



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012
OF THE CONDITION AND AFFAIRS OF THE
ATLANTIC SOUTHERN INS CO

NAIC Group Code 3787, 3787 NAIC Company Code 61158 Employer's ID Number 66-0175224

Organized under the Laws of PR - Puerto Rico, State of Domicile or Port of Entry Puerto Rico

Country of Domicile US

Incorporated/Organized December 31, 1945 Commenced Business January 31, 1947

Statutory Home Office 1054 Munoz Rivera Avenue, San Juan, Puerto Rico 00927

Main Administrative Office 1054 Munoz Rivera Avenue, San Juan, Puerto Rico 00927 787-767-9750

Mail Address P.O. Box 362889, San Juan, Puerto Rico 00936-2889

Primary Location of Books and Records 1054 Munoz Rivera, San Juan, Puerto Rico 00927 787-767-9750

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OFFICERS

Alexis Gonzalez (President)
Sonia Gonzalez (Secretary)
Nayda Luz Garcia (Treasurer)
Hans Henry Dahl (Actuary)

OTHER OFFICERS

Nayda Luz Garcia (Vice President)
Jose Antonio Gonzalez (Vice President)
Angel Manuel Rivera (Vice President)

DIRECTORS OR TRUSTEES

Robert Dixon Tips
Alexis Gonzalez
Antonio Jose Colorado
Erick Gustavo Negron

State of _____ } SS
County of _____ }

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.

Alexis Gonzalez
President
Subscribed and sworn to before me this
day of 2013

Sonia Gonzalez
Secretary

Nayda Luz Garcia
Treasurer

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col 1 - Col 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	10,261,287		10,261,287	10,633,686
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	218,314		218,314	227,712
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	1,830,579		1,830,579	1,930,189
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 1,681,628, Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 1,248,165, Schedule DA)	2,929,794		2,929,794	1,600,489
6. Contract loans (including \$ premium notes)	194,238		194,238	204,418
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				250,000
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 (Line 1 through Line 11)	15,434,212		15,434,212	14,846,494
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	93,050		93,050	105,155
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,045,762	820,922	224,840	192,842
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	513,179		513,179	461,462
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	510,675		510,675	500,185
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	125,912		125,912	125,934
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				
19. Guaranty funds receivable or on deposit	53,677	350	53,327	
20. Electronic data processing equipment and software	11,424		11,424	12,549
21. Furniture and equipment, including health care delivery assets (\$)	214,171	214,171		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,062,463	1,062,463		
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	832,030	110,246	721,784	771,275
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	19,896,555	2,208,152	17,688,403	17,015,896
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Line 26 and Line 27)	19,896,555	2,208,152	17,688,403	17,015,896
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501. Deferred Charges and Prepayments	110,246	110,246		
2502. Non-qualified deferred compensation plan assets	721,784		721,784	771,275
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	832,030	110,246	721,784	771,275

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 6,101,711 (Exhibit 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	6,101,711	5,548,538
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)	205,354	210,783
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Column 1) (including \$ Modco Reserve)		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10 and 11)	117,979	131,315
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10 and 11)	888,232	823,999
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)		
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ 133,131 accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Line 4 and Line 14)	206,358	145,502
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on cancelled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ 622,393 ceded	622,393	301,292
9.4 Interest Maintenance Reserve (IMR, Line 6)	9,380	24,987
10. Commissions to agents due or accrued-life and annuity contracts \$ accident and health \$ and deposit-type contract funds \$	16,331	30,465
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Column 6)	210,955	261,288
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsurance allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Column 5)	33,286	33,134
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income	7,158	6,941
17. Amounts withheld or retained by company as agent or trustee	268,144	250,992
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated	40,969	33,490
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above	1,234,513	1,363,447
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Column 7)	231,602	229,014
24.02 Reinsurance in unauthorized and certified (\$) companies		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers		
24.04 Payable to parent, subsidiaries and affiliates		
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities		
24.10 Payable for securities lending		
24.11 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	449,644	502,573
26. Total liabilities excluding Separate Accounts business (Line 1 to Line 25)	10,644,009	9,897,760
27. From Separate Accounts statement		
28. Total liabilities (Line 26 and Line 27)	10,644,009	9,897,760
29. Common capital stock	2,633,900	2,633,900
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, Column 2 plus Page 4, Line 51.1, Column 1)	4,886,514	4,886,514
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	(476,020)	(402,278)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ in Separate Accounts Statement)	4,410,494	4,484,236
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	7,044,394	7,118,136
39. Totals of Lines 28 and 38 (Page 2, Line 28, Column 3)	17,688,403	17,015,896
DETAILS OF WRITE-INS		
2501. Accumulated dividends to the policyholders	449,644	502,573
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	449,644	502,573
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Line 3101 through Line 3103 plus Line 3198) (Line 31 above)		
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)		

