

QUARTERLY STATEMENT

OF THE

Central United Life Insurance Company

of **Houston**

in the state of **Texas**

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

September 30, 2012

LIFE AND ACCIDENT AND HEALTH

2012



61883201220100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2012
OF THE CONDITION AND AFFAIRS OF THE

Central United Life Insurance Company

NAIC Group Code	1117	1117	NAIC Company Code	61883	Employer's ID Number	42-0884060
	(Current Period)	(Prior Period)				
Organized under the Laws of	Arkansas			State of Domicile or Port of Entry	Arkansas	
Country of Domicile	United States of America					
Incorporated/Organized	October 22, 1962			Commenced Business	September 3, 1963	
Statutory Home Office	425 West Capitol Avenue Suite 1800			Little Rock, AR 72201		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	2727 Allen Parkway Wortham Tower Suite 500					
	(Street and Number)					
	Houston, TX	77019		713-529-0045		
	(City or Town, State and Zip Code)			(Area Code)	(Telephone Number)	
Mail Address	2727 Allen Parkway Wortham Tower Suite 500			Houston, TX 77019		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	2727 Allen Parkway Wortham Tower Suite 500			Houston, TX 77019		
	(Street and Number)			(Area Code)	(Telephone Number)	
Internet Website Address	www.manhattanlife.com					
Statutory Statement Contact	Carolyn Pratt			713-821-6422		
	(Name)			(Area Code)	(Telephone Number)	
	cpratt@manhattanlife.com			713-821-6502		
	(E-Mail Address)			(Fax Number)		

OFFICERS

Chairman of the Board
David Warren Harris

	Name	Title
1.	Daniel James George	President and Treasurer
2.	John Egan McGettigan	General Counsel
3.	Kent William Lamb	Chief Financial Officer

VICE-PRESIDENTS

Name	Title	Name	Title
William Vernon Bay Jr.	Vice-President	Lee Ann Blakey	Vice-President
Todd Zane Hayden	Vice-President	John Egan McGettigan	Vice-President
Teresa Salley Moro	Vice-President	David Lee Parsons	Vice-President
Mary Lou Rainey	Secretary/Vice-President	John Alan Vala	Vice-President

DIRECTORS OR TRUSTEES

David Warren Harris	Daniel James George	Kent William Lamb	John Egan McGettigan
Mary Lou Rainey			

State of Texas

County of Harris ss

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

(Signature)	(Signature)	(Signature)
Daniel James George	John Egan McGettigan	Kent William Lamb
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President and Treasurer	General Counsel	Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
13th day of November, 2012

- 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 Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	129,541,286		129,541,286	130,912,887
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	52,713,540		52,713,540	51,230,889
3. Mortgage loans on real estate:				
3.1 First liens	4,254,733		4,254,733	4,330,598
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	12,074,532		12,074,532	12,615,753
4.2 Properties held for the production of income (less \$ 0 encumbrances)	6,754,815		6,754,815	4,755,474
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 1,578,031), cash equivalents (\$ 0), and short-term investments (\$ 39,468,714)	41,046,745		41,046,745	40,549,665
6. Contract loans (including \$ 0 premium notes)	5,873,309		5,873,309	6,462,223
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	252,258,960		252,258,960	250,857,489
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,290,720		1,290,720	1,593,078
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,035,795	861,042	1,174,753	1,264,988
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	712,306		712,306	693,443
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	211,878		211,878	918,794
16.2 Funds held by or deposited with reinsured companies	44,646,786		44,646,786	49,640,982
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	7,697,000	2,399,179	5,297,821	5,211,853
19. Guaranty funds receivable or on deposit	47,317		47,317	28,139
20. Electronic data processing equipment and software	684,689		684,689	629,575
21. Furniture and equipment, including health care delivery assets (\$ 0)	2,233,436	2,233,436		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,629,167		1,629,167	998,182
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	464,175		464,175	616,601
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	313,912,229	5,493,657	308,418,572	312,453,124
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	313,912,229	5,493,657	308,418,572	312,453,124

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Goodwill	371,229		371,229	455,996
2502. Other Receivables	92,946		92,946	160,605
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	464,175		464,175	616,601

