoted market prices when available. If quoted market prices are not available
 market prices of comparable instruments or values obtained from independent pricing services.

26.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

26.2 If no, list exceptions:

OTHER

27.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 588,194

27.2 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
	\$
	\$
	\$
	\$
	\$

28.1 Amount of payments for legal expenses, if any? \$ 809,783

28.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$
	\$

29.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 1,687,143

29.2 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 department of government during the period covered by this statement.

1 Name	2 Amount Paid
McClellan & Gomez	\$ 750,000
Ropers, Majeski, Cohn and Bentley	\$ 524,386
	\$
	\$
	\$

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.		\$ _____
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$ _____
1.31 Reason for excluding: _____		
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$ _____
1.5 Indicate total incurred claims on all Medicare Supplement insurance.		\$ _____
1.6 Individual policies:		
Most current three years:		
1.61 Total premium earned	\$	_____
1.62 Total incurred claims	\$	_____
1.63 Number of covered lives	\$	_____
All years prior to most current three years:		
1.64 Total premium earned	\$	_____
1.65 Total incurred claims	\$	_____
1.66 Number of covered lives	\$	_____
1.7 Group policies:		
Most current three years:		
1.71 Total premium earned	\$	_____
1.72 Total incurred claims	\$	_____
1.73 Number of covered lives	\$	_____
All years prior to most current three years:		
1.74 Total premium earned	\$	_____
1.75 Total incurred claims	\$	_____
1.76 Number of covered lives	\$	_____
2. Health Test:		
	1	2
	Current Year	Prior Year
2.1 Premium Numerator	\$	\$
2.2 Premium Denominator	\$	\$
2.3 Premium Ratio (2.1/2.2)		
2.4 Reserve Numerator	\$	\$
2.5 Reserve Denominator	\$	\$
2.6 Reserve Ratio (2.4/2.5)		
3.1 Does this reporting entity have Separate Accounts?		YES [X] NO []
3.2 If yes, has a Separate Accounts statement been filed with this Department?		YES [X] NO [] N/A []
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?		\$ _____
3.4 State the authority under which Separate Accounts are maintained: _____ Massachusetts General Law and Resolution by the Board of Directors		
3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31?		YES [] NO [X]
3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?		YES [] NO [X]
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)?"		\$ _____
4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)?		YES [X] NO []
4.2 Net reimbursement of such expenses between reporting entities:		
4.21 Paid	\$	301,239,690
4.22 Received	\$	_____
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	\$	_____
5.22 Page 4, Line 1	\$	_____
6. For stock reporting entities only:		
6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity:	\$	316,500,000
7. Total dividends paid stockholders since organization of the reporting entity:		
7.11 Cash	\$	4,800,000
7.12 Stock	\$	_____

GENERAL INTERROGATORIES
(Continued)
PART 2 - LIFE INTERROGATORIES

8.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? YES [] NO [X]

8.11 Name of real estate holding company _____
 8.12 Number of parcels involved _____
 8.13 Total book/adjusted carrying value \$ _____

8.2 If yes, provide explanation: _____

9.1 Does the company 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.

9.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? YES [] NO [X]

9.3 If 9.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1	2	3
	Reinsurance	Reinsurance	Net
	Assumed	Ceded	Retained
9.31 Earned premium	_____	_____	_____
9.32 Paid claims	_____	_____	_____
9.33 Claim liability and reserve (beginning of year)	_____	_____	_____
9.34 Claim liability and reserve (end of year)	_____	_____	_____
9.35 Incurred claims	_____	_____	_____

9.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 9.31 and 9.34 for Column (1) are:

	Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
9.41	<\$25,000	_____	_____
9.42	\$25,000-99,999	_____	_____
9.43	\$100,000-249,999	_____	_____
9.44	\$250,000-999,999	_____	_____
9.45	\$1,000,000 or more	_____	_____

9.5 What portion of earned premium reported in 9.31, Column 1 was assumed from pools? \$ _____

10.1 Does the company have variable annuities with guaranteed benefits? YES [X] NO []

10.2 If 10.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
Greater of Prem. a	None	N/A	N/A	11,214,699	56,688	Exhibit 5B		
Greater of Prem. a	None	N/A	N/A	34,768,469	322,450	Exhibit 5B		

