

ANNUAL STATEMENT

OF THE

Liberty Life Assurance Company of Boston

of

in the state of

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2009

LIFE AND ACCIDENT AND HEALTH

2009

ANNUAL STATEMENT



65315200920100100

For the Year Ended December 31, 2009
OF THE CONDITION AND AFFAIRS OF THE

Liberty Life Assurance Company of Boston

NAIC Group Code	<u>0111</u> <small>(Current Period)</small>	<u>0111</u> <small>(Prior Period)</small>	NAIC Company Code	<u>65315</u>	Employer's ID Number	<u>04-6076039</u>
Organized under the Laws of	<u>Massachusetts</u>			State of Domicile or Port of Entry <u>Massachusetts</u>		
Country of Domicile	<u>United States</u>					
Incorporated/Organized:	<u>September 17, 1963</u>			Commenced Business: <u>January 15, 1964</u>		
Statutory Home Office:	<u>175 Berkeley Street</u> <small>(Street and Number)</small>			<u>Boston, MA 02117</u> <small>(City or Town, State and Zip Code)</small>		
Main Administrative Office:	<u>175 Berkeley Street</u> <small>(Street and Number)</small>			<u>Boston, MA 02117</u> <small>(City or Town, State and Zip Code)</small>		
				<u>617-357-9500</u> <small>(Area Code) (Telephone Number)</small>		
Mail Address:	<u>100 Liberty Way</u> <small>(Street and Number or P.O. Box)</small>			<u>Dover, NH 03820</u> <small>(City or Town, State and Zip Code)</small>		
Primary Location of Books and Records:	<u>100 Liberty Way</u> <small>(Street and Number)</small>			<u>Dover, NH 03820</u> <small>(City or Town, State and Zip Code)</small>		<u>603-749-2600</u> <small>(Area Code) (Telephone Number)</small>
Internet Web Site Address:	<u>www.Libertymutual.com</u>					
Statutory Statement Contact:	<u>Andre Josephat Laurion</u> <small>(Name)</small>			<u>603-749-2600-36222</u> <small>(Area Code) (Telephone Number)</small>		<u>603-742-1352</u> <small>(Extension)</small>
	<u>Andre.Laurion@LibertyMutual.com</u> <small>(E-Mail Address)</small>			<u>603-742-1352</u> <small>(Fax Number)</small>		

OFFICERS

	Name	Title
1.	<u>Edmund Francis Kelly</u>	<u>Chairman of the Board, President, and CEO</u>
2.	<u>Dexter Robert Legg</u>	<u>Vice-President and Secretary</u>
3.	<u>Laurance Henry Soyer Yahia</u>	<u>Treasurer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>Anthony Alexander Fontanes</u>	<u>Vice-President</u>	<u>Dennis James Langwell</u>	<u>Vice-President</u>
<u>Mark James McVeigh</u>	<u>Vice-President</u>	<u>Cheryl Kingsfield Neal</u>	<u>COO - Individual Markets</u>
<u>Gary Jay Ostrow</u>	<u>Vice-President</u>	<u>Jean Marie Scarrow</u>	<u>COO - Group Markets</u>
<u>Douglas John Wood</u>	<u>Vice-President, CFO and Comptroller</u>		

DIRECTORS OR TRUSTEES

<u>Anthony Alexander Fontanes</u>	<u>Edmund Francis Kelly</u>	<u>Dennis James Langwell</u>	<u>Christopher Charles Mansfield</u>
<u>Cheryl Kingsfield Neal</u>	<u>Jean Marie Scarrow</u>	<u>Timothy Michael Sweeney #</u>	

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.

<u>(Signature)</u> <u>Edmund Francis Kelly</u> <u>(Printed Name)</u> 1. Chairman of the Board, President, and CEO <u>(Title)</u>	<u>(Signature)</u> <u>Dexter Robert Legg</u> <u>(Printed Name)</u> 2. Vice-President and Secretary <u>(Title)</u>	<u>(Signature)</u> <u>Laurance Henry Soyer Yahia</u> <u>(Printed Name)</u> 3. Treasurer <u>(Title)</u>
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Subscribed and sworn to (or affirmed) before me on this
29 day of October, 2010, by

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	7,913,717,495		7,913,717,495	7,163,914,451
2. Stocks (Schedule D):				
2.1 Preferred stocks	356,607		356,607	39,234,095
2.2 Common stocks	102,598,531		102,598,531	129,702
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	182,255,169		182,255,169	188,847,140
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 (\$ 300,818,386, Schedule E - Part 1), cash equivalents (\$ 109,240,100, Schedule E - Part 2), and short-term investments (\$ 169,318,483, Schedule DA)	579,376,969		579,376,969	520,611,055
6. Contract loans (including \$ 0 premium notes)	101,662,798		101,662,798	95,960,384
7. Other invested assets (Schedule BA)	308,182,811		308,182,811	304,015,755
8. Receivables for securities	705,935		705,935	
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	9,188,856,315		9,188,856,315	8,312,712,582
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	101,104,581		101,104,581	91,834,403
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	695,111	1,222,365	(527,254)	30,770,914
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	43,236,255		43,236,255	40,386,945
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	5,139,673		5,139,673	5,148,880
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts	5,992,823		5,992,823	1,521,788
15. Amounts receivable relating to uninsured plans	5,146,386		5,146,386	3,576,332
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	108,843,420	39,751,880	69,091,540	41,651,540
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				11,238,368
22. Health care (\$ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	4,542,852		4,542,852	4,709,282
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	9,463,557,416	40,974,245	9,422,583,171	8,543,551,034
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	3,560,591,519		3,560,591,519	3,061,511,445
26. Total (Lines 24 and 25)	13,024,148,935	40,974,245	12,983,174,690	11,605,062,479

DETAILS OF WRITE-IN LINES				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. Accounts receivable	2,945,949		2,945,949	2,803,644
2302. Amounts due from Separate Accounts	1,606,321		1,606,321	1,904,322
2303. Shortage account - VUL	(9,418)		(9,418)	1,316
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	4,542,852		4,542,852	4,709,282

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Aggregate reserve for life contracts \$ 6,032,644,803 (Exhibit 5, Line 9999999) less \$ 0 included in Line 6.3 (including \$ 0 Modco Reserve)	6,032,644,803	5,596,047,473
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$ 0 Modco Reserve)	1,148,300,864	1,021,339,094
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ 0 Modco Reserve)	905,764,553	908,135,933
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	49,352,322	43,613,373
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	16,418,876	15,957,451
5. Policyholders' dividends \$ 49,136 and coupons \$ 0 due and unpaid (Exhibit 4, Line 10)	49,136	46,048
6. Provision for policyholders' dividends and coupons payable in following calendar year -- estimated amounts:		
6.1 Dividends apportioned for payment (including \$ 0 Modco)	11,952,089	11,540,001
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 \$ 390,804 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	854,033	595,073
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	11,719,570	12,456,975
9.3 Other amounts payable on reinsurance, including \$ 0 assumed and \$ 0 ceded		
9.4 Interest Maintenance Reserve (IMR, Line 6)	19,472,299	15,918,040
10. Commissions to agents due or accrued-life and annuity contracts \$ 1,073,706 accident and health \$ 1,621,385 and deposit-type contract funds \$ 0	2,695,091	1,820,266
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	61,277,005	56,526,124
13. Transfers to Separate Accounts due or accrued (net) (including \$ (2,374,000) accrued for expense allowances recognized in reserves, net of reinsured allowances)	(2,374,000)	(2,466,932)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	5,886,664	5,605,697
15.1 Current federal and foreign income taxes, including \$ (3,010,181) on realized capital gains (losses)	4,038,832	(13,341,748)
15.2 Net deferred tax liability		
16. Unearned investment income	639,651	679,920
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	2,696,339	23,685,502
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ 0 and interest thereon \$ 0		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR, Line 16, Col. 7)	61,326,131	57,306,821
24.2 Reinsurance in unauthorized companies		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates	9,462,476	
24.5 Drafts outstanding	18,285,358	14,025,618
24.6 Liability for amounts held under uninsured plans		
24.7 Funds held under coinsurance		
24.8 Payable for securities		
24.9 Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	464,578,335	313,612,546
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	8,825,040,427	8,083,103,275
27. From Separate Accounts statement	3,560,591,519	3,061,511,445
28. Total liabilities (Lines 26 and 27)	12,385,631,946	11,144,614,720
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)	546,893,842	416,500,000
34. Aggregate write-ins for special surplus funds	750,000	750,000
35. Unassigned funds (surplus)	47,398,902	40,697,759
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)	595,042,744	457,947,759
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	597,542,744	460,447,759
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3)	12,983,174,690	11,605,062,479

DETAILS OF WRITE-IN LINES		
2501. Securities loaned - cash collateral	396,072,072	278,336,469
2502. Accounts payable	33,061,391	931,945
2503. Qualified claims account - Internal Revenue Service Code 419	31,513,000	27,762,323
2598. Summary of remaining write-ins for Line from overflow page	3,931,872	6,581,809
2599. Totals (Lines 2501. through 2503 plus 98) (Line 24. above)	464,578,335	313,612,546
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 36.1 from overflow page		
3199. Totals (Lines 3101. through 3103. plus 98) (Line above)		
3401. Contingency reserve for Separate Accounts	750,000	750,000
3402.		
3403.		
3498. Summary of remaining write-ins for Line 25 from overflow page		
3499. Totals (Lines 3401. through 3403. plus 2598) (Line 25. above)	750,000	750,000

SUMMARY OF OPERATIONS

	1	2
	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)	1,208,716,026	1,103,978,795
2. Considerations for supplementary contracts with life contingencies	113,000	
3. Net investment income (Exhibit of Net Investment Income, Line 17)	494,456,703	469,364,066
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	2,220,162	2,753,685
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)	2,553,970	13,869,600
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	3,532,407	4,596,567
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	1,604,089	1,648,338
9. Totals (Lines 1 to 8.3)	1,713,196,357	1,596,211,051
10. Death benefits	189,998,617	165,582,657
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	273,991,106	256,342,489
13. Disability benefits and benefits under accident and health contracts	329,417,841	278,630,975
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	71,664,412	75,589,538
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	51,350,336	58,553,049
18. Payments on supplementary contracts with life contingencies	319,264	560,630
19. Increase in aggregate reserves for life and accident and health contracts	564,185,722	563,834,203
20. Totals (Lines 10 to 19)	1,480,927,298	1,399,093,541
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	41,231,712	34,216,467
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	137,139,325	130,493,416
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	27,202,557	24,637,915
25. Increase in loading on deferred and uncollected premiums	605,504	535,685
26. Net transfers to or (from) Separate Accounts net of reinsurance	(1,876,322)	(3,540,324)
27. Aggregate write-ins for deductions	290,450	1,820,228
28. Totals (Lines 20 to 27)	1,685,520,524	1,587,256,928
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	27,675,833	8,954,123
30. Dividends to policyholders	11,693,715	11,299,831
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	15,982,118	(2,345,708)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	21,696,788	(9,351,091)
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)	(5,714,670)	7,005,383
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (6,235,257) (excluding taxes of \$ 3,109,304 transferred to the IMR)	(17,761,370)	(34,570,406)
35. Net income (Line 33 plus Line 34)	(23,476,040)	(27,565,023)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	460,447,759	482,666,838
37. Net income (Line 35)	(23,476,040)	(27,565,023)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	(20,803,898)	(13,877,599)
39. Change in net unrealized foreign exchange capital gain (loss)	3,765,044	(2,496,983)
40. Change in net deferred income tax	10,489,850	10,789,240
41. Change in nonadmitted assets	16,784,796	17,140,683
42. Change in liability for reinsurance in unauthorized companies		
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	(4,019,311)	10,745,043
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	9,257,409	
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	130,393,842	
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance	14,703,293	
52. Dividends to stockholders		(16,954,440)
53. Aggregate write-ins for gains and losses in surplus		
54. Net change in capital and surplus for the year (Lines 37 through 53)	137,094,985	(22,219,079)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	597,542,744	460,447,759

DETAILS OF WRITE-IN LINES		
08.301. Miscellaneous income	649,511	498,890
08.302. Other administration fees	548,641	654,032
08.303. Surrender charges	406,986	497,058
08.398. Summary of write-ins for Line 08.3 from overflow page	(1,049)	(1,642)
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 08.3 above)	1,604,089	1,648,338
2701. Miscellaneous expense	951,651	1,437,417
2702. Performance guarantee expense	76,204	119,786
2703. Increase(Decrease) in provision for experience rating refunds	(737,405)	263,025
2798. Summary of write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	290,450	1,820,228
5301. Correction of prior year reserve balances		(16,954,440)
5302.		
5303.		
5398. Summary of write-ins for Line 53 from overflow page		
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)		(16,954,440)

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	1,205,066,989	1,096,452,002
2. Net investment income	453,063,235	427,744,960
3. Miscellaneous income	17,922,630	19,621,343
4. Total (Lines 1 through 3)	1,676,052,854	1,543,818,305
5. Benefit and loss related payments	863,947,087	775,959,629
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	(1,876,322)	(3,540,324)
7. Commissions, expenses paid and aggregate write-ins for deductions	202,374,610	178,209,920
8. Dividends paid to policyholders	11,240,285	10,826,988
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	1,190,255	14,410,080
10. Total (Lines 5 through 9)	1,076,875,915	975,866,293
11. Net cash from operations (Line 4 minus Line 10)	599,176,939	567,952,012
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	957,772,038	472,907,052
12.2 Stocks	39,780,711	3,032,619
12.3 Mortgage loans	8,866,311	5,610,090
12.4 Real estate		
12.5 Other invested assets	12,031,633	17,433,798
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		(6,673)
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,018,450,693	498,976,886
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,690,439,920	829,151,309
13.2 Stocks	103,215,382	321,677
13.3 Mortgage loans	3,002,020	60,386,929
13.4 Real estate		
13.5 Other invested assets	33,056,397	57,442,907
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,829,713,719	947,302,822
14. Net increase (decrease) in contract loans and premium notes	5,702,414	5,743,799
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(816,965,440)	(454,069,735)
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	130,393,842	
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(48,153,118)	(67,210,558)
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	194,313,691	173,250,576
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	276,554,415	106,040,018
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	58,765,914	219,922,295
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	520,611,055	300,688,760
19.2 End of year (Line 18 plus Line 19.1)	579,376,969	520,611,055