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31 Prior Year
1. Aggregate reserve for life contracts \$ 109,821,713 less \$ 0 included in Line 6.3 (including \$ 0 Modco Reserve)	109,821,713	110,766,093
2. Aggregate reserve for accident and health contracts (including \$ 0 Modco Reserve)	102,928,564	109,341,905
3. Liability for deposit-type contracts (including \$ 0 Modco Reserve)	3,082,810	3,402,412
4. Contract claims:		
4.1 Life	1,944,076	1,997,297
4.2 Accident and health	19,491,719	21,558,225
5. Policyholders' dividends \$ 0 and coupons \$ 0 due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ 0 Modco)	347,938	347,938
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 \$ 589,590 accident and health premiums	604,888	451,000
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ 0 accident and health experience rating refunds of which \$ 0 is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including \$ 0 assumed and \$ 0 ceded		
9.4 Interest Maintenance Reserve	3,353,234	3,756,128
10. Commissions to agents due or accrued-life and annuity contracts \$ 0, accident and health \$ 0 and deposit-type contract funds \$ 0		
11. Commissions and expense allowances payable on reinsurance assumed	6,025	113,019
12. General expenses due or accrued		747,567
13. Transfers to Separate Accounts due or accrued (net) (including \$ 0 accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	151,566	803,405
15.1 Current federal and foreign income taxes, including \$ 0 on realized capital gains (losses)	1,667,230	957,670
15.2 Net deferred tax liability		
16. Unearned investment income	72,718	79,244
17. Amounts withheld or retained by company as agent or trustee	439,956	409,866
18. Amounts held for agents' account, including \$ 0 agents' credit balances		
19. Remittances and items not allocated	(139,833)	19,748
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:		
24.01 Asset valuation reserve	1,570,993	1,136,584
24.02 Reinsurance in unauthorized companies		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers		
24.04 Payable to parent, subsidiaries and affiliates	14,701	
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities		
24.10 Payable for securities lending		
24.11 Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	245,358,298	255,888,101
27. From Separate Accounts statement		
28. Total liabilities (Lines 26 and 27)	245,358,298	255,888,101
29. Common capital stock	2,500,000	2,500,000
30. Preferred capital stock	200,000	200,000
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes	15,000,000	15,000,000
33. Gross paid in and contributed surplus	3,236,734	3,236,734
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	42,123,540	35,628,289
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)	60,360,274	53,865,023
38. Totals of Lines 29, 30 and 37	63,060,274	56,565,023
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	308,418,572	312,453,124

DETAILS OF WRITE-IN LINES		
2501.	NONE	
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
3101.	NONE	
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401.	NONE	
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		

SUMMARY OF OPERATIONS

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	69,548,232	73,693,115	97,606,123
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	5,483,300	6,801,972	8,654,805
4. Amortization of Interest Maintenance Reserve (IMR)	951,802	928,878	965,004
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	182,951	188,223	245,895
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			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	1,639,855	2,241,502	2,569,723
9. Totals (Lines 1 to 8.3)	77,806,140	83,853,690	110,041,550
10. Death benefits	3,293,297	4,367,875	5,254,595
11. Matured endowments (excluding guaranteed annual pure endowments)	122,280	228,556	314,818
12. Annuity benefits	18,142	44,015	23,299
13. Disability benefits and benefits under accident and health contracts	46,408,522	55,574,916	71,658,478
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	1,811,945	2,703,152	2,501,343
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	79,085	171,426	167,713
18. Payments on supplementary contracts with life contingencies	232,830	267,267	356,546
19. Increase in aggregate reserves for life and accident and health contracts	(7,357,724)	(7,362,950)	(11,454,504)
20. Totals (Lines 10 to 19)	44,608,377	55,994,257	68,822,288
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	9,567,051	9,340,463	12,419,156
22. Commissions and expense allowances on reinsurance assumed	1,184,446	1,239,456	1,731,512
23. General insurance expenses	10,950,429	12,424,514	17,931,212
24. Insurance taxes, licenses and fees, excluding federal income taxes	2,428,732	2,398,192	3,706,628
25. Increase in loading on deferred and uncollected premiums	(11,953)	(29,096)	(38,498)
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions			
28. Totals (Lines 20 to 27)	68,727,082	81,367,786	104,572,298
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	9,079,058	2,485,904	5,469,252
30. Dividends to policyholders	284,658	287,541	368,246
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	8,794,400	2,198,363	5,101,006
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	1,668,121	188,868	1,201,333
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)	7,126,279	2,009,495	3,899,673
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 581,560 (excluding taxes of \$ 282,771 transferred to the IMR)	1,143,714		
35. Net income (Line 33 plus Line 34)	8,269,993	2,009,495	3,899,673
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	56,565,023	53,855,478	53,855,478
37. Net income (Line 35)	8,269,993	2,009,495	3,899,673
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	1,482,652	1,355,680	(75,429)
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	240,596	782,494	1,347,927
41. Change in nonadmitted assets	(1,063,584)	(494,986)	(1,063,410)
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			
44. Change in asset valuation reserve	(434,406)	(174,934)	(128,758)
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in			
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance			
52. Dividends to stockholders	(2,000,000)	(750,000)	(750,000)
53. Aggregate write-ins for gains and losses in surplus		(520,458)	(520,458)
54. Net change in capital and surplus (Lines 37 through 53)	6,495,251	2,207,291	2,709,545
55. Capital and surplus as of statement date (Lines 36 + 54)	63,060,274	56,062,769	56,565,023

DETAILS OF WRITE-IN LINES			
08.301. Gain on Reinsurance - Savers	1,584,489	2,219,190	2,462,800
08.302. Miscellaneous Income	55,366	22,312	106,923
08.303. Summary of write-ins for Line 08.3 from overflow page			
08.398. Summary of write-ins for Line 08.3 from overflow page			
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 08.3 above)	1,639,855	2,241,502	2,569,723
2701. Summary of write-ins for Line 27 from overflow page			
2702. Summary of write-ins for Line 27 from overflow page			
2703. Summary of write-ins for Line 27 from overflow page			
2798. Summary of write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)			
5301. Audit Adjustment		(520,458)	(520,458)
5302. Summary of write-ins for Line 53 from overflow page			
5303. Summary of write-ins for Line 53 from overflow page			
5398. Summary of write-ins for Line 53 from overflow page			
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)		(520,458)	(520,458)