FIVE-YEAR HISTORICAL DATA

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

Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2004	2 2003	3 2002	4 2001	5 2000
<u>Life Insurance in Force</u> (Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Col. 4)	7,153,544	6,723,703	6,432,990	6,304,482	5,772,033
2. Ordinary-term (Line 21, Col. 4, less Line 34, Col. 4)	15,070,642	13,021,730	11,287,256	9,773,211	8,498,723
3. Credit life (Line 21, Col. 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	34,415,081	29,141,785	45,564,122	43,013,524	40,495,500
5. Industrial (Line 21, Col. 2)					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)					
7. Total (Line 21, Col. 10)	56,639,267	48,887,218	63,284,368	59,091,217	54,766,256
<u>New Business Issued</u> (Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Col. 2)	699,038	611,873	551,793	760,642	1,101,498
9. Ordinary-term (Line 2, Col. 4, less Line 34, Col. 2)	3,230,509	2,987,791	2,825,280	2,313,568	1,789,948
10. Credit life (Line 2, Col. 6)					
11. Group (Line 2, Col. 9)	7,769,388	4,085,599	9,506,579	9,392,749	10,785,120
12. Industrial (Line 2, Col. 2)					
13. Total (Line 2, Col. 10)	11,698,935	7,685,263	12,883,652	12,466,959	13,676,566
<u>Premium Income-Lines of Business</u>					
14. Industrial life (Exhibit 1-Part 1, Line 20.4, Col. 2)					
15.1 Ordinary life insurance (Exhibit 1-Part 1, Line 20.4, Col. 3)	211,905,659	162,115,303	143,636,105	144,841,578	250,724,388
15.2 Ordinary individual annuities (Exhibit 1-Part 1, Line 20.4, Col. 4)	110,976,725	161,701,453	234,453,983	189,117,388	338,931,195
16. Credit life, (group and individual) (Exhibit 1-Part 1, Line 20.4, Col. 5)					
17.1 Group life insurance (Exhibit 1-Part 1, Line 20.4, Col. 6)	117,464,540	181,111,017	77,531,843	76,755,610	136,336,408
17.2 Group annuities (Exhibit 1-Part 1, Line 20.4, Col. 7)	10,500	273,551			10,014
18.1 A & H-group (Exhibit 1-Part 1, Line 20.4, Col. 8)	26,943	(11,966,998)	13,203,315	342,337	33,134,282
18.2 A & H-credit (group and individual) (Exhibit 1-Part 1, Line 20.4, Col. 9)					
18.3 A & H-other (Exhibit 1-Part 1, Line 20.4, Col. 10)	(483,038)	(301,951)	174,892	162,136	309,023
19. Aggregate of all other lines of business (Exhibit 1-Part 1, Line 20.4, Col. 11)					
20. Deposit-type funds	X X X	X X X	X X X	X X X	194,736,809
21. Total	439,901,329	492,932,375	469,000,138	411,219,049	954,182,119
<u>Balance Sheet Items (Pages 2 and 3)</u>					
22. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3)	5,865,440,254	5,251,750,769	4,838,543,586	4,460,972,208	3,784,385,735
23. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	5,562,820,827	5,106,704,658	4,713,698,119	4,329,940,731	3,643,796,435
24. Aggregate life reserves (Page 3, Line 1)	3,638,995,234	3,342,782,570	2,622,375,697	2,209,811,375	1,784,352,988
25. Aggregate A & H reserves (Page 3, Line 2)	722,672,776	1,340,216	14,040,769	11,759,591	8,852,240
26. Deposit-type contract funds (Page 3, Line 3)	878,131,625	872,423,541	851,815,779	806,889,373	X X X
27. Asset valuation reserve (Page 3, Line 24.1)	40,918,585	28,563,666	20,111,866	17,826,987	30,961,072
28. Capital (Page 3, Lines 29 & 30)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
29. Surplus (Page 3, Line 37)	300,119,427	142,546,111	122,345,467	128,531,477	138,089,300
<u>Risk-Based Capital Analysis</u>					
30. Total adjusted capital	349,230,402	179,622,695	151,791,694	155,474,354	178,027,012
31. Authorized control level risk-based capital	55,904,694	44,879,693	34,764,374	30,676,946	29,772,717
<u>Percentage Distribution of Assets</u> (Page 2, Col. 3)(Line No./Page 2, Line 10, Col. 3) x 100.0					
32. Bonds (Line 1)	89.5	93.0	92.0	88.3	89.7
33. Stocks (Lines 2.1 and 2.2)			0.2	0.1	
34. Mortgage loans on real estate (Lines 3.1 and 3.2)					
35. Real estate (Lines 4.1, 4.2 and 4.3)					
36. Cash, cash equivalents and short-term investments (Line 5)	5.8	3.0	5.0	8.2	5.9
37. Premium notes	X X X	X X X			
38. Contract loans (Line 6)	1.4	1.0			
39. Other invested assets (Line 7)	3.3	3.0	1.4	1.7	2.7
40. Receivable for securities (Line 8)				0.2	
41. Aggregate write-ins for invested assets (Line 9)					
42. Cash and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2004	2 2003	3 2002	4 2001	5 2000
<u>Investments in Parent, Subsidiaries and Affiliates</u>					
43. Affiliated bonds (Sch. D Summary, Line 25 Col. 1)					20,000,000
44. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)					
45. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)	641,579	765,807	1,049,588	1,285,637	
46. Affiliated short-term investments (subtotal included in Schedule DA, Part 2, Col. 5, Line 11)					
47. Affiliated mortgage loans on real estate					
48. All other affiliated					
49. Total of above Lines 43 to 48	641,579	765,807	1,049,588	1,285,637	20,000,000
<u>Total Nonadmitted and Admitted Assets</u>					
50. Total nonadmitted assets (Page 2, Line 26, Col. 2)	65,455,036	63,645,908	67,539,146	74,423,997	6,258,713
51. Total admitted assets (Page 2, Line 26, Col. 3)	8,228,430,361	7,376,859,779	6,725,357,484	6,659,206,073	6,182,961,355
<u>Investment Data</u>					
52. Net investment income (Exhibit of Net Investment Income)	348,468,019	287,248,832	235,014,541	206,781,196	200,005,523
53. Realized capital gains (losses)	25,254,560	(179,410)	(25,559,924)	(5,732,848)	21,294,855
54. Unrealized capital gains (losses)	2,281,189	10,568,547	(5,612,154)	(29,801,326)	(1,801,926)
55. Total of above Lines 52, 53 and 54	376,003,768	297,637,969	203,842,463	171,247,022	219,498,452
<u>Benefits and Reserve Increase (Page 6)</u>					
56. 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)	268,580,333	266,950,524	125,720,705	201,514,890	272,140,792
57. Total contract benefits-A & H (Lines 13 & 14, Cols. 9, 10 & 11)	11,686,148	699,917	4,241,994	5,217,900	3,677,682
58. Increase in life reserves-other than group and annuities (Line 19, Cols. 2 & 3)	178,358,135	134,625,873	103,532,966	111,815,739	217,003,998
59. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	48,409,611	(14,002,125)	6,305,530	(4,948,128)	27,933,395
60. Dividends to policyholders (Line 30, Col. 1)	11,103,596	11,891,062	13,099,894	12,610,167	12,650,295
<u>Operating Percentages</u>					
61. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23 less Line 6)/ (Page 6, Col. 1, Line 1 plus group annuity contribution funds) x 100.00	28.1	15.6	15.9	16.8	8.1
62. 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	7.3	7.8	8.3	8.4	11.2
63. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	(157030.0)	96.3	48.2	2383.4	10.8
64. A & H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)	(401.2)	X X X	X X X	X X X	X X X
65. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)	(12199.9)	(27.7)	106.0	3008.3	33.8
<u>A & H Claim Reserve Adequacy</u>					
66. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2)	535,130,036	2,574,888	10,989,223	10,365,087	7,884,920
67. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2)		15,173,683	12,419,745	9,593,958	9,566,560
68. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2)	307,779	391,572	291,468	295,999	311,214
69. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2)	291,938	310,136	305,640	311,180	334,611
<u>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</u>					
70. Industrial life (Col. 2)					
71. Ordinary-life (Col. 3)	(7,066,722)	1,496,374	1,255,271	194,084	(9,845,441)
72. Ordinary-individual annuities (Col. 4)	11,515,850	4,304,109	2,303,932	3,169,434	(3,411,993)
73. Ordinary-supplementary contracts (Col. 5)	(42,695)	(84,445)	(93,980)	19,017	98,094
74. Credit life (Col. 6)					
75. Group life (Col. 7)	17,713,263	753,321	(3,414,668)	(8,589,527)	(1,383,872)
76. Group annuities (Col. 8)	887,441	2,244,637	1,985,055	102,728	(2,157,683)
77. A & H-group (Col. 9)	(46,010,068)	(1,762,312)	(5,960,543)	(3,921,502)	(4,334,303)
78. A & H-credit (Col. 10)					
79. A & H-other (Col. 11)	(478,746)	(524,665)	(413,067)	(323,787)	(81,923)
80. Aggregate of all other lines of business (Col. 12)					
81. Total (Col. 1)	(23,481,677)	6,427,019	(4,338,000)	(9,349,553)	(21,117,121)

