THE STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

FILED

In the Matter of ABILITY INSURANCE COMPANY, An Authorized Insurer and Respondent	Docket Nos. 11-0088 and 11-0089 DECLARATION OF HYUNG M. LEE

2011 MAY 27 P 4: 45

Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

I, Hyung Lee, state and declare as follows:

1. My name is Hyung M. Lee. I make this Declaration based on personal knowledge. I am over the age of eighteen (18) years. I am competent and authorized to testify to the matters set forth herein. I am employed by the Washington State Office of the Insurance Commissioner, where I work as a Financial Analyst in the Company Supervision Division.

2. Attached as **Exhibit A** to this declaration is a true and correct copy of two pages from the 2010 Annual Statement filed with the National Association of Insurance Commissioners by Ability Insurance Company (formerly known as Medico Life). The first page is the jurat or front page to the Annual Statement filing. The second page is the "Schedule T" that was filed with the Annual Statement.

3. According to the Schedule T page in Exhibit A to this declaration, the company reported to state insurance regulators in its Annual Statement that the company wrote $3,537,225.00 in premiums in Washington in the year 2010. This is the sixth largest premium volume of the 44 states the company does business in.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

EXECUTED this 26th day of May, 2011 at Tumwater, Washington.

Hyung M. Lee

EXHIBIT A

ANNUAL STATEMENT

For the Year Ended December 31, 2010

OF THE CONDITION AND AFFAIRS OF THE

ABILITY INSURANCE COMPANY (FKA MEDICO LIFE) NAME CHANGE 02/10/09

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 71471 Employer's ID Number 47-0520541

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

Country of Domicile United States of America

Incorporated/Organized 10/06/1967 Commenced Business 06/10/1968

Statutory Home Office 1515 South 75th Street (Street and Number), Omaha, NE 68124 (City or Town, State and Zip Code)

Main Administrative Office 1515 South 75th Street (Street and Number)

Omaha, NE 68124 (City or Town, State and Zip Code) (402)218-4089 (Area Code) (Telephone Number)

Mail Address P. O. Box 3735 (Street and Number or P.O. Box), Omaha, NE 68103 (City or Town, State and Zip Code)

Primary Location of Books and Records One City Center, 4th Floor (Street and Number)

Portland, ME 04101 (City or Town, State and Zip Code) (978)261-3063 (Area Code) (Telephone Number)

Internet Website Address www.abilityresources.com

Statutory Statement Contact Daniel M. Gerson (Name) (978)261-3063 (Area Code)(Telephone Number)(Extension)

dgerson@abilityre.net (E-Mail Address) (866)797-5837 (Fax Number)

OFFICERS

Name	Title
Frederick John Yosua Jr.	President, COB & COO
Jeffrey Howard Koenig	Senior VP, CFO & Treasurer #
Marc Richard Adelson	Secretary & Vice President
Donald Matthew Charsky	Chief Executive Officer

OTHERS

Eileen Marie Sweeney, Senior Vice President
Robert John Duquette, Vice President & Controller
Donald Kenneth Lawler, Senior Vice President
Raymond Joseph Nelson, Vice President & Actuary
Daniel Mark Gerson, Vice President Finance
Daniel Grel Cathcart, Senior Vice President

DIRECTORS OR TRUSTEES

John Paul Grant
Laura Ann Moore
Frederick John Yosua Jr.
David Sinclair Scott
Stanley Stewart Wallack

State of Massachusetts
County of Middlesex ss

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

(Signature)	(Signature)	(Signature)
Frederick John Yosua, Jr.	Jeffrey Howard Koenig	Marc Richard Adelson
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President, COB & COO	Senior VP, CFO & Treasurer	Secretary & Vice President
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2011

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

(Notary Public Signature)