CASH FLOW

Cash from Operations	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	69,785,444	74,062,208	97,441,611
2. Net investment income	6,018,794	7,383,845	9,388,393
3. Miscellaneous income	1,822,821	2,429,785	2,815,618
4. Total (Lines 1 to 3)	77,627,059	83,875,838	109,645,622
5. Benefit and loss related payments	53,299,827	65,860,079	83,624,817
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	25,536,696	25,928,760	35,152,364
8. Dividends paid to policyholders	284,658	287,542	376,099
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	1,822,892	1,431,684	1,432,108
10. Total (Lines 5 through 9)	80,944,073	93,508,065	120,585,388
11. Net cash from operations (Line 4 minus Line 10)	(3,317,014)	(9,632,227)	(10,939,766)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	23,403,240	28,081,148	38,685,884
12.2 Stocks			
12.3 Mortgage loans	75,864	349,193	4,242,953
12.4 Real estate	5,227,706		
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	28,706,810	28,430,341	42,928,837
13. Cost of investments acquired (long-term only):			
13.1 Bonds	21,459,232	13,600,296	22,227,189
13.2 Stocks			
13.3 Mortgage loans		3,669,731	3,676,731
13.4 Real estate	4,940,939	7,092,684	7,400,301
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	26,400,171	24,362,711	33,304,221
14. Net increase (or decrease) in contract loans and premium notes	(588,914)	(317,773)	(435,118)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	2,895,553	4,385,403	10,059,734
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			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(380,912)	82,220	36,634
16.5 Dividends to stockholders	(2,000,000)	750,000	750,000
16.6 Other cash provided (applied)	(700,548)	(1,096,597)	41,646
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	918,540	(1,764,377)	(671,720)
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)	497,079	(7,011,201)	(1,551,752)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	40,549,665	42,101,417	42,101,417
19.2 End of period (Line 18 plus Line 19.1)	41,046,744	35,090,216	40,549,665

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

20.0001			
20.0002			
20.0003			

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1	2	3
	Current Year to Date	Prior Year to Date	Prior Year Ended December 31
1. Industrial life			
2. Ordinary life insurance	3,202,547	4,286,568	4,335,939
3. Ordinary individual annuities	67,061	40,453	54,309
4. Credit life (group and individual)			
5. Group life insurance			
6. Group annuities			
7. A & H - group	4,847,995	4,237,075	6,084,625
8. A & H - credit (group and individual)			
9. A & H - other	52,612,496	51,840,173	71,673,534
10. Aggregate of all other lines of business			
11. Subtotal	60,730,099	60,404,269	82,148,407
12. Deposit-type contracts	84,017	541,793	683,991
13. Total	60,814,116	60,946,062	82,832,398

DETAILS OF WRITE-IN LINES			
1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page			
1099. Total (Lines 1001 through 1003 plus 1098) (Line 10 above)			

NONE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The financial statements of Central United Life Insurance Company, (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Arkansas Department of Insurance ("ADOI").

The ADOI recognizes only statutory accounting practices prescribed or permitted by the State of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Arkansas Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective March 2012, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Arkansas. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

B. No Change from 2011

C. No Change from 2011

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

A. On November 6, 2011, the NAIC adopted SSAP No. 101, Income Taxes. A Replacement of SSAP No. 10R and SSAP No. 10 effective January 1, 2012. SSAP 101 provides that the multiple deferred tax asset admissibility computation methodologies allowed under SSAP 10R are no longer elective. Instead deferred tax asset reversal and surplus limitations for purposes of the deferred tax admissibility tests are determined based on risk-based capital levels estimated at the end of each reporting period. Further, the guidance sets a more likely than not threshold for recording contingent tax liabilities. There was no cumulative effect of adopting this pronouncement.

B. No Change from 2011

3. No Change from 2011

4. No Change from 2011

5. No Change from 2011

6. No Change from 2011

7. No Change from 2011

8. No Change from 2011

9. INCOME TAXES

A. Components of the net deferred tax asset (liability) at [September 30, 2012](#) and [December 31, 2011](#) are as follows:

	2012	2011
Total of gross deferred tax assets	\$ 8,168,866	\$ 7,935,918
Total of deferred tax liabilities	471,866	479,514
Net deferred tax asset	7,697,000	7,456,404
Deferred tax assets non-admitted	(2,399,179)	(2,244,551)
Net admitted deferred tax asset	5,297,821	5,211,853

B. The Company does not have any deferred tax liabilities that are not recognized in the financial statements.

NOTES TO FINANCIAL STATEMENTS

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

	2012	2011
Current year expense - operations	\$ 1,668,121	\$ 1,201,333
Current year expense - realized gains	864,331	667,817
Current income taxes incurred	\$ 2,532,452	\$ 1,869,150

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at [September 30, 2012](#) and [December 31, 2011](#) are as follows:

	2012	2011
Deferred tax assets:		
Policy reserves	\$ 2,678,843	\$ 2,786,840
Investments	24,724	26,943
Deferred policy acquisition costs	4,445,646	4,357,151
Receivables non-admitted	292,754	316,754
Compensation and benefit accruals	-	61,880
Fixed assets	726,899	386,350
Total deferred tax assets	8,168,866	7,935,918
Non-admitted deferred tax assets	(2,399,179)	(2,244,551)
 Admitted deferred tax assets	 5,769,687	 5,691,367
 Deferred tax liabilities:		
Investments	100,370	100,370
Deferred and uncollected premium	308,177	293,294
Other	63,318	85,850
Total deferred tax liabilities	471,866	479,514
 Net admitted tax asset	 \$ 5,297,821	 \$ 5,211,853

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

Effective Rate Reconciliation	Amount	Effective Tax Rate
Income tax at applicable rate	\$ 2,990,096	34.0%
Dividend	(1,020,000)	-11.6%
IMR amortization	(323,613)	-3.7%
Capital gains tax	864,331	9.8%
Other	(218,958)	-2.5%
Total tax	\$ 2,291,856	26.1%

- E. The Company has no net operating loss carryforward. The company has no AMT credit.
- F. The Company is subject to taxation as a life insurance company and files a consolidated return with its parent, Harris Insurance Holdings, Inc.

NOTES TO FINANCIAL STATEMENTS

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

- A. 100% of the Company is owned by Harris Insurance Holding Company domiciled in the state of Texas.

Effective September 30, 2009, the Company now owns 100% of the Manhattan Insurance Group.

The Company does not hold assets of its parent. The Company holds commons stock in affiliates and the value of such stocks is reflected in Schedule D.

Company	Relationship	Asset Category	Book Value	Statement Value
Manhattan Insurance Group	Subsidiary	Common Stock	\$ 36,214,033	\$ 45,054,368
Investors Consolidated	Subsidiary	Common Stock	5,577,044	7,659,172
			<u>\$ 41,791,077</u>	<u>\$ 52,713,540</u>

11. No Change from 2011

12. No Change from 2011

13. CAPITAL AND SURPLUS AND SHAREHOLDERS' DIVIDEND RESTRICTIONS

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

(1) Unrealized gains and losses	\$ 10,922,463
(2) Non-admitted asset values	(5,493,657)
(3) Separate account business	-
(4) Asset valuation reserve	(1,570,993)

- J. The Company issued \$15,000,000 principal amount of its Floating Rate Surplus Notes due May 23, 2033 to InCapS Funding I, Ltd. pursuant to an Indenture by and between the Issuer and Wilmington Trust Company, as Trustee on May 22, 2003 for \$15,000,000 cash. The Texas Department of Insurance has approved this subordinated indebtedness agreement pursuant to the provisions of article 1.39, Texas Insurance Code and 28 Texas Administrative Code Section 7.7. The interest rate is capped at 12.5% during the first five years of the issuance of the surplus note. In the event the tax status of the interest deduction changes for the Company within five years of the issuance of the surplus note, the Company can redeem the surplus note for a Special Redemption Price specified in the Indenture. On or after five years of the issuance date of the surplus note, the Company may redeem the outstanding principal amount of the surplus note at 100% (no premium) with the prior approval of the Arkansas Department of Insurance. The interest payments of \$524,460 were paid in 2012.

14. No Change from 2011

15. No Change from 2011

16. No Change from 2011

17. No Change from 2011

18. No Change from 2011

19. No Change from 2011

20. No Change from 2011

21. OTHER ITEMS

- C. Assets in the amount of \$7,016,381 and \$6,755,185 at September 30, 2012 and December 31, 2011, respectively, were on deposit with various state insurance departments as required by law.

22. No Change from 2011

23. No Change from 2011

24. No Change from 2011

25. No Change from 2011

NOTES TO FINANCIAL STATEMENTS

26. No Change from 2011
 27. No Change from 2011
 28. No Change from 2011
 29. No Change from 2011
 30. No Change from 2011
 31. No Change from 2011
 32. No Change from 2011

33. **PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED**

Deferred and uncollected life insurance and annuity considerations as of [September 30, 2012](#) were as follows:

<u>Type</u>	<u>Gross</u>	<u>Loading</u>	<u>Net of Loading</u>
Ordinary, new business	\$ 84,344	\$ 8,512	\$ 75,832
Ordinary, renewal	1,158,829	328,257	830,572
Group life	-	-	-
Total	\$ 1,243,173	\$ 336,769	\$ 906,404

34. No Change from 2011
 35. No Change from 2011

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y – Part 1 – organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....		
.....		

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2011 _____

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2006 _____

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 05/09/2008 _____

6.4 By what department or departments?
Arkansas Department of Insurance
.....
.....
.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

7.2 If yes, give full information
.....
.....
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

GENERAL INTERROGATORIES

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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), 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 FDIC	6 SEC
.....
.....

9.1 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 []

9.11 If the response to 9.1 is No, please explain:

.....

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

Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

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

Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No []

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 97,000

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No [X]

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

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$ _____

GENERAL INTERROGATORIES

13. Amount of real estate and mortgages held in short-term investments: \$ _____

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ 51,230,889	\$ 52,713,540
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 51,230,889	\$ 52,713,540
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement. Yes No

16. 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Trust Company	Houston, TX
.....

16.2 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)
.....
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes No

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

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

GENERAL INTERROGATORIES

16.5 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	2 Name(s)	3 Address
.....
.....