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

20.0001		
20.0002		
20.0003		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supple- mentary 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	1,208,716,026		348,706,829	248,226,076			163,172,211		448,417,707		193,203	
2. Considerations for supplementary contracts with life contingencies	113,000				113,000							
3. Net investment income	494,456,703		130,770,841	239,801,619	116,047		31,690,499	20,368,614	71,688,371		20,712	
4. Amortization of Interest Maintenance Reserve (IMR)	2,220,162		(25,683)	1,103,430	(546)		74,914	871,505	196,472		70	
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded	2,553,970		2,553,636								334	
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	3,532,407			36				3,532,371				
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income	1,604,089		508,999	1,059,704			213		35,173			
9. Totals (Lines 1 to 8.3)	1,713,196,357		482,514,622	490,190,865	228,501		194,937,837	24,772,490	520,337,723		214,319	
10. Death benefits	189,998,617		44,482,713				145,515,904					
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits	273,991,106			245,696,852				28,294,254				
13. Disability benefits and benefits under accident and health contracts	329,417,841								329,338,081		79,760	
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	71,664,412		48,048,454	7,823,735			14,584,563	1,207,660				
16. Group conversions			(550,285)				550,285					
17. Interest and adjustments on contract or deposit-type contract funds	51,350,336		754,956	50,354,112	(185,298)		682,908	(256,342)				
18. Payments on supplementary contracts with life contingencies	319,264				319,264							
19. Increase in aggregate reserves for life and accident and health contracts	564,185,722		271,850,713	179,577,962	74,368		(5,913,299)	(8,365,792)	126,954,575		7,195	
20. Totals (Lines 10 to 19)	1,480,927,298		364,586,551	483,452,661	208,334		155,420,361	20,879,780	456,292,656		86,955	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	41,231,712		15,853,779	12,349,947			5,332,687	14,411	7,680,888			
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses	137,139,325		61,810,957	6,070,942	6,128		18,586,163	2,822,115	47,831,331		11,689	
24. Insurance taxes, licenses and fees, excluding federal income taxes	27,202,557		9,088,675	396,032	144		3,891,602	66,118	13,759,386		600	
25. Increase in loading on deferred and uncollected premiums	605,504		637,074				(31,570)					
26. Net transfers to or (from) Separate Accounts net of reinsurance	(1,876,322)		317,699	(658,206)				(1,535,815)				
27. Aggregate write-ins for deductions	290,450		696,878	(139,574)			(630,426)	1,769	361,797		6	
28. Totals (Lines 20 to 27)	1,685,520,524		452,991,613	501,471,802	214,606		182,568,817	22,248,378	525,926,058		99,250	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	27,675,833		29,523,009	(11,280,937)	13,895		12,369,020	2,524,112	(5,588,335)		115,069	
30. Dividends to policyholders	11,693,715		11,693,567	148								
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	15,982,118		17,829,442	(11,281,085)	13,895		12,369,020	2,524,112	(5,588,335)		115,069	
32. Federal income taxes incurred (excluding tax on capital gains)	21,696,788		17,847,248	(4,947,231)	37,757		9,768,303	521,386	(1,504,849)		(25,826)	
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)	(5,714,670)		(17,806)	(6,333,854)	(23,862)		2,600,717	2,002,726	(4,083,486)		140,895	

DETAILS OF WRITE-IN LINES											
08.301. Miscellaneous Income	649,511		127,814	487,551			213		33,933		
08.302. Administrative Income	546,543		33,775	511,528					1,240		
08.303. Surrender Charges	406,986		346,361	60,625							
08.398. Summary of remaining write-ins for Line 08.3 from overflow page	1,049		1,049								
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 08.3 above)	1,604,089		508,999	1,059,704			213		35,173		
2701. Miscellaneous Expense	951,651		696,878	(139,574)			101,979	1,769	290,593		6
2702. Performance Guarantee	76,204						5,000		71,204		
2703. Experience Rating Refund	(737,405)						(737,405)				
2798. Summary of remaining write-ins for Line 27 from overflow page											
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	290,450		696,878	(139,574)			(630,426)	1,769	361,797		6

(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	5,596,047,473		2,126,300,834	2,719,122,990	1,606,510		501,318,742	247,698,397
2. Tabular net premiums or considerations	717,707,185		328,061,173	237,208,071	116,046		152,321,895	
3. Present value of disability claims incurred	13,440,227		1,688,895		X X X		11,751,332	
4. Tabular interest	243,626,554		95,843,591	115,378,488	108,037		22,063,653	10,232,785
5. Tabular less actual reserve released	74,704,265		(1,711,144)	72,384,034	(49,038)		(5,414,706)	9,495,119
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)								
8. Totals (Lines 1 to 7)	6,645,525,704		2,550,183,349	3,144,093,583	1,781,555		682,040,916	267,426,301
9. Tabular cost	221,813,916		60,111,603		X X X		161,702,313	
10. Reserves released by death	38,981,903		27,530,716	X X X	X X X		11,451,187	X X X
11. Reserves released by other terminations (net)	77,871,453		64,406,168				13,465,285	
12. Annuity, supplementary contract, and disability payments involving life contingencies	274,213,629			245,696,852	222,523			28,294,254
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Lines 9 to 13)	612,880,901		152,048,487	245,696,852	222,523		186,618,785	28,294,254
15. Reserve December 31, current year	6,032,644,803		2,398,134,862	2,898,396,731	1,559,032		495,422,131	239,132,047

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 30,033,533	31,235,793
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 430,309,562	438,266,557
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 73,811	73,811
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		34,860
2.21 Common stocks of affiliates		
3. Mortgage loans	(c) 11,229,892	11,198,204
4. Real estate	(d)	
5. Contract loans		5,961,646
6. Cash, cash equivalents and short-term investments	(e) 1,651,831	1,293,465
7. Derivative instruments	(f)	
8. Other invested assets		6,892,890
9. Aggregate write-ins for investment income		2,388,372
10. Total gross investment income	488,034,739	497,345,598
11. Investment expenses		(g) 2,888,895
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		2,888,895
17. Net investment income (Line 10 minus Line 16)		494,456,703

DETAILS OF WRITE-IN LINES		
0901. Securities lending	1,637,538	1,637,538
0902. Miscellaneous investment income	755,199	755,199
0903. Investment variance account	(319)	(319)
0998. Summary of remaining write-ins for Line 09 from overflow page	(4,046)	(4,046)
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)	2,388,372	2,388,372
1501.		
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)		

- (a) Includes \$ 40,131,421 accrual of discount less \$ 8,164,442 amortization of premium and less \$ 4,119,652 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 \$ 9,723 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 \$ 105,745 accrual of discount less \$ 0 amortization of premium and less \$ 55,088 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(1,953,057)		(1,953,057)		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	8,728,138	(25,078,897)	(16,350,759)	1,776,131	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	(1,219)		(1,219)	1,116	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	261,703		261,703	20,439	
2.21 Common stocks of affiliates				(96,786)	
3. Mortgage loans	(457,347)		(457,347)	(270,333)	
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets	6,216,369	(2,788,780)	3,427,589	(22,234,466)	
9. Aggregate write-ins for capital gains (losses)	(39,813)		(39,813)		3,765,044
10. Total capital gains (losses)	12,754,774	(27,867,677)	(15,112,903)	(20,803,899)	3,765,044

DETAILS OF WRITE-IN LINES					
0901. Currency translation					3,765,044
0902. Loss on sale of equipment	(39,813)		(39,813)		
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)	(39,813)		(39,813)		3,765,044

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

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
FIRST YEAR (other than single)											
1. Uncollected	293,091		300,221			(7,130)					
2. Deferred and accrued	6,039,288		6,039,288								
3. Deferred, accrued and uncollected:											
3.1 Direct	6,466,489		6,466,489								
3.2 Reinsurance assumed											
3.3 Reinsurance ceded	134,110		126,980			7,130					
3.4 Net (Line 1 + Line 2)	6,332,379		6,339,509			(7,130)					
4. Advance	29,025		29,025								
5. Line 3.4 - Line 4	6,303,354		6,310,484			(7,130)					
6. Collected during year:											
6.1 Direct	22,068,179		21,549,592			339,416		(328)		179,499	
6.2 Reinsurance assumed	1,055		1,055								
6.3 Reinsurance ceded	5,086,024		5,089,498			(3,474)					
6.4 Net	16,983,210		16,461,149			342,890		(328)		179,499	
7. Line 5 + Line 6.4	23,286,564		22,771,633			335,760		(328)		179,499	
8. Prior year (uncollected + deferred and accrued - advance)	5,381,033		5,382,660			(1,627)					
9. First year premiums and considerations:											
9.1 Direct	22,770,936		22,252,349			339,416		(328)		179,499	
9.2 Reinsurance assumed	1,055		1,055								
9.3 Reinsurance ceded	4,866,460		4,864,431			2,029					
9.4 Net (Line 7 - Line 8)	17,905,531		17,388,973			337,387		(328)		179,499	
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	490,660,141		242,810,445	248,225,696		(376,000)					
10.2 Reinsurance assumed											
10.3 Reinsurance ceded											
10.4 Net	490,660,141		242,810,445	248,225,696		(376,000)					
RENEWAL											
11. Uncollected	38,395,323		(12,970,407)			8,847,732		42,517,998			
12. Deferred and accrued	37,196,967		37,196,823	144							
13. Deferred, accrued and uncollected:											
13.1 Direct	95,570,736		41,679,629	144		9,400,383		44,490,580			
13.2 Reinsurance assumed											
13.3 Reinsurance ceded	19,978,446		17,453,213			552,651		1,972,582			
13.4 Net (Line 11 + Line 12)	75,592,290		24,226,416	144		8,847,732		42,517,998			
14. Advance	825,008		309,611	1,579		123,014		390,804			
15. Line 13.4 - Line 14	74,767,282		23,916,805	(1,435)		8,724,718		42,127,194			
16. Collected during year:											
16.1 Direct	747,130,840		136,013,583	379		169,859,389		441,242,192		15,297	
16.2 Reinsurance assumed	956,659		27,596					929,063			
16.3 Reinsurance ceded	49,642,526		38,832,528			5,854,336		4,954,069		1,593	
16.4 Net	698,444,973		97,208,651	379		164,005,053		437,217,186		13,704	
17. Line 15 + Line 16.4	773,212,255		121,125,456	(1,056)		172,729,771		479,344,380		13,704	
18. Prior year (uncollected + deferred and accrued - advance)	73,061,901		32,618,044	(1,435)		9,518,947		30,926,345			
19. Renewal premiums and considerations:											
19.1 Direct	760,721,413		138,510,553	379		168,710,525		453,484,659		15,297	
19.2 Reinsurance assumed	956,659		27,596					929,063			
19.3 Reinsurance ceded	61,527,718		50,030,738			5,499,700		5,995,687		1,593	
19.4 Net (Line 17 - Line 18)	700,150,354		88,507,411	379		163,210,825		448,418,035		13,704	
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	1,274,152,490		403,573,347	248,226,075		168,673,941		453,484,331		194,796	
20.2 Reinsurance assumed	957,714		28,651					929,063			
20.3 Reinsurance ceded	66,394,178		54,895,169			5,501,729		5,995,687		1,593	
20.4 Net (Lines 9.4 + 10.4 + 19.4)	1,208,716,026		348,706,829	248,226,075		163,172,212		448,417,707		193,203	

**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	731,737		731,737								
22. All other	9,759,356		9,759,356								
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	2,553,970		2,553,636							334	
25.2 Reinsurance assumed											
25.3 Net ceded less assumed	2,553,970		2,553,636							334	
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	2,553,970		2,553,636							334	
26.2 Reinsurance assumed (Page 6, Line 22)											
26.3 Net ceded less assumed	2,553,970		2,553,636							334	
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	1,027,114		1,027,114								
28. Single	26,977,929		14,750,203	12,349,947		(136,632)	14,411				
29. Renewal	13,226,669		76,463			5,469,318		7,680,888			
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	41,231,712		15,853,780	12,349,947		5,332,686	14,411	7,680,888			

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	2,178,183		3,161,035		144,445	5,483,663
2. Salaries and wages	34,990,248		51,245,750		2,022,227	88,258,225
3.11 Contributions for benefit plans for employees	6,914,485		10,612,331		86,667	17,613,483
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	3,244,993		5,043,622			8,288,615
3.32 Other agent welfare						
4.1 Legal fees and expenses	616,991		958,977			1,575,968
4.2 Medical examination fees	48,383	75,200				123,583
4.3 Inspection report fees	1,487,848	2,312,529				3,800,377
4.4 Fees of public accountants and consulting actuaries	288,890				288,890	577,780
4.5 Expense of investigation and settlement of policy claims	79,304	123,260				202,564
5.1 Traveling expenses	1,482,347		2,281,530		14,444	3,778,321
5.2 Advertising	526,383		818,145			1,344,528
5.3 Postage, express, telegraph and telephone	2,668,844		3,833,817		202,223	6,704,884
5.4 Printing and stationery	377,694		474,788		72,222	924,704
5.5 Cost or depreciation of furniture and equipment	575,419		804,558		57,778	1,437,755
5.6 Rental of equipment	884,487		1,374,739			2,259,226
5.7 Cost or depreciation of EDP equipment and software						
6.1 Books and periodicals	20,362		31,648			52,010
6.2 Bureau and association fees	140,814		218,865			359,679
6.3 Insurance, except on real estate	633,758		985,037			1,618,795
6.4 Miscellaneous losses						
6.5 Collection and bank service charges	990,111		1,538,907			2,529,018
6.6 Sundry general expenses	8,147,467	753,512	11,909,921			20,810,900
6.7 Group service and administration fees						
6.8 Reimbursements by uninsured plans			(57,950,406)			(57,950,406)
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	22,999,294		7,235,255			30,234,549
10. General expenses incurred	89,296,305	3,264,501	44,578,519		2,888,896	(a) 140,028,221
11. General expenses unpaid December 31, prior year	15,516,057		41,010,067			56,526,124
12. General expenses unpaid December 31, current year	19,075,532		42,201,473			61,277,005
13. Amounts receivable relating to uninsured plans, prior year			3,576,332			3,576,332
14. Amounts receivable relating to uninsured plans, current year			5,146,386			5,146,386
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	85,736,830	3,264,501	44,957,167		2,888,896	136,847,394

