

ANNUAL STATEMENT

OF THE

of _____

in the state of _____

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2011

LIFE AND ACCIDENT AND HEALTH

2011



63967201120100100

ANNUAL STATEMENT

For the Year Ended December 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

Government Personnel Mutual Life Insurance Company

NAIC Group Code 4712 4712 **NAIC Company Code** 63967 **Employer's ID Number** 74-0651020
(Current Period) (Prior Period)

Organized under the Laws of Texas, **State of Domicile or Port of Entry** Texas
Country of Domicile United States

Incorporated/Organized May 15, 1934 **Commenced Business** October 9, 1934

Statutory Home Office 2211 N.E. Loop 410, San Antonio, TX 78217
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 2211 N.E. Loop 410
(Street and Number)
San Antonio, TX 78217
(City or Town, State and Zip Code)

Mail Address GPM Life Bldg - P.O. Box 659567, San Antonio, TX 78265-9567
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 2211 N.E. Loop 410 San Antonio, TX 78217 210-357-2222
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.gpmlife.com

Statutory Statement Contact Lourdes Mendoza 210-357-2222 X2809
(Name) (Area Code) (Telephone Number) (Extension)
alm@gpmlife.com 210-357-6722
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title
1. <u>Peter John Hennessey III</u>	<u>Chairman of the Board, President and CEO</u>
2. <u>Charles Alan Ferguson</u>	<u>Sr. VP, General Counsel and Secretary</u>
3. <u>Maria de Lourdes Mendoza</u>	<u>Vice President and Treasurer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>Pamela A Hutchins</u>	<u>Sr. Vice President and Chief Actuary</u>	<u>William Martin Hoffman</u>	<u>Sr. Vice President-Info. Systems</u>
<u>Peter John Hennessey IV</u>	<u>Sr. Vice President-Marketing</u>	<u>Charles Alan Ferguson</u>	<u>Sr. Vice President, General Counsel, and Secretary</u>

DIRECTORS OR TRUSTEES

<u>Peter John Hennessey III - Chairman</u>	<u>Eugene Emil Habiger</u>	<u>Maria de Lourdes Mendoza</u>	<u>Susan Lewellyn Pamerleau</u>
<u>Pamela A Hutchins</u>	<u>Charles Alan Ferguson</u>	<u>Neal Thomas Jaco</u>	<u>James Rudolph Reed</u>
<u>Roy Clark Boddy</u>	<u>Peter John Hennessey IV</u>		

State of Texas
County of Bexar 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) <u>Peter John Hennessey III</u> _____ (Printed Name) 1. Chairman of the Board, President and CEO _____ (Title)	_____ (Signature) <u>Charles Alan Ferguson</u> _____ (Printed Name) 2. Sr. VP, General Counsel and Secretary _____ (Title)	_____ (Signature) <u>Maria de Lourdes Mendoza</u> _____ (Printed Name) 3. Vice President and Treasurer _____ (Title)
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Subscribed and sworn to (or affirmed) before me on this _____ day of February, 2012, 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)	540,849,565		540,849,565	536,497,046
2. Stocks (Schedule D):				
2.1 Preferred stocks	3,017,100		3,017,100	3,017,100
2.2 Common stocks	4,720,389		4,720,389	5,411,474
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	134,658,370		134,658,370	123,670,619
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	6,888,227		6,888,227	6,944,022
4.2 Properties held for the production of income (less \$ 0 encumbrances)	6,477,769	850,372	5,627,397	9,759,335
4.3 Properties held for sale (less \$ 0 encumbrances)	2,250,000		2,250,000	
5. Cash (\$ 17,022,483, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 11,794,233, Schedule DA)	28,816,716		28,816,716	26,871,495
6. Contract loans (including \$ 0 premium notes)	73,470,089	80,048	73,390,041	73,657,572
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities	19,687		19,687	19,687
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	801,167,912	930,420	800,237,492	785,848,350
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	9,226,970		9,226,970	9,280,064
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	739,456		739,456	812,497
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	8,417,729		8,417,729	8,576,324
15.3 Accrued retrospective premiums	1,429		1,429	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,060,222		1,060,222	1,558,552
16.2 Funds held by or deposited with reinsured companies	480,601		480,601	792,780
16.3 Other amounts receivable under reinsurance contracts	822,090		822,090	1,544,730
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	897,727		897,727	1,078,372
18.2 Net deferred tax asset	18,201,150	6,173,631	12,027,519	11,580,239
19. Guaranty funds receivable or on deposit	119,222		119,222	51,962
20. Electronic data processing equipment and software	851,523	755,752	95,771	74,162
21. Furniture and equipment, including health care delivery assets (\$ 0)	264,790	264,790		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable	569,320	569,320		
25. Aggregate write-ins for other than invested assets	2,335,633	2,335,633		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	845,155,774	11,029,546	834,126,228	821,198,032
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	845,155,774	11,029,546	834,126,228	821,198,032

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. Amounts due from agents	1,772,564	1,772,564		
2502. Deposits and other prepaids	355,798	355,798		
2503. Bills receivable	66,055	66,055		
2598. Summary of remaining write-ins for Line 25 from overflow page	141,216	141,216		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,335,633	2,335,633		

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Aggregate reserve for life contracts \$ 618,776,265 (Exhibit 5, Line 9999999) less \$ 0 included in Line 6.3 (including \$ 0 Modco Reserve)	618,776,265	615,386,220
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$ 0 Modco Reserve)	529,921	541,664
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ 0 Modco Reserve)	62,642,582	61,625,549
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	6,159,961	6,187,187
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	1,006,486	871,394
5. Policyholders' dividends \$ 9,000 and coupons \$ 0 due and unpaid (Exhibit 4, Line 10)	9,000	6,000
6. Provision for policyholders' dividends and coupons payable in following calendar year -- estimated amounts:		
6.1 Dividends apportioned for payment (including \$ 0 Modco)	6,600,000	6,700,000
6.2 Dividends not yet apportioned (including \$ 0 Modco)		
6.3 Coupons and similar benefits (including \$ 0 Modco)	225	225
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 \$ 81,072 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	161,268	108,016
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ 29,343 accident and health experience rating refunds of which \$ 0 is for medical loss ratio rebate per the Public Health Service Act	55,100	1,060,590
9.3 Other amounts payable on reinsurance, including \$ 0 assumed and \$ 1,394,886 ceded	1,394,886	2,345,507
9.4 Interest Maintenance Reserve (IMR, Line 6)	5,621,937	5,684,431
10. Commissions to agents due or accrued-life and annuity contracts \$ 78,074 accident and health \$ 780 and deposit-type contract funds \$ 0	78,854	96,158
11. Commissions and expense allowances payable on reinsurance assumed	17,041	19,238
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	4,713,467	4,240,873
13. Transfers to Separate Accounts due or accrued (net) (including \$ 0 accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	394,162	300,412
15.1 Current federal and foreign income taxes, including \$ 539,846 on realized capital gains (losses)	627,334	
15.2 Net deferred tax liability		
16. Unearned investment income	2,215,168	2,223,834
17. Amounts withheld or retained by company as agent or trustee	1,345,430	744,769
18. Amounts held for agents' account, including \$ 228,817 agents' credit balances	228,817	132,151
19. Remittances and items not allocated	1,145,903	1,006,713
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above	5,039,636	4,872,905
22. Borrowed money \$ 0 and interest thereon \$ 0		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	13,760,594	13,677,366
24.02 Reinsurance in unauthorized companies	1,712	1,713
24.03 Funds held under reinsurance treaties with unauthorized reinsurers		
24.04 Payable to parent, subsidiaries and affiliates		100,000
24.05 Drafts outstanding	488,910	106,056
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance	69,282	90,314
24.08 Derivatives		
24.09 Payable for securities	2,500,000	
24.10 Payable for securities lending		
24.11 Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	1,547,507	1,020,678
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	737,131,448	729,149,963
27. From Separate Accounts statement		
28. Total liabilities (Lines 26 and 27)	737,131,448	729,149,963
29. Common capital stock		
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)		
34. Aggregate write-ins for special surplus funds	400,000	400,000
35. Unassigned funds (surplus)	96,594,780	91,648,069
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)	96,994,780	92,048,069
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	96,994,780	92,048,069
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	834,126,228	821,198,032
DETAILS OF WRITE-IN LINES		
2501. Miscellaneous unclaimed funds & other liabilities	941,644	760,992
2502. Accounts payable	270,252	
2503. Post retirement benefits	150,000	150,000
2598. Summary of remaining write-ins for Line 25 from overflow page	185,611	109,686
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,547,507	1,020,678
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401. Surplus guaranty fund (required by Colorado)	400,000	400,000
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	400,000	400,000

NONE

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)	54,568,197	56,495,371
2. Considerations for supplementary contracts with life contingencies	180,532	390,387
3. Net investment income (Exhibit of Net Investment Income, Line 17)	44,229,140	43,759,016
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	1,176,496	1,038,815
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)	9,199,792	5,657,823
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	45,069	34,899
8.3 Aggregate write-ins for miscellaneous income	138,981	25,388
9. Totals (Lines 1 to 8.3)	109,538,207	107,401,699
10. Death benefits	30,008,636	29,682,803
11. Matured endowments (excluding guaranteed annual pure endowments)	171,187	132,343
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	6,457,209	5,067,534
13. Disability benefits and benefits under accident and health contracts	2,265,432	1,392,378
14. Coupons, guaranteed annual pure endowments and similar benefits	225	225
15. Surrender benefits and withdrawals for life contracts	15,678,319	17,995,252
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	2,362,641	2,603,972
18. Payments on supplementary contracts with life contingencies	1,208,968	1,237,391
19. Increase in aggregate reserves for life and accident and health contracts	3,378,301	7,779,694
20. Totals (Lines 10 to 19)	61,530,918	65,891,592
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	9,445,968	7,269,949
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	58,639	77,993
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	19,478,488	18,044,332
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	1,661,018	1,545,672
25. Increase in loading on deferred and uncollected premiums	23,906	135,174
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions	620	973
28. Totals (Lines 20 to 27)	92,199,557	92,965,685
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	17,338,650	14,436,014
30. Dividends to policyholders	6,569,730	6,685,764
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	10,768,920	7,750,250
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	2,803,955	1,934,622
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)	7,964,965	5,815,628
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (18,768) (excluding taxes of \$ 573,880 transferred to the IMR)	(1,133,575)	1,432,787
35. Net income (Line 33 plus Line 34)	6,831,390	7,248,415
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	92,048,069	87,788,292
37. Net income (Line 35)	6,831,390	7,248,415
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ (215,002)	(567,236)	231,538
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	422,245	(1,769,483)
41. Change in nonadmitted assets	(1,723,376)	1,342,405
42. Change in liability for reinsurance in unauthorized companies		(99)
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	(83,229)	(2,750,188)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts statement		
48. Change in surplus notes		
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders		
53. Aggregate write-ins for gains and losses in surplus	66,917	(42,811)
54. Net change in capital and surplus for the year (Lines 37 through 53)	4,946,711	4,259,777
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	96,994,780	92,048,069

DETAILS OF WRITE-IN LINES			
08.301	Miscellaneous income	138,981	25,388
08.302			
08.303			
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)	138,981	25,388
2701.	Fines and penalties of regulatory agencies	620	973
2702.			
2703.			
2798.	Summary of write-ins for Line 27 from overflow page		
2799.	Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	620	973
5301.	Additional admitted Deferred Tax Asset under SSAP 10R	66,917	(42,811)
5302.			
5303.			
5398.	Summary of write-ins for Line 53 from overflow page		
5399.	Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	66,917	(42,811)

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	54,767,809	57,246,452
2. Net investment income	44,794,644	43,145,513
3. Miscellaneous income	9,311,584	5,585,993
4. Total (Lines 1 through 3)	108,874,037	105,977,958
5. Benefit and loss related payments	56,199,119	55,829,088
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	30,138,893	26,454,695
8. Dividends paid to policyholders	6,666,730	6,686,764
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	2,551,087	2,141,796
10. Total (Lines 5 through 9)	95,555,829	91,112,343
11. Net cash from operations (Line 4 minus Line 10)	13,318,208	14,865,615
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	65,360,782	171,524,605
12.2 Stocks	715,182	699,003
12.3 Mortgage loans	14,817,249	15,136,868
12.4 Real estate		
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)	80,893,213	187,360,476
13. Cost of investments acquired (long-term only):		
13.1 Bonds	68,407,971	173,091,193
13.2 Stocks	343,474	2,873,644
13.3 Mortgage loans	26,135,000	11,835,000
13.4 Real estate	295,364	3,275,394
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	95,181,809	191,075,231
14. Net increase (decrease) in contract loans and premium notes	(255,525)	(628,550)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(14,033,071)	(3,086,205)
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	(1,021,044)	(1,388,657)
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	3,681,129	416,134
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	2,660,085	(972,523)
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)	1,945,222	10,806,887
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	26,871,494	16,064,607
19.2 End of year (Line 18 plus Line 19.1)	28,816,716	26,871,494

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	54,568,196		43,638,146	3,351,529			4,848,635		1,355,143		1,374,743	
2. Considerations for supplementary contracts with life contingencies	180,532				180,532							
3. Net investment income	44,229,140		37,477,281	4,754,124	1,662,008		261,202	28,172	43,890		2,463	
4. Amortization of Interest Maintenance Reserve (IMR)	1,176,496		996,897	126,460	44,209		6,948	749	1,167		66	
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded	9,199,792		1,259,858				4,074,383		2,417		3,863,134	
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												
8.2 Charges and fees for deposit-type contracts	45,069				45,069							
8.3 Aggregate write-ins for miscellaneous income	138,981		110,887		26,188				1,906			
9. Totals (Lines 1 to 8.3)	109,538,206		83,483,069	8,232,113	1,958,006		9,191,168	28,921	1,404,523		5,240,406	
10. Death benefits	30,008,636		26,770,335				3,238,301					
11. Matured endowments (excluding guaranteed annual pure endowments)	171,187		171,187									
12. Annuity benefits	6,457,209			6,389,790				67,419				
13. Disability benefits and benefits under accident and health contracts	2,265,432		268,120				(2,531)		1,167,117		832,726	
14. Coupons, guaranteed annual pure endowments and similar benefits	225		225									
15. Surrender benefits and withdrawals for life contracts	15,678,319		15,678,319									
16. Group conversions			(19,208)				19,208					
17. Interest and adjustments on contract or deposit-type contract funds	2,362,641		1,410,747	19,255	712,616		215,105		4,918			
18. Payments on supplementary contracts with life contingencies	1,208,968				1,208,968							
19. Increase in aggregate reserves for life and accident and health contracts	3,378,301		4,200,896	203,892	(1,013,833)		2,187	(3,098)	(44,277)		32,534	
20. Totals (Lines 10 to 19)	61,530,918		48,480,621	6,612,937	907,751		3,472,270	64,321	1,127,758		865,260	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	9,445,968		6,173,130	151,915			310,172		1,395		2,809,356	
22. Commissions and expense allowances on reinsurance assumed	58,639		38,381						20,258			
23. General insurance expenses	19,478,488		12,460,592	497,012	72,916		4,771,181	8,613	253,444		1,414,730	
24. Insurance taxes, licenses and fees, excluding federal income taxes	1,661,017		1,416,812	56,512	8,291		122,843		26,117		30,442	
25. Increase in loading on deferred and uncollected premiums	23,906		23,906									
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions	620		620									
28. Totals (Lines 20 to 27)	92,199,556		68,594,062	7,318,376	988,958		8,676,466	72,934	1,428,972		5,119,788	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	17,338,650		14,889,007	913,737	969,048		514,702	(44,013)	(24,449)		120,618	
30. Dividends to policyholders	6,569,730		6,566,168	3,562								
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	10,768,920		8,322,839	910,175	969,048		514,702	(44,013)	(24,449)		120,618	
32. Federal income taxes incurred (excluding tax on capital gains)	2,803,955		1,972,288	309,459	329,476		174,999	(14,964)	(8,313)		41,010	
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)	7,964,965		6,350,551	600,716	639,572		339,703	(29,049)	(16,136)		79,608	