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

Yes [] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

PART 2 - LIFE & HEALTH

1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:

	1 Amount
1.1 Long-Term Mortgages in Good Standing	
1.11 Farm Mortgages	\$ _____
1.12 Residential Mortgages	\$ 1,146,503
1.13 Commercial Mortgages	\$ 3,108,230
1.14 Total Mortgages in Good Standing	\$ 4,254,733
1.2 Long-Term Mortgages in Good Standing with Restructured Terms	
1.21 Total Mortgages in Good Standing with Restructured Terms	\$ _____
1.3 Long-Term Mortgage Loans upon which Interest is Overdue more than Three Months	
1.31 Farm Mortgages	\$ _____
1.32 Residential Mortgages	\$ _____
1.33 Commercial Mortgages	\$ _____
1.34 Total Mortgages with Interest Overdue more than Three Months	\$ _____
1.4 Long-Term Mortgage Loans in Process of Foreclosure	
1.41 Farm Mortgages	\$ _____
1.42 Residential Mortgages	\$ _____
1.43 Commercial Mortgages	\$ _____
1.44 Total Mortgages in Process of Foreclosure	\$ _____
1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)	\$ 4,254,733
1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61 Farm Mortgages	\$ _____
1.62 Residential Mortgages	\$ _____
1.63 Commercial Mortgages	\$ _____
1.64 Total Mortgages Foreclosed and Transferred to Real Estate	\$ _____
2. Operating Percentages:	
2.1 A&H loss percent	_____ 58.66 %
2.2 A&H cost containment percent	_____ %
2.3 A&H expense percent excluding cost containment expenses	_____ 31.76 %
3.1 Do you act as a custodian for health savings accounts?	Yes [] No [X]
3.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$ _____
3.3 Do you act as an administrator for health savings accounts?	Yes [] No [X]
3.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$ _____

NONE Schedule S

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories

States, Etc.	Active Status	Direct Business Only					
		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	122,376		1,509,110		1,631,486
2. Alaska	AK	L	413		7,057		7,470
3. Arizona	AZ	L	21,988	375	404,891		427,254
4. Arkansas	AR	L	133,313		2,887,386		3,020,699
5. California	CA	L	50,750		1,241,494		1,292,244
6. Colorado	CO	L	87,440	350	239,606		327,396
7. Connecticut	CT	N	5,357		9,197		14,554
8. Delaware	DE	L	778		8,483		9,261
9. District of Columbia	DC	L	22		34,923		34,945
10. Florida	FL	L	88,658	12,387	1,087,438		1,188,483
11. Georgia	GA	L	212,306	378	3,825,310		4,037,994
12. Hawaii	HI	N			3,724		3,724
13. Idaho	ID	L	7,232		82,164		89,396
14. Illinois	IL	L	89,917	2,813	1,037,917		1,130,647
15. Indiana	IN	L	27,563	730	1,042,466		1,070,759
16. Iowa	IA	L	53,259	1,287	735,763		790,309
17. Kansas	KS	L	139,886	3,101	1,231,524		1,374,511
18. Kentucky	KY	L	49,560		1,539,292		1,588,852
19. Louisiana	LA	L	83,660		1,833,598		1,917,258
20. Maine	ME	L	52,133	13,752	48,968		114,853
21. Maryland	MD	L	4,890		384,476		389,366
22. Massachusetts	MA	L	21,513	16,579	110,422		148,514
23. Michigan	MI	L	38,080	429	45,792		84,301
24. Minnesota	MN	L	8,543		221,070		229,613
25. Mississippi	MS	L	106,486		7,611,465		7,717,951
26. Missouri	MO	L	77,776	226	1,208,905		1,286,907
27. Montana	MT	L	1,617		217,066		218,683
28. Nebraska	NE	L	36,896	1,144	1,029,846		1,067,886
29. Nevada	NV	L	4,072		148,169		152,241
30. New Hampshire	NH	L	34,304	4,463	67,837		106,604
31. New Jersey	NJ	N	6,080		51,238		57,318
32. New Mexico	NM	L	5,593	1,115	226,999		233,707
33. New York	NY	N	3,215		53,908		57,123
34. North Carolina	NC	L	16,161	1,483	2,424,041		2,441,685
35. North Dakota	ND	L	3,357		336,845		340,202
36. Ohio	OH	L	162,129	100	1,371,838		1,534,067
37. Oklahoma	OK	L	68,254	120	3,723,760		3,792,134
38. Oregon	OR	L	8,981		130,101		139,082
39. Pennsylvania	PA	L	96,734	4,747	720,346		821,827
40. Rhode Island	RI	N	41		5,249		5,290
41. South Carolina	SC	L	46,152	354	5,461,838		5,508,344
42. South Dakota	SD	L	19,656		188,238		207,894
43. Tennessee	TN	L	101,882		3,341,957		3,443,839
44. Texas	TX	L	309,560	497	6,892,481		7,202,538
45. Utah	UT	L	13,896		58,993		72,889
46. Vermont	VT	N	1,088		4,202		5,290
47. Virginia	VA	L	12,973	577	2,169,376		2,182,926
48. Washington	WA	L	4,899	53	302,624		307,576
49. West Virginia	WV	L	6,808		127,513		134,321
50. Wisconsin	WI	L	39,477		158,316		197,793
51. Wyoming	WY	L	6,431		68,854		75,285
52. American Samoa	AS	N					
53. Guam	GU	N					
54. Puerto Rico	PR	N					
55. US Virgin Islands	VI	N					
56. Northern Mariana Islands	MP	N					
57. Canada	CN	N					
58. Aggregate Other Alien	OT	X X X	430,193		69,170		499,363
59. Subtotal	(a)	45	2,924,348	67,060	57,743,246		60,734,654
90. Reporting entity contributions for employee benefits plans		X X X					
91. Dividends or refunds applied to purchase paid-up additions and annuities		X X X	195,633				195,633
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	31,789				31,789
94. Aggregate other amounts not allocable by State		X X X					
95. Totals (Direct Business)		X X X	3,151,770	67,060	57,743,246		60,962,076
96. Plus Reinsurance Assumed		X X X	2,916,641		7,557,529		10,474,170
97. Totals (All Business)		X X X	6,068,411	67,060	65,300,775		71,436,246
98. Less Reinsurance Ceded		X X X	1,579,911	2,352	68,538		1,650,801
99. Totals (All Business) less Reinsurance Ceded		X X X	4,488,500	64,708	65,232,237		69,785,445