DETAILS OF WRITE-IN LINES						
09.301. Reimbursement of sales expense	20,452,869					20,452,869
09.302. Administrative service expenses	2,175,995		3,449,638			5,625,633
09.303. Other professional fees	369,596		585,926			955,522
09.398. Summary of remaining write-ins for Line 09.3 from overflow page	834		3,199,691			3,200,525
09.399. Totals (Lines 09.301 through 09.303 plus 09.398) (Line 9.3 above)	22,999,294		7,235,255			30,234,549

(a) Includes management fees of \$ 0 to affiliates and \$ 2,347,780 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		
1. Real estate taxes					
2. State insurance department licenses and fees	784,576	454,895			1,239,471
3. State taxes on premiums	10,566,139	8,727,248			19,293,387
4. Other state taxes, incl. \$ 0 for employee benefits	299,628	741,847			1,041,475
5. U.S. Social Security taxes	1,428,332	3,536,392			4,964,724
6. All other taxes	363,897	299,604			663,501
7. Taxes, licenses and fees incurred	13,442,572	13,759,986			27,202,558
8. Taxes, licenses and fees unpaid December 31, prior year	2,286,494	3,319,203			5,605,697
9. Taxes, licenses and fees unpaid December 31, current year	3,208,546	2,678,118			5,886,664
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	12,520,520	14,401,071			26,921,591

EXHIBIT 4 – DIVIDENDS OR REFUNDS

	Insurance	
	1 Life	2 Accident and Health
1. Applied to pay renewal premiums	750,939	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions	9,778,408	
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4	10,529,347	
6. Paid-in cash	372,297	
7. Left on deposit	256,299	
8. Aggregate write-ins for dividend or refund options	120,596	
9. Total Lines 5 through 8	11,278,539	
10. Amount due and unpaid	49,136	
11. Provision for dividends or refunds payable in the following calendar year	11,952,089	
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	12,001,225	
16. Total from prior year	11,586,049	
17. Total dividends or refunds (Lines 9 + 15 - 16)	11,693,715	

DETAILS OF WRITE-IN LINES		
0801. Dividends applied to loan		120,596
0802.		
0803.		
0898. Summary of remaining write-ins for Line 08 from overflow page		
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 08 above)		120,596

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	34,078,182		34,078,182		
0100002	1958 CSO 2 1/2% NLP 1964-1988	102,580,778		102,580,778		
0100003	1958 CET 2 1/2% NLP 1964-1981	2,307,264		2,307,264		
0100004	1958 CSO 4 1/2% NLP 1980-1988	294,769		294,769		
0100005	1/2 ANNUAL EXTRA PREMIUM 1964-2009	1,505,754		1,505,754		
0100006	1958 CSO 4% NLP 1981-1988	41,951,648		41,951,648		
0100007	1958 CSO 4% CRVM 1981-1988	56,718,896		56,718,896		
0100008	1958 CET 4% NLP 1981-1988	693,466		693,466		
0100009	1958 CSO 3 1/2% NLP 1981-1988	82,990		82,990		
0100010	1958 CSO 3% NLP 1982-1988	434,908		2,979		431,929
0100011	1960 CSG 4 1/2%	61,305				61,305
0100012	1960 CSG 2 1/2% WITH 1959 ADB	2,517,333				2,517,333
0100013	1958 CSO 4% JOINT CRVM 1984-1988	8,108,180		8,108,180		
0100014	1958 CSO 4% JOINT NLP 1984-1988	4,563,236		4,563,236		
0100015	1958 CSO 4 1/2% CRVM 1985-1988	25,205,888		25,205,888		
0100016	1958 CET 4% JOINT NLP 1984-1988	73,443		73,443		
0100017	1958 CSO 3 1/2% JOINT NLP 1984-1988	21,537		21,537		
0100018	150% 1980 CSO 6 1/2% NLP 1987-1988	4,842,308		4,842,308		
0100019	1980 CSO 5 1/2% NLP 1987-2003	25,024		25,024		
0100020	1980 CSO 4% CRVM 2006-2008	488,349,980		383,066,677		105,283,303
0100021	1980 CSO 4% NLP 2006-2008	214,098		214,098		
0100022	1980 CSO 4% JOINT CRVM 2006-2007	311,398		311,398		
0100023	1980 CET 4% NLP 2006-2007	15,492		15,492		
0100024	1980 CSO 4 1/2% NLP 1988-2005	26,833,432		26,833,432		
0100025	1980 CSO 4 1/2% CRVM 1989-2005	1,860,548,525		1,522,070,363		338,478,162
0100026	1980 CET 4 1/2% NLP 1989-2005	939,818		939,818		
0100027	1980 CSO 4 1/2% JOINT NLP 1988-2005	5,810,987		5,810,987		
0100028	1980 CSO 4 1/2% JOINT CRVM 1989-2005	24,312,065		24,312,065		
0100029	1980 CET 4 1/2% JOINT NLP 1996-2005	100,876		100,876		
0100030	1980 CSO 4 3/4% CRVM 1994	565,914		565,914		
0100031	1980 CSO 4 3/4% JOINT CRVM 1994	12,128		12,128		
0100032	2001 CSO 4% CRVM ALB 2007-2009 NB	285,784,250		285,784,250		
0199997	Totals (Gross)	2,979,865,872		2,533,093,840		446,772,032
0199998	Reinsurance ceded	165,991,877		163,592,654		2,399,223
0199999	Totals (Net)	2,813,873,995		2,369,501,186		444,372,809
ANNUITIES (excluding supplementary contracts with life contingencies):						
0200001	1937 SA 3 % NL - SB 3 YRS DEFER 1975-1978	91,496	X X X	91,496	X X X	
0200002	1937 SA 2 1/2 % NL -SB 3 YRS DEFER 1975-78	21,247	X X X	21,247	X X X	
0200003	1971 GAM 7 1/2 % IMMED & DEFER 1984	21,090,096	X X X		X X X	21,090,096
0200004	1971 GAM 7 3/4 % IMMED & DEFER 1983	13,501,473	X X X		X X X	13,501,473
0200005	1971 GAM 9 3/4 % IMMED & DEFER 1983-1984	23,553,484	X X X		X X X	23,553,484
0200006	1971 GAM 10 3/4 % IMMED & DEFER 1983, 1984	7,638,881	X X X		X X X	7,638,881
0200007	1971 GAM 11 1/4 % IMMED & DEFER 1983, 1984	11,750,598	X X X		X X X	11,750,598
0200008	1971 IAM 7.50%/20/7.50% IMMED & DEFER 1980-1982	11,174,949	X X X	11,174,949	X X X	
0200009	1971 IAM 11.56%/20/7.75% IMMED & DEFER 1983	24,119,922	X X X	24,119,922	X X X	
0200010	CARVM 3.5% DEFERRED 1979-1980	1,045,436	X X X	1,045,436	X X X	
0200011	CARVM 4.50% DEFERRED 2005, 2006, 2007, 2008	12,589,076	X X X	12,589,076	X X X	
0200012	CARVM 4.75% DEFERRED 2004	86,065,846	X X X	86,065,846	X X X	
0200013	CARVM 5.00% DEFERRED 2003, 2009	15,139,716	X X X	15,139,716	X X X	
0200014	CARVM 5.25% DEFERRED 1998-1999	1,380,064	X X X	1,380,064	X X X	
0200015	CARVM 5.5% DEFERRED 1994, 1996-1997, 2001-2002	6,487,527	X X X	6,487,527	X X X	
0200016	CARVM 5.75% DEFERRED 1993, 2000	3,719,039	X X X	3,719,039	X X X	
0200017	CARVM 6.00% DEFERRED 1995	843,160	X X X	843,160	X X X	
0200018	CARVM 6.25% DEFERRED 1992	4,219,397	X X X	4,219,397	X X X	
0200019	CARVM 6.50% DEFERRED 1987, 1990	1,332,518	X X X	1,332,518	X X X	
0200020	CARVM 6.75% DEFERRED 1991	2,048,606	X X X	2,048,606	X X X	
0200021	CARVM 7.00% DEFERRED 1988-1989	1,076,213	X X X	1,076,213	X X X	
0200022	CARVM 7.25% DEFERRED 1986	1,039,627	X X X	1,039,627	X X X	
0200023	CARVM 8.50% DEFERRED 1984-1985	4,429,116	X X X	4,429,116	X X X	
0200024	CARVM 8.75% DEFERRED 1983	2,589,131	X X X	2,589,131	X X X	
0200025	CARVM 9.00% DEFERRED 1981	431,584	X X X	431,584	X X X	
0200026	CARVM 10.00% DEFERRED 1982	3,224,032	X X X	3,224,032	X X X	
0200027	1983 A 5.46%/20/4.75% IMMED & DEFERRED 2003	143,112,163	X X X	143,112,163	X X X	
0200028	1983 A 5.41%/20/4.50% IMMED & DEFERRED 2004	92,533,259	X X X	92,533,259	X X X	
0200029	1983 A 5.3785%/20/4.25% IMMED & DEFERRED 2005	101,376,502	X X X	101,376,502	X X X	
0200030	1983 A 5.38615%/20/4.25% IMMED & DEFERRED 2006	152,141,900	X X X	152,141,900	X X X	
0200031	1983 A 5.6497%/20/4.25% IMMED & DEFERRED 2007	166,097,754	X X X	166,097,754	X X X	
0200032	1983 A 5.6539%/20/4.25% IMMED & DEFERRED 2008	186,341,021	X X X	186,341,021	X X X	
0200033	1983 A 6.1889%/20/4.50% IMMED & DEFERRED 2009	210,015,657	X X X	210,015,657	X X X	
0200034	1983 A 6.45%/20/4.50% IMMED & DEFERRED 1998	76,522,903	X X X	76,522,903	X X X	
0200035	1983 A 6.54%/20/5.00% IMMED & DEFERRED 2002	239,724,851	X X X	239,724,851	X X X	
0200036	1983 A 6.48%/20/4.75% IMMED & DEFERRED 1999	144,557,464	X X X	144,557,464	X X X	
0200037	1983 A 6.72%/20/5.00% IMMED & DEFERRED 1994	24,494,620	X X X	24,494,620	X X X	
0200038	1983 A 6.96%/20/5.25% IMMED & DEFERRED 1997	78,572,700	X X X	78,572,700	X X X	
0200039	1983 A 6.97%/20/5.00% IMMED & DEFERRED 1996	44,118,087	X X X	44,118,087	X X X	
0200040	1983 A 7.0173%/20/5.00% IMMED & DEFER 2001	189,177,644	X X X	189,177,644	X X X	
0200041	1983 A 7.26%/20/5.25% IMMED & DEFERRED 1993	13,938,840	X X X	13,938,840	X X X	
0200042	1983 A 7.2586%/20/5.25% IMMED & DEFER 2000	175,047,421	X X X	175,047,421	X X X	

EXHIBIT 5 – AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200043 1983 A 7.51%/20/5.50% IMMED & DEFERRED 1995	51,048,172	X X X	51,048,172	X X X	
0200044 1983 A 8.04%/20/5.75% IMMED & DEFERRED 1992	12,803,746	X X X	12,803,746	X X X	
0200045 1983 A 8.32%/20/6.00% IMMED & DEFERRED 1987	5,725,861	X X X	5,725,861	X X X	
0200046 1983 A 8.50%/20/6.00% IMMED & DEFERRED 1991	9,218,545	X X X	9,218,545	X X X	
0200047 1983 A 8.55%/20/6.00% IMMED & DEFERRED 1990	13,382,334	X X X	13,382,334	X X X	
0200048 1983 A 9.08%/20/6.25% IMMED & DEFERRED 1989	7,076,565	X X X	7,076,565	X X X	
0200049 1983 A 9.12%/20/6.25% IMMED & DEFERRED 1988	11,017,021	X X X	11,017,021	X X X	
0200050 1983 A 9.64%/20/6.50% IMMED & DEFERRED 1986	10,030,168	X X X	10,030,168	X X X	
0200051 1983 A 11.39%/20/7.50% IMMED & DEFERRED 1985	17,448,723	X X X	17,448,723	X X X	
0200052 1983 A 11.72%/20/7.50% IMMED & DEFERRED 1984	29,777,397	X X X	29,777,397	X X X	
0200053 1983 GAM 5 % DEFERRED 1994	1,723,933	X X X		X X X	1,723,933
0200054 1983 GAM 6 % DEFERRED 1987,1994	7,055,591	X X X		X X X	7,055,591
0200055 1983 GAM 6 1/2 % DEFERRED 1986,1993,1994,1995	26,271,992	X X X		X X X	26,271,992
0200056 1983 GAM 7 % IMMED & DEFERRED 1995	25,552	X X X		X X X	25,552
0200057 1983 GAM 7 1/4 % IMMED & DEFERRED 1987,1995	5,831,969	X X X		X X X	5,831,969
0200058 1983 GAM 7 1/2 % DEFERRED 1985, 1986	30,989,351	X X X		X X X	30,989,351
0200059 1983 GAM 7 3/4 % DEFERRED 1987, 1992	2,395,127	X X X		X X X	2,395,127
0200060 1983 GAM 8 % IMMED & DEFERRED 1986-1987, 1993	17,398,387	X X X		X X X	17,398,387
0200061 1983 GAM 8 1/4 % IMMEDIATE 1991	34,977	X X X		X X X	34,977
0200062 1983 GAM 8 3/4 % DEFERRED 1986, 1988, 1989, 1993	6,649,772	X X X		X X X	6,649,772
0200063 1983 GAM 9 1/4 % IMMED & DEFERRED 1986, 1993	7,372,316	X X X		X X X	7,372,316
0200064 1983 GAM 9 1/2 % DEFERRED 1985, 1986	26,346,767	X X X		X X X	26,346,767
0200065 1983 GAM 10 1/2 % DEFERRED 1985, 1986	9,869,654	X X X		X X X	9,869,654
0200066 1983 GAM 11 % IMMED & DEFER 1985, 1986	19,020,674	X X X		X X X	19,020,674
0200067 ANNUITY 2000 5.25 % IMMEDIATE 2005, 2006, 2007	413,590,651	X X X	413,590,651	X X X	
0200068 ANNUITY 2000 5.50 % IMMEDIATE 2004, 2007, 2008	29,054,203	X X X	29,054,203	X X X	
0200069 ANNUITY 2000 6.00 % IMMEDIATE 2003, 2009	680,361	X X X	680,361	X X X	
0200070 ANNUITY 2000 6 1/4 % IMMEDIATE 1998, 1999	406,384	X X X	406,384	X X X	
0200071 ANNUITY 2000 6 1/2 % IMMEDIATE 2002	443,638	X X X	443,638	X X X	
0200072 ANNUITY 2000 6 3/4 % IMMEDIATE 2001	456,012	X X X	456,012	X X X	
0200073 ANNUITY 2000 7.0% IMMEDIATE 2000	211,674	X X X	211,674	X X X	
0200074 ANNUITY 2000 5.20%/20/4.75% IMMEDIATE 2003	4,442,109	X X X	4,442,109	X X X	
0200075 ANNUITY 2000 5.33%/20/4.50% IMMEDIATE 2004	5,876,575	X X X	5,876,575	X X X	
0200076 ANNUITY 2000 5.3785%/20/4.25% IMMEDIATE 2005	61,089,618	X X X	61,089,618	X X X	
0200077 ANNUITY 2000 6.45%/20/4.75% IMMEDIATE 1998	3,192,537	X X X	3,192,537	X X X	
0200078 ANNUITY 2000 6.47%/20/5.00% IMMEDIATE 2002	912,688	X X X	912,688	X X X	
0200079 ANNUITY 2000 6.48%/20/4.75% IMMEDIATE 1999	4,965,902	X X X	4,965,902	X X X	
0200080 ANNUITY 2000 7.0173%/20/5.00% IMMEDIATE 2001	7,649,382	X X X	7,649,382	X X X	
0200081 ANNUITY 2000 7.2586%/20/5.25% IMMEDIATE 2000	16,658,686	X X X	16,658,686	X X X	
0200082 ANNUITY 2000 4% IMMEDIATE	41,986	X X X		X X X	41,986
0200083 VACARVM	641,236	X X X	71,769	X X X	569,467
0299997 Totals (Gross)	3,177,203,256	X X X	2,938,071,209	X X X	239,132,047
0299998 Reinsurance ceded	39,674,478	X X X	39,674,478	X X X	
0299999 Totals (Net)	3,137,528,778	X X X	2,898,396,731	X X X	239,132,047
SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:					
0300001 1983A 6 1/2%	65,087		65,087		
0300002 1983A 6 3/4%	268,296		268,296		
0300003 1983A 7%	41,982		41,982		
0300004 1983A 7 1/4%	89,968		89,968		
0300005 1983A 7 3/4%	51,426		51,426		
0300006 1983A 8%	20,315		20,315		
0300007 1983A 8 1/4%	46,153		46,153		
0300008 1983A 8 3/4%	81,545		81,545		
0300009 1983A 9 1/4%	12,641		12,641		
0300010 1983A 11%	19,054		19,054		
0300011 1983A 11 1/4%	14,936		14,936		
0300012 ANNUITY 2000 6%	155,588		155,588		
0300013 ANNUITY 2000 6 1/4%	437,034		437,034		
0300014 ANNUITY 2000 6.5%	107,782		107,782		
0300015 ANNUITY 2000 7%	147,225		147,225		
0399997 Totals (Gross)	1,559,032		1,559,032		
0399998 Reinsurance ceded					
0399999 Totals (Net)	1,559,032		1,559,032		
ACCIDENTAL DEATH BENEFITS:					
0400001 1959 ADB WITH 1958 CSO 2 1/2% NL	131,026		131,026		
0400002 1959 ADB WITH 1980 CSO 4% NL	78,035		78,035		
0400003 1959 ADB WITH 1980 CSO 4 1/2% NL	113,823		113,823		
0499997 Totals (Gross)	322,884		322,884		
0499998 Reinsurance ceded	134,091		134,091		
0499999 Totals (Net)	188,793		188,793		
DISABILITY — ACTIVE LIVES:					