DETAILS OF WRITE-IN LINES											
08.301	Miscellaneous Income	138,981	110,887		26,188				1,906		
08.302											
08.303											
08.398	Summary of remaining 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)	138,981	110,887		26,188				1,906		
2701.	Fines and penalties of regulatory authorities	620	620								
2702.											
2703.											
2798.	Summary of remaining write-ins for Line 27 from overflow page										
2799.	Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	620	620								

(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	615,386,220		522,358,579	82,601,502	9,836,722		94,487	494,930
2. Tabular net premiums or considerations	42,594,258		38,994,778	3,351,529	180,532		67,419	
3. Present value of disability claims incurred	79,763		79,763		X X X			
4. Tabular interest	26,330,227		22,526,537	3,234,814	530,964		5,769	32,143
5. Tabular less actual reserve released	(313,043)		163,803	7,339	(516,361)			32,176
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)								
8. Totals (Lines 1 to 7)	684,077,425		584,123,460	89,195,184	10,031,857		167,675	559,249
9. Tabular cost	29,349,942		29,281,770		X X X		68,172	
10. Reserves released by death	12,042,009		12,039,181	X X X	X X X		2,828	X X X
11. Reserves released by other terminations (net)	15,974,914		15,974,914					
12. Annuity, supplementary contract, and disability payments involving life contingencies	7,934,297		268,120	6,389,790	1,208,968			67,419
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Lines 9 to 13)	65,301,162		57,563,985	6,389,790	1,208,968		71,000	67,419
15. Reserve December 31, current year	618,776,263		526,559,475	82,805,394	8,822,889		96,675	491,830

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 2,195,903	2,171,837
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 29,655,626	29,601,812
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 193,875	193,875
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		103,788
2.21 Common stocks of affiliates		
3. Mortgage loans	(c) 8,881,061	8,830,840
4. Real estate	(d) 1,228,247	1,306,452
5. Contract loans		4,748,754
6. Cash, cash equivalents and short-term investments	(e) 7,792	7,296
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	157,693	157,693
10. Total gross investment income	47,166,775	47,122,347
11. Investment expenses		(g) 2,257,174
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 250,487
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 385,547
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		2,893,208
17. Net investment income (Line 10 minus Line 16)		44,229,139

DETAILS OF WRITE-IN LINES			
0901. Misc. income		157,693	157,693
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)		157,693	157,693
1501.	NONE		
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 \$ 1,100,366 accrual of discount less \$ 1,194,890 amortization of premium and less \$ 373,772 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 674,745 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 385,547 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	1,700,770	(169,585)	1,531,185		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)				(131,331)	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	1,531		1,531	(322,531)	
2.21 Common stocks of affiliates				1,623	
3. Mortgage loans				(330,000)	
4. Real estate		(997,177)	(997,177)		
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	1,702,301	(1,166,762)	535,539	(782,239)	

DETAILS OF WRITE-IN LINES					
0901.	NONE				
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)					

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	11,022		11,022								
2. Deferred and accrued	1,092,068		1,092,068								
3. Deferred, accrued and uncollected:											
3.1 Direct	1,116,912		1,116,912								
3.2 Reinsurance assumed											
3.3 Reinsurance ceded	13,822		13,822								
3.4 Net (Line 1 + Line 2)	1,103,090		1,103,090								
4. Advance	52,992		2,210								50,782
5. Line 3.4 - Line 4	1,050,098		1,100,880								(50,782)
6. Collected during year:											
6.1 Direct	14,890,276		3,838,640	327,874							10,723,762
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	9,695,689		205,813								9,489,876
6.4 Net	5,194,587		3,632,827	327,874							1,233,886
7. Line 5 + Line 6.4	6,244,685		4,733,707	327,874							1,183,104
8. Prior year (uncollected + deferred and accrued - advance)	1,064,686		1,103,031								(38,345)
9. First year premiums and considerations:											
9.1 Direct	14,754,732		3,827,468	327,874							10,599,390
9.2 Reinsurance assumed											
9.3 Reinsurance ceded	9,574,733		196,792								9,377,941
9.4 Net (Line 7 - Line 8)	5,179,999		3,630,676	327,874							1,221,449
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	7,445,759		5,390,581	2,055,178							
10.2 Reinsurance assumed											
10.3 Reinsurance ceded											
10.4 Net	7,445,759		5,390,581	2,055,178							
RENEWAL											
11. Uncollected	(1,023,756)		(240,129)			(885,589)		101,962			
12. Deferred and accrued	10,192,662		10,191,675	987							
13. Deferred, accrued and uncollected:											
13.1 Direct	12,267,892		10,449,830	987		1,728,373		88,702			
13.2 Reinsurance assumed	101,558		77,721					23,837			
13.3 Reinsurance ceded	3,200,546		576,006			2,613,963		10,577			
13.4 Net (Line 11 + Line 12)	9,168,904		9,951,545	987		(885,590)		101,962			
14. Advance	108,276		77,986								30,290
15. Line 13.4 - Line 14	9,060,628		9,873,559	987		(885,590)		101,962			(30,290)
16. Collected during year:											
16.1 Direct	61,099,978		38,735,189	968,477		18,233,901		1,328,562			1,833,849
16.2 Reinsurance assumed	705,482		657,048					48,434			
16.3 Reinsurance ceded	19,858,529		4,572,796			13,634,509		959			1,650,265
16.4 Net	41,946,931		34,819,441	968,477		4,599,392		1,376,037			183,584
17. Line 15 + Line 16.4	51,007,559		44,693,000	969,464		3,713,802		1,477,999			153,294
18. Prior year (uncollected + deferred and accrued - advance)	9,065,123		10,076,111	987		(1,134,832)		122,857			
19. Renewal premiums and considerations:											
19.1 Direct	61,668,745		38,603,902	968,477		19,241,229		1,324,190			1,530,947
19.2 Reinsurance assumed	654,874		612,386					42,488			
19.3 Reinsurance ceded	20,381,181		4,599,399			14,392,594		11,535			1,377,653
19.4 Net (Line 17 - Line 18)	41,942,438		34,616,889	968,477		4,848,635		1,355,143			153,294
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	83,869,236		47,821,951	3,351,529		19,241,229		1,324,190			12,130,337
20.2 Reinsurance assumed	654,874		612,386					42,488			
20.3 Reinsurance ceded	29,955,914		4,796,191			14,392,594		11,535			10,755,594
20.4 Net (Lines 9.4 + 10.4 + 19.4)	54,568,196		43,638,146	3,351,529		4,848,635		1,355,143			1,374,743

**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	278,673		278,673								
22. All other	5,008,514		5,008,514								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	3,617,718		198,586							3,419,132	
23.2 Reinsurance assumed											
23.3 Net ceded less assumed	3,617,718		198,586							3,419,132	
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed											
24.3 Net ceded less assumed											
25. Renewal:											
25.1 Reinsurance ceded	5,582,074		1,061,272			4,074,383		2,417		444,002	
25.2 Reinsurance assumed	58,639		38,381					20,258			
25.3 Net ceded less assumed	5,523,435		1,022,891			4,074,383		(17,841)		444,002	
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	9,199,792		1,259,858			4,074,383		2,417		3,863,134	
26.2 Reinsurance assumed (Page 6, Line 22)	58,639		38,381					20,258			
26.3 Net ceded less assumed	9,141,153		1,221,477			4,074,383		(17,841)		3,863,134	
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	6,934,364		4,431,719	3,267						2,499,378	
28. Single	118,022			118,022							
29. Renewal	2,393,582		1,741,411	30,626		310,172		1,395		309,978	
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	9,445,968		6,173,130	151,915		310,172		1,395		2,809,356	

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	590,013		1,218		41,259	632,490
2. Salaries and wages	6,853,268		12,335		648,409	7,514,012
3.11 Contributions for benefit plans for employees	1,375,170		2,386		93,622	1,471,178
3.12 Contributions for benefit plans for agents	67,429					67,429
3.21 Payments to employees under non-funded benefit plans	182,081		530		17,777	200,388
3.22 Payments to agents under non-funded benefit plans	5,912					5,912
3.31 Other employee welfare	583,397		934		39,260	623,591
3.32 Other agent welfare						
4.1 Legal fees and expenses	29,489		134		3,829	33,452
4.2 Medical examination fees	422,228		338			422,566
4.3 Inspection report fees	207,203		228		424	207,855
4.4 Fees of public accountants and consulting actuaries	302,720		10,776		5,753	319,249
4.5 Expense of investigation and settlement of policy claims	32,222		359			32,581
5.1 Traveling expenses	219,751		512		17,675	237,938
5.2 Advertising	106,226		192		659	107,077
5.3 Postage, express, telegraph and telephone	344,515		666		12,827	358,008
5.4 Printing and stationery	91,800		179		4,857	96,836
5.5 Cost or depreciation of furniture and equipment	15,752		33		1,102	16,887
5.6 Rental of equipment	244,840		505		17,122	262,467
5.7 Cost or depreciation of EDP equipment and software	146,936		303		10,275	157,514
6.1 Books and periodicals	50,384		104		3,523	54,011
6.2 Bureau and association fees	109,990		227		7,692	117,909
6.3 Insurance, except on real estate	239,524		550		18,576	258,650
6.4 Miscellaneous losses						
6.5 Collection and bank service charges	91,714		189		6,414	98,317
6.6 Sundry general expenses	144,549		1,412,533		9,507	1,566,589
6.7 Group service and administration fees	4,225,234		221,637			4,446,871
6.8 Reimbursements by uninsured plans						
7.1 Agency expense allowance	322,311					322,311
7.2 Agents' balances charged off (less \$ 0 recovered)	10,712		21		72	10,805
7.3 Agency conferences other than local meetings	120,610		235		807	121,652
9.1 Real estate expenses					1,172,717	1,172,717
9.2 Investment expenses not included elsewhere					61,867	61,867
9.3 Aggregate write-ins for expenses	674,334		1,052		61,148	736,534
10. General expenses incurred	17,810,314		1,668,176		2,257,173	(a) 21,735,663
11. General expenses unpaid December 31, prior year	3,920,053		20,477		300,343	4,240,873
12. General expenses unpaid December 31, current year	4,348,819		23,300		341,348	4,713,467
13. Amounts receivable relating to uninsured plans, prior year						
14. Amounts receivable relating to uninsured plans, current year						
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	17,381,548		1,665,353		2,216,168	21,263,069

DETAILS OF WRITE-IN LINES						
09.301. Maintenance	294,416		608		20,588	315,612
09.302. Contract help	159,268		188		11,085	170,541
09.303. Professional fees other than CPA/Actuary	118,586		245		8,293	127,124
09.398. Summary of remaining write-ins for Line 09.3 from overflow page	102,064		11		21,182	123,257
09.399. Totals (Lines 09.301 through 09.303 plus 09.398) (Line 09.3 above)	674,334		1,052		61,148	736,534

(a) Includes management fees of \$ 92,773 to affiliates and \$ 0 to non-affiliates.

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes				212,008	212,008
2. State insurance department licenses and fees	243,994				243,994
3. State taxes on premiums	807,278	55,422			862,700
4. Other state taxes, incl. \$ 14,879 for employee benefits	83,319	172		5,825	89,316
5. U.S. Social Security taxes	427,878	879		29,736	458,493
6. All other taxes	41,990	86		2,918	44,994
7. Taxes, licenses and fees incurred	1,604,459	56,559		250,487	1,911,505
8. Taxes, licenses and fees unpaid December 31, prior year	289,221	11,191			300,412
9. Taxes, licenses and fees unpaid December 31, current year	215,054	179,108			394,162
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	1,678,626	(111,358)		250,487	1,817,755

EXHIBIT 4 – DIVIDENDS OR REFUNDS

	Insurance	
	1 Life	2 Accident and Health
1. Applied to pay renewal premiums	278,673	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions	5,008,514	
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4	5,287,187	
6. Paid-in cash	260,591	
7. Left on deposit	925,184	
8. Aggregate write-ins for dividend or refund options	193,992	
9. Total Lines 5 through 8	6,666,954	
10. Amount due and unpaid	9,000	
11. Provision for dividends or refunds payable in the following calendar year	6,600,225	
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	6,609,225	
16. Total from prior year	6,706,225	
17. Total dividends or refunds (Lines 9 + 15 - 16)	6,569,954	

DETAILS OF WRITE-IN LINES		
0801. Dividends applied to reduce policy loan		194,449
0802. Coinsurance dividends reimbursed		(457)
0803.		
0898. Summary of remaining write-ins for Line 08 from overflow page		
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 08 above)		193,992