DETAILS OF WRITE-INS							
5801. Other Alien		X X X	430,193		69,170		499,363
5802.		X X X					
5803.		X X X					
5898. Summary of remaining write-ins for Line 58		X X X					
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		X X X	430,193		69,170		499,363
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. Totals (Lines 9401 through 9403 plus 9498) (Line 94 above)		X X X					

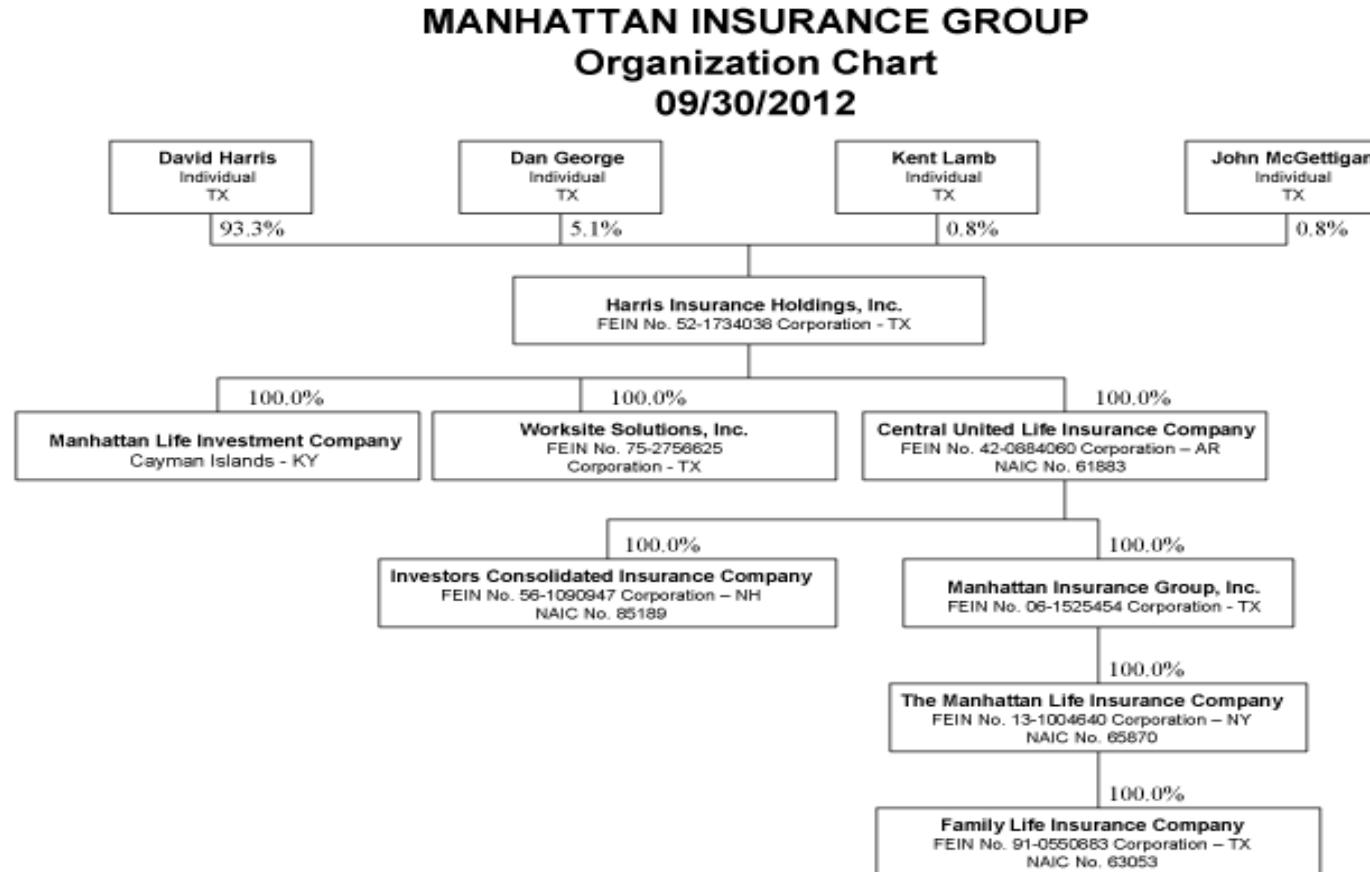
NONE

(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 business in the state.