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Column 1, less Column 11)	8,514,150	8,223,381
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	541,195	701,568
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	17,459	43,026
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, Column 1)	648,673	1,271,307
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	700	64,423
9. Totals (Line 1 to Line 8.3)	9,722,177	10,303,705
10. Death benefits	199,212	371,033
11. Matured endowments (excluding guaranteed annual pure endowments)	5,852	2,564
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Column 4 plus Column 8)	202,487	138,462
13. Disability benefits and benefits under accident and health contracts	2,820,324	3,350,398
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	150,178	76,045
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds		
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	547,744	618,782
20. Totals (Line 10 to Line 19)	3,925,797	4,557,284
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	2,691,711	2,311,789
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Column 1)		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	3,288,577	3,912,455
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Column 1 plus Column 2 plus Column 3)	287,581	266,412
25. Increase in loading on deferred and uncollected premiums	12,759	117,274
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions		
28. Totals (Line 20 to Line 27)	10,206,425	11,165,214
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(484,248)	(861,509)
30. Dividends to policyholders	33,028	47,632
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(517,276)	(909,141)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)		
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)	(517,276)	(909,141)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)		222
35. Net Income (Line 33 plus Line 34)	(517,276)	(908,919)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	7,118,136	8,900,213
37. Net income (Line 35)	(517,276)	(908,919)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$	(9,398)	(22,288)
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax		
41. Change in nonadmitted assets	346,016	(861,855)
42. Change in liability for reinsurance in unauthorized and certified companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Column 4)		
44. Change in asset valuation reserve	(2,588)	(13,678)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Column 2 minus Column 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 effects 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	109,505	24,665
54. Net change in capital and surplus for the year (Line 37 through Line 53)	(73,741)	(1,782,075)
55. Capital and surplus, December 31, current year (Line 36 plus Line 54) (Page 3, Line 38)	7,044,395	7,118,138
DETAILS OF WRITE-INS		
08.301. Other income	700	64,423
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)	700	64,423
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)		
5301. Defined Benefits Pension Plan fund	109,505	24,665
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. Totals (Line 5301 through Line 5303 plus Line 5398) (Line 53 above)	109,505	24,665

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	9,461,197	9,296,409
2. Net investment income	555,710	642,274
3. Miscellaneous income	11,905	118,975
4. Total (Line 1 through Line 3)	10,028,812	10,057,658
5. Benefit and loss related payments	3,375,841	4,302,377
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	6,099,760	7,057,395
8. Dividends paid to policyholders	69,330	40,156
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	9,544,931	11,399,928
11. Net cash from operations (Line 4 minus Line 10)	483,881	(1,342,270)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,051,903	3,478,519
12.2 Stocks		222
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	250,000	500,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	1,301,903	3,978,741
13. Cost of investments acquired (long-term only):		
13.1 Bonds	500,095	2,012,540
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		631,127
13.5 Other invested assets	(49,491)	364,611
13.6 Miscellaneous applications	43,384	86,417
13.7 Total investments acquired (Line 13.1 through Line 13.6)	493,988	3,094,695
14. Net increase (decrease) in contract loans and premium notes	(37,509)	9,411
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	845,424	874,635
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		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)		
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)		
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	1,329,305	(467,635)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	1,600,491	2,068,126
19.2 End of year (Line 18 plus Line 19.1)	2,929,796	1,600,491

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

20.001		
20.002		
20.003		
20.004		
20.005		
20.006		
20.007		
20.008		
20.009		
20.010		