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	AE 3.00% NLP ANB IDB 43-48	80,223		80,223		
0100002	AE 3.50% NLP ANB IDB 34-43	46,334		46,334		
0100003	41CSO 2.50% CRVM ANB IDB 48-65	125,354		125,354		
0100004	41CSO 2.50% NLP ANB IDB 48-65	342,035		342,035		
0100005	41CSO 3.00% CRVM ANB IDB 50-65	134,999		134,999		
0100006	41CSO 3.00% NLP ANB IDB 50-65	103,339		103,339		
0100007	41CSO 3.50% CRVM ANB CNF 48-61	6,443,369		6,443,369		
0100008	41CSO 3.50% CRVM ANB IDB 49-61	44,280		44,280		
0100009	41CSO 3.50% NLP ANB CNF 48-61	17,284,186		17,284,186		
0100010	41CSO 3.50% NLP ANB IDB 49-61	35,198		35,198		
0100011	41CSO 4.00% CRVM ANB CNF 48-65	12,420,124		12,420,124		
0100012	41CSO 4.00% CRVM ANB IDB 49-61	10,795		10,795		
0100013	41CSO 4.00% NLP ANB CNF 48-65	13,874,916		13,874,916		
0100014	58CET 2.50% NLP ANB IDB 65-74	5,411		5,411		
0100015	58CET 3.00% NLP ANB CNF 74-82	7,410		7,410		
0100016	58CET 3.00% NLP ANB IDB 55-69	1,394		1,394		
0100017	58CET 4.00% NLP ANB CNF 75-89	26,619		26,619		
0100018	58CET 4.50% NLP ANB CNF 81-89	550,702		550,702		
0100019	58CSO 2.50% CRVM ANB IDB 65-74	845,895		845,895		
0100020	58CSO 2.50% NLP ANB IDB 74-79	2,169,293		2,169,293		
0100021	58CSO 3.00% MOD ANB CNF 74-81	2,222,798		2,222,798		
0100022	58CSO 3.00% MOD ANB IDB 50-94	616,106		616,106		
0100023	58CSO 3.00% CRVM ANB CNF 74-81	11,188		11,188		
0100024	58CSO 3.00% CRVM ANB IDB 50-94	22,814		22,814		
0100025	58CSO 3.00% NLP ANB CNF 74-81	2,842,060		2,842,060		
0100026	58CSO 3.00% NLP ANB IDB 50-94	65,513		65,513		
0100027	58CSO 3.50% CRVM ANB IDB 70-89	2,074,198		2,074,198		
0100028	58CSO 3.50% NLP ANB IDB 70-89	1,256,677		1,256,677		
0100029	58CSO 3.50%/20/2.50% CRVM ANB CNF 72-81	64,684		64,684		
0100030	58CSO 3.50%/20/2.50% NLP ANB CNF 72-81	103,108		103,108		
0100031	58CSO 4.00% MOD ANB CNF 75-89	21,027,942		21,027,942		
0100032	58CSO 4.00% CRVM ANB CNF 75-89	35,950,547		35,950,547		
0100033	58CSO 4.00% CRVM ANB IDB 65-74	9,906,157		9,906,157		
0100034	58CSO 4.00% NLP ANB CNF 75-89	87,462,566		87,462,566		
0100035	58CSO 4.00% NLP ANB IDB 65-74	6,952,762		6,952,762		
0100036	58CSO 4.50% MOD ANB CNF 81-89	5,520,699		5,520,699		
0100037	58CSO 4.50% CRVM ANB CNF 81-89	31,681,906		31,681,906		
0100038	58CSO 4.50% CRVM ANB IDB 79-88	198,731		198,731		
0100039	58CSO 4.50% NLP ANB CNF 81-89	5,805,185		5,805,185		
0100040	58CSO 4.50% NLP ANB IDB 79-88	61,559		61,559		
0100041	58CSO 5.00% NLP ANB CNF 81-89	1,790,318		1,790,318		
0100042	58CSO 5.00% NLP ANB IDB 78-84	396,391		396,391		
0100043	60CSG 4.50% CRVM 83	96,675				96,675
0100044	80CET 4.00% NLP ANB CNF 89-06	105,808		105,808		
0100045	80CET 4.50% NLP ANB CNF 89-06	941,193		941,193		
0100046	80CSO 3.00% CRVM ANB CNF 04-08	6,759,282		6,759,282		
0100047	80CSO 3.50% CRVM ANB IDB 86-91	44,141		44,141		
0100048	80CSO 4.00% MOD ANB CNF 89-08	833,568		833,568		
0100049	80CSO 4.00% CRVM ANB CNF 89-08	19,293,278		19,293,278		
0100050	80CSO 4.00% CRVM ANB IDB 89-98	5,050		5,050		
0100051	80CSO 4.00% NLP ANB CNF 89-08	6,063,599		6,063,599		
0100052	80CSO 4.50% MOD ANB CNF 89-05	22,089,425		22,089,425		
0100053	80CSO 4.50% CRVM ANB CNF 89-08	137,767,262		137,767,262		
0100054	80CSO 4.50% CRVM ANB IDB 87-93	26,940		26,940		
0100055	80CSO 4.50% NLP ANB CNF 89-06	40,376,099		40,376,099		
0100056	80CSO 4.50% NLP ANB IDB 89-93	18,237		18,237		
0100057	80CSO 5.00% CRVM ANB CNF 89-94	21,187,025		21,187,025		
0100058	80CSO 5.00% CRVM ANB IDB 89-93	56,151		56,151		
0100059	80CSO 5.00% NLP ANB IDB 89-93	7,715		7,715		
0100060	80CSO 5.50% CRVM ANB IDB 84-94	438,542		438,542		
0100061	80CSO 5.50% NLP ANB CNF 89-93	1,666,679		1,666,679		
0100062	80CSO 5.50% NLP ANB IDB 84-94	273,850		273,850		
0100063	80CSO 6.00% CRVM ANB IDB 84-86	2,202		2,202		
0100064	01CSO 3.00% CRVM ALB CNF 06-11 NB	2,682,887		2,682,887		
0100065	01CSO 4.00% CRVM ALB CNF 06-11 NB	3,869,265		3,869,265		
0100066	01CSO 4.00% NLP ALB CNF 06-11 NB	948,269		948,269		
0100067	01CSOP 4.00% CRVM ALB CNF 08-11 NB	654,741		654,741		
0100068	01CSO 4.00% CRVM IDB 07-08	21,600		21,600		
0100069	41CSO 3.00% CRVM IDB 48-63	14,700		14,700		
0100070	58CET 3.00% NLP IDB 77-86	2,016		2,016		
0100071	58CSO 2.50% CRVM IDB 65-77	182,597		182,597		
0100072	58CSO 3.00% CRVM IDB 59-86	202,741		202,741		
0100073	58CSO 3.50% CRVM IDB 63-75	24,136		24,136		
0100074	58CSO 4.00% NLP IDB 59-86	130		130		
0100075	58CSO 4.00% CRVM IDB 77-86	93,608		93,608		
0100076	58CSO 4.50% CRVM IDB 81-85	21,741		21,741		
0100077	80CSO 4.00% CRVM IDB 06-07	206,066		206,066		
0100078	80CSO 4.50% CRVM IDB 83-08	40,464		40,464		
0100079	80CSO 5.25% CRVM IDB 93-94	73,750		73,750		
0100080	80CSO 5.50% CRVM IDB 88-93	24,026		24,026		
0100081	80CSO 6.00% CRVM IDB 86-87	18,512		18,512		
0100082	AE 3.50% CRVM IDB 38-40	5,927		5,927		
0199997	Totals (Gross)	537,725,682		537,629,007		96,675

EXHIBIT 5 – AGGREGATE RESERVE FOR LIFE CONTRACTS

1		2		3		4		5		6	
Valuation Standard		Total		Industrial		Ordinary		Credit (Group and Individual)		Group	
0199998	Reinsurance ceded		15,279,254				15,279,254				
0199999	Totals (Net)		522,446,428				522,349,753				96,675
ANNUITIES (excluding supplementary contracts with life contingencies):											
0200001	37AN 2.5% NL	51-52	519	X X X		519		X X X			
0200002	PA 3% NL	68	2,446	X X X		2,446		X X X			
0200003	PA 3.5% CRVM	75-80	73,327	X X X		73,327		X X X			
0200004	PA 3.5% NL	75-81 DEF	1,472,398	X X X		1,472,398		X X X			
0200005	71IAM 3.5% NL	71, 82-83 DE	1,061,652	X X X		1,061,652		X X X			
0200006	71IAM 4% NL	81-91 DEF	14,985,347	X X X		14,985,347		X X X			
0200007	71IAM 4.5% NL	91-92 DEF	51,164	X X X		51,164		X X X			
0200008	71IAM 5.5% NL	86 DEF	38,300	X X X		38,300		X X X			
0200009	83IAM 4% CARVM	00-02, 05 DE	11,189,699	X X X		11,189,699		X X X			
0200010	83IAM 4% NL	89-03 DEF	29,792,369	X X X		29,792,369		X X X			
0200011	83IAM 4.5% NL	85, 90-93 DE	1,349,331	X X X		1,349,331		X X X			
0200012	83IAM 5.25% CARVM	98-01 DEF	531,295	X X X		531,295		X X X			
0200013	a-2000 4.25% CARVM	11 NB DEF	2,323,930	X X X		2,323,930		X X X			
0200014	a-2000 4.50% CARVM	05-06, 10 DEF	8,793,975	X X X		8,793,975		X X X			
0200015	a-2000 4.75% CARVM	04, 07-08 DEF	2,934,973	X X X		2,934,973		X X X			
0200016	a-2000 5.00% CARVM	03, 09 DEF	7,067,105	X X X		7,067,105		X X X			
0200017	a-2000 5.50% CARVM	02 DEF	1,235,079	X X X		1,235,079		X X X			
0200018	a-2000 4.75%/20/3.5%	05 IMM	126,959	X X X		126,959		X X X			
0200019	a-2000 5%/20/3.5%	06 IMM	49,188	X X X		49,188		X X X			
0200020	a-2000 5.25%/20/3.5%	10 IMM	62,494	X X X		62,494		X X X			
0200021	a-2000 6%/20/3.5%	09 IMM	195,139	X X X		195,139		X X X			
0200022	60CSG 4.5%	83	491,832	X X X				X X X			491,832
0299997	Totals (Gross)		83,828,521	X X X			83,336,689	X X X			491,832
0299998	Reinsurance ceded		531,295	X X X			531,295	X X X			
0299999	Totals (Net)		83,297,226	X X X			82,805,394	X X X			491,832
SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:											
0300001	PA 3%	66	830			830					
0300002	71 IAM 6%/20/3.5%	88	8,100			8,100					
0300003	71 IAM 8%/20/3.5%	81-86	89,216			89,216					
0300004	83 IAM 6%/20/3.5%	96-97	672,781			672,781					
0300005	83 IAM 6.5%/20/3.5%	94-95	895,873			895,873					
0300006	83 IAM 7%/20/3.5%	93	243,942			243,942					
0300007	83 IAM 8% /20/ 3.5%	87-92	643,780			643,780					
0300008	a-2000 4.75%/20/3.5%	04-05	810,754			810,754					
0300009	a-2000 5%/20/3.5%	03, 06, 11 NB	1,628,865			1,628,865					
0300010	a-2000 5.25%/20/3.5%	10	327,719			327,719					
0300011	a-2000 5.5%/20/3.5%	07-08	1,115,358			1,115,358					
0300012	a-2000 5.75%/20/3.5%	99-00	504,043			504,043					
0300013	a-2000 6%/20/3.5%	98, 02, 09-10	1,231,086			1,231,086					
0300014	a-2000 7%/20/3.5%	01	650,543			650,543					
0399997	Totals (Gross)		8,822,890				8,822,890				
0399998	Reinsurance ceded										
0399999	Totals (Net)		8,822,890				8,822,890				
ACCIDENTAL DEATH BENEFITS:											
0400001	INTERCO DI 2.50%	50-65	222			222					
0400002	59 ADB 2.50%	65-74	12,893			12,893					
0400003	59 ADB 3.00%	74-89	76,043			76,043					
0400004	59 ADB 4.00%	89-08	236,078			236,078					
0400005	59 ADB 4.00%	08-11 NB	3,070			3,070					
0400006	59 ADB 4.50%	00-04	113,276			113,276					
0499997	Totals (Gross)		441,582				441,582				
0499998	Reinsurance ceded										
0499999	Totals (Net)		441,582				441,582				
DISABILITY — ACTIVE LIVES:											
0500001	26 CLASS (3) 2.50%	55-64	147			147					
0500002	52 INTERCO DISA 2.50%	65-74	2,314			2,314					
0500003	52 INTERCO DISA 3.00%	67-96	154,059			154,059					
0500004	52 INTERCO DISA 4.00%	77-11 NB	424,752			424,752					
0599997	Totals (Gross)		581,272				581,272				
0599998	Reinsurance ceded		33,276				33,276				

EXHIBIT 5 – INTERROGATORIES

1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes [] No [X]
 1.2 If not, state which kind is issued.
 Participating

2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes [] No [X]
 2.2 If not, state which kind is issued.
 Participating

3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes [X] 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 [X]
 If so, state:
 4.1 Amount of insurance? \$
 4.2 Amount of reserve? \$
 4.3 Basis of reserve:

4.4 Basis of regular assessments:

4.5 Basis of special assessments:

4.6 Assessments collected during the year: \$
 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.

6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [] No [X]
 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$
 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: \$
 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 [X]
 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	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 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	619,041	22,078				596,947			16
2. Additional contract reserves (a)	333,104	333,104							
3. Additional actuarial reserves - Asset/Liability analysis									
4. Reserve for future contingent benefits									
5. Reserve for rate credits									
6. Aggregate write-ins for reserves									
7. Totals (Gross)	952,145	355,182				596,947			16
8. Reinsurance ceded	545,460	8,208				537,252			
9. Totals (Net)	406,685	346,974				59,695			16
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	123,236	123,236							
11. Additional actuarial reserves-Asset/Liability analysis									
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. Totals (Gross)	123,236	123,236							
15. Reinsurance ceded									
16. Totals (Net)	123,236	123,236							
17. TOTAL (Net)	529,921	470,210				59,695			16
18. TABULAR FUND INTEREST									

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)									

NONE

NONE

(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	78,626,453		7,603,612	9,787,545	31,135,982	30,099,314
2. Deposits received during the year	4,567,480		1,264,175	1,842,109	925,184	536,012
3. Investment earnings credited to the account	2,659,030		368,174	269,338	1,125,943	895,575
4. Other net change in reserves						
5. Fees and other charges assessed	45,069		45,069			
6. Surrender charges						
7. Net surrender or withdrawal payments	3,104,957		1,790,137	1,229,432	2,300,447	(2,215,059)
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)	82,702,937		7,400,755	10,669,560	30,886,662	33,745,960
10. Reinsurance balance at the beginning of the year	(17,000,904)		1,309,029			(18,309,933)
11. Net change in reinsurance assumed	(312,596)		(312,596)			
12. Net change in reinsurance ceded	2,746,855					2,746,855
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12)	(20,060,355)		996,433			(21,056,788)
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	62,642,582		8,397,188	10,669,560	30,886,662	12,689,172