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

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

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
1117	Manhattan Insurance Group Inc	00000	52-1734038	0	0		Harris Insurance Holdings, Inc	TX	OWN	Harris Insurance Holdings, Inc	Ownership	100.0	Harris Insurance Holdings, Inc	0
1117	Manhattan Insurance Group Inc	00000		0	0		Manhattan Life Investment Company	KY	NIA	Harris Insurance Holdings, Inc	Ownership	100.0	Harris Insurance Holdings, Inc	0
1117	Manhattan Insurance Group Inc	00000	75-2756625	0	0		Worksite Solutions, Inc	TX	NIA	Harris Insurance Holdings, Inc	Ownership	100.0	Harris Insurance Holdings, Inc	0
1117	Manhattan Insurance Group Inc	61883	42-0884060	0	0		Central United Life Insurance Company	AR	REP	Harris Insurance Holdings, Inc	Ownership	100.0	Harris Insurance Holdings, Inc	0
1117	Manhattan Insurance Group Inc	85189	56-1090947	0	0		Investors Consolidated Insurance Company	NH	DS	Central United Life Insurance Company	Ownership	100.0	Harris Insurance Holdings, Inc	0
1117	Manhattan Insurance Group Inc	00000	06-1525454	0	0		Manhattan Insurance Group, Inc	TX	DS	Central United Life Insurance Company	Ownership	100.0	Harris Insurance Holdings, Inc	0
1117	Manhattan Insurance Group Inc	65870	13-1004640	0	0		Manhattan Life Insurance Company	NY	DS	Central United Life Insurance Company	Ownership	100.0	Harris Insurance Holdings, Inc	0
1117	Manhattan Insurance Group Inc	63053	91-0550683	0	0		Family Life Insurance Company	TX	DS	Manhattan Life Insurance Company	Ownership	100.0	Harris Insurance Holdings, Inc	0

13

Asterik	Explanation
<div style="font-size: 48pt; font-weight: bold;">NONE</div>	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	<u>Response</u>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	NO
6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	NO
7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?	NO

Explanation:

- Question 1: N/A
- Question 2: N/A
- Question 3: N/A
- Question 4: N/A
- Question 5: N/A
- Question 6: N/A
- Question 7: N/A

Bar Code:



61883201249000103



61883201236500103



61883201244500103



61883201244600103

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES



61883201244700103



61883201244800103



61883201244900103

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	17,371,227	10,279,396
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		6,850,000
2.2 Additional investment made after acquisition	4,940,940	550,300
3. Current year change in encumbrances		
4. Total gain (loss) on disposals	1,903,375	
5. Deduct amounts received on disposals	5,227,706	
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	158,489	308,469
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	18,829,347	17,371,227
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	18,829,347	17,371,227

SCHEDULE B - VERIFICATION**Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	4,330,598	4,896,820
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		3,676,731
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	75,865	4,242,953
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	4,254,733	4,330,598
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	4,254,733	4,330,598
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	4,254,733	4,330,598

SCHEDULE BA - VERIFICATION**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	182,143,776	196,924,505
2. Cost of bonds and stocks acquired	21,459,234	22,227,189
3. Accrual of discount	136,752	116,869
4. Unrealized valuation increase (decrease)	1,482,652	(75,429)
5. Total gain (loss) on disposals	653,578	1,964,167
6. Deduct consideration for bonds and stocks disposed of	23,403,240	38,685,884
7. Deduct amortization of premium	217,926	327,641
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	182,254,826	182,143,776
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	182,254,826	182,143,776

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	162,002,523	24,709,950	23,091,649	(39,603)	163,264,729	162,002,523	163,581,221	167,092,330
2. Class 2 (a)	5,430,981			(2,201)	4,421,805	5,430,981	5,428,780	3,426,252
3. Class 3 (a)								
4. Class 4 (a)								997,982
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	167,433,504	24,709,950	23,091,649	(41,804)	167,686,534	167,433,504	169,010,001	171,516,564
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	167,433,504	24,709,950	23,091,649	(41,804)	167,686,534	167,433,504	169,010,001	171,516,564

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 39,468,714; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	39,468,714	X X X	39,468,714	8,462	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	40,603,673	42,066,389
2. Cost of short-term investments acquired	40,325,709	65,516,503
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	41,460,668	66,979,219
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	39,468,714	40,603,673
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	39,468,714	40,603,673

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

NONE Schedule E Verification

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
10777 Northwest Freeway	Houston	TX	09/30/2012	Various				1,636,241
Concord Building	Concord	NH	09/30/2012	Various				103,611
0199999 Acquired by Purchase								1,739,852
0399999 Totals								1,739,852

EOI

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
NONE																			
0399999 Totals																			