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group		10 Total Amount of Insurance (a)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	7 Number of			9 Amount of Insurance (a)
							7 Policies	8 Certificates		
1. In force end of prior year			218,105	19,745,433			175	415,438	29,141,785	48,887,218
2. Issued during year			25,683	3,929,547			12	84,680	7,769,388	11,698,935
3. Reinsurance assumed										
4. Revived during year			1,195	267,589				43	2,453	270,042
5. Increased during year (net)			1,905	372,470				20,354	1,351,156	1,723,626
6. Subtotals, Lines 2 to 5			28,783	4,569,606			12	105,077	9,122,997	13,692,603
7. Additions by dividends during year	X X X		X X X	7,462	X X X		X X X	X X X		7,462
8. Aggregate write-ins for increases										
9. Totals (Lines 1 and 6 to 8)			246,888	24,322,501			187	520,515	38,264,782	62,587,283
Deductions during year:										
10. Death			976	40,574			X X X	2,467	77,011	117,585
11. Maturity			7	44			X X X			44
12. Disability							X X X			
13. Expiry			1,008	391,666						391,666
14. Surrender			7,124	589,619				290	13,396	603,015
15. Lapse			7,409	937,676			33	41,442	3,759,294	4,696,970
16. Conversion			1,495	138,736			X X X	X X X	X X X	138,736
17. Decreased (net)										
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. Totals (Lines 10 to 19)			18,019	2,098,315			33	44,199	3,849,701	5,948,016
21. In force end of year (Line 9 minus Line 20)			228,869	22,224,186			154	476,316	34,415,081	56,639,267
22. Reinsurance ceded end of year	X X X		X X X	11,502,870	X X X		X X X	X X X	5,383,710	16,886,580
23. Line 21 minus Line 22	X X X		X X X	10,721,316	X X X	(b)	X X X	X X X	29,031,371	39,752,687
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. Totals (Lines 0801 through 0803 + 0898) (Line 8 above)										
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. Totals (Lines 1901 through 1903 + 1998) (Line 19 above)										