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											
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net											
2. In course of settlement:											
2.1 Resisted											
2.11 Direct	110,500		102,000				8,500				
2.12 Reinsurance assumed	24,500		24,500								
2.13 Reinsurance ceded	46,375		40,000				6,375				
2.14 Net	88,625		(b) 86,500	(b)		(b)	(b) 2,125				
2.2 Other											
2.21 Direct	8,067,263		3,660,459	173,113	286,877		2,707,937				1,238,877
2.22 Reinsurance assumed	567,367		58,415					508,952			
2.23 Reinsurance ceded	3,807,955		662,012				2,030,953				1,114,990
2.24 Net	4,826,675		(b) 3,056,862	(b) 173,113	286,877	(b)	(b) 676,984		(b) 508,952	(b)	(b) 123,887
3. Incurred but unreported:											
3.1 Direct	2,924,220		1,590,000				850,000		346,638		137,582
3.2 Reinsurance assumed	90,126		75,000						15,126		
3.3 Reinsurance ceded	763,199						637,500		1,875		123,824
3.4 Net	2,251,147		(b) 1,665,000	(b)		(b)	(b) 212,500		(b) 359,889	(b)	(b) 13,758
4. TOTALS											
4.1 Direct	11,101,983		5,352,459	173,113	286,877		3,566,437		346,638		1,376,459
4.2 Reinsurance assumed	681,993		157,915					524,078			
4.3 Reinsurance ceded	4,617,529		702,012				2,674,828		1,875		1,238,814
4.4 Net	7,166,447	(a)	(a) 4,808,362	173,113	286,877		(a) 891,609		868,841		137,645

(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 \$ 132,940, Individual Annuities \$ 0, Credit Life (Group and Individual) \$ 0, and Group Life \$ 0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ 0, Credit (Group and Individual) Accident and Health \$ 0, and Other Accident and Health \$ 0 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	57,632,920		28,666,570	6,547,720	1,139,105		12,974,480	67,419	1,024,296		7,213,330
1.2 Reinsurance assumed	510,536		391,892						118,644		
1.3 Reinsurance ceded	17,903,033		1,531,468	25,037			9,855,009				6,491,519
1.4 Net	(d) 40,240,423		27,526,994	6,522,683	1,139,105		3,119,471	67,419	1,142,940		721,811
2. Liability December 31, current year from Part 1:											
2.1 Direct	11,101,983		5,352,459	173,113	286,877		3,566,437		346,638		1,376,459
2.2 Reinsurance assumed	681,993		157,915						524,078		
2.3 Reinsurance ceded	4,617,529		702,012				2,674,828		1,875		1,238,814
2.4 Net	7,166,447		4,808,362	173,113	286,877		891,609		868,841		137,645
3. Amounts recoverable from reinsurers December 31, current year	1,060,222		290,113				770,109				
4. Liability December 31, prior year:											
4.1 Direct	9,639,079		4,890,881	305,998	217,014		3,621,846		344,138		259,202
4.2 Reinsurance assumed	631,576		131,050						500,526		
4.3 Reinsurance ceded	3,212,075		263,218				2,716,385				232,472
4.4 Net	7,058,580		4,758,713	305,998	217,014		905,461		844,664		26,730
5. Amounts recoverable from reinsurers December 31, prior year	823,364		(76,895)				900,259				
6. Incurred benefits:											
6.1 Direct	59,095,824		29,128,148	6,414,835	1,208,968		12,919,071	67,419	1,026,796		8,330,587
6.2 Reinsurance assumed	560,953		418,757						142,196		
6.3 Reinsurance ceded	19,545,345		2,337,270	25,037			9,683,302		1,875		7,497,861
6.4 Net	40,111,432		27,209,635	6,389,798	1,208,968		3,235,769	67,419	1,167,117		832,726

- (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: \$ 171,187 in Line 1.1, \$ 171,187 in Line 1.4.
 \$ 171,187 in Line 6.1, and \$ 171,187 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 \$ 224,183 premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income	850,372		(850,372)
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	80,048	68,042	(12,006)
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	930,420	68,042	(862,378)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
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	6,173,631	5,983,664	(189,967)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	755,752	547,352	(208,400)
21. Furniture and equipment, including health care delivery assets	264,790	74,803	(189,987)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable	569,320	356,352	(212,968)
25. Aggregate write-ins for other than invested assets	2,335,633	2,342,873	7,240
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	11,029,546	9,373,086	(1,656,460)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	11,029,546	9,373,086	(1,656,460)

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. Amounts due from agents	1,772,564	1,777,217	4,653
2502. Deposits and other prepaids	355,798	354,046	(1,752)
2503. Bills receivable	66,055	59,657	(6,398)
2598. Summary of remaining write-ins for Line 25 from overflow page	141,216	151,953	10,737
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,335,633	2,342,873	7,240

NONE

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Government Personnel Mutual Life Insurance Company (GPM Life) are presented on the basis of accounting practices prescribed or permitted by the Texas Insurance Department.

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

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

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. Accounting Policy

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

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common Stocks are stated at market.
- (4) Preferred stocks are stated at cost.
- (5) Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest.
- (6) Loan-backed bonds and structured securities at amortized cost use the retrospective method including anticipated prepayments at the date of purchase. Prepayment assumptions are updated quarterly for use in determining statement values at the end of a reporting period.
- (7) The Company carries Texas Directors Life Insurance Company at statutory equity plus the remaining goodwill balance of \$1,323,920.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company had no derivatives as of December 31, 2011.
- (10) The Company does not utilize anticipated investment income as part of any premium deficiency calculation.
- (11) The Company uses a traditional lag factor approach.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company does not have pharmaceutical rebate receivables.

2. Accounting Changes and Corrections of Errors

There were no material changes in accounting principles.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

- (1) The company purchased 100% interest of Texas Directors Life Insurance Company effective 11/1/2010. Texas Directors Life Insurance Company is licensed in Texas only and sells individual life products exclusively.
- (2) The transaction was accounted for as a statutory purchase.
- (3) The cost was \$1,766,144, resulting in goodwill in the amount of \$1,498,778.
- (4) Goodwill amortization relating to the purchases of Texas Directors Life Insurance Company was \$149,878 for the year ended 12/31/2011.

B. Merger - NONE

C. Assumption Reinsurance - NONE

D. Impairment Loss – NONE

NOTES TO FINANCIAL STATEMENTS

4. Discontinued Operations

The Company had no discontinued operations during the year.

5. Investments

A. Mortgage Loans

(1) The maximum and minimum lending rates for commercial mortgage loans during 2011 were 6.37% and 5.40%

(2) During 2011, the Company decreased interest rates of outstanding mortgages loans as follows:

1.5% \$1,800,000 one loan

(3) The maximum percentage of any one loan to the value of security at the time of the loan was 75.00%.

	<u>Current Year</u>	<u>Prior Year</u>
(4) Recorded investment excluding accrued interest in mortgages with interest more than 180 days past due.	\$ NONE	\$ NONE
Amount of interest past due thereon.	\$ NONE	\$ NONE
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	\$ 30,354	\$ 13,642
(6) Current year impaired loans with a related allowance for credit losses	\$ 3,882,204	\$ 1,667,202
(7) Impaired Mortgage loans without an allowance for credit losses	\$ NONE	\$ NONE
(8) Average recorded investment in impaired loans	\$ 3,896,393	\$ 1,667,202
(9) Interest income recognized during the period the loans were impaired	\$ 143,682	\$ 117,564
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired	\$ NONE	\$ NONE
(11) Allowance for credit losses:		
A. Balance at Beginning of Year	\$ 100,000	\$ NONE
B. Additions Charged to Operations	\$ 330,000	\$ 100,000
C. Direct Write Downs Charged to Allow	\$ NONE	\$ NONE
D. Recoveries Previously Charged	<u>\$ NONE</u>	<u>\$ NONE</u>
E. Balance at the End of the Year	\$ 430,000	\$ 100,000

(12) Income on impaired loans is recognized as received if receipt is not considered probable.

B. Debt Restructuring

(1) The total recorded investment in troubled restructured mortgage loans as of year-end	\$ NONE	\$ NONE
(2) The realized capital losses related to these loans	\$ NONE	\$ NONE
(3) Commitments to lend additional funds	\$ NONE	\$ NONE
(4) Income is recognized as received	\$ NONE	\$ NONE

C. Reverse Mortgages

The Company had no reverse mortgages during the year.

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage backed/asset-backed securities were obtained from broker dealer survey values from Morgan Keegan through Index .

(2) GPM Life held the following bonds and preferred stocks that have been Other Than Temporarily Impaired:

a. With the intent to sell - None

b. With the inability or lack of intent to retain the investment for a period of time sufficient to recover the amortized cost basis – None

NOTES TO FINANCIAL STATEMENTS

- (3) Held securities with a recognized other-than-temporary impairment, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

CUSIP	Book/Adjusted Carry Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than- Temporary- Impairment	Amortized Cost After Other-Than- Temporary- Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
01448QAF7	\$355,721	\$442,160	\$61,183	\$369,170	\$98,818	2009,2010,2011
89412KAQ3	\$281,275	\$362,267	\$108,402	\$346,439	\$43,306	2009,2011

- (4) The following bonds have fair values below the amortized cost of the bonds for which an interest-related impairment remains. Other than Temporary Impairments have been recognized for non-interest related declines. All of the bonds have been in a continuous unrealized loss positions for more than 12 months.

<u>Description</u>	a. <u>Unrealized loss</u>	b. <u>Fair Value</u>
ALESCO Pref Fdg, Ltd.	\$ 270,352	\$ 98,818
Trapeza CDO LLC	<u>303,133</u>	<u>43,306</u>
Totals	<u>\$ 573,485</u>	<u>\$ 142,124</u>

- (5) GPM Life reviewed the cash flows of impaired loan-backed bonds to determine whether that the present values of the cash flows were less than the amortized cost of the bonds. GPM Life considers the probable return of principal in a bond, the ability of GPM Life to hold the bond until the fair value can reach the amortized book value, and whether the borrower has filed bankruptcy in concluding a bond should be Other Than Temporarily Impaired. GPM Life also considers the amounts of defaults, recoveries, deferrals, and projected cash flows in determining whether an impairment is other than temporary.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company had no repurchase agreements during the year or activity from its security lending agreement.

F. Real Estate

- (1) GPM Life obtained an offer in 2011 for the purchase of one of its investment properties which had been previously foreclosed. The buyer offered \$2,250,000 for the building, which had a book value of \$3,247,177. The loss is recorded as a realized loss in the summary of operations.
- (2) The property in (1) above is held for sale as of year-end. The company expects to close on the sale during the first quarter of 2012.
- (3) See (1).
- (4) The Company does not engage in retail land sales.
- (5) The Company does not hold real estate investments with participating mortgage loan features.

G. Investments in low-income housing tax credits (LHITC)

The Company had no investments in low-income housing tax credits.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships or limited liability companies.

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:

Mortgage Loans - on loans delinquent more than 180 days: NONE

Bonds - where collection of interest is uncertain. Interest is not accrued for bonds in default: NONE

Real Estate - where rent is in arrears for more than three months: NONE

- B. The total amount excluded was NONE.

8. Derivative Instruments

The Company had no derivative instruments as of December 31, 2011.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A.

1	<u>Ordinary</u> <u>2011</u>	<u>Capital</u> <u>2011</u>	<u>Total</u> <u>2011</u>
Gross deferred tax asset	\$ 18,609,639	\$ 3,718,607	\$22,328,246
Adjusted gross deferred tax asset	18,609,639	3,718,607	22,328,246
Deferred tax liability	3,939,496	187,600	4,127,097
Net deferred tax asset (liability)	14,670,143	3,531,007	18,201,149
Nonadmitted deferred tax asset	2,981,665	3,191,966	6,173,631
Net deferred tax asset admitted	\$ 11,688,478	\$ 339,040	\$12,027,518
	<u>2010</u>	<u>2010</u>	<u>2010</u>
Gross deferred tax asset	\$ 18,816,919	\$ 2,902,609	\$21,719,528
Adjusted gross deferred tax asset	18,816,919	2,902,609	21,719,528
Deferred tax liability	3,958,858	196,767	4,155,625
Net deferred tax asset (liability)	14,858,061	2,705,842	17,563,903
Nonadmitted deferred tax asset	3,277,822	2,705,842	5,983,664
Net deferred tax asset admitted	\$11,580,239	\$ -	\$11,580,239
	<u>Change</u>	<u>Change</u>	<u>Change</u>
Gross deferred tax asset	\$ (207,280)	\$ 815,998	608,718
Adjusted gross deferred tax asset	\$ (207,280)	\$ 815,998	608,718
Deferred tax liability	\$ (19,362)	\$ (9,167)	(28,528)
Net deferred tax asset (liability)	\$ (187,918)	\$ 825,165	637,247
Nonadmitted deferred tax asset	\$ (296,157)	\$ 486,125	189,967
Net deferred tax asset admitted	\$ 108,239	\$ 339,040	\$ 447,279

	<u>2011</u>	<u>2010</u>
Increase (decrease) in deferred tax asset non-admitted	\$ 189,967	(1,723,070)

2 The Company has elected to admit deferred tax assets pursuant to paragraph 10e of SSAP10R. The financial statements for December 31,2011 reflect the third time SSAP 10R has been utilized.