SCHEDULE . - PREMIUMS AND ANNUITY CONS ERATIONS

ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only					
			Life Contracts		4	5	6	7
			2	3				
	States, Etc.	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1.	Alabama (AL)	L	527		426,939		427,466	
2.	Alaska (AK)	L			13,046		13,046	
3.	Arizona (AZ)	L	41		2,467,504		2,467,544	
4.	Arkansas (AR)	L	420		495,048		495,468	
5.	California (CA)	L	52,238		1,498,075		1,550,313	
6.	Colorado (CO)	L	95,952		1,031,885		1,127,837	
7.	Connecticut (CT)	N						
8.	Delaware (DE)	L			3,796		3,796	
9.	District of Columbia (DC)	L	132				132	
10.	Florida (FL)	L	101,577	10,000	1,097,682		1,209,260	
11.	Georgia (GA)	L	18,803		182,514		201,317	
12.	Hawaii (HI)	L			242,971		242,971	
13.	Idaho (ID)	L	50		2,008,464		2,008,524	
14.	Illinois (IL)	L	1,865		1,625,889		1,627,754	
15.	Indiana (IN)	L	5,777		438,698		444,475	
16.	Iowa (IA)	L	7,893		11,955,102		11,962,995	
17.	Kansas (KS)	L	182,586		3,131,500		3,314,086	
18.	Kentucky (KY)	L			815,479		815,479	
19.	Louisiana (LA)	L	83		142,432		142,514	
20.	Maine (ME)	N			5,753		5,753	
21.	Maryland (MD)	L						
22.	Massachusetts (MA)	L	66		139		205	
23.	Michigan (MI)	L	690,725		1,264,970		1,955,695	
24.	Minnesota (MN)	L	135,435		3,437,025		3,572,460	
25.	Mississippi (MS)	L	10,514		159,851		170,365	
26.	Missouri (MO)	L	18,084		2,126,657		2,144,741	
27.	Montana (MT)	L	3,658		5,166,366		5,170,024	
28.	Nebraska (NE)	L	114,359		9,108,304		9,222,663	
29.	Nevada (NV)	L	4,183		256,284		260,468	
30.	New Hampshire (NH)	N						
31.	New Jersey (NJ)	N						
32.	New Mexico (NM)	L	2,574		646,540		649,114	
33.	New York (NY)	N						
34.	North Carolina (NC)	L	224,424		2,216,965		2,441,389	
35.	North Dakota (ND)	L			1,237,584		1,237,584	
36.	Ohio (OH)	L	1,599		1,382,013		1,383,612	
37.	Oklahoma (OK)	L	1,688		779,747		781,435	
38.	Oregon (OR)	L	10,360		2,902,635		2,912,996	
39.	Pennsylvania (PA)	L	2,609		138,844		141,453	
40.	Rhode Island (RI)	N						
41.	South Carolina (SC)	L			138,178		138,178	
42.	South Dakota (SD)	L	1,387		4,494,920		4,496,306	
43.	Tennessee (TN)	L	16,992		1,418,934		1,435,926	
44.	Texas (TX)	L	2,671		2,368,627		2,371,298	
45.	Utah (UT)	L			85,888		85,888	
46.	Vermont (VT)	N						
47.	Virginia (VA)	L	10,155	1,500	378,500		390,155	
48.	Washington (WA)	L	8,073		3,529,152		3,537,225	
49.	West Virginia (WV)	L	546		7,776		8,322	
50.	Wisconsin (WI)	L	136,001		888,566		1,024,567	
51.	Wyoming (WY)	L	1,059		1,134,516		1,135,575	
52.	American Samoa (AS)	N						
53.	Guam (GU)	N						
54.	Puerto Rico (PR)	N						
55.	U.S. Virgin Islands (VI)	N						
56.	Northern Mariana Islands (MP)	N						
57.	Canada (CN)	N						
58.	Aggregate Other Alien (OT)	XXX						
59.	Subtotal	(a) 44	1,865,115	11,500	72,851,759		74,728,374	
90.	Reporting entity contributions for employee benefits plans	XXX						
91.	Dividends or refunds applied to purchase paid-up additions and annuities	XXX						
92.	Dividends or refunds applied to shorten endowment or premium paying period	XXX						
93.	Premium or annuity considerations waived under disability or other contract provisions	XXX	839		3,707,624		3,708,463	
94.	Aggregate other amounts not allocable by State	XXX						
95.	Totals (Direct Business)	XXX	1,866,954	11,500	76,559,383		78,438,837	
96.	Plus Reinsurance Assumed	XXX			79,279,029		79,279,029	
97.	Totals (All Business)	XXX	1,866,954	11,500	155,838,412		157,715,866	
98.	Less Reinsurance Ceded	XXX	1,866,954	11,500	121,207,644		123,085,098	
99.	Totals (All Business) less Reinsurance Ceded	XXX	0		(b) 34,630,768		34,630,768	
DETAILS OF WRITE-INS								
5801.	~	XXX						
5802.	~	XXX						
5803.	~	XXX						
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX						
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX						
9401.	~	XXX						
9402.	~	XXX						
9403.	~	XXX						
9498.	Summary of remaining write-ins for Line 94 from overflow page	XXX						
9499.	Totals (Lines 9401 through 9403 plus 9498) (Line 94 above)	XXX						

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write insurance in the state.

(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, Lines 6.4, 10.4, and 16.4, Cols 8, 9 and 10

Explanation of basis of allocation by states, etc., of premiums and annuity considerations: State to which premiums are credited is determined by original issue address for all policies