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) Group \$ 0 ; Individual \$ 0

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance(a)	3 Number of Policies	4 Amount of Insurance(a)
24. Additions by dividends	X X X		X X X	255,151
25. Other paid-up insurance			20,783	1,644,773
26. Debit ordinary insurance	X X X	X X X		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Number of Policies	2 Amount of Insurance(a)	3 Number of Policies	4 Amount of Insurance(a)
27. Term policies-decreasing	331	31,325	6,465	437,123
28. Term policies-other	12,521	3,090,116	67,014	12,985,702
29. Other term insurance-decreasing	X X X		X X X	41,113
30. Other term insurance	X X X	109,068	X X X	1,204,007
31. Totals, Lines 27 to 30	12,852	3,230,509	73,479	14,667,945
Reconciliation to Lines 2 and 21:				
32. Term additions	X X X		X X X	357,784
33. Totals, extended term insurance	X X X	X X X	3,396	44,914
34. Totals, whole life and endowment	12,831	699,038	151,994	7,153,544
35. Totals, Lines 31 to 34	25,683	3,929,547	228,869	22,224,187

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary	3,549,366	380,181	18,607,474	3,616,713
38. Credit Life (Group and Individual)				
39. Group	7,769,388		34,415,081	
40. Totals (Lines 36 to 39)	11,318,754	380,181	53,022,555	3,616,713

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance(a)	3 Number of Certificates	4 Amount of Insurance(a)
41. Amount of insurance included in Line 2 ceded to other companies	X X X		X X X	621,223
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis		X X X		X X X
43. Federal Employees' Group Life Insurance included in Line 21				
44. Servicemen's Group Life Insurance included in Line 21				
45. Group Permanent Insurance included in Line 21				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	231,954
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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 Current commuted value or scheduled amount except mortgage protection on policies issued 1/31/1981 and prior which is 1.1 times the scheduled amount.
47.2 Family protection at \$ 5000 per unit. Children's protection at \$ 2500 per unit.