3 The Company's admitted adjusted gross deferred tax assets under both SSAP 10 and SSAP 10R are as follows:

	<u>2011</u> <u>SSAP 10</u>	<u>2011</u> <u>SSAP 10R</u>	<u>2011</u> <u>Difference</u>	<u>2010</u> <u>SSAP 10</u>	<u>2010</u> <u>SSAP 10R</u>	<u>2010</u> <u>Difference</u>
Ordinary	\$12,429,517	\$15,627,974	\$3,198,458	\$ 12,407,556	\$ 15,539,097	\$3,131,541
Capital	526,641	526,641	0	196,767	196,767	0
Total	\$12,956,157	\$16,154,615	\$3,198,458	\$12,604,323	\$15,735,864	\$3,131,541

4 The admitted deferred tax asset is comprised of the following:

<u>SSAP 10</u>	<u>Ordinary</u> <u>2011</u>	<u>Capital</u> <u>2011</u>	<u>Total</u> <u>2011</u>
Federal tax paid in carryback years (10a)	6,558,577	339,040	6,897,617
Lesser of:			
Deferred taxes expected to be realized within 1 year (10bi)	1,931,443	0	1,931,443
10% of statutory capital of previously filed statement (10bii)			
Amount of gross DTA's that can be offset against DTL's (10c)	3,939,496	187,600	4,127,097
Admitted deferred tax asset - SSAP 10	\$ 12,429,517	\$ 526,641	\$12,956,157
	<u>2010</u>	<u>2010</u>	<u>2010</u>
Federal tax paid in carryback years (10a)	6,346,865	0	6,346,865
Lesser of:			
Deferred taxes expected to be realized within 1 year (10bi)	2,101,833	0	2,101,833
10% of statutory capital of previously filed statement (10bii)			

NOTES TO FINANCIAL STATEMENTS

Amount of gross DTA's that can be offset against DTL's (10c)	3,958,858	196,767	4,155,625
Admitted deferred tax asset - SSAP 10	\$ 12,407,556	\$ 196,767	\$12,604,323
	Change	Change	Change
Federal tax paid in carryback years (10a)	211,712	339,040	550,753
Lesser of:			
Deferred taxes expected to be realized within 1 year (10bi)	(170,390)	0	(170,390)
10% of statutory capital of previously filed statement (10bii)			
Amount of gross DTA's that can be offset against DTL's (10c)	(19,362)	(9,167)	(28,528)
Admitted deferred tax asset - SSAP 10	21,961	329,874	351,834
SSAP 10R	Ordinary	Capital	Total
	2011	2011	2011
Federal tax paid in carryback years (10ei)	6,558,577	339,040	6,897,617
Lesser of:			
Deferred taxes expected to be realized within 3 years (10eii(a))	5,129,901	0	5,129,901
15% of statutory capital of previously filed statement (10eii(b))			
Amount of gross DTA's that can be offset against DTL's (10eiii)	3,939,496	187,600	4,127,097
Admitted deferred tax asset - SSAP 10	\$ 15,627,974	\$ 526,641	\$16,154,615
	2010	2010	2010
Federal tax paid in carryback years (10ei)	6,346,865	0	6,346,865
Lesser of:			
Deferred taxes expected to be realized within 3 years (10eii(a))	5,233,374	0	5,233,374
15% of statutory capital of previously filed statement (10eii(b))			
Amount of gross DTA's that can be offset against DTL's (10eiii)	3,958,858	196,767	4,155,625
Admitted deferred tax asset - SSAP 10	\$ 15,539,097	\$ 196,767	\$15,735,864
	Change	Change	Change
Federal tax paid in carryback years (10ei)	211,712	339,040	550,753
Lesser of:			
Deferred taxes expected to be realized within 3 years (10eii(a))	(103,473)	0	(103,473)
15% of statutory capital of previously filed statement (10eii(b))			
Amount of gross DTA's that can be offset against DTL's (10eiii)	(19,362)	(9,167)	(28,528)
Admitted deferred tax asset - SSAP 10	88,877	329,874	418,751
The risk-based capital level for the test in paragraph 10(d) is	2011	2010	Change
Total adjusted capital in the risk-based capital calculation	\$114,066,286	\$109,075,435	4,990,851
Authorized control level of risk-based capital	\$ 9,224,638	\$ 9,263,306	(38,668)
Applicable % for application of SSAP 10R	1236%	1178%	
5 The impact of tax planning strategies is as follows at December 31, 2010:	Ordinary	Capital	
Adjusted gross deferred tax assets	0%	0%	
Net admitted deferred tax assets	0%	0%	
	Ordinary	Capital	Total
6 <u>SSAP 10R, paragraph 10a, 10b, 10c</u>	2011	2011	2011
a Admitted deferred tax assets	\$12,429,517	\$ 526,641	12,956,157
b Admitted assets	xxx	xxx	830,927,770
c Statutory surplus	xxx	xxx	93,796,322
d Total adjusted Capital from DTAs	xxx	xxx	12,956,157
Increase due to SSAP 10R, paragraph 10e.			
e Admitted deferred tax assets	\$ 3,198,458	\$ -	\$3,198,458
f Admitted assets	\$ 3,198,458	\$ -	\$3,198,458
g Statutory surplus	\$ 3,198,458	\$ -	\$3,198,458
<u>SSAP 10R, paragraph 10a, 10b, 10c</u>	2010	2010	2010
a Admitted deferred tax assets	\$12,407,556	\$ 196,767	12,604,323
b Admitted assets	xxx	xxx	818,066,491
c Statutory surplus	xxx	xxx	88,916,528

NOTES TO FINANCIAL STATEMENTS

d Total adjusted Capital from DTAs	xxx	xxx	12,604,323
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Increase due to SSAP 10R, paragraph 10e.

e Admitted deferred tax assets	\$ 3,131,541	\$ -	\$3,131,541
f Admitted assets	\$ 3,131,541	\$ -	\$3,131,541
g Statutory surplus	\$ 3,131,541	\$ -	\$3,131,541

SSAP 10R, paragraph 10a, 10b, 10c

	<u>Change</u>	<u>Change</u>	<u>Change</u>
a Admitted deferred tax assets	21,961	329,874	351,834
b Admitted assets	xxx	xxx	12,861,279
c Statutory surplus	xxx	xxx	4,879,794
d Total adjusted Capital from DTAs	xxx	xxx	351,834

Increase due to SSAP 10R, paragraph 10e.

e Admitted deferred tax assets	\$ 66,917	\$ -	\$ 66,917
f Admitted assets	\$ 66,917	\$ -	\$ 66,917
g Statutory surplus	\$ 66,917	\$ -	\$ 66,917

B. Unrecognized deferred tax liabilities: None

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

	<u>2011</u>	<u>2010</u>	<u>Change</u>
1 Federal income tax on operations	\$ 2,819,220	\$ 1,934,622	\$ 884,598
Federal Income tax on net realized capital gains / (losses)	539,846	(499,422)	1,039,267
Current federal income tax incurred (benefit)	\$ 3,359,065	\$ 1,435,200	\$1,923,865

The major components in the deferred tax amounts are as follows:

2 Deferred tax assets:			
a Ordinary:	<u>2011</u>	<u>2010</u>	<u>Change</u>
Reserves	\$ 7,205,653	\$ 7,511,602	\$ (305,949)
Proxy DAC	4,499,597	4,615,724	(116,126)
Dividends Apportioned for Payment	2,244,000	2,278,000	(34,000)
Accrued Deferred Compensation	1,834,676	1,798,982	35,695
Post retirement benefits and other general expenses	1,354,542	1,207,911	146,630
Other	1,760,297	1,404,701	355,597
Subtotal deferred tax assets	\$ 18,898,766	\$ 18,816,919	81,846
c Less: deferred tax assets nonadmitted	\$ 2,981,665	\$ 3,277,822	(296,157)
d Admitted ordinary deferred tax assets	\$ 15,917,101	\$ 15,539,097	378,004
e Capital:			
Premium Bonds	\$ 106,699	\$ 141,098	(34,399)
Other Than Temporary Impairments	2,981,597	2,577,178	404,419
Unrealized Capital Losses	341,185	184,333	156,852
Real Estate	-	-	-
Other			
Subtotal deferred tax assets	\$ 3,429,480	\$ 2,902,609	526,872
g Less: deferred tax assets nonadmitted	\$ 3,191,966	\$ 2,705,842	486,125
h Admitted capital deferred tax assets	\$ 273,514	\$ 196,767	40,747
i Admitted deferred tax assets	\$16,154,615	\$ 15,735,864	418,751
3 Deferred tax liabilities:			
a Ordinary:	<u>2011</u>	<u>2010</u>	<u>Change</u>
Depreciable assets	\$ 72,259	\$ 34,599	37,660
Deferred & Uncollected Premiums	3,051,484	3,110,836	(59,352)
Market discount	577,746	637,981	(60,235)
Reserve change	51,572	48,656	2,916
Other	186,436	126,786	59,650
Subtotal deferred tax liabilities	3,939,496	\$ 3,958,858	(19,362)
b Capital:			
Unrealized Capital Gains	114,290	172,440	(58,150)

NOTES TO FINANCIAL STATEMENTS

Real Estate	73,310	24,327	48,983
Subtotal deferred tax liabilities	187,600	\$ 196,767	(9,167)
 c. Deferred Tax Liabilities	 \$ 4,127,097	 \$ 4,155,625	 (28,528)
 4 Net Deferred Tax Assets/Liabilities	 \$ 12,027,518	 \$ 11,580,239	 447,279

The change in net deferred income taxes is comprised of the following:

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Total gross deferred tax assets	\$ 22,328,246	\$ 21,719,528	\$ 608,718
Total gross deferred tax liabilities	4,127,097	4,155,625	(28,528)
Net deferred tax asset	\$ 18,201,149	\$ 17,563,903	\$ 637,247
Deferred tax on change in net unrealized capital gains			(215,003)
Change in net deferred income tax			\$ 422,244

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	<u>2011</u>	<u>Effective Tax Rate</u>
Gain from operations	\$ 10,768,918	
Capital Gains losses line 34	(2,020,720)	
Add back net Gains to IMR	1,114,003	
Deduct Capital gains tax	1,442,256	
Adjusted Statutory Gain	11,304,456	
 Provision computed at statutory rate	 \$ 3,849,558	 34.05%
 Amortization of Interest Maintenance Reserve	 (400,638)	 -3.54%
Non deductible items	7,959	0.07%
Change in Non Admitted Assets	(499,391)	-4.42%
Prior Year True Up	(33,816)	-0.30%
Other	13,149	0.12%
Total effective tax	\$ 2,936,821	25.98%
 Federal and foreign income taxes incurred	 \$ 3,359,065	 29.71%
Change in net deferred income taxes	\$ (422,244)	-3.74%
Total statutory income taxes	\$ 2,936,821	25.98%

- E. 1 The company does not have any operating loss or tax credit carryforward available for tax purposes.
2 Federal taxes available for recovery in the event of the carryback of future operations loss deductions are as follows:

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
2011	\$ 3,065,156	\$ 539,844	\$ 3,605,000
2010	\$ 2,037,299	\$ -	\$ 2,037,299
2009	\$ 1,456,122	\$ -	\$ 1,456,122

- 3 Aggregate amount of deposits admitted under Section 6603 of the IRS Code - None

F. Consolidated Return:

- 1 Although the Company has a consolidation agreement with its wholly owned subsidiary Texas Directors Life Insurance Company, Government Personnel Mutual did not consolidate for 2010 and does not plan to consolidate for 2011.
2 The method of allocation is subject to written agreement with the wholly owned subsidiary. The method of allocation between the companies is based upon separate return calculations with current credit for net losses. Inter-company tax balances are settled annually within 90 days after the federal income tax return is completed and filed. The agreement is on file with the Department of Insurance of Texas.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company is not directly or indirectly owned or controlled by any other company, corporation, group of companies, partnership or individual unless the holding of a majority of the proxies of a mutual company amounts to such control. The Company is a mutual life insurance company.

NOTES TO FINANCIAL STATEMENTS

- B. As disclosed in note 3A above, the Company owns 100% of the outstanding stock of Texas Directors Life Insurance Company whose carrying value is less than 10% of the admitted assets of the Company. The transactions between the companies are not material to Government Personnel Mutual Life Insurance Company.

11. Debt

- A. The Company has no outstanding capital notes or debt.

- B. FHLB (Federal Home Loan Bank) agreements:

- (1) The Company is a member of the Federal Home Loan Bank (FHLB) of Dallas. Through its membership, the Company has issued no funding agreements to the FHLB of Dallas. The company has no advances for cash to use in an investment spread strategy. The Company will apply SSAP No. 52 accounting treatment to funds utilized in an investment spread strategy. The Company has not utilized funds for operations, and any funds obtained from the FHLB for use in general operations will be accounted for consistent with SSAP No. 15 liabilities related to the agreement with the FHLB of Dallas.

	<u>Current Year</u>	<u>Prior Year</u>
(2) FHLB stock purchased/owned as part of the agreement	\$ 533,500	\$ 532,200
(3) Collateral Pledged to the FHLB of Dallas	\$ -	\$ -
(4) Funding capacity currently available	\$ 30,000,000	\$ 30,000,000
(5) Total Reserves related to funding agreement	\$ -	\$ -
(6) Agreement assets and liabilities	\$ -	\$ -

12. Retirement Plans, Deferred compensation, Post Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan

The Company does not have a defined benefit plan for employees.

- B. Defined Contribution Plan and Postretirement Benefits

The Company sponsors a qualified defined contribution profit sharing (sect. 401(k)) plan for its employees. Assets are held under various elective separate Investment Accounts by the Massachusetts Mutual Life Insurance Company (Springfield, Massachusetts).

Matching contributions are made at 62.5% on participants' contributions of up to 6%. The Company's contribution for the plan was \$193,393 and \$180,725 for 2011 and 2010, respectively. Additional contributions in the amount of \$195,346 and \$191,625 for 2011 and 2010, respectively (3% of total compensation of all eligible) were made to the Retirement Plan. At December 31, 2011, the fair value of plan assets was \$13,915,797. Any liabilities for this plan are reflected on the financial statements of the Massachusetts Mutual Life Insurance Company.

Postretirement Health and Life Benefits

	<u>2011</u>	<u>2010</u>
(1) Change in Postretirement Benefit Obligation		
a. Postretirement Benefit Obligation at beginning of year	7,501,277	\$ 7,271,545
b. Eligibility Cost	322,360	-
c. Interest Cost	428,428	407,961
d. Plan Participants' Contributions	120,960	105,360
e. Plan Amendments	-	-
f. Actuarial (Gain)/Loss	1,221,776	177,544
g. Acquisitions/Divestitures	-	-
h. Curtailments	-	-
i. Settlements	-	-
j. Special Termination Benefits	-	-
k. Gross Benefits Paid	(633,238)	(461,133)
l. Postretirement Benefit Obligation at end of year	<u>8,961,563</u>	<u>\$ 7,501,277</u>
(2) Change in Plan Assets (Retired Lives Reserve)		
a. Fair Value of Plan Assets at beginning of year	\$ 589,417	\$ 571,376
b. Actual Return on Plan Assets	37,914	37,615
c. Acquisitions	-	-
d. Employer Contributions	32,176	47,911
e. Plan Participants' Contributions	-	-
f. Gross Benefits Paid	(71,000)	(67,485)
g. Fair Value of Plan Assets at end of year	<u>\$ 588,507</u>	<u>\$ 589,417</u>
(3) The Following represents the funded status of the plan, the amounts not recognized in the statement of financial position and the amounts recognized in the statement of financial position as of December 31, 2011.		
a. The amount of the unamortized prior service cost was	-	-
b. The amount of the unrecognized net gain or loss (including asset gains and losses not yet reflected in market related value) was	5,068,328	\$ 3,942,221
c. The unamortized net transition obligation (asset) was	130,552	174,072
d. The accrued postretirement benefit obligation reported on Page 3,	3,174,175	2,795,567
e. The amount for any intangible asset is	-	-
(4) As of December 31, 2011, the post-retirement benefit obligations are \$3,425,574 for active fully eligible employees and \$5,535,988 for retirees.		

NOTES TO FINANCIAL STATEMENTS

(5) As of December 31, 2011, the post-retirement benefit obligations are \$5,364,880 for active non-eligible employees.