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. Yes No

- 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. Yes No

- 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.
 4% on Single Premium Whole Life preferred loans following the 10th year of loan, not to exceed gain in contract.

- 6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes No
- 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$ 1,680,187,320
- 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$ 2,120,315,349
 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)	NONE		
0299999 Subtotal		X X X	
DEPOSIT-TYPE CONTRACTS (Exhibit 7)			
0399999 Subtotal	X X X	X X X	
9999999 TOTAL (Column 4 only)	X X X	X X X	

EXHIBIT 6 – AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non- Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	781,506	778,766			2,740				
2. Additional contract reserves (a)	69,662				69,662				
3. Additional actuarial reserves - Asset/Liability analysis									
4. Reserve for future contingent benefits									
5. Reserve for rate credits	5,314,610	5,314,610							
6. Aggregate write-ins for reserves									
7. Totals (Gross)	6,165,778	6,093,376			72,402				
8. Reinsurance ceded	4,088				4,088				
9. Totals (Net)	6,161,690	6,093,376			68,314				
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	1,142,157,059	1,141,331,775			825,284				
11. Additional actuarial reserves-Asset/Liability analysis									
12. Reserve for future contingent benefits	15,878,091	15,878,091							
13. Aggregate write-ins for reserves									
14. Totals (Gross)	1,158,035,150	1,157,209,866			825,284				
15. Reinsurance ceded	15,895,976	15,332,845			563,131				
16. Totals (Net)	1,142,139,174	1,141,877,021			262,153				
17. TOTAL (Net)	1,148,300,864	1,147,970,397			330,467				
18. TABULAR FUND INTEREST	52,831,599	52,823,502			8,097				

14

DETAILS OF WRITE-IN LINES									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 06 from overflow page									
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 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	907,506,493		856,776,330	631,649	8,904,309	41,194,205
2. Deposits received during the year	82,931,839		62,920,643	467,291	256,299	19,287,606
3. Investment earnings credited to the account	45,998,460		44,759,614		265,727	973,119
4. Other net change in reserves	101,598			(50,783)		152,381
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	131,392,777		106,220,807	322,003	540,136	24,309,831
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)	905,145,613		858,235,780	726,154	8,886,199	37,297,480
10. Reinsurance balance at the beginning of the year	629,440		629,440			
11. Net change in reinsurance assumed						
12. Net change in reinsurance ceded	10,500		10,500			
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12)	618,940		618,940			
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	905,764,553		858,854,720	726,154	8,886,199	37,297,480

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 Life (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct	4,914,127			4,914,127							
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net	4,914,127			4,914,127							
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											
2.21 Direct	32,977,831		11,142,697	212,996	125,120		18,089,886		3,402,448		4,684
2.22 Reinsurance assumed	69,750						69,750				
2.23 Reinsurance ceded	6,518,701		4,143,474	1,423,254			951,973				
2.24 Net	26,528,880		(b) 6,999,223	(b) (1,210,258)	125,120	(b)	(b) 17,207,663		(b) 3,402,448	(b)	(b) 4,684
3. Incurred but unreported:											
3.1 Direct	37,265,368		1,650,000				20,723,319		14,892,049		
3.2 Reinsurance assumed											
3.3 Reinsurance ceded	2,937,177						1,056,872		1,880,305		
3.4 Net	34,328,191		(b) 1,650,000	(b)		(b)	(b) 19,666,447		(b) 13,011,744	(b)	(b)
4. TOTALS											
4.1 Direct	75,157,326		12,792,697	5,127,123	125,120		38,813,205		18,294,497		4,684
4.2 Reinsurance assumed	69,750						69,750				
4.3 Reinsurance ceded	9,455,878		4,143,474	1,423,254			2,008,845		1,880,305		
4.4 Net	65,771,198	(a)	(a) 8,649,223	3,703,869	125,120		(a) 36,874,110		16,414,192		4,684

(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 \$ 3,376,632, Individual Annuities \$ 1,157, Credit Life (Group and Individual) \$ 0, and Group Life \$ 51,049,321, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ 1,141,877,021, Credit (Group and Individual) Accident and Health \$ 0, and Other Accident and Health \$ 262,153 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

EXHIBIT 8 – CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 – Incurred During the Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit Life (Group and Individual)	Other
1. Settlements during the year:											
1.1 Direct	808,139,527		57,858,682	245,332,207	317,483		146,002,146	28,294,254	330,246,024		88,731
1.2 Reinsurance assumed	2,287,475		111,933	1,823,679			63,791		288,072		
1.3 Reinsurance ceded	22,909,756		13,974,550	2,123,173			5,480,038		1,318,724		13,271
1.4 Net	(d) 787,517,246		43,996,065	245,032,713	317,483		140,585,899	28,294,254	329,215,372		75,460
2. Liability December 31, current year from Part 1:											
2.1 Direct	74,488,562		12,792,697	5,127,123	125,120		38,144,441		18,294,497		4,684
2.2 Reinsurance assumed	69,750						69,750				
2.3 Reinsurance ceded	8,787,114		4,143,474	1,423,254			1,340,081		1,880,305		
2.4 Net	65,771,198		8,649,223	3,703,869	125,120		36,874,110		16,414,192		4,684
3. Amounts recoverable from reinsurers December 31, current year	5,139,673		4,347,166				269,268		523,239		
4. Liability December 31, prior year:											
4.1 Direct	65,592,929		10,864,242	3,737,758	123,339		33,068,277		17,796,829		2,484
4.2 Reinsurance assumed	110,750						110,750				
4.3 Reinsurance ceded	6,132,855		2,683,748	698,028			909,217		1,841,862		
4.4 Net	59,570,824		8,180,494	3,039,730	123,339		32,269,810		15,954,967		2,484
5. Amounts recoverable from reinsurers December 31, prior year	5,148,880		4,365,085				594,973		186,722		2,100
6. Incurred benefits:											
6.1 Direct	817,035,160		59,787,137	246,721,572	319,264		151,078,310	28,294,254	330,743,692		90,931
6.2 Reinsurance assumed	2,246,475		111,933	1,823,679			22,791		288,072		
6.3 Reinsurance ceded	25,554,808		15,416,357	2,848,399			5,585,197		1,693,684		11,171
6.4 Net	793,726,827		44,482,713	245,696,852	319,264		145,515,904	28,294,254	329,338,080		79,760

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
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. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	1,222,365	1,057,155	(165,210)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	39,751,880	56,702,030	16,950,150
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets			
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivables from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets		144	144
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	40,974,245	57,759,329	16,785,084
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	40,974,245	57,759,329	16,785,084

DETAILS OF WRITE-IN LINES			
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		144	144
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)		144	144

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, 2009 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 loans are carried at unpaid balances less impairments as Specified by the Purposes and Procedures Manual of the NAIC Securities Valuation Office (SVO Manual).
6. 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.
7. 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.
8. Investments in joint ventures, partnerships, and limited liability companies are carried at the underlying audited GAAP equity value, when available.
9. Liberty Life Assurance Company of Boston does not invest in derivatives. However, the Company may acquire derivatives as additions to securities investments. These derivatives are ancillary to the investment and immaterial to the underlying portfolio.
10. The Company does not use anticipated investment income as a factor in the premium deficiency calculation.
11. Long Term Disability disabled lives reserves and loss adjustment expense reserves are tabular reserves from the 1987 CGDT modified during the first two years to reflect intracompany experience with interest rates varying by year of disability. The incurred but not reported claims reserves are a function of earned premium and Short Term Disability claim experience. Short Term Disability claim reserves use the completion factor method. Retrospective rating reserves are calculated from emerging experience of the policies with the retrospective agreement.

NOTES TO FINANCIAL STATEMENTS

12. The Company's capitalization policy did not change from the prior period.
13. The Company had no pharmaceutical rebate receivables on December 31, 2009.

2. Accounting Changes and Corrections of Errors

- A. The Company adopted SSAP No. 43R, Loan-backed and Structured Securities, in the third quarter 2009. The cumulative effect of adopting SSAP 43R, \$ 9,257,409, was reported through Surplus, as a change in accounting principle. The cumulative effect is not considered material.

3. Business Combinations and Goodwill

- A. The Company neither purchased nor combined with any companies in 2009.

4. Discontinued Operations

- A. Liberty Life Assurance Company of Boston reported no discontinued operations in 2009.

5. Investments

- A. During 2009, the Company participated in direct investment in commercial mortgage loans using a experienced external manager, Stancorp Mortgage Investors. As of December 31, 2009 the company held commercial loans in good standing with an outstanding principal balance of \$ 180.2 million. The maximum and minimum lending rates for mortgage loans during 2009 were 8.37% and 4.75% respectively. The maximum loan to value of any loan written during 2009 was 75%. No loans were impaired or had interest more than 180 days past due.
- 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. Not used.
 2. Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.
 3. Not used.
 4. All Loaned Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate during 2009 as of December 31, 2009:

	1 Amortized Cost Basis Before Other-than-Tempor ary Impairment	2 Other-than-Tempora ry Impairment Recognized in Loss	3 Fair Value
Aggregate Intent to Sell			
Aggregate Intent & Ability	9,833,213	1,201,074	6,147,521

5. Each Loaned Backed Security with a recognized other-than-temporary impairment held by the company at December 31, 2009:

1	2 Book/Adj Carrying Value Amortized cost before current period OTTI	3 Projected Cash Flows	4 Recognized other-than-tem porary impairment	5 Amortized cost after other-than-tem porary impairment	6 Fair Value
CUSIP					
021468AD5	9,794,670	8,628,276	1,166,394	8,628,276	6,143,658
81375BAM4	38,543	3,863	34,680	3,863	3,863

NOTES TO FINANCIAL STATEMENTS

6. All impaired Loaned Backed Securities for which an other-than-temporary impairment has not been Recognized in earnings as a realized loss as of December 31, 2009:

	1	2
	Less Than 12 Months	Greater Than 12 Months
Gross Unrealized Loss	(8,098,129)	(26,758,317)

7. The Company reviews fixed income securities for impairment on a quarterly basis. Securities are reviewed for both quantitative and qualitative considerations including, but not limited to: (a) the extent of the decline in fair value below book value, (b) the duration of the decline, (c) significant adverse changes in the financial condition or near term prospects of the investment or issuer, (d) significant change in the business climate or credit ratings of the issuer, (e) general market conditions and volatility, (f) industry factors, and (g) the past impairment of the security holding or the issuer. If the Company believes a decline in the value of a particular investment is temporary, the decline is recorded as an unrealized loss in policyholders' equity. If the decline is believed to be "other-than-temporary," and the Company believes it will not be able to collect all cash flows due on its fixed income securities, then the carrying value of the investment is written down to the expected cash flow amount and a realized loss is recorded as a credit impairment.

- E. The Company did not enter into any repurchase agreements during the year.

The Company maintained collateral for loaned securities.