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE ATLANTIC SOUTHERN INS CO

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 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	8,514,149	4,967	1,940,302	118,113		114,546	51,292		986,186		5,298,743	
2. Considerations for supplementary contracts with life contingencies												
3. Net investment income	541,195	21,071	326,770	66,497		16,560	5,763		41,426		63,108	
4. Amortization of Interest Maintenance Reserve (IMR)	17,459		17,459									
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded	648,673		101,295						476,799		70,579	
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												
8.3 Aggregate write-ins for miscellaneous income	700	2	172	14		9	4		108		391	
9. Totals (Line 1 to Line 8.3)	9,722,176	26,040	2,385,998	184,624		131,115	57,059		1,504,519		5,432,821	
10. Death benefits	199,212	5,286	162,077			3,776	28,073					
11. Matured endowments (excluding guaranteed annual pure endowments)	5,852	1,679	4,173									
12. Annuity benefits	202,487			202,487								
13. Disability benefits and benefits under accident and health contracts	2,820,324								546,926		2,273,398	
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	150,179	2,640	147,539									
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds												
18. Payments on supplementary contracts with life contingencies												
19. Increase in aggregate reserves for life and accident and health contracts	547,744	(8,383)	633,701	(34,143)		(37,984)					(5,447)	
20. Totals (Line 10 to Line 19)	3,925,798	1,222	947,490	168,344		(34,208)	28,073		546,926		2,267,951	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	2,691,711	189	694,907			60,714	3,315		254,420		1,678,166	
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses	3,288,578	25,651	394,629	9,866		32,886	32,886		812,279		1,980,381	
24. Insurance taxes, licenses and fees, excluding federal income taxes	287,581	2,243	34,510	863		2,876	2,876		71,032		173,181	
25. Increase in loading on deferred and uncollected premiums	12,760	(235)	8,810								4,185	
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions												
28. Totals (Line 20 to Line 27)	10,206,428	29,070	2,080,346	179,073		62,268	67,150		1,684,657		6,103,864	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(484,252)	(3,030)	305,652	5,551		68,847	(10,091)		(180,138)		(671,043)	
30. Dividends to policyholders	33,028		33,028									
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(517,280)	(3,030)	272,624	5,551		68,847	(10,091)		(180,138)		(671,043)	
32. Federal income taxes incurred (excluding tax on capital gains)												
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)	(517,280)	(3,030)	272,624	5,551		68,847	(10,091)		(180,138)		(671,043)	
DETAILS OF WRITE-INS												
08.301. Other income	700	2	172	14		9	4		108		391	
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)	700	2	172	14		9	4		108		391	
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)												

(a) Includes the following amounts for FEGLI/SGLI: Line 1, Line 10, Line 16, Line 23, Line 24

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	5,548,536	235,354	3,787,654	1,328,655	9,000	187,148	725	
2. Tabular net premiums or considerations	1,343,765	2,782	1,062,161	118,113		114,546	46,163	
3. Present value of disability claims incurred					X X X			
4. Tabular interest	282,471	7,788	200,688	64,370		8,555	1,070	
5. Tabular less actual reserve released	12,942			12,942				
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)								
8. Totals (Line 1 to Line 7)	7,187,714	245,924	5,050,503	1,524,080	9,000	310,249	47,958	
9. Tabular cost	681,919	12,341	461,364		X X X	161,027	47,187	
10. Reserves released by death	18,428	2,294	16,073	X X X	X X X	58	3	X X X
11. Reserves released by other terminations (net)	307,765	4,319	151,712	151,674			60	
12. Annuity, supplementary contract, and disability payments involving life contingencies	50,813			50,813				
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Line 9 to Line 13)	1,058,925	18,954	629,149	202,487		161,085	47,250	
15. Reserve December 31, current year	6,128,789	226,970	4,421,354	1,321,593	9,000	149,164	708	