	<u>2011</u>	<u>2010</u>
(6) The amount of net periodic benefit cost recognized is as follows:		
Components of Net Periodic Benefit Cost		
a. Eligibility Cost	\$ 322,360	\$ -
b. Interest Cost	428,428	407,961
c. Expected Return on Assets	-	-
d. Amortization of:		
i. Transition Asset / (Obligation)	43,520	43,520
ii. Prior Service Cost	-	-
iii. Actuarial (Gain) / Loss	193,253	158,142
e. Total Net Periodic Benefit Cost	\$ 987,561	\$ 609,623

(7) On a weighted-average basis, the following assumptions are used in the accounting for the plan:

Discount Rate	4.55%	5.43%
Expected Return on Plan Assets	0.00%	0.00%
Rate of Compensation Increase	6.00%	6.00%

(8) Health care cost trend on covered charges

	8.5% decreasing to ultimate trend of 5.0% in 2019	9.0% decreasing to ultimate trend of 5.5% in 2015
--	---	---

(9) Sensitivity of Retiree Welfare Results

Effect of a one-percentage point increase in assumed health care cost trend		
On total eligibility and interest cost components	\$ 110,284	\$ 42,251
On post-retirement benefit obligation	817,135	874,355
Effect of a one-percentage point decrease in assumed health care cost trend		
On total eligibility and interest cost components	(90,438)	(37,369)
On post-retirement benefit obligation	(695,955)	(739,042)

C. Multi-employer Plans

The Company does not participate in any multi-employer plans.

D. Consolidated/Holding Company Plans

The Company does not participate in any consolidated/holding company plans.

E. Postemployment Benefits and Compensated Absences

(1) The Company has nonqualified deferred compensation agreements with certain employees and agents. Benefits from company contributions to the agent agreements have a graded vesting dependent on various factors. The company records nonvested balances as a nonadmitted asset. The liability for these agreements was \$5,039,635 and \$4,872,905 at December 31, 2011 and December 31, 2010, respectively. The nonvested balance at December 31, 2011 was \$59,135. The expense for these agreements amounted to \$287,488 and \$287,742 in 2011 and 2010, respectively.

(2) The company has accrued for compensated absences/vacation pay in accordance with SSAP No. 11. A liability of \$875,034 is recorded in salaries and wages general expense.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

(1) It has been determined that the Company's prescription drug benefit is actuarially equivalent and therefore qualifies for the federal subsidy. The postretirement benefit obligation and net periodic benefit cost reflect amounts associated with the subsidy.

(2) The effect of the Act was a \$2,565 reduction in the Company's net postretirement benefit cost for the subsidy related to benefits attributed to former employees.

(3) GPM Life's gross benefit payments for 2011 were \$633,238 and were expected to be \$537,104. GPM Life received a retiree drug subsidy payment, (RDS) of \$36,145 during 2011.

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

(1) The Company is a mutual insurance company and has no stockholders.

(2) The Company has no preferred stock outstanding.

(3) Dividend Restrictions – N/A

(4-5) Portion of Company's profits to be paid as ordinary dividends – N/A

NOTES TO FINANCIAL STATEMENTS

(6) Unassigned surplus funds were earned by the participating policyholders. Total unassigned surplus is \$96,594,780. There is no restriction on the unassigned surplus.

(7) There have been no advances to surplus.

(8) The Company holds no stock for special purposes.

(9) There was no change in the balance of special surplus funds.

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

The cumulative unrealized losses were \$ 1,692,567.

(11) The Company has not issued any surplus notes or debentures or similar obligations.

(12-13) There has been no restatement of surplus due to quasi-reorganizations.

14. Contingencies

A. Contingent Commitments – NONE

B. Assessments

The Company has not accrued for any guaranty association assessments. Amounts, if any, are considered immaterial.

C. Gain Contingencies

There are no gain contingencies.

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits - NONE

E. All Other Contingencies - NONE

15. Leases

A. Lessee Leasing Arrangements:

(1) The Company leases office equipment under various noncancelable operating lease agreements that expire through December 2015. Rental expense for 2011 and 2010 was approximately \$262,000 and \$236,000 respectively.

(2) At January 1, 2012, the minimum aggregate rental commitments for office equipment are as follows:
(Dollars in thousands)

Year Ending <u>December 31</u>	Operating <u>Leases</u>
1. 2012	\$ 217
2. 2013	169
3. 2014	79
4. 2015	38
Total	<u>\$ 503</u>

(3) Sale – Leaseback transactions - NONE

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk

The Company does not have any 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. Transfers of Receivables Reported as Sales - NONE

B. Transfer and Servicing of Financial Assets

(1) Transfer of Assets – NONE

(2) Securities Lending – The Company had no securities loaned as of December 31, 2011.

(3) Servicing Assets and Servicing Liabilities – NONE

(4) The Company had no Securitized Financial Assets as of December 31, 2011.

(5) Retained interest in Securitized Financial Assets – NONE

(6) Transfer of receivables with recourse. - NONE

C. Wash Sales – NONE

18. Gain or Loss to the Insurer from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The Company does not serve as an administrator for uninsured A&H plans.

NOTES TO FINANCIAL STATEMENTS

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

There are no premiums written/produced by managing general agents/third party administrators.

20. Fair Value Measurements

(1) Fair Value Measurements at December 31, 2011

Description	(Level 1)	(Level 2)	(Level 3)	Total
Bonds:				
Industrial and Misc	\$ 0	\$ 0	\$142,124	\$ 142,124
Common Stocks:				
Industrial and Misc	<u>\$4,559,099</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$4,559,099</u>
Total Assets at fair value	\$4,559,099	\$ 0	\$142,124	\$4,701,223

(2) Fair Value Measurements at December 31, 2011

Description	Beginning Balance 1/1/2011	Transfers Into (out) Level 3	Total Gains and (Losses) included in Net Income	Total Gains and (Losses) included in Surplus	Purchases & Sales	Ending Balance 12/31/2011
a. Assets						
Loan-backed and Structured Securities (NAIC 3-6)	\$194,842	\$ 0	\$ 78,613	\$(131,331)	\$ 0	\$ 142,124

During 2011, there were no transfers of assets between any Level 1, 2 or 3.

(3) The Company's policy is to recognize transfers in and transfers out between levels as of the end of the reporting period.

(4) As of December 31, 2011, the reported fair value of the Company's investment in level 3, NAIC rated 6, Collateralized Debt obligations, (CDO's), were \$142,124. This consists of two bonds backed by the preferred stock of banks, insurance companies and REITS. Both are mezzanine tranches. To value these securities, the Company uses discounted projected cash flows. The cash flows from the CDO's are obtained from Morgan Keegan through Intex. The cash flows are then valued based on current defaults and deferrals at an interest approximately 10% above the current 10 year US Treasury. The bonds are then carried at the present value of the cash flows at that discount level. See Note 5.D. (5) for additional information on these bonds

All common stocks above are listed on a US Stock market, except the Federal Home Loan Bank stock. The stocks are carried at their fair value based on the price issued by the Securities Valuation Office of the NAIC or the last trade for December 31, 2011. The Federal Home Loan Bank stock is carried at \$100 per share, which is the price that the Federal Home Loan will pay to the holder of their intent to sell the stock to the Federal Home Loan Bank.

(5) Derivatives: NONE

21. Other Items

- A. Extraordinary Items – NONE
- B. Troubled Debt Restructuring: Debtors – NONE
- C. Other Disclosures –During 2004 and 2005, the Company entered into 100% indemnity coinsurance agreements of three existing blocks of business. The assumption process was begun in 2006, and continued during 2011. The Company has completed the assumption reinsurance for numerous states as approval was received. Assumption reinsurance of the business will continue as approval is received from policyholders.
- D. At December 31, 2011, the Company had admitted assets of \$1,429 in accounts receivable for Retrospectively Rated Contracts.
- E. Business Interruption Insurance Recoveries – NONE
- F. State Transferable Tax Credits – NONE

NOTES TO FINANCIAL STATEMENTS

G. Subprime Mortgage Related Risk Exposure

- (1) The Company has reviewed the positions in the portfolio for securities held that have exposure to Subprime Mortgages. Securities were selected based on whether they are Residential Mortgage Backed Securities (RMBS), Collateralized Debt Obligations (CDO), Collateralized Loan Obligations (CLO), Commercial Mortgage Backed Securities (CMBS) as well as direct issuers and holders of Subprime Mortgages or these types of instruments. Due to the lack of transparency in financial statements, it is difficult to completely ascertain the significance of each issuers exposure to subprime mortgages. The Company has taken \$559,525 in ther Than Temporarily Impaired losses related to investments with exposure to subprime listed in paragraph (3) below. The Company will continue to closely monitor securities in the portfolio for subprime risk.
- (2) GPM Life has no direct exposure to Subprime Mortgages.
- (3) GPM Life has exposure to Subprime Mortgages through other investments such as:

<u>Description</u>	<u>Cost</u>	<u>Book</u>	<u>Fair Value</u>	<u>Total OTTI</u>
Equity investment in non-affiliates	\$31,470	\$16,556	\$16,556	\$559,525

- (4) GPM Life has no exposure to subprime through Mortgage Guaranty or Financial Guaranty insurance coverage.

H. Retained Assets - None

22. Events Subsequent

The Company has reached an oral agreement for the acquisition of North Coast Life Insurance Company, domiciled in the State of Washington, for slightly inder \$12 million. The transaction, which is expected to be completed by mid year 2012, will be recorded as a statutory purchase.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly by the Company or by any representative, officer, trustee or director of the 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 US 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 reason other than for nonpayment of premium or other similar credits?
Yes (X) No ()
- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the Company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.
\$ -0-.
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$23,733,491
- (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 that 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. \$ NONE .
- (2) Have any new agreements been executed or existing agreements amended, since January 1st of the year of this statement, to include policies or contracts which were in force or which had existing reserves established by the Company as of the effective date of the agreement? Yes () No (X) If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$ N/A .

B. Uncollectible Reinsurance

The Company did not write off any uncollectible reinsurance during the year.

C. Commutation of Reinsurance Reflected in Income and Expenses

The Company did not commute any reinsurance items in the current annual statement.

NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments for its group association life and health insurance business using the refund calculation specified in the agreement with the association.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. The amount of net premiums written by the Company at December 31, 2011 that are subject to retrospective rating features was:

Group Life	\$ 5,323,032
Group Health	\$ 1,369,311

The net premiums represented 99% of the group life premiums written and 100% of the direct group health premiums written. No other net premiums written by the Company are subject to retrospective rating features.

- D. N/A

25. Change in Incurred Losses and Loss Adjustment Expenses

There were no significant changes in incurred losses from prior year events.

26. Inter-company Pooling Arrangements

The Company has no inter-company pooling arrangements among affiliated insurers.

27. Structured Settlements

The Company has not purchased any structured settlements to fulfill obligations of claimants.

28. Health Care Receivables

- A. Pharmaceutical Rebate Receivables

None

- B. Risk Sharing Receivables

None

29. Participating Policies

For the reporting year ending 2011, individual life and annuity premiums for participating policies were \$44,111,993 or 86% of total individual life and annuity premiums earned on a direct cash basis. The Company accounts for its policyholder dividends on an accrual basis consistent with SSAP 51. The Company paid dividends in the amount of \$6,666,730 to individual life and annuity policyholders in 2011.

30. Premium Deficiency Reserves

The Company did not have any premium deficiency reserves relating to accident and health contracts.

31. Reserves for Life Contracts and Deposit-Type Contracts

- (1) The Company waives deduction of deferred fractional premiums upon death of insured and refunds any portion of the final premium beyond the month of death. Surrender Values are not promised in excess of the legally computed reserves.
- (2) Extra premiums are charged for substandard lives plus the gross premium for the true age. Mean reserves for traditional life business are determined by computing the regular mean reserve for the plan at the true age and holding in addition one-half of the extra premium charge for the year. Mean reserves for Universal Life business are based on appropriate multiples of standard rates of mortality.
- (3) As of December 31, 2011 the Company had \$112,350,766 of insurance in force for which the gross premiums are less than the net premiums according to the standard of valuation set by the State of Texas. Reserves to cover the above insurance totaled \$1,398,882 at year-end and are reported in Exhibit 5, Life Insurance and Annuities sections.
- (4) The Tabular Interest has been determined by formula as described in the instructions. The Tabular Less Actual Reserve Released has been determined by formula as described in the instructions. The Tabular Cost has been determined by formula as described in the instructions.
- (5) The Tabular Interest on funds not involving life contingencies has been determined by formula as described in the instructions.
- (6) Other Changes – NONE

NOTES TO FINANCIAL STATEMENTS

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

	<u>Amount</u>	<u>% of Total</u>
A. Subject to Discretionary Withdrawal with Adjustment		
(1) With Fair Value Adjustment	\$ -	0.00%
(2) At Book Value less Surrender Charge	14,412,082	8.17%
(3) At Fair Value	-	0.00%
(4) Total with Adjustment or at Fair Value	14,412,082	8.17%
(5) At Book Value w/o Adjustment (Minimal or No Charge or Adjustment)	115,830,025	65.68%
B. Not Subject to Discretionary Withdrawal	46,108,672	26.15%
C. Total	176,350,779	100.00%
D. Reinsurance Ceded	21,588,083	
E. Total (Net)* (C-D)	\$154,762,696	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities

F. Life and Accident and health Annual Statement

(1) Exhibit 5, Annuities Section, Total (Net)	\$ 83,297,227
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (Net)	8,822,889
(3) Exhibit of Deposit Type Contracts, Line 14, Column 1	62,642,582
(4) Subtotal	\$154,762,698

Separate Accounts Annual Statement

(5) Exhibit 6, Line 0299999, Column 2	\$ -
(6) Exhibit 6, Line 0399999, Column 2	\$ -
(7) Policyholder Dividend and Coupon Accumulations	\$ -
(8) Policyholder Premiums	\$ -
(9) Guaranteed Interest Contracts	\$ -
(10) Other Contract Deposit Funds	\$ -
(11) Subtotal	\$ -
(12) Combined Total	\$ 154,762,698

G. See 11-B

33. Premiums and Annuity Considerations Deferred and Uncollected

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2011 were as follows:

<u>Type</u>	<u>Gross</u>	<u>Net of Loading</u>
Ordinary Life New Business	\$ 1,116,912	\$ 243,238
Ordinary Life Renewal	9,989,216	8,339,933
Individual Annuity	987	873
Group Life	438,532	438,533
Group A&H	134,608	134,608
Total	\$ 11,680,255	\$9,157,185

34. Separate Accounts

The Company holds no separate accounts.

35. Loss/Claim Adjustment Expenses

NONE

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating? Texas
- 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
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2010
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/13/2011
- 3.4 By what department or departments?
Texas
- 3.5 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
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No

4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No

4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Company Code | 3
State of Domicile |
|---------------------|------------------------|------------------------|
| | | |
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No

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, 100 West Houston Street, San Antonio, Texas 78205

.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

.....

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

.....

GENERAL INTERROGATORIES

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes No N/A

10.6 If the response to 10.5 is no or n/a, please explain:

.....

11. 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?

Pamela A Hutchins, 2211 N.E. Loop 410, San Antonio, Texas 78217, Senior Vice President and Chief Actuary

.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$ _____

12.2 If yes, provide explanation:

.....

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

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

.....

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No

13.3 Have there been any changes made to any of the trust indentures during the year? Yes No

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A

14.1 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 No

14.11 If the response to 14.1 is no, please explain:

.....