1. For loaned securities, Company policies require a minimum of 102% of the fair value of securities loaned to be maintained as collateral. Cash collateral is invested in short-term investments.
2. The Company has not pledged any of its asset as collateral.
3. The aging of the Company collateral is as follows:
 - Under 30 Days - \$ 328,669,347
 - 31-60 Days - \$ 36,640,208
 - 61-90 Days - \$ 29,298,057
 - Over 90 Days - \$ 1,464,466
 - Total - \$ 396,072,072

Sources of collateral are cash and securities. Cash collateral is reinvested by the lending agent in short term securities.

- F. Liberty Life Assurance Company of Boston had no real estate investments as of December 31, 2008.
- G. The Company does not have any investments in low-income tax housing credits.

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 by the equity method 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 \$ 2.6 million in 2009.

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 2009 was \$ 0.

NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments

- A. The Company's investment activities do not include derivatives. However, the Company may acquire derivatives as additions to bond, common stock, or preferred stock investments. These derivatives are ancillary to the overall investment and immaterial to the underlying investment portfolio.

9. Income Taxes

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

	December 31, <u>2009</u>	December 31, <u>2008</u>	Change
Total of all deferred tax assets	\$ 139.2 mil	\$ 125.1 mil	\$ 14.1 mil
Total of all deferred tax liabilities	(30.3) mil	(26.7) mil	(3.6) mil
Total nonadmitted tax assets	<u>39.8 mil</u>	<u>56.7 mil</u>	<u>(16.9) mil</u>
Deferred Tax Assets Admitted	\$ <u>69.1 mil</u>	\$ <u>41.7 mil</u>	\$ <u>27.4 mil</u>

In 2009 the Company elected to admit DTAs pursuant to SSAP 10R. This election differs from prior period reporting. The adoption of SSAP 10R resulted in an increase of admitted deferred tax assets and statutory surplus of \$ 20.5 million. The election also increased the Company's Risk Based Capital from 285% to 294%.

- 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, <u>2009</u>	December 31, <u>2008</u>
Federal Income Tax on operations	\$ 21.7 mil	\$ (9.4) mil
Net operating loss benefit	<u>0 mil</u>	<u>0 mil</u>
Federal Income Tax before capital gains	21.7 mil	(9.4) mil
Federal Income Tax on net capital gains	(3.1) mil	(1.6) mil
Utilization of capital losses	<u>0 mil</u>	<u>0 mil</u>
Federal Income Taxes incurred	\$ <u>18.6 mil</u>	\$ <u>(11.0) 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. In 2009 the Company generated a \$ 7.4 million capital loss carryforward. The amount of Federal income taxes available for recoupment in the event of future net losses are: 2009 - \$ 11.8 million, 2008 - \$ 0, and 2007 - \$ 14 million. The Company has no deposits under Section 6603 of the Internal Revenue Service Code.
- F. The Company's federal income tax return is consolidated with the following companies of the Liberty Mutual Group:

Access Insurance Services, Co.	Liberty Mutual Insurance Company
AMBCO Capital Corporation	Liberty Mutual Personal Insurance Company
America First Insurance Company	Liberty Northwest Insurance Corporation
America First Lloyds Insurance Company	Liberty Personal Insurance Company
American Ambassador Casualty Company	Liberty Re (Bermuda) Ltd.
American Economy Insurance Company	Liberty Sponsored Insurance (Vermont), Inc.
American Fire & Casualty Company	Liberty Surplus Insurance Corporation
American States Insurance Company	LIH US P&C Corporation
American States Insurance Company of Texas	LIH-Re of America Corporation
American States Lloyds Insurance Company	LIU Specialty Insurance Agency Inc.
American States Preferred Insurance Company	LM General Insurance Company
Avomark Insurance Company	LM Insurance Corporation
Barrier Ridge, LLC	LM Personal Insurance Company
Berkeley Holding Company Associates, Inc.	LM Property and Casualty Insurance Company
Berkeley Management Corporation	LMHC Massachusetts Holdings Inc.
Bridgefield Casualty Insurance Company	LRE Properties, Inc.
Bridgefield Employers Insurance Company	Mid-American Agency, Inc.
Capitol Court Corporation	Mid-American Fire and Casualty Company

NOTES TO FINANCIAL STATEMENTS

<p>Capitol Agency, Inc., The (Arizona Corporation) Capitol Agency, Inc., The (Ohio Corporation) Capitol Agency, Inc., The (Tennessee Corp.) Cascade Disability Management, Inc. Colorado Casualty Insurance Company Commercial Aviation Insurance, Inc. Companies Agency of New York, Inc. Companies Agency of Pennsylvania, Inc. Consolidated Insurance Company Copley Venture Capital Inc. Diversified Settlements, Inc. Emerald City Insurance Agency, Inc. Employers Insurance Company of Wausau Excelsior Insurance Company F.B. Beattie and Company First National Insurance Company of America First State Agency, Inc. Florida State Agency, Inc. General America Corporation General America Corporation of Texas General Insurance Company of America Globe American Casualty Company Golden Eagle Insurance Corporation Gulf States AIF, Inc. Hawkeye-Security Insurance Company Heritage Summit Healthcare, Inc. Indiana Insurance Company Insurance Company of Illinois LEXCO Limited Liberty-USA Corporation Liberty Assignment Corporation Liberty Energy Canada Inc. Liberty Financial Services Inc. Liberty Hospitality Group, Inc. Liberty Insurance Company of America Liberty Insurance Corporation Liberty Insurance Holdings, Inc. Liberty Insurance Underwriters, Inc. Liberty International Europe Inc. * Liberty International Holdings, Inc. Liberty Life Assurance Company of Boston Liberty Life Holdings Inc. Liberty Lloyds of Texas Insurance Company Liberty Management Services, Inc. Liberty Mexico Holdings Inc. Liberty Mutual Fire Insurance Company Liberty Mutual Group Inc. Liberty Mutual Holding Company, Inc.</p>	<p>Missouri Agency, Inc. North Pacific Insurance Company OCASCO Budget, Inc. OCI Printing, Inc. Ohio Casualty Corporation Ohio Casualty of New Jersey, Inc. Ohio Security Insurance Company Open Seas Solutions, Inc. Oregon Automobile Insurance Company Peerless Indemnity Insurance Company Peerless Insurance Company Pilot Insurance Services, Inc. Rianoc Research Corporation S.C. Bellevue, Inc. SAFECARE Company, Inc. Safeco Corporation Safeco General Agency, Inc. Safeco Insurance Company of America Safeco Insurance Company of Illinois Safeco Insurance Company of Indiana Safeco Insurance Company of Oregon Safeco Lloyds Insurance Company Safeco National Insurance Company Safeco Properties, Inc. Safeco Surplus Lines Insurance Company San Diego Insurance Company SCIT, Inc. St James Insurance Company Ltd. State Agency, Inc. (Indiana Corporation) State Agency, Inc. (Wisconsin Corporation) Summit Consulting, Inc. Summit Consulting, Inc. of Louisiana Summit Holding Southeast, Inc. The First Liberty Insurance Corporation The Midwestern Indemnity Company The National Corporation The Netherlands Insurance Company The Ohio Casualty Insurance Company The Ohio Life Brokerage Services, Inc. Wausau Business Insurance Company Wausau General Insurance Company Wausau Service Corporation Wausau Underwriters Insurance Company West American Insurance Company Winmar Company, Inc. Winmar of the Desert, Inc. Winmar Oregon, Inc. Winmar-Metro, Inc.</p>
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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. * Means new this year.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. The Company is directly owned 90% by Liberty Mutual Insurance Company and 10% by Liberty Mutual Fire Insurance Company. Both companies are domiciled in the Commonwealth of Massachusetts.
- 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 2009 the Company received \$ 130.4 million in capital contributions from its parent.
- D. As of December 31, 2009 the Company reported a \$ 9.5 million payable to the parent company. 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.

NOTES TO FINANCIAL STATEMENTS

- 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 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%) both domiciled in the Commonwealth of Massachusetts.
- 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.
- K. Not applicable.
- L. Not applicable.

11. Debt

- A. As of December 31, 2009 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 no Federal Home Loan Bank agreements.

12. Deferred Compensation and Retirement Plans

- A-F. 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. The Company has paid \$ 8.9 M in dividends to shareholders. The last dividend payment to shareholders was in December, 2006 for \$4.1M.
- E. 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.
- F. Restricted surplus for Participating shareholders is \$ (38,128,496).
- G. There are no advances to surplus held by the Company.
- H. The Company holds no stock for special purposes.
- I. There were no changes in the amount of special surplus funds held in 2009.

NOTES TO FINANCIAL STATEMENTS

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

1. unrealized gains and losses	\$ (9,154,435)
2. non admitted asset values	\$ 40,974,245
3. separate account business	\$ 750,000
4. asset valuation reserves	\$ 61,326,131
5. reinsurance in unauthorized companies	\$ 0

K. As of December 31, 2009 the Company has not issued any surplus debentures.

L. The Company has not undertaken any quasi-reorganizations in 2009.

14. Contingencies

- A. The Company is not aware of any material contingent liabilities as of December 31, 2009.
- 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. The Company had no claims related extra contractual obligations or bad faith losses stemming from lawsuits in 2009.
- E. 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, 2009. 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 participates in a Securities Lending Program to generate additional income, whereby certain fixed income and mortgage backed securities are loaned for a period of time from the Company's portfolio to qualifying third parties, via a lending agent. The Company does not participate in term loans; therefore, the Company does not have contractual collateral transactions that extend beyond one year from the reporting date. Borrowers of these securities provide collateral equal to or in excess of 102% of the fair value of the loaned securities. Acceptable collateral may be in the form of cash, Agency and U.S. Government securities. The fair value of the loaned securities is monitored and additional collateral is obtained if the fair value of the collateral falls below 102% of the fair value of the loaned securities. Additionally, the lending agent indemnifies the Company against borrower defaults. Cash collateral is carried as an asset with an offsetting liability on the balance sheet, as the Company can exercise discretion as to how the collateral is invested. The loaned securities remain a recorded asset of the Company.

At December 31, 2009 the total fair value of securities on loan for the Company was \$ 418,687,884 with a corresponding collateral value of \$ 433,775,361 of which \$ 396,072,072 represents cash collateral.

NOTES TO FINANCIAL STATEMENTS

- C. In the course of the company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the company's yield on its investment portfolio. The detail of these transactions for 2009 was:

Bonds:

Designation	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain/ (Loss)
NAIC 3	9	\$ 989,494	\$ 1,046,237	(\$ 43,619)

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	\$ 0.74 mil	\$0	\$ 0.74mil
Other income or (expense)	\$0	\$0	\$0
Net gain or loss from operations	\$ 0.74mil	\$0	\$ 0.74mil
Claim Payment Volume	\$ 136.5mil	\$0	\$136.5mil

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. 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. The Company has no State Transferable Tax Credits as of December 31, 2009.
- G. Hybrid Securities

The Company currently owns the following securities meeting the NAIC definition of "Hybrid Securities" per SVO report 9B. These securities are reported on Schedule D part 1.

<u>CUSIP #</u>	<u>Issuer</u>	<u>NAIC Des</u>	<u>Description</u>	<u>Book Adjusted Carrying Value</u>
065912AA5	BANKAMERICA INSTIT-B	3FE	Redeemable Preferred	\$ 1,676,057
06605HAA6	BANK OF AMERICA	3FE	Redeemable Preferred	1,795,998
06423KAA9	BANK ONE CAPITAL III	1FE	Redeemable Preferred	<u>35,644,433</u>
Total				\$ <u>39,116,488</u>

- H. The Company has no material exposure to subprime mortgage related risk in 2009.

NOTES TO FINANCIAL STATEMENTS

21. 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.

22. 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.
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 (X) No () If yes, what is the amount of reinsurance credits, whether as asset or a reduction of liability, taken for such agreements or amendments. \$ 28,789,731

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. The Company had no Reinsurance Treaty Commutations in 2009.

23. 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. Accrued retrospective premiums are recorded through earned premium.
- C. Annual Premiums Subject to Retrospective Ratings in 2009 were \$ 121.3 million. This represented approximately 21% of total written premium for group policies. The Company has a reinsurance agreement in place for the policies with our Parent company.

NOTES TO FINANCIAL STATEMENTS

24. 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.

25. Intercompany Pooling Arrangements

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

26. Structured Settlements

- A. The Company did not purchase any structured settlements in 2009.

27. Health Care Receivables

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

28. Participating Policies

- A. For the year ending December 31, 2009 premiums collected under participating Policies were \$ 51.3 million, or 4.3% 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 \$ 11.3 million in 2009 and did not allocate any additional income to such policyholders.

29. Premium Deficiency Reserves

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

30. 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, 2009 the Company had \$ 2,310,375,960 of insurance in force for 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 2009.

NOTES TO FINANCIAL STATEMENTS

31. 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	\$ 87,292,742	1%
1.3 - at Market Value	<u>3,340,965,228</u>	<u>44%</u>
1.4 - Total with adjustment or at Mkt Value	3,428,257,970	45%
1.5 - at Book Value with adjustment	106,663,768	1%
2. Not Subject to Discretionary Withdrawal	<u>4,081,078,417</u>	<u>54%</u>
3. Total (gross)	7,616,000,155	100%
4. Reinsurance Ceded	<u>39,674,478</u>	
5. Total Net (3-4)	<u>\$ 7,576,325,677</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	\$ 3,137,528,778
7. Exhibit 5, Section C, Net	1,559,032
8. Exhibit 7, Column 1, Line 14	<u>905,764,553</u>
9. Subtotal	<u>\$ 4,044,852,363</u>

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>3,531,473,314</u>
13. Subtotal	<u>\$ 3,531,473,314</u>
14. Total	<u>\$ 7,576,325,677</u>

32. Premium and Annuity Considerations Deferred and Uncollected

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2009 were as follows:

	Gross	Net of Loading
Ordinary New Business	\$ 6,466,488	\$ 2,980,618
Ordinary Renewal Business	41,679,630	38,214,996
Individual Annuity	144	120
Group Life	9,400,383	8,922,414
Group Annuity	<u>0</u>	<u>0</u>
Total	<u>\$ 57,546,645</u>	<u>\$ 50,118,148</u>

NOTES TO FINANCIAL STATEMENTS

33. 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.