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium			75,431	5,492,554			417,111	30,464,244
49. Disability Income								
50. Extended Benefits			X X X	X X X				
51. Other								
52. Total		(b)	75,431	(b) 5,492,554		(b)	417,111	(b) 30,464,244

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General 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	141	217	4	9
2. Issued during year		1		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Lines 1 to 4)	141	218	4	9
Deductions during year:				
6. Decreased (net)	9	54		3
7. Reinsurance				
8. Totals (Lines 6 and 7)	9	54		3
9. In force end of year	132	164	4	6
10. Amount on deposit	(a)	1,144,553	(a)	149,197
11. Income now payable	132	164	4	6
12. Amount of income payable	(a) 255,569	(a) 533,226	(a) 6,751	(a) 250,440

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	12,899	15,026	83	23,011
2. Issued during year	1,174	1,091		
3. Reinsurance assumed	41			
4. Increased during year (net)				
5. Totals (Lines 1 to 4)	14,114	16,117	83	23,011
Deductions during year:				
6. Decreased (net)	214	1,209		638
7. Reinsurance				
8. Totals (Lines 6 and 7)	214	1,209		638
9. In force end of year	13,900	14,908	83	22,373
Income now payable:				
10. Amount of income payable	(a) 149,680,628	X X X	X X X	(a) 30,051,782
Deferred fully paid:				
11. Account balance	X X X	(a) 165,405,883	X X X	(a) 13,943,168
Deferred not fully paid:				
12. Account balance	X X X	(a) 78,905	X X X	(a)

ACCIDENT AND HEALTH INSURANCE

	Ordinary		Group		Credit	
	1 Policies	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	241	38,701	1,077	258,523,000		
2. Issued during year			56	9,633,000		
3. Reinsurance assumed						
4. Increased during year (net)		X X X		X X X		X X X
5. Totals (Lines 1 to 4)	241	X X X	1,133	X X X		X X X
Deductions during year:						
6. Conversions	X X X	X X X		X X X	X X X	X X X
7. Decreased (net)	18	X X X	204	X X X		X X X
8. Reinsurance		X X X		X X X		X X X
9. Totals (Lines 6 to 8)	18	X X X	204	X X X		X X X
10. In force end of year	223	(a) 29,349	929	(a) 253,975,000		(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds	2 Dividend Accumulations
	Contracts	Contracts
1. In force end of prior year	31,938	6,650
2. Issued during year	1,581	
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (Lines 1 to 4)	33,519	6,650
Deductions during year:		
6. Decreased (net)	285	
7. Reinsurance		213
8. Totals (Lines 6 and 7)	285	213
9. In force end of year	33,234	6,437
10. Amount of account balance	(a) 36,497,319	(a) 9,042,617

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value	Actual Cost	Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	466,225,295	592,353,899	312,440,537	910,011,090
	2. Canada	9,694,252	8,419,357	8,477,645	9,651,386
	3. Other Countries	10,246,597	14,316,499	5,603,099	35,400,000
	4. Totals	486,166,144	615,089,755	326,521,281	955,062,476
States, Territories and Possessions (Direct and guaranteed)	5. United States	45,282,625	49,876,859	42,517,680	78,055,000
	6. Canada				
	7. Other Countries				
8. Totals	45,282,625	49,876,859	42,517,680	78,055,000	
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	30,472,633	32,429,765	30,297,497	31,740,000
	10. Canada				
	11. Other Countries				
12. Totals	30,472,633	32,429,765	30,297,497	31,740,000	
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	1,064,364,183	1,118,702,429	1,070,190,070	1,110,239,804
	14. Canada	3,889	3,406	3,422	3,903
	15. Other Countries				
16. Totals	1,064,368,072	1,118,705,835	1,070,193,492	1,110,243,707	
Public Utilities (unaffiliated)	17. United States	169,615,139	177,903,110	169,491,347	166,798,000
	18. Canada	3,000,000	3,172,500	3,000,000	3,000,000
	19. Other Countries				
20. Totals	172,615,139	181,075,610	172,491,347	169,798,000	
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	3,069,151,475	3,351,490,690	3,076,040,959	3,026,804,197
	22. Canada	109,961,361	121,311,180	110,082,944	103,080,000
	23. Other Countries	137,468,190	150,606,245	136,582,487	140,210,000
24. Totals	3,316,581,026	3,623,408,115	3,322,706,390	3,270,094,197	
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	5,115,485,639	5,620,585,939	4,964,727,687	5,614,993,380
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
30. Totals					
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
34. Totals					
Industrial and Miscellaneous (unaffiliated)	35. United States	1,041,107	1,081,107	1,041,107	
	36. Canada				
	37. Other Countries				
38. Totals	1,041,107	1,081,107	1,041,107		
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks	1,041,107	1,081,107	1,041,107	
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
44. Totals					
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
48. Totals					
Industrial and Miscellaneous (unaffiliated)	49. United States	559,017	559,017	559,017	
	50. Canada				
	51. Other Countries				
52. Totals	559,017	559,017	559,017		
Parent, Subsidiaries and Affiliates	53. Totals	641,579	641,579	1,285,637	
	54. Total Common Stocks	1,200,596	1,200,596	1,844,654	
	55. Total Stocks	2,241,703	2,281,703	2,885,761	
	56. Total Bonds and Stocks	5,117,727,342	5,622,867,642	4,967,613,448	