14.2 Has the code of ethics for senior managers been amended? Yes No

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

.....

GENERAL INTERROGATORIES

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

.....

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....
.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate thereof? Yes [X] No []

17. 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 []

18. 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

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

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

20.11 To directors or other officers	\$ _____
20.12 To stockholders not officers	\$ _____
20.13 Trustees, supreme or grand (Fraternal only)	\$ _____

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers	\$ _____
20.22 To stockholders not officers	\$ _____
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____

21.1 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]

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

21.21 Rented from others	\$ _____
21.22 Borrowed from others	\$ _____
21.23 Leased from others	\$ _____
21.24 Other	\$ _____

22.1 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]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	\$ _____
22.22 Amount paid as expenses	\$ _____
22.23 Other amounts paid	\$ _____

GENERAL INTERROGATORIES

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

24.1 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 24.3) Yes No

24.2 If no, give full and complete information, relating thereto:

24.3 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 17 where this information is also provided):

24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes No N/A

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$ _____

24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$ _____

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A

25.1 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 21.1 and 24.3). Yes No

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

	25.21	Subject to repurchase agreements	\$ _____
	25.22	Subject to reverse repurchase agreements	\$ _____
	25.23	Subject to dollar repurchase agreements	\$ _____
	25.24	Subject to reverse dollar repurchase agreements	\$ _____
	25.25	Pledged as collateral	\$ _____
	25.26	Placed under option agreements	\$ _____
	25.27	Letter stock or securities restricted as to sale	\$ _____
	25.28	On deposit with state or other regulatory body	\$ <u>7,338,373</u>
	25.29	Other	\$ <u>809,278</u>

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No

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

GENERAL INTERROGATORIES

27.1 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]

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

28. 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 [X] No []

28.01 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
Frost National Bank	100 W. Houston St., San Antonio, Texas 78296

28.02 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)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

28.05 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	3 Address

29.1 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 [X] No []

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
423274-20-2	HELIOS Multi-Sector Income Fund	4,410
780910-10-5	Royce Value Trust	194,524
29.2999 TOTAL		198,934

GENERAL INTERROGATORIES

29.3 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
HELIOS Multi-Sector Income Fu	Frontier Co.	78	09/30/2011
Royce Value Trust	Coherent Inc.	1,832	12/31/2011

30. 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 (+)
30.1 Bonds	552,643,798	595,553,642	
30.2 Preferred stocks	3,017,100	2,769,650	
30.3 Totals	555,660,898	598,323,292	

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

Government Personnel Mutual Life Insurance Company, (GPM Life), utilized the NAIC SVO AVS to obtain the fair value of most securities held. If the fair value of a security is not available from the NAIC, GPM Life will utilize the fair value received from their bond custodian, Frost National Bank of San Antonio or, if not available, from Morgan Keegan. For the Collateralized Debt Obligations, Morgan Keegan provides the projected cash flows for the securities and GPM Life calculates the fair value based on the present value of the cash flows.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes No

31.2 If the answer to 31.1 is 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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

.....

.....

.....

.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes No

32.2 If no, list exceptions:

.....

.....

.....

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 78,402

33.2 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
LIMRA International	\$ 33,090
.....	\$
.....	\$

34.1 Amount of payments for legal expenses, if any? \$ 47,672

GENERAL INTERROGATORIES

34.2 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
Thompson, Coe, Cousins & Irons	\$ 47,323
.....	\$
.....	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$ 2,695

35.2 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
American Council of Life Insurance	\$ 1,627
.....	\$
.....	\$

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. \$ 11,789,101
 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. \$ 8,330,956

1.6 Individual policies:
 Most current three years:
 1.61 Total premium earned \$ 11,789,101
 1.62 Total incurred claims \$ 8,330,956
 1.63 Number of covered lives 10,248

All years prior to most current three years:
 1.64 Total premium earned \$
 1.65 Total incurred claims \$
 1.66 Number of covered lives \$

1.7 Group policies:
 Most current three years:
 1.71 Total premium earned \$
 1.72 Total incurred claims \$
 1.73 Number of covered lives \$
 All years prior to most current three years:
 1.74 Total premium earned \$
 1.75 Total incurred claims \$
 1.76 Number of covered lives \$

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ 2,694,667		\$ 1,572,374	
2.2 Premium Denominator	\$ 54,568,196		\$ 56,495,371	
2.3 Premium Ratio (2.1 / 2.2)	0.049		0.028	
2.4 Reserve Numerator	\$ 1,398,762		\$ 1,413,058	
2.5 Reserve Denominator	\$ 625,063,824		\$ 621,596,110	
2.6 Reserve Ratio (2.4 / 2.5)	0.002		0.002	

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:

.....

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 \$
 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: \$

7. Total dividends paid stockholders since organization of the reporting entity:
 7.11 Cash \$
 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		2		3
	Reinsurance Assumed		Reinsurance Ceded		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

GENERAL INTERROGATORIES

PART 2 – LIFE INTERROGATORIES

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	.....	.....

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 [X]

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	3 Waiting Period Remaining	4 Account Value Related to Col. 3	5 Total Related Account Values	6 Gross Amount of Reserve	7 Location of Reserve	8 Portion Reinsured	9 Reinsurance Reserve Credit
.....
.....

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 annuities.

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 [X]

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 [X]

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
	2011	2010	2009	2008	2007
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Col. 4)	2,706,215	2,728,701	2,735,995	2,729,283	2,680,355
2. Ordinary-term (Line 21, Col. 4, less Line 34, Col. 4)	1,617,518	1,594,103	1,567,124	1,552,204	1,546,195
3. Credit life (Line 21, Col. 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	10,023,919	10,443,306	10,838,706	11,464,960	12,154,423
5. Industrial (Line 21, Col. 2)					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)					
7. Total (Line 21, Col. 10)	14,347,652	14,766,110	15,141,825	15,746,447	16,380,973
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Col. 2)	138,896	157,349	158,360	139,990	130,770
9. Ordinary-term (Line 2, Col. 4, less Line 34, Col. 2)	124,199	141,180	131,725	119,851	144,782
10. Credit life (Line 2, Col. 6)					
11. Group (Line 2, Col. 9)	396,584	509,220	585,652	779,510	1,360,538
12. Industrial (Line 2, Col. 2)					
13. Total (Line 2, Col. 10)	659,679	807,749	875,737	1,039,351	1,636,090
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)	43,638,146	43,180,093	43,070,841	44,830,567	44,915,751
15.2 Ordinary individual annuities (Line 20.4, Col. 4)	3,351,529	6,471,964	5,838,959	1,425,605	2,108,906
16. Credit life, (group and individual) (Line 20.4, Col. 5)					
17.1 Group life insurance (Line 20.4, Col. 6)	4,848,635	5,227,665	4,577,777	4,915,167	5,622,818
17.2 Group annuities (Line 20.4, Col. 7)		19,448	33,739	6,318	64,305
18.1 A & H-group (Line 20.4, Col. 8)	1,355,143	1,342,890	1,436,013	1,484,300	1,412,068
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9)					
18.3 A & H-other (Line 20.4, Col. 10)	1,374,743	253,311	485	722	839
19. Aggregate of all other lines of business (Line 20.4, Col. 11)					
20. Total	54,568,196	56,495,371	54,957,814	52,662,679	54,124,687
Balance Sheet					
(Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	834,126,228	821,198,032	801,887,066	787,153,402	786,598,798
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	737,131,448	729,149,963	714,098,774	703,594,264	698,641,427
23. Aggregate life reserves (Page 3, Line 1)	618,776,265	615,386,220	607,575,087	596,329,688	591,549,063
24. Aggregate A & H reserves (Page 3, Line 2)	529,921	541,664	573,104	636,574	688,758
25. Deposit-type contract funds (Page 3, Line 3)	62,642,582	61,625,549	60,784,248	60,680,375	60,927,715
26. Asset valuation reserve (Page 3, Line 24.01)	13,760,594	13,677,366	10,927,178	10,368,530	11,291,718
27. Capital (Page 3, Lines 29 & 30)					
28. Surplus (Page 3, Line 37)	96,994,780	92,048,069	87,788,292	83,559,138	87,957,371
Cash Flow (Page 5)					
29. Net cash from operations (Line 11)	13,318,208	14,865,615	19,014,245	13,020,630	15,453,155
Risk-Based Capital Analysis					
30. Total adjusted capital	114,066,286	109,075,435	102,065,470	97,252,668	102,549,089
31. Authorized control level risk-based capital	9,224,638	9,263,306	8,286,378	11,279,359	9,752,939
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3) (Line No./Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1)	67.6	68.3	69.2	65.4	70.6
33. Stocks (Lines 2.1 and 2.2)	1.0	1.1	0.7	1.4	1.3
34. Mortgage loans on real estate (Lines 3.1 and 3.2)	16.8	15.7	16.5	16.2	14.2
35. Real estate (Lines 4.1, 4.2 and 4.3)	1.8	2.1	1.8	1.4	1.2
36. Cash, cash equivalents and short-term investments (Line 5)	3.6	3.4	2.1	5.9	3.0
37. Contract loans (Line 6)	9.2	9.4	9.7	9.7	9.5
38. Derivatives (Page 2, Line 7)			X X X	X X X	X X X
39. Other invested assets (Line 8)					
40. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.1
41. Securities lending reinvested collateral assets (Line 10)			X X X	X X X	X X X
42. Aggregate write-ins for invested assets (Line 11)					
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2011	2010	2009	2008	2007
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
45. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
46. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	1,858,688	1,857,065			
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)					
48. Affiliated mortgage loans on real estate					
49. All other affiliated					
50. Total of above Lines 44 to 49	1,858,688	1,857,065			
Total Nonadmitted and Admitted Assets					
51. Total nonadmitted assets (Page 2, Line 28, Col. 2)	11,029,546	9,373,087	10,672,679	13,938,266	9,225,137
52. Total admitted assets (Page 2, Line 28, Col. 3)	834,126,228	821,198,032	801,887,066	787,153,402	786,598,798
Investment Data					
53. Net investment income (Exhibit of Net Investment Income)	44,229,139	43,759,016	42,528,241	44,002,428	42,387,627
54. Realized capital gains (losses) (Page 4, Line 34, Column 1)	(1,133,575)	3,166,158	(4,959,080)	(6,304,843)	(1,174,099)
55. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	(567,236)	363,684	380,059	(1,320,785)	(741,275)
56. Total of above Lines 53, 54 and 55	42,528,328	47,288,858	37,949,220	36,376,800	40,472,253
Benefits and Reserve Increase (Page 6)					
57. 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)	52,581,165	53,097,511	47,479,977	53,139,145	50,345,616
58. Total contract benefits-A & H (Lines 13 & 14, Cols. 9, 10 & 11)	1,999,843	1,173,024	1,288,140	1,497,214	1,334,928
59. Increase in life reserves-other than group and annuities (Line 19, Cols. 2 & 3)	4,200,896	3,399,105	7,677,362	9,045,155	11,824,046
60. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	(11,743)	(31,440)	(63,470)	(52,184)	22,241
61. Dividends to policyholders (Line 30, Col. 1)	6,569,730	6,685,764	6,704,028	6,655,833	6,561,553
Operating Percentages					
62. 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	36.3	34.9	34.1	36.8	30.6
63. 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	5.3	5.8	5.5	6.1	5.6
64. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	72.5	71.1	85.3	97.3	96.0
65. A & H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)					
66. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)	25.6	26.0	21.5	20.6	16.0
A & H Claim Reserve Adequacy					
67. Incurred losses on prior years' claims-group health (Sch. H, Part 3, Line 3.1, Col. 2)	970,381	990,886	1,046,629	1,112,993	881,032
68. Prior years' claim liability and reserve-group health (Sch. H, Part 3, Line 3.2, Col. 2)	991,373	1,114,223	1,081,645	982,075	795,616
69. Incurred losses on prior years' claims-health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2)	25,272	4,795	1,470		
70. Prior years' claim liability and reserve-health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2)	28,268	7,144	10,800	6,000	6,000
Net Gains From Operations After Federal Income					
Taxes by Lines of Business					
(Page 6, Line 33)					
71. Industrial life (Col. 2)					
72. Ordinary-life (Col. 3)	6,350,551	4,850,871	4,990,465	3,881,321	5,140,353
73. Ordinary-individual annuities (Col. 4)	600,716	401,768	496,031	82,740	506,717
74. Ordinary-supplementary contracts (Col. 5)	639,572	257,177	126,041	114,250	337,596
75. Credit life (Col. 6)					
76. Group life (Col. 7)	339,703	269,882	276,404	402,880	484,602
77. Group annuities (Col. 8)	(29,049)	(26,345)	2,008	(19,164)	(8,862)
78. A & H-group (Col. 9)	(16,136)	37,189	(29,930)	(149,494)	(66,521)
79. A & H-credit (Col. 10)					
80. A & H-other (Col. 11)	79,608	25,082	(300)	(4,920)	3,065
81. Aggregate of all other lines of business (Col. 12)					
82. Total (Col. 1)	7,964,965	5,815,624	5,860,719	4,307,613	6,396,950

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)	7 Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year			86,594	4,322,804			3	90,771	10,443,308	14,766,112
2. Issued during year			5,129	263,095				5,530	396,584	659,679
3. Reinsurance assumed										
4. Revived during year			157	10,773						10,773
5. Increased during year (net)										
6. Subtotals, Lines 2 to 5			5,286	273,868				5,530	396,584	670,452
7. Additions by dividends during year	X X X		X X X	10,087	X X X		X X X	X X X		10,087
8. Aggregate write-ins for increases										
9. Totals (Lines 1 and 6 to 8)			91,880	4,606,759			3	96,301	10,839,892	15,446,651
Deductions during year:										
10. Death			1,846	28,937			X X X	650	12,974	41,911
11. Maturity			13	196			X X X			196
12. Disability							X X X			
13. Expiry			267	12,530						12,530
14. Surrender			2,034	78,848						78,848
15. Lapse			2,562	150,725				8,363	802,913	953,638
16. Conversion			20	4,201			X X X	X X X	X X X	4,201
17. Decreased (net)				7,589					86	7,675
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. Totals (Lines 10 to 19)			6,742	283,026				9,013	815,973	1,098,999
21. In force end of year (Line 9 minus Line 20)			85,138	4,323,733			3	87,288	10,023,919	14,347,652
22. Reinsurance ceded end of year	X X X		X X X	1,394,178	X X X		X X X	X X X	7,516,996	8,911,174
23. Line 21 minus Line 22	X X X		X X X	2,929,555	X X X	(b)	X X X	X X X	2,506,923	5,436,478
DETAILS OF WRITE-IN LINES										
0801.										
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)										
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)										