		Nonguaranteed <u>Separate Accounts</u>
1.	Premiums, considerations or deposits for year	\$ 214,763,993
2.	Market Value invested assets at 12/31/2008	3,538,557,147
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	3,348,520,980
	e. At book value without MV adjustment and with current surrender charge less than 5%	0
	f. Subtotal	\$ 3,348,520,980
	g. Not subject to discretionary withdrawal	190,036,167
	h. Total withdrawal	<u>0</u>
	Total Market Value	<u>\$ 3,538,557,147</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)	\$ 4,201,735
	b. Transfers from Separate Accounts (Page 4, Line 10)	<u>4,379,036</u>
	c. Net transfers	(177,301)
	2. Reconciling Adjustments:	
	a. Net transfer of reserves from (to) Separate Accounts	(138,281)
	b. Other transfers to Separate Accounts	(1,560,740)
	3. Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement	\$ <u>(1,876,322)</u>

34. Loss/Claim Adjustment Expenses

- A. The balance in the liability for unpaid accident and health claim adjustment expenses as of 2009 and 2008 was \$ 26.5 million and \$ 23.3 million, respectively.
- B. The Company incurred \$ 15.3 million and paid \$ 12.1 million of claim adjustment expenses in the current year, of which \$ 7.7 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.

GENERAL INTERROGATORIES

6.2 If yes, give full information:

.....

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

Yes [] No [X]

7.2 If yes,

7.21 State the percentage of foreign control.

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

1 Nationality	2 Type of Entity
.....

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

Yes [] No [X]

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

.....

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

Yes [] No [X]

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young LLP, 200 Clarendon Street, Boston, MA 02116

.....

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Mary Madden, 100 Liberty Way, Dover, NH 03820, Employee

.....

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

Yes [] No [X]

11.11 Name of real estate holding company

11.12 Number of parcels involved

11.13 Total book/adjusted carrying value

\$ _____

11.2 If yes, provide explanation:

.....

GENERAL INTERROGATORIES

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

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

.....

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

Yes [] No [X]

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

Yes [] No [X]

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

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

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

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules, and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.

Yes [X] No []

13.11 If the response to 13.1 is no, please explain:

.....

13.2 Has the code of ethics for senior managers been amended?

Yes [] No [X]

13.21 If the response to 13.2 is yes, provide information related to amendment(s).

.....

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

Yes [] No [X]

13.31 If the response to 13.3 is yes, provide the nature of any waiver(s).

.....

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []

15. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []

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

Yes [X] No []

FINANCIAL

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

Yes [] No [X]

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

18.11 To directors or other officers	\$ _____
18.12 To stockholders not officers	\$ _____
18.13 Trustees, supreme or grand (Fraternal only)	\$ _____

GENERAL INTERROGATORIES

- 18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|---|--|----------|
| 18.21 To directors or other officers | | \$ _____ |
| 18.22 To stockholders not officers | | \$ _____ |
| 18.23 Trustees, supreme or grand (Fraternal only) | | \$ _____ |
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|----------------------------|--|----------|
| 19.21 Rented from others | | \$ _____ |
| 19.22 Borrowed from others | | \$ _____ |
| 19.23 Leased from others | | \$ _____ |
| 19.24 Other | | \$ _____ |
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 20.2 If answer is yes:
- | | | |
|--|--|----------|
| 20.21 Amount paid as losses or risk adjustment | | \$ _____ |
| 20.22 Amount paid as expenses | | \$ _____ |
| 20.23 Other amounts paid | | \$ _____ |
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

- 22.1 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? (other than securities lending programs addressed in 22.3) Yes [X] No []
- 22.2 If no, give full and complete information relating thereto:

- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)
 Please refer to Note 17B on page 19 of the Notes to the Annual Statement bound in this book.

- 22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No [] N/A []
- 22.5 If answer to 22.4 is yes, report amount of collateral. \$ _____ 433,775,361
- 22.6 If answer to 22.4 is no, report amount of collateral. \$ _____
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3.) Yes [X] No []
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|--|---------------------|
| 23.21 Subject to repurchase agreements | | \$ _____ |
| 23.22 Subject to reverse repurchase agreements | | \$ _____ |
| 23.23 Subject to dollar repurchase agreements | | \$ _____ |
| 23.24 Subject to reverse dollar repurchase agreements | | \$ _____ |
| 23.25 Pledged as collateral | | \$ _____ |
| 23.26 Placed under option agreements | | \$ _____ |
| 23.27 Letter stock or securities restricted as to sale | | \$ _____ |
| 23.28 On deposit with state or other regulatory body | | \$ _____ 11,553,732 |
| 23.29 Other | | \$ _____ |

GENERAL INTERROGATORIES

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

24.2 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.

25.1 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]

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

26. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F – Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

26.01 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 Center, Brooklyn, NY 11245
Royal Trust/RBC	77 King Street West, Toronto, ON M5W 1P9

26.02 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)

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [] No [X]

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

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

26.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/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(s)	3 Address
N/A	Stancorp Mortgage Investors	1100 SW Sixth Avenue, Portland, OR 97204
N/A	Liberty Mutual Insurance Company	175 Berkeley Street, Boston, MA 02116
N/A	Liberty Mutual Investment Advisors, LL	175 Berkeley Street, Boston, MA 02116

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

GENERAL INTERROGATORIES

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 TOTAL		

27.3 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

28. 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 (+)
28.1 Bonds	8,192,276,077	8,456,116,029	263,839,952
28.2 Preferred stocks	356,607	780,404	423,797
28.3 Totals	8,192,632,684	8,456,896,433	264,263,749

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

The primary source is published unit prices from the NAIC Securities Valuation Office. The secondary source is the pricing vendor, Interactive Data Corporation, followed by backfill from Bloomberg. Lastly, management determines fair value based on quoted market prices of similar financial instruments or by using industry recognized valuation techniques.

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

Yes [] No [X]

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

Yes [] No [X]

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

.....

30.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

30.2 If no, list exceptions:

.....

OTHER

31.1 Amount of payments to Trade associations, service organizations and statistical or Rating Bureaus, if any?

\$ 529,872

GENERAL INTERROGATORIES

31.2 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
.....
.....

32.1 Amount of payments for legal expenses, if any? \$ 1,822,919

32.2 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
.....
.....

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 267,416

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

1 Name	2 Amount Paid
.....
.....

GENERAL INTERROGATORIES

PART 2 – LIFE INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes No
 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 Current Year	2 Prior Year
2.1 Premium Numerator	\$ _____	\$ _____
2.2 Premium Denominator	\$ 1,208,716,026	\$ 1,103,978,795
2.3 Premium Ratio (2.1 / 2.2)	_____	_____
2.4 Reserve Numerator	\$ _____	\$ _____
2.5 Reserve Denominator	\$ 7,221,117,996	\$ 6,659,375,158
2.6 Reserve Ratio (2.4 / 2.5)	_____	_____

3.1 Does this reporting entity have Separate Accounts? Yes No
 3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes 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
 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes No

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)"? \$ _____

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 No

4.2 Net reimbursement of such expenses between reporting entities:
 4.21 Paid \$ 39,201,641
 4.22 Received \$ _____

5.1 Does the reporting entity write any guaranteed interest contracts? Yes No
 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: \$ 546,893,842

7. Total dividends paid stockholders since organization of the reporting entity:
 7.11 Cash \$ 8,900,000
 7.12 Stock \$ _____

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance. Yes No
 8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes No

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

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

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

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

GENERAL INTERROGATORIES

PART 2 – LIFE INTERROGATORIES

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

\$ _____

9.1 Does the company have variable annuities with guaranteed benefits?

Yes No

9.2 If 9.1 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 Premiu	NONE	N/A	N/A	4,703,897	71,769	Exhibit 5	0	
Greater of Premiu	NONE	N/A	N/A	8,275,253	158,658	Exhibit 5	0	

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

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

\$ _____

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

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

11.1 Do you act as a custodian for health savings accounts?

Yes No

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

\$ _____

11.3 Do you act as an administrator for health savings accounts?

Yes No

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

\$ _____

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	2	3	4	5
	2009	2008	2007	2006	2005
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Col. 4)	9,391,088	8,588,320	8,689,202	8,006,618	7,608,843
2. Ordinary-term (Line 21, Col. 4, less Line 34, Col. 4)	26,931,842	24,540,490	22,107,114	19,546,933	17,098,242
3. Credit life (Line 21, Col. 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	80,345,076	66,303,792	53,894,148	40,721,754	37,081,193
5. Industrial (Line 21, Col. 2)					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)					
7. Total (Line 21, Col. 10)	116,668,006	99,432,602	84,690,464	68,275,305	61,788,278
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Col. 2)	1,139,034	788,120	720,361	747,724	788,732
9. Ordinary-term (Line 2, Col. 4, less Line 34, Col. 2)	4,367,334	4,267,788	4,026,528	3,756,261	3,661,745
10. Credit life (Line 2, Col. 6)					
11. Group (Line 2, Col. 9)	9,570,609	10,939,556	16,950,344	5,360,254	2,487,089
12. Industrial (Line 2, Col. 2)					
13. Total (Line 2, Col. 10)	15,076,977	15,995,464	21,697,233	9,864,239	6,937,566
Premium Income - Lines of Business					
(Exhibit 1 – Part 1)					
14. Industrial life (Line 20.4, Col. 2)					
15.1 Ordinary life insurance (Line 20.4, Col. 3)	348,706,829	244,793,416	228,784,961	216,633,716	227,162,273
15.2 Ordinary individual annuities (Line 20.4, Col. 4)	248,226,075	262,923,323	206,796,675	596,325,254	202,803,271
16. Credit life, (group and individual) (Line 20.4, Col. 5)					
17.1 Group life insurance (Line 20.4, Col. 6)	163,172,212	180,474,001	150,393,340	109,804,088	109,191,689
17.2 Group annuities (Line 20.4, Col. 7)		9,253	9,000	2,400	30,250
18.1 A & H-group (Line 20.4, Col. 8)	448,417,707	415,623,233	355,208,434	312,641,652	266,749,544
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9)					
18.3 A & H-other (Line 20.4, Col. 10)	193,203	155,569	136,639	161,974	(525,753)
19. Aggregate of all other lines of business (Line 20.4, Col. 11)					
20. Total	1,208,716,026	1,103,978,795	941,329,049	1,235,569,084	805,411,274
Balance Sheet					
(Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3)	9,422,583,171	8,543,551,034	7,846,653,015	7,408,444,756	6,456,053,755
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	8,825,040,427	8,083,103,275	7,363,986,177	6,959,122,098	6,024,369,193
23. Aggregate life reserves (Page 3, Line 1)	6,032,644,803	5,596,047,473	5,137,990,407	4,814,318,652	4,030,776,843
24. Aggregate A & H reserves (Page 3, Line 2)	1,148,300,864	1,021,339,094	898,371,881	824,533,249	765,799,835
25. Deposit-type contract funds (Page 3, Line 3)	905,764,553	908,135,933	921,695,016	899,051,305	880,847,099
26. Asset valuation reserve (Page 3, Line 24.1)	61,326,131	57,306,821	68,051,864	55,869,577	52,181,597
27. Capital (Page 3, Lines 29 & 30)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
28. Surplus (Page 3, Line 37)	595,042,744	457,947,759	480,166,838	446,822,658	429,184,562
Cash Flow (Page 5)					
29. Net cash from operations (Line 11)	599,176,939	568,151,037	441,516,588	873,372,007	482,106,228
Risk-Based Capital Analysis					
30. Total adjusted capital	664,844,920	523,524,581	556,257,984	510,992,660	489,439,685
31. Authorized control level risk-based capital	108,857,239	97,074,818	83,194,141	76,500,222	69,444,202
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3) (Line No./Page 2, Line 10, Col. 3) x 100.0					
32. Bonds (Line 1)	86.1	86.2	89.1	89.8	89.1
33. Stocks (Lines 2.1 and 2.2)	1.1	0.5	0.6		
34. Mortgage loans on real estate (Lines 3.1 and 3.2)	2.0	2.3	1.7	0.9	
35. Real estate (Lines 4.1, 4.2 and 4.3)					
36. Cash, cash equivalents and short-term investments (Line 5)	6.3	6.3	3.9	5.0	6.0
37. Contract loans (Line 6)	1.1	1.2	1.2	1.2	1.3
38. Other invested assets (Line 7)	3.4	3.7	3.5	3.1	3.6
39. Receivables for securities (Line 8)					
40. Aggregate write-ins for invested assets (Line 9)					
41. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2009	2008	2007	2006	2005
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	102,514,781	129,644	332,233	351,169	437,330
45. Affiliated short-term investments (subtotal included in Schedule DA, Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	102,514,781	129,644	332,233	351,169	437,330
Total Nonadmitted and Admitted Assets					
49. Total nonadmitted assets (Page 2, Line 26, Col. 2)	40,974,245	57,759,329	74,899,724	76,586,006	75,881,898
50. Total admitted assets (Page 2, Line 26, Col. 3)	12,983,174,690	11,605,062,479	11,185,421,236	10,457,191,093	9,026,133,072
Investment Data					
51. Net investment income (Exhibit of Net Investment Income)	494,456,703	469,364,066	445,825,160	418,131,825	373,448,046
52. Realized capital gains (losses)	(15,112,903)	(41,215,114)	25,374,969	25,408,421	26,370,763
53. Unrealized capital gains (losses)	(20,803,899)	(13,877,599)	7,574,425	9,550,928	3,386,976
54. Total of above Lines 51, 52 and 53	458,539,901	414,271,353	478,774,554	453,091,174	403,205,785
Benefits and Reserve Increase (Page 6)					
55. 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 and 11)	535,654,134	497,514,685	482,840,439	332,597,532	290,961,955
56. Total contract benefits-A & H (Lines 13 & 14, Cols. 9, 10 & 11)	329,417,841	278,630,975	258,851,579	226,687,038	207,068,027
57. Increase in life reserves-other than group and annuities (Line 19, Cols. 2 & 3)	271,850,714	192,431,978	123,680,537	171,186,293	193,557,173
58. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	126,961,770	122,967,213	73,838,632	58,733,414	43,127,059
59. Dividends to policyholders (Line 30, Col. 1)	11,693,715	11,299,831	10,867,007	11,393,108	10,839,452
Operating Percentages					
60. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00	14.6	13.7	15.5	12.3	15.4
61. Lapse percent (ordinary only) [Exhibit of Life Insurance, Column 4, Lines 14 & 15] / ½ (Exhibit of Life Insurance, Column 4, Lines 1 & 21)] x 100.00	7.2	7.5	7.7	7.0	7.5
62. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	102.5	97.4	93.0	93.3	94.7
63. A & H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)	0.7	0.7	0.7	0.8	0.7
64. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)	15.0	15.1	16.4	18.1	17.9
A & H Claim Reserve Adequacy					
65. Incurred losses on prior years' claims-group health (Sch. H, Part 3, Line 3.1, Col. 2)	1,020,953,171	907,655,936	806,371,402	747,374,896	676,515,833
66. Prior years' claim liability and reserve-group health (Sch. H, Part 3, Line 3.2, Col. 2)	1,039,192,263	908,327,321	837,712,050	773,108,703	729,904,388
67. Incurred losses on prior years' claims-health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2)	316,478	276,512	271,362	313,983	271,169
68. Prior years' claim liability and reserve-health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2)	245,254	213,367	239,595	240,108	244,105
Net Gains From Operations After Federal Income					
Taxes by Lines of Business					
(Page 6, Line 33)					
69. Industrial life (Col. 2)					
70. Ordinary-life (Col. 3)	(17,806)	8,513,171	7,184,666	1,482,315	(819,644)
71. Ordinary-individual annuities (Col. 4)	(6,333,854)	(24,267,932)	(4,698,011)	(7,812,584)	8,155,369
72. Ordinary-supplementary contracts (Col. 5)	(23,862)	(8,563)	(33,923)	(49,907)	(44,110)
73. Credit life (Col. 6)					
74. Group life (Col. 7)	2,600,717	8,421,320	4,719,062	7,906,094	8,660,725
75. Group annuities (Col. 8)	2,002,726	2,568,677	3,136,705	3,705,631	4,697,067
76. A & H-group (Col. 9)	(4,083,486)	11,688,356	11,026,547	14,670,797	12,427,503
77. A & H-credit (Col. 10)					
78. A & H-other (Col. 11)	140,895	90,360	136,344	143,556	(538,834)
79. Aggregate of all other lines of business (Col. 12)					
80. Total (Col. 1)	(5,714,670)	7,005,389	21,471,390	20,045,902	32,538,076

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

Yes [] No [X]

If no, please explain:

.....