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	4,741,303,073	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 7, Part 3	1,161,024,169	6.1 Column 15, Part 1	
3. Increase (decrease) by adjustment:		6.2 Column 19, Part 2, Section 1	
3.1 Columns 12 + 13 - 14, Part 1	23,972,709	6.3 Column 16, Part 2, Section 2	
3.2 Column 18, Part 2, Section 1		6.4 Column 15, Part 4	
3.3 Column 15, Part 2, Section 2	(120,801)	7. Book/adjusted carrying value at end of current period	5,117,727,342
3.4 Column 14, Part 4	1,076,627	8. Total valuation allowance	
4. Total gain (loss), Column 19, Part 4	22,500,179	9. Subtotal (Lines 7 plus 8)	5,117,727,342
5. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	832,028,614	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	5,117,727,342

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS
Allocated by States and Territories

States, Etc.	1	Direct Business Only					
		Is Insurer Licensed? (Yes or No)	Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Deposit-Type Contract Funds	6 Other Considerations
			2 Life Insurance Premiums	3 Annuity Considerations			
1. Alabama	AL	YES	2,886,136	2,400	2,922,120		
2. Alaska	AK	YES	375,190	600	63,405		
3. Arizona	AZ	YES	3,012,412	13,160	3,013,453		
4. Arkansas	AR	YES	2,056,907	25,000	830,273		
5. California	CA	YES	31,114,732	268,326	66,108,905	200,000	
6. Colorado	CO	YES	4,210,834	9,463	4,254,067		
7. Connecticut	CT	YES	10,596,211	49,780	2,131,549	2,393	
8. Delaware	DE	YES	1,278,401	57,400,501	42,189	48,360,337	
9. District of Columbia	DC	YES	(76,444)		299,644		
10. Florida	FL	YES	8,842,631	5,526,269	12,218,717	1,341,031	
11. Georgia	GA	YES	8,356,776	954,826	8,695,841	162,434	
12. Hawaii	HI	YES	998,243	3,117	650,708		
13. Idaho	ID	YES	1,498,922	1,867	23,428		
14. Illinois	IL	YES	12,637,992	189,030	2,184,435		
15. Indiana	IN	YES	2,751,174	858,628	1,250,431	1,057,475	
16. Iowa	IA	YES	860,115	182,651	76,120		
17. Kansas	KS	YES	290,495	51,766	76,192		
18. Kentucky	KY	YES	2,027,269	11,275	1,386,739		
19. Louisiana	LA	YES	1,148,123	1,347,897	516,234		
20. Maine	ME	YES	1,428,080	889,888	5,509		
21. Maryland	MD	YES	3,980,890	164,849	1,321,972	184,234	
22. Massachusetts	MA	YES	17,933,923	2,380,679	25,016,602	585,840	
23. Michigan	MI	YES	8,489,153	10,987	5,622,255		
24. Minnesota	MN	YES	4,293,449	271,468	2,198,152		
25. Mississippi	MS	YES	240,928		68,563		
26. Missouri	MO	YES	1,983,274	193,480	187,768		
27. Montana	MT	YES	97,184		148		
28. Nebraska	NE	YES	2,216,339	322	157,037		
29. Nevada	NV	YES	2,761,207	157,710	866,668		
30. New Hampshire	NH	YES	4,910,228	1,988,140	1,249,668	468,146	
31. New Jersey	NJ	YES	10,446,919	254,536	9,564,154	313,500	
32. New Mexico	NM	YES	596,109		384,189		
33. New York	NY	YES	84,479,332	1,250,556	15,327,422	84,047	
34. North Carolina	NC	YES	5,760,869	600,166	13,183,120	166,524	
35. North Dakota	ND	YES	99,445	26,139	38,605		
36. Ohio	OH	YES	20,135,891	670,249	13,904,602		
37. Oklahoma	OK	YES	1,259,748	45,017	357,604		
38. Oregon	OR	YES	4,580,794	93,463	638,637		
39. Pennsylvania	PA	YES	17,578,359	4,343,201	12,937,379		
40. Rhode Island	RI	YES	1,720,853	7,334	4,219,193	(22,040)	
41. South Carolina	SC	YES	1,272,071	869,898	2,797,691		
42. South Dakota	SD	YES	18,174		934		
43. Tennessee	TN	YES	3,522,206	6,006	3,242,844		
44. Texas	TX	YES	12,575,950	113,317	12,897,587		
45. Utah	UT	YES	545,982	251	22,709		
46. Vermont	VT	YES	1,008,253		554,454		
47. Virginia	VA	YES	4,172,720	288,087	7,589,512		
48. Washington	WA	YES	3,497,561	9,022	384,399		
49. West Virginia	WV	YES	429,296	3,500	14,526		
50. Wisconsin	WI	YES	3,205,151	12,163,839	701,813	1,169,532	
51. Wyoming	WY	YES	15,313				
52. American Samoa	AS	NO					
53. Guam	GU	NO	594				
54. Puerto Rico	PR	NO	6,337				
55. US Virgin Islands	VI	NO					
56. Canada	CN	YES	78,482		109,461		
57. Aggregate Other Alien	OT	X X X	1,320	23,074,127		5,517,144	
58. Subtotal	(a) 51		320,208,503	116,772,787	242,309,627	59,590,597	
90. Reporting entity contributions for employee benefits plans	X X X		23,869,361				
91. Dividends or refunds applied to purchase paid-up additions and annuities	X X X		7,475,828				
92. Dividends or refunds applied to shorten endowment or premium paying period	X X X						
93. Premium or annuity considerations waived under disability or other contract provisions	X X X		337,199		2,192		
94. Aggregate other amounts not allocable by State	X X X						
95. Totals (Direct Business)	X X X		351,890,891	116,772,787	242,311,819	59,590,597	
96. Plus Reinsurance Assumed	X X X		218,150				
97. Totals (All Business)	X X X		352,109,041	116,772,787	242,311,819	59,590,597	
98. Less Reinsurance Ceded	X X X		30,108,851	5,785,562	242,284,778		
99. Totals (All Business) less Reinsurance Ceded	X X X		322,000,190	110,987,225	(b) 27,041	59,590,597	
DETAILS OF WRITE-INS							
5701. Other Alien	X X X		1,320	23,074,127		5,517,144	
5702.	X X X						
5703.	X X X						
5798. Summary of remaining write-ins for Line 57 from overflow page	X X X						
5799. Total (Lines 5701 thru 5703 + 5798) (Line 57 above)	X X X		1,320	23,074,127		5,517,144	
9401.	X X X						
9402.	X X X						
9403.	X X X						
9498. Summary of remaining write-ins for Line 94 from overflow page	X X X						
9499. Total (Lines 9401 thru 9403 + 9498) (Line 94 above)	X X X						