NONE

NONE

(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	185,451
25. Other paid-up insurance			10,111	154,577
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			32	571
28. Term policies - other	222	41,175	5,740	994,942
29. Other term insurance - decreasing	X X X	39,078	X X X	134,803
30. Other term insurance	X X X	43,946	X X X	461,734
31. Totals, (Lines 27 to 30)	222	124,199	5,772	1,592,050
Reconciliation to Lines 2 and 21:				
32. Term additions	X X X		X X X	58
33. Totals, extended term insurance	X X X	X X X	966	25,410
34. Totals, whole life and endowment	4,907	138,896	78,400	2,706,215
35. Totals (Lines 31 to 34)	5,129	263,095	85,138	4,323,733

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		263,095	237,473	4,086,260
38. Credit Life (Group and Individual)				
39. Group	396,584		10,023,919	
40. Totals (Lines 36 to 39)	396,584	263,095	10,261,392	4,086,260

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	7,516,996
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis				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)	210,661
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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 1965 thru 1987 issues; commuted value of installments
47.2 spouse and child: 5,000 per unit, child only: 3,000 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			12,603	761,890			29	115
49. Disability Income								
50. Extended Benefits			X X X	X X X				
51. Other								
52. Total		(b)	12,603	(b) 761,890		(b)	29	(b) 115

(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	311	508		
2. Issued during year	6	86		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	317	594		
Deductions during year:				
6. Decreased (net)	13	55		
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	13	55		
9. In force end of year	304	539		
10. Amount on deposit	(a) 304	(a) 10,669,560		(a)
11. Income now payable	304	285		
12. Amount of income payable	(a) 1,058,020	(a) 2,184,420	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	6	2,677	1	46
2. Issued during year		53		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	6	2,730	1	46
Deductions during year:				
6. Decreased (net)		178		1
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)		178		1
9. In force end of year	6	2,552	1	45
Income now payable:				
10. Amount of income payable	(a) 46,794	X X X	X X X	(a) 70,866
Deferred fully paid:				
11. Account Balance	X X X	(a) 57,054,938	X X X	(a)
Deferred not fully paid:				
12. Account Balance	X X X	(a) 25,847,970	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	6	1,416,036			2,767	4,369,765
2. Issued during year	1	46,754			7,685	12,349,148
3. Reinsurance assumed						
4. Increased during year (net)		X X X		X X X		X X X
5. Totals (Lines 1 to 4)	7	X X X		X X X	10,452	X X X
Deductions during year:						
6. Conversions		X X X	X X X	X X X	X X X	X X X
7. Decreased (net)		X X X		X X X	203	X X X
8. Reinsurance ceded		X X X		X X X		X X X
9. Totals (Lines 6 to 8)		X X X		X X X	203	X X X
10. In force end of year	7	(a) 1,352,639		(a)	10,249	(a) 17,035,640

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds Contracts	2 Dividend Accumulations Contracts
1. In force end of prior year	11,694	8,251
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (Lines 1 to 4)	11,694	8,251
Deductions during year:		
6. Decreased (net)	288	413
7. Reinsurance ceded		
8. Totals (Lines 6 and 7)	288	413
9. In force end of year	11,406	7,838
10. Amount of account balance	(a) 5,509,701	(a) 30,862,916

(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	1,849,828	1,925	118,462		1,970,215	
2. Alaska	AK	L	183,535		4,301		187,836	
3. Arizona	AZ	L	1,142,366		385,136		1,527,502	
4. Arkansas	AR	L	1,053,951	202,379	62,164		1,318,494	
5. California	CA	L	5,799,580	64,782	22,783		5,887,145	
6. Colorado	CO	L	1,200,637	101,954	31,314		1,333,905	
7. Connecticut	CT	L	316,456	19,440	56,539		392,435	
8. Delaware	DE	L	112,563		17,161		129,724	
9. District of Columbia	DC	L	228,191				228,191	
10. Florida	FL	L	5,495,903	79,050	306,601		5,881,554	
11. Georgia	GA	L	3,797,209	19,297	416,610		4,233,116	
12. Hawaii	HI	L	873,521	1,746	2,355		877,622	
13. Idaho	ID	L	192,513		28,756		221,269	
14. Illinois	IL	L	1,325,628	881	1,781,415		3,107,924	
15. Indiana	IN	L	691,788	299	32,331		724,418	
16. Iowa	IA	L	165,401	224	113,355		278,980	
17. Kansas	KS	L	456,519	4,600	52,008		513,127	
18. Kentucky	KY	L	765,756	2,300	401,683		1,169,739	
19. Louisiana	LA	L	1,536,059	196,632	236,662		1,969,353	
20. Maine	ME	L	135,323		274,946		410,269	
21. Maryland	MD	L	1,155,253	2,300	182,928		1,340,481	
22. Massachusetts	MA	L	503,769	303,700	13,065		820,534	
23. Michigan	MI	L	795,076	87	1,403,642		2,198,805	
24. Minnesota	MN	L	193,278		78,736		272,014	
25. Mississippi	MS	L	686,972	11,858	218,697		917,527	
26. Missouri	MO	L	614,107	2,550	1,010,353		1,627,010	
27. Montana	MT	L	71,144		2,680		73,824	
28. Nebraska	NE	L	173,949		396,578		570,527	
29. Nevada	NV	L	490,109	1,970	13,122		505,201	
30. New Hampshire	NH	L	215,753	86,074	2,936		304,763	
31. New Jersey	NJ	N	230,731		3,130		233,861	
32. New Mexico	NM	L	786,361		2,941		789,302	
33. New York	NY	N	393,897		10,170		404,067	
34. North Carolina	NC	L	3,248,148	289,890	236,193		3,774,231	
35. North Dakota	ND	L	69,478		9,827		79,305	
36. Ohio	OH	L	1,502,668	48,496	1,827,662		3,378,826	
37. Oklahoma	OK	L	1,347,586	731,790	68,187		2,147,563	
38. Oregon	OR	L	247,506		1,665		277,592	
39. Pennsylvania	PA	L	862,532	1,700	199,867		1,064,099	
40. Rhode Island	RI	L	365,247		3,766		369,013	
41. South Carolina	SC	L	1,624,700	8,682	1,861,702		3,495,084	
42. South Dakota	SD	L	128,082		31,259		159,341	
43. Tennessee	TN	L	2,079,588	357,120	128,790		2,565,498	
44. Texas	TX	L	7,937,559	679,326	1,359,820		9,976,705	
45. Utah	UT	L	385,158		500		392,759	
46. Vermont	VT	L	132,764	4,000	34,259		171,023	
47. Virginia	VA	L	4,084,341	55,736	195,845		4,335,922	
48. Washington	WA	L	1,380,517	5,200	82,070		1,467,787	
49. West Virginia	WV	L	361,130		42,837		403,991	
50. Wisconsin	WI	L	283,733	14	20,426		304,173	
51. Wyoming	WY	L	118,177	45,992	11,369		175,538	
52. American Samoa	AS	N	1,708				1,708	
53. Guam	GU	L	140,966		751		141,717	
54. Puerto Rico	PR	N	29,755		1,564		31,319	
55. US Virgin Islands	VI	N	5,939				5,939	
56. Northern Mariana Islands	MP	N	1,587				1,587	
57. Canada	CN	N	299				299	
58. Aggregate Other Alien	OT	X X X	925,908	17,339	50,899		994,146	
59. Subtotal	(a)	50	60,898,202	3,351,522	13,886,175		78,135,899	
90. Reporting entity contributions for employee benefits plans	X X X		67,419				67,419	
91. Dividends or refunds applied to purchase paid-up additions and annuities	X X X		5,008,514				5,008,514	
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		224,176	7			224,183	
94. Aggregate other amounts not allocable by State	X X X							
95. Totals (Direct Business)	X X X		66,198,311	3,351,529	13,886,175		83,436,015	
96. Plus Reinsurance Assumed	X X X		657,048		48,434		705,482	
97. Totals (All Business)	X X X		66,855,359	3,351,529	13,934,609		84,141,497	
98. Less Reinsurance Ceded	X X X		18,413,118		11,141,099		29,554,217	
99. Totals (All Business) less Reinsurance Ceded	X X X		48,442,241	3,351,529	(b) 2,793,510		54,587,280	

DETAILS OF WRITE-INS							
5801. Other Foreign	X X X		922,816	17,339	50,899		991,054
5802. Phillippine Islands	X X X		3,092				3,092
5803.	X X X						
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X						
5899. Total (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X		925,908	17,339	50,899		994,146
9401.	X X X						
9402.	X X X						
9403.	X X X						
9498. Summary of remaining write-ins for Line 94 from overflow page	X X X						
9499. Total (Lines 9401 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.

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

Address on company records

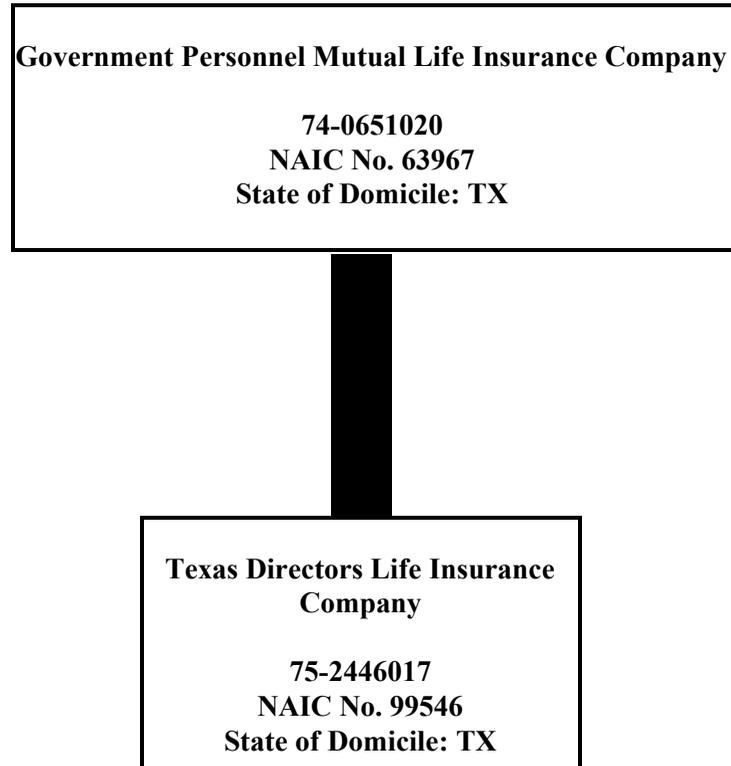
- (a) Insert the number of L responses except for Canada and Other Alien.
- (b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4. Cols. 8, 9 and 10, or with Schedule H, Part 1, Column 1, Line 1 indicate which: Exhibit 1

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

PART 1 - ORGANIZATIONAL CHART

Government Personnel Mutual Life Insurance Company (GPM Life) Organizational Chart

Texas Directors Life Insurance Company is 100% owned by GPM Life



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. Supplies stationery printed matter	60,538	60,538		
2505. Dishonored checks and insufficient premiums	39,700	39,700		
2506. Real estate equipment	38,521	38,521		
2507. Supplies - Real Estate	2,457	2,457		
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	141,216	141,216		

OVERFLOW PAGE FOR WRITE-INS**Page 3 - Continuation**

	1	2
	Current Year	Prior Year
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES		
2504. Miscellaneous accrued bills	105,296	2,528
2505. Accrued interest on death claims	80,315	80,970
2506. Deferred liability		26,188
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	185,611	109,686

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 Charitable contributions	96,137					96,137
09.305 Misc agency expenses	4,764		9		32	4,805
09.306 Interest expense	1,163		2		81	1,246
09.307 Mortgage service fees					21,069	21,069
09.397 Totals (Lines 09.304 through 09.396) (Page 11, Line 09.398)	102,064		11		21,182	123,257

OVERFLOW PAGE FOR WRITE-INS

Page 18 - Continuation

DETAILS OF WRITE-IN LINES FOR OTHER THAN INVESTED ASSETS AT LINE 25	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Supplies stationery printed matter	60,538	55,971	(4,567)
2505. Dishonored checks and insufficient premiums	39,700	35,774	(3,926)
2506. Real estate equipment	38,521	57,751	19,230
2507. Supplies - Real Estate	2,457	2,457	
2597. Totals (Lines 2504 through 2596) (Page 18, Line 2598)	141,216	151,953	10,737

ALPHABETICAL INDEX TO LIFE ANNUAL STATEMENT

Analysis of Increase in Reserves During The Year	7	Schedule D – Part 1A – Section 1	SI05
Analysis of Operations By Lines of Business	6	Schedule D – Part 1A – Section 2	SI08
Asset Valuation Reserve Default Component	30	Schedule D – Part 2 – Section 1	E11
Asset Valuation Reserve Equity	32	Schedule D – Part 2 – Section 2	E12
Asset Valuation Reserve Replications (Synthetic) Assets	35	Schedule D – Part 3	E13
Asset Valuation Reserve	29	Schedule D – Part 4	E14
Assets	2	Schedule D – Part 5	E15
Cash Flow	5	Schedule D – Part 6 – Section 1	E16
Exhibit 1 – Part 1 – Premiums and Annuity Considerations for Life and Accident and Health Contracts	9	Schedule D – Part 6 – Section 2	E16
Exhibit 1 – Part 2 – Dividends and Coupons Applied, Reinsurance		Schedule D – Summary By Country	SI04
Commissions and Expense	10	Schedule D – Verification Between Years	SI03
Exhibit 2 – General Expenses	11	Schedule DA – Part 1	E17
Exhibit 3 – Taxes, Licenses and Fees (Excluding Federal Income Taxes)	11	Schedule DA – Verification Between Years	SI10
Exhibit 4 – Dividends or Refunds	11	Schedule DB – Part A – Section 1	E18
Exhibit 5 – Aggregate Reserve for Life Contracts	12	Schedule DB – Part A – Section 2	E19
Exhibit 5 – Interrogatories	13	Schedule DB – Part A – Verification Between Years	SI12
Exhibit 5A – Changes in Bases of Valuation During The Year	13	Schedule DB – Part B – Section 1	E20
Exhibit 6 – Aggregate Reserves for Accident and Health Contracts	14	Schedule DB – Part B – Section 2	E21
Exhibit 7 – Deposit-Type Contracts	15	Schedule DB – Part B – Verification Between Years	SI11
Exhibit 8 – Claims for Life and Accident and Health Contracts – Part 1	16	Schedule DB – Part C – Section 1	SI12
Exhibit 8 – Claims for Life and Accident and Health Contracts – Part 2	17	Schedule DB – Part C – Section 2	SI13
Exhibit of Capital Gains (Losses)	8	Schedule DB – Part D	E22
Exhibit of Life Insurance	25	Schedule DB - Verification	SI14
Exhibit of Net Investment Income	8	Schedule DL - Part 1	E23
Exhibit of Nonadmitted Assets	18	Schedule DL - Part 2	E24
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