.....

.....

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)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year			273,491	33,128,810			234	772,548	66,303,792	99,432,602
2. Issued during year			35,405	5,506,368			86	119,815	9,570,609	15,076,977
3. Reinsurance assumed										
4. Revived during year			1,546	395,663						395,663
5. Increased during year (net)			3,372	96,994				50,094	6,008,487	6,105,481
6. Subtotals, Lines 2 to 5			40,323	5,999,025			86	169,909	15,579,096	21,578,121
7. Additions by dividends during year	X X X		X X X	3,198	X X X		X X X	X X X		3,198
8. Aggregate write-ins for increases										
9. Totals (Lines 1 and 6 to 8)			313,814	39,131,033			320	942,457	81,882,888	121,013,921
Deductions during year										
10. Death			1,285	63,317			X X X	3,623	142,810	206,127
11. Maturity			12	189			X X X			189
12. Disability							X X X			
13. Expiry			1,231	40,000						40,000
14. Surrender			9,532	955,762				381	20,177	975,939
15. Lapse			10,071	1,545,523			12	23,962	1,374,765	2,920,288
16. Conversion			2,004	203,312			X X X	X X X	X X X	203,312
17. Decreased (net)								(46)	60	60
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. Totals (Lines 10 to 19)			24,135	2,808,103			12	27,920	1,537,812	4,345,915
21. In force end of year (Line 9 minus Line 20)			289,679	36,322,930			308	914,537	80,345,076	116,668,006
22. Reinsurance ceded end of year	X X X		X X X	26,141,461	X X X		X X X	X X X	1,538,970	27,680,431
23. Line 21 minus Line 22	X X X		X X X	10,181,469	X X X	(b)	X X X	X X X	78,806,106	88,987,575
DETAILS OF WRITE-IN LINES										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 08 above)										
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. Totals (Lines 1901 through 1903 plus 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	324,512
25. Other paid-up insurance			36,850	2,440,845
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			3,786	221,778
28. Term policies - other	17,031	4,306,268	104,718	25,256,298
29. Other term insurance - decreasing	X X X		X X X	20,082
30. Other term insurance	X X X	43,351	X X X	987,761
31. Totals, (Lines 27 to 30)	17,031	4,349,619	108,504	26,485,919
Reconciliation to Lines 2 and 21:				
32. Term additions	X X X		X X X	394,615
33. Totals, extended term insurance	X X X	X X X	3,244	51,307
34. Totals, whole life and endowment	18,374	1,139,034	177,931	9,391,088
35. Totals (Lines 31 to 34)	35,405	5,488,653	289,679	36,322,929

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	5,417,495	88,873	32,783,071	3,539,859
38. Credit Life (Group and Individual)				
39. Group	9,570,609		80,345,077	
40. Totals (Lines 36 to 39)	14,988,104	88,873	113,128,148	3,539,859

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	478,530
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)	244,190
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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 schedule amount, except mortgage protection on policies issued 1/31/81 and prior which is 1.1 times the scheduled amount.
47.2 Family Protection at \$5,000 per unit. Children's Protection at \$2,500 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			58,927	4,342,187			602,893	53,262,717
49. Disability Income								
50. Extended Benefits			X X X	X X X				
51. Other								
52. Total		(b)	58,927	(b) 4,342,187		(b)	602,893	(b) 53,262,717

(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	642	64	2	
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	642	64	2	
Deductions during the year:				
6. Decreased (net)	83	28		
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	83	28		
9. In force end of year	559	36	2	
10. Amount on deposit	(a) 559	(a) 575,642	(a) 2	(a)
11. Income now payable	559	36	2	
12. Amount of income payable	(a) 215,207	(a) 583,280	(a) 4,731	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	21,059	13,144	82	20,021
2. Issued during year	1,894	1,236		
3. Reinsurance assumed	38			
4. Increased during year (net)	1,336			
5. Total (Lines 1 to 4)	24,327	14,380	82	20,021
Deductions during the year:				
6. Decreased (net)	1,425	1,562	2	563
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	1,425	1,562	2	563
9. In force end of year	22,902	12,818	80	19,458
Income now payable				
10. Amount of income payable	(a) 384,675,894	X X X	X X X	(a) 28,072,114
Deferred fully paid:				
11. Account Balance	X X X	(a) 1,437,615,762	X X X	(a) 61,154,397
Deferred not fully paid:				
12. Account Balance	X X X	(a) 112,743	X X X	(a)

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	1,880,177	375,258,000			125	17,060
2. Issued during year	326,358	59,072,000				
3. Reinsurance assumed						
4. Increased during year (net)	12,613	X X X		X X X		X X X
5. Total (Lines 1 to 4)	2,219,148	X X X		X X X	125	X X X
Deductions during the year:						
6. Conversions		X X X	X X X	X X X	X X X	X X X
7. Decreased (net)	115,457	X X X		X X X	15	X X X
8. Reinsurance ceded		X X X		X X X		X X X
9. Totals (Lines 6 to 8)	115,457	X X X		X X X	15	X X X
10. In force end of year	2,103,691	(a) 442,359,000		(a)	110	(a) 14,790

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year	37,791	5,579
2. Issued during year	3,743	
3. Reinsurance assumed		
4. Increased during year (net)		
5. Total (Lines 1 to 4)	41,534	5,579
Deductions during the year:		
6. Decreased (net)	2,606	186
7. Reinsurance ceded		
8. Totals (Lines 6 and 7)	2,606	186
9. In force end of year	38,928	5,393
10. Amount of account balance	(a) 37,297,482	(a) 8,886,198

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

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Direct Business Only						
		Active Status	Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 Through 5	7 Deposit-Type Contracts
			2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama	AL	L	6,232,338	4,800	9,329,525	15,566,663		
2. Alaska	AK	L	152,589	300	158,621	311,510		
3. Arizona	AZ	L	7,949,007	1,258,231	5,635,703	14,842,941		
4. Arkansas	AR	L	4,412,066		3,430,032	7,842,098		
5. California	CA	L	52,769,961	3,202,395	102,624,744	158,597,100	286,176	
6. Colorado	CO	L	4,410,110	193,081	5,071,166	9,674,357		
7. Connecticut	CT	L	9,088,290	183,071	8,640,484	17,911,845	50,000	
8. Delaware	DE	L	1,393,985	103,638,314	762,248	105,794,547	41,791,665	
9. District of Columbia	DC	L	587,091	833,278	1,721,887	3,142,256		
10. Florida	FL	L	12,392,075	7,447,148	15,326,528	35,165,751	230,768	
11. Georgia	GA	L	11,402,285	128,521	13,396,282	24,927,088		
12. Hawaii	HI	L	2,029,152	114,070	718,894	2,862,116		
13. Idaho	ID	L	1,767,685	967	606,740	2,375,392		
14. Illinois	IL	L	7,094,278	836,887	10,646,637	18,577,802	687,634	
15. Indiana	IN	L	4,736,309	73,123	8,959,938	13,769,370	47,564	
16. Iowa	IA	L	2,716,976	1,796	1,914,038	4,632,810		
17. Kansas	KS	L	744,421		1,282,690	2,027,111		
18. Kentucky	KY	L	3,760,910	43,373	3,339,099	7,143,382		
19. Louisiana	LA	L	3,690,182	259,972	3,375,512	7,325,666		
20. Maine	ME	L	2,574,093	1,991	922,533	3,498,617		
21. Maryland	MD	L	12,896,715	908,135	5,257,029	19,061,879		
22. Massachusetts	MA	L	16,931,296	8,859,065	20,957,984	46,748,345	2,332,740	
23. Michigan	MI	L	7,967,847	8,000	15,643,773	23,619,620		
24. Minnesota	MN	L	6,398,783	215,423	3,014,342	9,628,548	37,000	
25. Mississippi	MS	L	766,941		1,618,314	2,385,255		
26. Missouri	MO	L	4,117,997	1,048,535	4,448,057	9,614,589		
27. Montana	MT	L	110,802		485,278	596,080		
28. Nebraska	NE	L	1,839,454	37,542	1,254,198	3,131,194		
29. Nevada	NV	L	4,756,884	104,710	811,611	5,673,205		
30. New Hampshire	NH	L	5,104,732	15,510	2,474,180	7,594,422	266,538	
31. New Jersey	NJ	L	15,471,532	650,124	8,656,460	24,778,116		
32. New Mexico	NM	L	990,585		885,232	1,875,817		
33. New York	NY	L	159,597,838	5,332,659	20,361,604	185,292,101	90,000	
34. North Carolina	NC	L	13,938,605	2,785	21,137,499	35,078,889		
35. North Dakota	ND	L	162,468		154,180	316,648		
36. Ohio	OH	L	22,151,018	480,604	20,772,688	43,404,310	41,748	
37. Oklahoma	OK	L	3,373,422	51,834	5,394,981	8,820,237	250,000	
38. Oregon	OR	L	4,554,129	5,704	2,714,009	7,273,842		
39. Pennsylvania	PA	L	31,742,238	4,017,584	18,121,096	53,880,918		
40. Rhode Island	RI	L	2,826,949	3,767	1,991,383	4,822,099		
41. South Carolina	SC	L	4,814,866	44,869	12,138,447	16,998,182	24,076	
42. South Dakota	SD	L	158,317		214,350	372,667		
43. Tennessee	TN	L	5,728,422	3,597	9,915,890	15,647,909		
44. Texas	TX	L	24,856,071	799,564	38,399,247	64,054,882		
45. Utah	UT	L	2,750,063		1,341,252	4,091,315		
46. Vermont	VT	L	1,436,327	33,414	928,800	2,398,541		
47. Virginia	VA	L	11,755,513	772,206	12,230,760	24,758,479	52,636	
48. Washington	WA	L	6,022,257	100,680	5,389,225	11,512,162	10,000	
49. West Virginia	WV	L	1,971,432	231,483	1,242,733	3,445,648		
50. Wisconsin	WI	L	7,349,554	47,965,018	4,226,191	59,540,763	5,114,608	
51. Wyoming	WY	L	150,981		198,534	349,515		
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N	33,501		965,737	999,238		
55. US Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CN	L	109,837		227,494	337,331		
58. Aggregate Other Alien	OT	X X X		57,177,611		57,177,611	11,607,490	
59. Subtotal	(a) 51		522,741,179	247,091,741	441,435,859	1,211,268,779	62,920,643	
90. Reporting entity contributions for employee benefits plans	X X X		39,685,245			39,685,245		
91. Dividends or refunds applied to purchase paid-up additions and annuities	X X X		7,355,894			7,355,894		
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		414,043		803	414,846		
94. Aggregate other amounts not allocable by State	X X X							
95. Totals (Direct Business)	X X X		570,196,361	247,091,741	441,436,662	1,258,724,764	62,920,643	
96. Plus Reinsurance Assumed	X X X		28,742		929,063	957,805		
97. Totals (All Business)	X X X		570,225,103	247,091,741	442,365,725	1,259,682,569	62,920,643	
98. Less Reinsurance Ceded	X X X		49,772,918		4,955,662	54,728,580		
99. Totals (All Business) less Reinsurance Ceded	X X X		520,452,185	247,091,741	(b) 437,410,063	1,204,953,989	62,920,643	

DETAILS OF WRITE-INS							
5801. Other Alien		X X X		57,177,611		57,177,611	11,607,490
5802.		X X X					
5803.		X X X					
5898. Summary of remaining write-ins for Line 58		X X X					
5899. Total (Lines 5801 through 5803 plus 5898) (Line 58 above)		X X X		57,177,611		57,177,611	11,607,490
9401.		X X X					
9402.		X X X					
9403.		X X X					
9498. Summary of remaining write-ins for Line 94		X X X					
9499. Total (Lines 9401 through 9403 plus 9498) (Line 94 above)		X X X					

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

For individual lines of business, premiums are allocated based on the residence of the policyholder. For Group Business with less than 500 lives, premium is allocated based on the situs of the contract. For Group Business with over 500 lives, premium is allocated based on the where each member resides.