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Loan Number	2 Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Actual Cost at Time of Acquisition	8 Additional Investment Made After Acquisitions	9 Value of Land and Buildings
	2 City	3 State						
NONE								
3399999 Totals				XXX	XXX			

EO2

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1 Loan Number	2 Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	8 Change in Book Value/Recorded Investment						14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	2 City	3 State					8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization) / Accretion	10 Current Year's Other than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value					
0990224	Great Neck	NY		03/31/2009										14,748			
1190	Houston	TX		07/01/2003										10,090			
1192	Houston	TX		03/31/2009										836			
0299999 Mortgages with partial repayments													25,674				
0599999 Totals													25,674				

NONE **Schedule BA - Part 2 and 3**

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
3133EA-H6-8	FEDERAL FARM CREDIT BANK		08/07/2012	WELLER ANDERSON & CO		1,000,000	1,000,000.00		1FE
912828-SX-9	US TREASURY		07/16/2012	BANK ONE		2,280,859	2,250,000.00	3,251	1
912828-TD-2	US TREASURY		07/25/2012	BANK ONE		999,066	1,000,000.00	75	1
912828-RR-3	US TREASURY GOVERNMENT		07/23/2012	WELLS FARGO		1,269,239	1,200,000.00	4,565	1
912828-TN-0	US TREASURY GOVERNMENT		09/07/2012	DEUTSCHE BANK SECURITIES INC.		2,492,295	2,500,000.00	691	1
0599999	Total Bonds U. S. Government				X X X	8,041,459	7,950,000.00	8,582	X X X
8399997	Total Bonds Part 3				X X X	8,041,459	7,950,000	8,582	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	8,041,459	7,950,000.00	8,582	X X X
9999999	Totals				X X X	8,041,459	X X X	8,582	X X X

E04

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
31331G-U3-1	FEDERAL FARM CREDIT BANK AG		09/24/2012	MATURITY		1,000,000	1,000,000.00	1,000,000	1,000,000						1,000,000				18,000	09/24/2012	1FE	
36225A-B3-3	GNMA #780058		09/17/2012	MBS PAYDOWN		12	12.00	12	12						12				1	01/01/2025	1	
912828-NS-5	US TREASURY		07/12/2012	PRIOR YEAR INCOME															469	06/30/2012	1	
912828-QQ-6	US TREASURY		09/07/2012	MORGAN STANLEY &		2,507,171	2,300,000.00	2,312,947	2,311,952		(1,207)		(1,207)		2,310,745		196,425	196,425	42,536	05/31/2018	1	
912828-KQ-2	US TREASURY GOVERNMENT		07/23/2012	WELLS FARGO		1,149,840	1,000,000.00	957,270	966,468		2,251		2,251		968,719		181,120	181,120	21,569	05/15/2019	1	
912828-AJ-9	US TREASURY NOTE		08/15/2012	MATURITY		500,000	500,000.00	509,409	501,126		(1,126)		(1,126)		500,000				21,875	08/15/2012	1	
0599999	Total - Bonds - U.S. Governments				X X X	5,157,023	4,800,012.00	4,779,638	4,779,558		(82)		(82)		4,779,476		377,545	377,545	104,450	X X X	X X X	
EIS	31393V-MS-7	CMO FHLMC 2628 AD	09/17/2012	MBS PAYDOWN		92,330	92,330.00	87,101	91,037		1,293		1,293		92,330				2,500	02/01/2018	1FE	
	31359D-5P-4	CMO FNMA 1993 165 SB	09/25/2012	MBS PAYDOWN		4,161	4,161.00	4,203	4,160		2		2		4,161				377	03/25/2023	1FE	
	31359D-Y9-8	CMO FNMA 1993 187 L	09/25/2012	MBS PAYDOWN		11,537	11,537.00	11,392	11,552		(15)		(15)		11,537				497	07/01/2023	1FE	
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl				X X X	108,028	108,028.00	102,696	106,749		1,280		1,280		108,028				3,374	X X X	X X X	
12189P-AL-6	BURLINGTON NORTHERN & SANTA F		07/15/2012	SINKING FUND REDE		20,134	20,134.00	20,134	20,134						20,134				1,197	01/15/2023	1FE	
808626-AC-9	SCIENCE APPLICATIONS INT		07/01/2012	MATURITY		40,000	40,000.00	42,443	40,170		(170)		(170)		40,000				2,500	07/01/2012	1FE	
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	60,134	60,134.00	62,577	60,304		(170)		(170)		60,134				3,697	X X X	X X X	
8399997	Total - Bonds - Part 4				X X X	5,325,185	4,968,174	4,944,911	4,946,611		1,028		1,028		4,947,638		377,545	377,545	111,521	X X X	X X X	
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	5,325,185	4,968,174.00	4,944,911	4,946,611		1,028		1,028		4,947,638		377,545	377,545	111,521	X X X	X X X	
9999999	Totals					5,325,185	X X X	4,944,911	4,946,611		1,028		1,028		4,947,638		377,545	377,545	111,521	X X X	X X X	

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

NONE Schedule DB - Part A - Section 1

NONE Schedule DB - Part B - Section 1

NONE Schedule DB - Part D

NONE Schedule DL - Part 1

NONE Schedule DL - Part 2

NONE Schedule E - Part 2