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 662,525	651,203
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	14,243	14,243
3. Mortgage loans	(c)	
4. Real estate	(d)	104,979
5. Contract loans		
6. Cash, cash equivalents and short-term investments	13,858	13,641
7. Derivative instruments	(e) 33,867	33,084
8. Other invested assets	(f)	
9. Aggregate write-ins for investment income	8,774	8,774
10. Total gross investment income	733,267	825,924
11. Investment expenses		(g) 185,120
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 99,609
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Line 11 through Line 15)		284,729
17. Net investment income (Line 10 minus Line 16)		541,195
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ 99,609 depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Col. 1 + Col. 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds					
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)	1,850		1,850		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)				(9,398)	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	1,850		1,850	(9,398)	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 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	113,724		20,370							93,354	
2. Deferred and accrued	283,807		283,807								
3. Deferred, accrued and uncollected:											
3.1 Direct	397,531		304,177							93,354	
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net (Line 1 plus Line 2)	397,531		304,177							93,354	
4. Advance	103,392		914							102,478	
5. Line 3.4 minus Line 4	294,139		303,263							(9,124)	
6. Collected during year:											
6.1 Direct	2,740,306		631,445	37,126		2,293		125,318		1,944,124	
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	92,794		5,214					1,389		86,191	
6.4 Net	2,647,512		626,231	37,126		2,293		123,929		1,857,933	
7. Line 5 plus Line 6.4	2,941,651		929,494	37,126		2,293		123,929		1,848,809	
8. Prior year (uncollected plus deferred and accrued minus advance)	429,131		346,995							82,136	
9. First year premiums and considerations:											
9.1 Direct	2,605,315		587,714	37,126		2,293		125,318		1,852,864	
9.2 Reinsurance assumed											
9.3 Reinsurance ceded	92,794		5,214					1,389		86,191	
9.4 Net (Line 7 minus Line 8)	2,512,520		582,499	37,126		2,293		123,929		1,766,673	
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	114,546				114,546						
10.2 Reinsurance assumed											
10.3 Reinsurance ceded											
10.4 Net	114,546				114,546						
RENEWAL											
11. Uncollected	272,222	57	31,733					70,338		170,094	
12. Deferred and accrued	817,395	2,546	814,849								
13. Deferred, accrued and uncollected:											
13.1 Direct	1,089,617	2,603	846,582					70,338		170,094	
13.2 Reinsurance assumed											
13.3 Reinsurance ceded											
13.4 Net (Line 11 plus Line 12)	1,089,617	2,603	846,582					70,338		170,094	
14. Advance	102,964	227	72,085							30,652	
15. Line 13.4 minus Line 14	986,653	2,376	774,497					70,338		139,442	
16. Collected during year:											
16.1 Direct	8,565,059	5,449	1,928,852	80,987		49,000		2,607,056		3,893,715	
16.2 Reinsurance assumed											
16.3 Reinsurance ceded	2,820,051		676,698					1,750,107		393,246	
16.4 Net	5,745,008	5,449	1,252,154	80,987		49,000		856,949		3,500,469	
17. Line 15 plus Line 16.4	6,731,661	7,825	2,026,651	80,987		49,000		927,287		3,639,911	
18. Prior year (uncollected plus deferred and accrued minus advance)	844,580	2,859	668,850					65,031		107,840	
19. Renewal premiums and considerations:											
19.1 Direct	8,707,132	4,967	2,034,499	80,987		49,000		2,612,363		3,925,316	
19.2 Reinsurance assumed											
19.3 Reinsurance ceded	2,820,051		676,698					1,750,107		393,246	
19.4 Net (Line 17 minus Line 18)	5,887,081	4,966	1,357,801	80,987		49,000		862,256		3,532,071	
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	11,426,993	4,967	2,622,213	118,113	114,546	51,293		2,737,681		5,778,180	
20.2 Reinsurance assumed											
20.3 Reinsurance ceded	2,912,845		681,912					1,751,496		479,437	
20.4 Net (Lines 9.4 plus 10.4 plus 19.4)	8,514,147	4,966	1,940,300	118,113	114,546	51,293		986,185		5,298,744	

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	3,080		3,080								
22. All other	4,863		4,863								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded											
23.2 Reinsurance assumed											
23.3 Net ceded less assumed											
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed											
24.3 Net ceded less assumed											
25. Renewal:											
25.1 Reinsurance ceded	648,673		101,295					476,799		70,579	
25.2 Reinsurance assumed											
25.3 Net ceded less assumed	648,673		101,295					476,799		70,579	
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	648,673		101,295					476,799		70,579	
26.2 Reinsurance assumed (Page 6, Line 22)											
26.3 Net ceded less assumed	648,673		101,295					476,799		70,579	
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	1,652,751		490,983					20,531		1,141,237	
28. Single	34,364				34,364						
29. Renewal	1,004,598	190	203,924		26,350	3,315		233,889		536,930	
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	2,691,713	190	694,907		60,714	3,315		254,420		1,678,167	