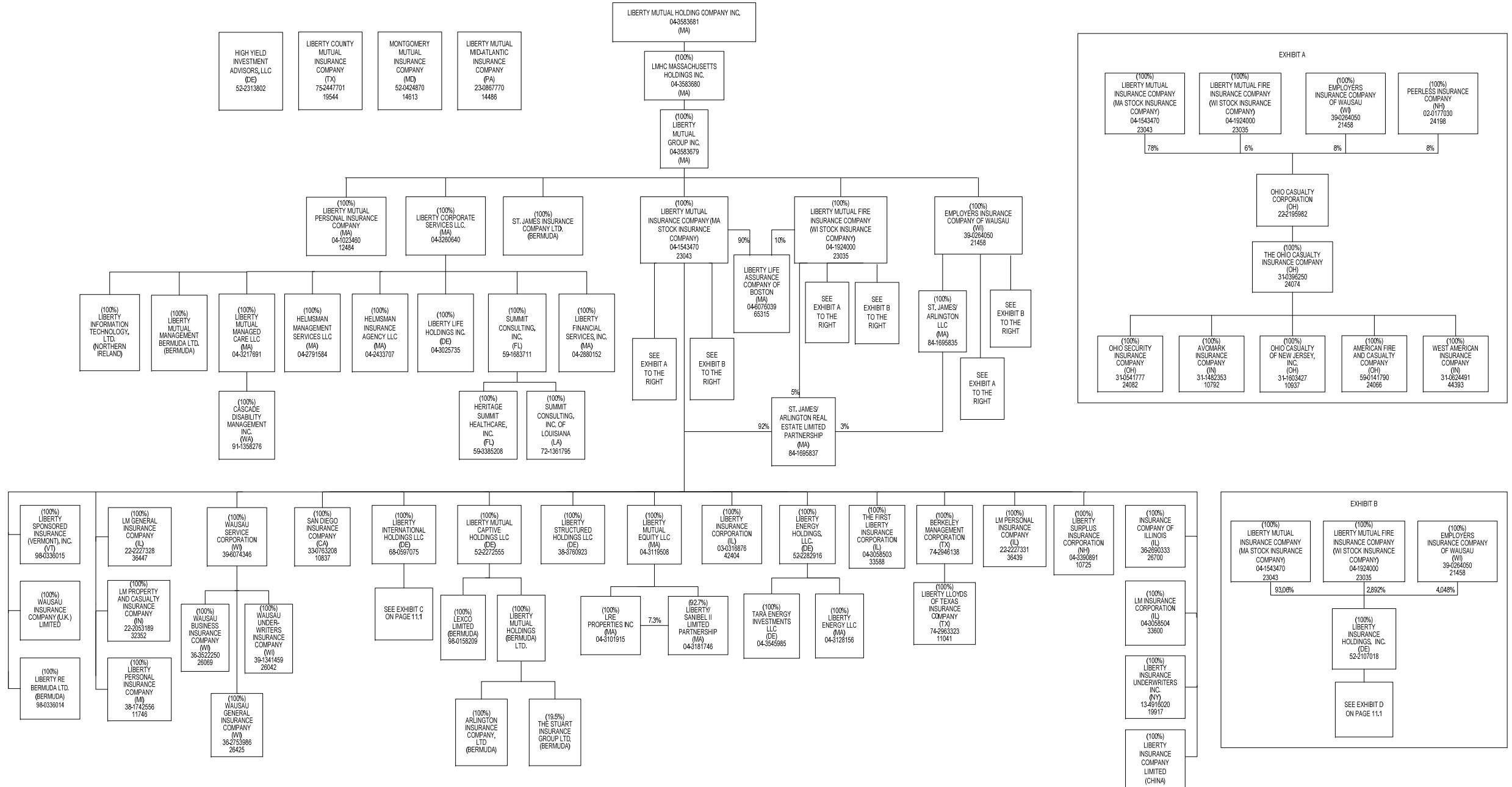
(a) Insert the number of L responses except for Canada and Other Alien.

(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

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

PART 1 - ORGANIZATIONAL CHART

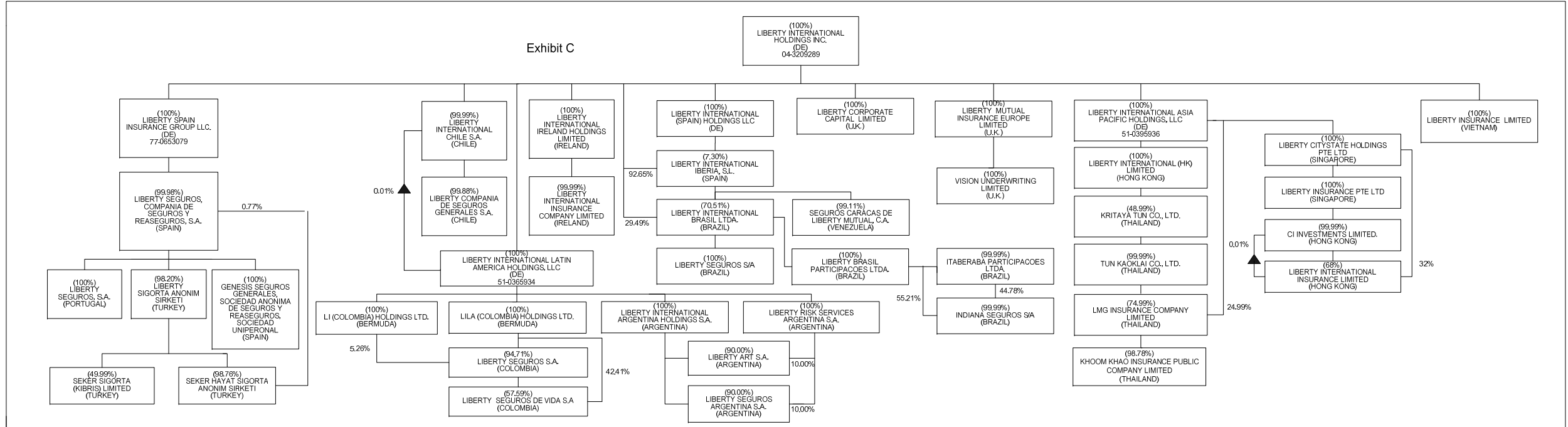
50



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

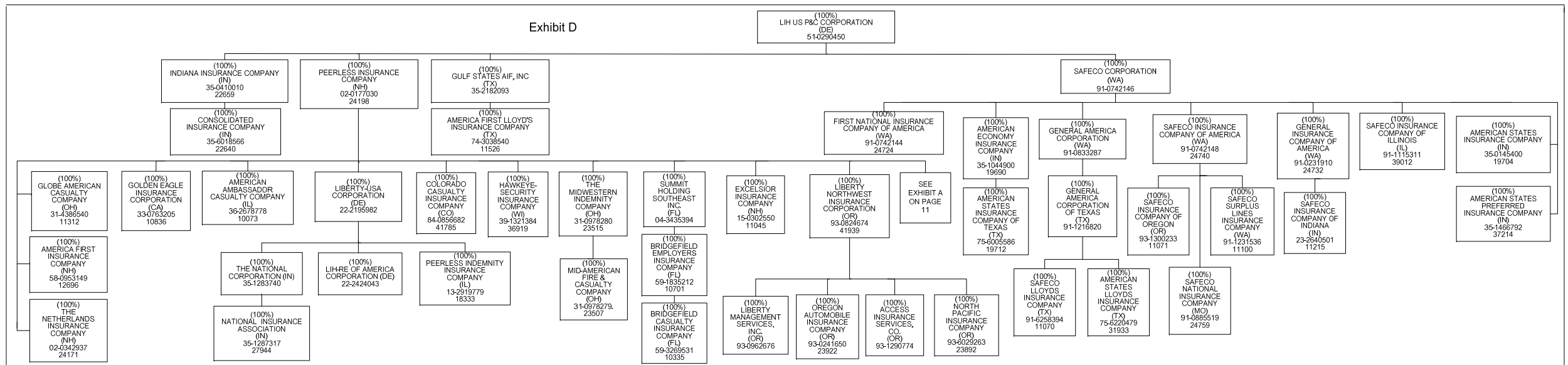
PART 1 - ORGANIZATIONAL CHART

Exhibit C



50.1

Exhibit D



OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

	1	2
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	Current Year	Prior Year
2504. Deposit suspense - Group Life	2,922,203	5,572,140
2505. Branch liability due to foreign exchange rate	1,009,669	1,009,669
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	3,931,872	6,581,809

OVERFLOW PAGE FOR WRITE-INS

Page 4 - Continuation

	1	2
	Current Year	Prior Year
REMAINING WRITE-INS AGGREGATED AT LINE 08.3 FOR MISCELLANEOUS INCOME		
08.304. Commission income	(1,049)	(1,642)
08.397. Totals (Lines 08.304 through 08.396) (Page 4, Line 08.398)	(1,049)	(1,642)

OVERFLOW PAGE FOR WRITE-INS

Page 6 - Continuation

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
REMAINING WRITE-INS AGGREGATED AT LINE 08.3 FOR MISCELLANEOUS INCOME												
08.304. Commission Income - VUL	1,049		1,049									
08.397. Totals (Lines 08.304 through 08.396) (Page 6, Line 08.398)	1,049		1,049									

OVERFLOW PAGE FOR WRITE-INS

Page 8 - Continuation

DETAILS OF WRITE-IN LINES FOR EXHIBIT OF NET INVESTMENT INCOME 0901-0996	1 Collected During Year	2 Earned During Year
0904. Foreign exchange income	(4,046)	(4,046)
0997. Totals (Lines 0901. through 0996.) (Page 8, Line 0998)	(4,046)	(4,046)

OVERFLOW PAGE FOR WRITE-INS

Page 11 - Continuation

	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. Other expenses	834		1,323			2,157
09.305. Expense allowance on future claims			3,198,368			3,198,368
09.397. Totals (Lines 09.304 through 09.396) (Page 11, Line 09.398)	834		3,199,691			3,200,525

ALPHABETICAL INDEX TO LIFE ANNUAL STATEMENT

Analysis of Increase in Reserves During The Year	7	Schedule D – Part 3	E13
Analysis of Operations By Lines of Business	6	Schedule D – Part 4	E14
Asset Valuation Reserve Default Component	30	Schedule D – Part 5	E15
Asset Valuation Reserve Equity	32	Schedule D – Part 6 – Section 1	E16
Asset Valuation Reserve Replications (Synthetic) Assets	35	Schedule D – Part 6 – Section 2	E16
Asset Valuation Reserve	29	Schedule D – Summary By Country	SI04
Assets	2	Schedule D – Verification Between Years	SI03
Cash Flow	5	Schedule DA – Part 1	E17
Exhibit 1 – Part 1 – Premiums and Annuity Considerations for Life and Accident and Health Contracts	9	Schedule DA – Verification Between Years	SI11
Exhibit 1 – Part 2 – Dividends and Coupons Applied, Reinsurance	10	Schedule DB – Part A – Section 1	E18
Commissions and Expense	10	Schedule DB – Part A – Section 2	E18
Exhibit 2 – General Expenses	11	Schedule DB – Part A – Section 3	E19
Exhibit 3 – Taxes, Licenses and Fees (Excluding Federal Income Taxes)	11	Schedule DB – Part A – Verification Between Years	SI12
Exhibit 4 – Dividends or Refunds	11	Schedule DB – Part B – Section 1	E19
Exhibit 5 – Aggregate Reserve for Life Contracts	12	Schedule DB – Part B – Section 2	E20
Exhibit 5 – Interrogatories	13	Schedule DB – Part B – Section 3	E20
Exhibit 5A – Changes in Bases of Valuation During The Year	13	Schedule DB – Part B – Verification Between Years	SI12
Exhibit 6 – Aggregate Reserves for Accident and Health Contracts	14	Schedule DB – Part C – Section 1	E21
Exhibit 7 – Deposit-Type Contracts	15	Schedule DB – Part C – Section 2	E21
Exhibit 8 – Claims for Life and Accident and Health Contracts – Part 1	16	Schedule DB – Part C – Section 3	E22
Exhibit 8 – Claims for Life and Accident and Health Contracts – Part 2	17	Schedule DB – Part C – Verification Between Years	SI13
Exhibit of Capital Gains (Losses)	8	Schedule DB – Part D – Section 1	E22
Exhibit of Life Insurance	25	Schedule DB – Part D – Section 2	E23
Exhibit of Net Investment Income	8	Schedule DB – Part D – Section 3	E23
Exhibit of Nonadmitted Assets	18	Schedule DB – Part D – Verification Between Years	SI13
Exhibit of Number of Policies, Contracts, Certificates, Income	27	Schedule DB – Part E – Section 1	E24
Payable and Account Values	27	Schedule DB – Part E – Verification Between Years	SI13
Five-Year Historical Data	22	Schedule DB – Part F – Section 1	SI14
Form for Calculating the Interest Maintenance Reserve (IMR)	28	Schedule DB – Part F – Section 2	SI15
General Interrogatories	20	Schedule E – Part 1 – Cash	E25
Jurat Page	1	Schedule E – Part 2 – Cash Equivalents	E26
Liabilities, Surplus and Other Funds	3	Schedule E – Part 3 – Special Deposits	E27
Life Insurance (State Page)	24	Schedule E – Verification Between Years	SI16
Notes To Financial Statements	19	Schedule F	36
Overflow Page For Write-ins	53	Schedule H – Accident and Health Exhibit – Part 1	37
Schedule A – Part 1	E01	Schedule H – Part 2, Part 3 and Part 4	38
Schedule A – Part 2	E02	Schedule H – Part 5 – Health Claims	39
Schedule A – Part 3	E03	Schedule S – Part 1 – Section 1	40
Schedule A – Verification Between Years	SI02	Schedule S – Part 1 – Section 2	41
Schedule B – Part 1	E04	Schedule S – Part 2	42
Schedule B – Part 2	E05	Schedule S – Part 3 – Section 1	43
Schedule B – Part 3	E06	Schedule S – Part 3 – Section 2	44
Schedule B – Verification Between Years	SI02	Schedule S – Part 4	45
Schedule BA – Part 1	E07	Schedule S – Part 5	46
Schedule BA – Part 2	E08	Schedule S – Part 6	47
Schedule BA – Part 3	E09	Schedule T – Part 2 Interstate Compact	49
Schedule BA – Verification Between Years	SI03	Schedule T – Premiums and Annuity Considerations	48
Schedule D – Part 1	E10	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	50
Schedule D – Part 1A – Section 1	SI05	Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates	51
Schedule D – Part 1A – Section 2	SI08	Summary Investment Schedule	SI01
Schedule D – Part 2 – Section 1	E11	Summary of Operations	4
Schedule D – Part 2 – Section 2	E12	Supplemental Exhibits and Schedules Interrogatories	52