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

Group Life, Health and Annuity premiums covering 500 lives or less are allocated to the states in which the largest number of lives are allocated. Premium for policies covering more than 500 lives are allocated to states in accordance with the location of employees except that no allocation is made to states having fewer than 5% of the total lives insured in which case premiums are allocated to the state of the principal location. However, no premium allocation other than to the state of the principal location is made where there are less than 100 lives. Premiums for Ordinary Life, Personal Health and Individual Annuity are distributed by state based on the last known address of the policyholder.

- (a) Insert the number of yes responses except for Canada and Other Alien.
- (b) 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

OVERFLOW PAGE FOR WRITE-INS

OVERFLOW PAGE FOR WRITE-INS

**Page 3 - Continuation
LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES		
2504. Accounts payable	2,432,191	1,898,329
2505. Branch liability due to foreign exchange rate	1,009,669	(688,312)
2506. Surety Bond accrual		175,000
2507.		
2508.		
2509.		
2510.		
2511.		
2512.		
2513.		
2514.		
2515.		
2516.		
2517.		
2518.		
2519.		
2520.		
2521.		
2522.		
2523.		
2524.		
2525.		
2597. Totals (Lines 2504 through 2525) (Page 3, Line 2598)	3,441,860	1,385,017
REMAINING WRITE-INS AGGREGATED AT LINE 31 FOR OTHER THAN SPECIAL SURPLUS FUNDS		
3104.		
3105.		
3106.		
3107.		
3108.		
3109.		
3110.		
3111.		
3112.		
3113.		
3114.		
3115.		
3116.		
3117.		
3118.		
3119.		
3120.		
3121.		
3122.		
3123.		
3124.		
3125.		
3197. Totals (Lines 3104 through 3125) (Page 3, Line 3198)		
REMAINING WRITE-INS AGGREGATED AT LINE 34 FOR SPECIAL SURPLUS FUNDS		
3404.		
3405.		
3406.		
3407.		
3408.		
3409.		
3410.		
3411.		
3412.		
3413.		
3414.		
3415.		
3416.		
3417.		
3418.		
3419.		
3420.		
3421.		
3422.		
3423.		
3424.		
3425.		
3497. Totals (Lines 3404 through 3425) (Page 3, Line 3498)		