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	37,430	210,781				248,211
2. Salaries and wages	231,292	1,302,477				1,533,769
3.11 Contributions for benefit plans for employees	59,608	335,671				395,279
3.12 Contributions for benefit plans for agents						
3.21 Payments to employees under non-funded benefit plans	1,271	7,158				8,429
3.22 Payments to agents under non-funded benefit plans	48	272				320
3.31 Other employee welfare						
3.32 Other agent welfare						
4.1 Legal fees and expenses	4,333	24,400				28,733
4.2 Medical examination fees	2,131	11,999				14,130
4.3 Inspection report fees	1,267	7,133				8,400
4.4 Fees of public accountants and consulting actuaries	14,412	81,160				95,572
4.5 Expense of investigation and settlement of policy claims	1,641	9,243				10,884
5.1 Traveling expenses	7,897	44,469				52,366
5.2 Advertising	1,175	6,617				7,792
5.3 Postage, express, telegraph and telephone	22,934	129,147				152,081
5.4 Printing and stationery	11,504	64,785				76,289
5.5 Cost or depreciation of furniture and equipment	13,843	77,957				91,800
5.6 Rental of equipment	6,614	37,246				43,860
5.7 Cost or depreciation of EDP equipment and software						
6.1 Books and periodicals	696	3,921				4,617
6.2 Bureau and association fees	2,515	14,165				16,680
6.3 Insurance, except on real estate	7,047	39,683				46,730
6.4 Miscellaneous losses						
6.5 Collection and bank service charges	16,175	91,087				107,262
6.6 Sundry general expenses	3,470	19,540				23,010
6.7 Group service and administration fees	153	862				1,015
6.8 Reimbursements by uninsured plans						
7.1 Agency expense allowance	4,768	26,852				31,620
7.2 Agents' balances charged off (less \$ recovered)						
7.3 Agency conferences other than local meetings	4,144	23,334				27,478
9.1 Real estate expenses				185,120		185,120
9.2 Investment expenses not included elsewhere						
9.3 Aggregate write-ins for expenses	39,547	222,700				262,247
10. General expenses incurred	495,915	2,792,659			185,120	3,473,694
11. General expenses unpaid December 31, prior year	36,005	225,283				261,288
12. General expenses unpaid December 31, current year	31,812	179,142				210,954
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)	500,108	2,838,800			185,120	3,524,028
DETAILS OF WRITE-INS						
09.301. Consulting Fees	36,530	205,709				242,239
09.302. Vehicles Lease	3,017	16,991				20,008
09.303.						
09.398. Summary of remaining write-ins for Line 9.3 from overflow page						
09.399. Totals (Line 09.301 through Line 09.303 plus Line 09.398) (Line 9.3 above)	39,547	222,700				262,247

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

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes					
2. State insurance department licenses and fees	8,463	47,659			56,122
3. State taxes on premiums	8,120	45,726			53,846
4. Other state taxes, including \$ for employee benefits	6,321	35,595			41,916
5. U. S. Social Security taxes	12,975	73,066			86,041
6. All other taxes	7,488	42,167			49,655
7. Taxes, licenses and fees incurred	43,367	244,213			287,580
8. Taxes, licenses and fees unpaid December 31, prior year	4,566	28,568			33,134
9. Taxes, licenses and fees unpaid December 31, current year	4,883	27,496			32,379
10. Taxes, licenses and fees paid during year (Line 7 plus Line 8 minus Line 9)	43,050	245,285			288,335