OVERFLOW PAGE FOR WRITE-INS

**Page 4 - Continuation
SUMMARY OF OPERATIONS**

	1 Current Year	2 Prior Year
REMAINING WRITE-INS AGGREGATED AT LINE 08.3 FOR MISCELLANEOUS INCOME		
08.304. Case management fees		(7,371)
08.305. Commission income	(74,258)	(76,521)
08.306.		
08.307.		
08.308.		
08.309.		
08.310.		
08.311.		
08.312.		
08.313.		
08.314.		
08.315.		
08.316.		
08.317.		
08.318.		
08.319.		
08.320.		
08.321.		
08.322.		
08.323.		
08.324.		
08.325.		
08.397. Totals (Lines 08.304 through 08.325) (Page 4, Line 08.398)	(74,258)	(83,892)
REMAINING WRITE-INS AGGREGATED AT LINE 27 FOR DEDUCTIONS		
2704. Change in retention surplus - Canada		(920,695)
2705.		
2706.		
2707.		
2708.		
2709.		
2710.		
2711.		
2712.		
2713.		
2714.		
2715.		
2716.		
2717.		
2718.		
2719.		
2720.		
2721.		
2722.		
2723.		
2724.		
2725.		
2797. Totals (Lines 2704 through 2725) (Page 4, Line 2798)		(920,695)
REMAINING WRITE-INS AGGREGATED AT LINE 53 FOR GAINS AND LOSSES IN SURPLUS		
5304.		
5305.		
5306.		
5307.		
5308.		
5309.		
5310.		
5311.		
5312.		
5313.		
5314.		
5315.		
5316.		
5317.		
5318.		
5319.		
5320.		
5321.		
5322.		
5323.		
5324.		
5325.		
5397. Totals (Lines 5304 through 5325) (Page 4, Line 5398)		

OVERFLOW PAGE FOR WRITE-INS

Page 6 - Continuation

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS
(Gain and Loss Exhibit) (Excluding Capital Gains and Losses)**

	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	
REMAINING WRITE-INS AGGREGATED AT LINE 08.3 FOR MISCELLANEOUS INCOME												
08.304. Commission income.....	(74,258)		(74,258)									
08.305.....												
08.306.....												
08.307.....												
08.308.....												
08.309.....												
08.310.....												
08.311.....												
08.312.....												
08.313.....												
08.314.....												
08.315.....												
08.316.....												
08.317.....												
08.318.....												
08.319.....												
08.320.....												
08.321.....												
08.322.....												
08.323.....												
08.324.....												
08.325.....												
08.397. Totals (Lines 08.304 through 08.325) (Page 6, Line 08.398)	(74,258)		(74,258)									
REMAINING WRITE-INS AGGREGATED AT LINE 27 FOR DEDUCTIONS												
2704.....												
2705.....												
2706.....												
2707.....												
2708.....												
2709.....												
2710.....												
2711.....												
2712.....												
2713.....												
2714.....												
2715.....												
2716.....												
2717.....												
2718.....												
2719.....												
2720.....												
2721.....												
2722.....												
2723.....												
2724.....												
2725.....												
2797. Totals (Lines 2704 through 2725) (Page 6, Line 2798)												

66-2

OVERFLOW PAGE FOR WRITE-INS

Page 11 - Continuation

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			

REMAINING WRITE-INS AGGREGATED AT LINE 09.3 FOR EXPENSES

09.304.	Expense allowance on future claims			48,806		48,806
09.305.	Other expenses			3,134		3,134
09.306.						
09.307.						
09.308.						
09.309.						
09.310.						
09.311.						
09.312.						
09.313.						
09.314.						
09.315.						
09.316.						
09.317.						
09.318.						
09.319.						
09.320.						
09.321.						
09.322.						
09.323.						
09.324.						
09.325.						
09.397.	Totals (Lines 09.304 through 09.325) (Page 11, Line 09.398)			51,940		51,940

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
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REMAINING WRITE-INS AGGREGATED AT LINE 08 FOR DIVIDEND OR REFUNDS

0804.		
0805.		
0806.		
0807.		
0808.		
0809.		
0810.		
0811.		
0812.		
0813.		
0814.		
0815.		
0816.		
0817.		
0818.		
0819.		
0820.		
0821.		
0822.		
0823.		
0824.		
0825.		
0897.	Totals (Lines 0804 through 0825) (Page 11, Line 0898)	