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums	3,080	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions	4,863	
4. Applied to provide paid-up annuities		
5. Total Line 1 through Line 4	7,943	
6. Paid-in cash	42,219	
7. Left on deposit	(17,134)	
8. Aggregate write-ins for dividend or refund options		
9. Total Line 5 through Line 8	33,028	
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend policies not included in Line 13		
15. Total Line 10 through Line 14		
16. Total from prior year		
17. Total dividends or refunds (Line 9 plus Line 15 minus Line 16)	33,028	
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
(Gross) - Life Insurance					
1941 CSO 2.25%	17,620		17,620		
1941 CSO 2.5%	15,032		15,032		
1941 CSO 3%	18,767		18,767		
1941 CSO 3.5% CRVM ANB CRF 55-59	284,283		284,283		
1941 CSO Joint 3.5% CRVM ANB CRF 56-56	8,777		8,777		
1941 SI 3.00%	1,348	1,348			
1941 SSI 2.50%	226		226		
1941 SSI 3.00%	76,492	76,492			
1958 CET 2.75%	3,793		3,793		
1958 CET 3%	3,730		3,730		
1958 CET 3.5% NLP	146,815			146,815	
1958 CSO 2.75%	150,974		150,974		
1958 CSO 3%	334,272		334,272		
1958 CSO 3.5%	15,675		15,675		
1958 CSO 3.5% CRVM ALB CRF 61-81	720,875		720,875		
1958 CSO 3.5% CRVM ANB CRF 60-81	657,722		657,722		
1958 CSO 4% CRVM ALB CRF 75-81	215,737		215,737		
1958 CSO 4% CRVM ANB CRF 83-84	319,947		319,947		
1958 CSO 4.5% CRVM ALB CRF 80-83	218,311		218,311		
1958 CSO Joint 3.5% CRVM ALB CRF 64-73	26,515		26,515		
1958 CSO Joint 4% CRVM ALB CRF 75-78	31,938		31,938		
1961 CIET 3.5%	12,564		12,564		
1961 CSI 3.50%	132,766	132,766			
1980 CET-C ALB 4.50%	27,866		27,866		
1980 CET-C ALB 5.00%	5,077		5,077		
1980 CET-C ALB 5.25%	36,960		36,960		
1980 CSO 5.5% ULRCVM ALB IDB 87-92	1,101,223		1,101,223		
1980 CSO 6.0% ULRCVM ALB IDB 84-86	2,251,998		2,251,998		
1980 CSO Female ALB 4.00%	949,547		949,547		
1980 CSO Female ALB 4.50%	1,330,456		1,330,456		
1980 CSO Female ALB 5.00%	489,611		489,611		
1980 CSO Female ALB 5.50%	623,007		623,007		
1980 CSO Male ALB 4.00%	585,758		585,758		
1980 CSO Male ALB 4.50%	568,147		568,147		
1980 CSO Male ALB 5.00%	171,118		171,118		
1980 CSO Male ALB 5.50%	244,774		244,774		
1980 CSO-C 5.25% CRVM ALB IDB 88-92	539,094		539,094		
1980 CSO-C ALB 4.00%	215,860		215,860		
1980 CSO-C ALB 4.50%	1,148,352		1,148,352		
1980 CSO-C ALB 5.00%	543,794		543,794		
1980 CSO-C ALB 5.25%	2,090,576		2,090,576		
2001 CSO Female ALB 4.00%	390,762		390,762		
2001 CSO Female NS ALB 4.00%	10,947		10,947		
2001 CSO Female SM ALB 4.00%	70		70		
2001 CSO Male ALB 4.00%	262,481		262,481		
2001 CSO Male NS ALB 4.00%	16,320		16,320		
2001 CSO Male SM ALB 4.00%	2,216		2,216		
2001 CSO-C ALB 4.00%	96,570		96,570		
American Experience 3.50 CRVM CRF 40-47	7,981		7,981		
Unearned Premiums	2,484				2,484
0199997 - TOTALS (Gross) - Life Insurance	17,127,228	223,396	16,754,533	146,815	2,484
0199998 - Reinsurance ceded - Life Insurance	12,487,847		12,485,363		2,484
0199999 - TOTALS (Net) - Life Insurance	4,639,381	223,396	4,269,170	146,815	
(Gross) - Annuities (excluding supplementary contracts with life contingencies)					
Premium Paying	874,578		874,578		
Deferred Annuity	107,011		107,011		
Annuities in Payment	312,923		312,923		
0299997 - TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies)	1,294,512		1,294,512		
0299999 - TOTALS (Net) - Annuities (excluding supplementary contracts with life contingencies)	1,294,512		1,294,512		
(Gross) - Supplementary Contracts with Life Contingencies					
Supplemental Contracts	9,000		9,000		
0399997 - TOTALS (Gross) - Supplementary Contracts with Life Contingencies	9,000		9,000		
0399999 - TOTALS (Net) - Supplementary Contracts with Life Contingencies	9,000		9,000		
(Gross) - Accidental Death Benefits					
1959 ADB Mortality with 58 CSO ALB 3% NL CRF 59-90	22,979		22,979		
1959 ADB Mortality with 1980 CSO-C ALB 3% NL CRF 90-01	13,222		13,222		
0499997 - TOTALS (Gross) - Accidental Death Benefits	36,201		36,201		
0499998 - Reinsurance ceded - Accidental Death Benefits	28,583		28,583		
0499999 - TOTALS (Net) - Accidental Death Benefits	7,618		7,618		
(Gross) - Disability - Active Lives					
1952 Disability Study & 1980 CSO-C 3% NL ALB CRF 88-01	52,521		52,521		
1952 Disability Study & 1958 CSO 3% NL ANB CRF 74-90	2,159		2,159		
1952 Disability Study & 1980 CSO Male 5.5% NL ALB CRF 83-90	853		853		
1952 Disability Study & 1958 CSO 4% NL ANB CRF 83-83	65		65		
1952 Disability Study & 1958 CSO 4.5% NL ALB CRF 80-83	274		274		
1952 Disability Study & 1958 CSO 3.5% NL ANB CRF 79-79	27		27		
0599997 - TOTALS (Gross) - Disability - Active Lives	55,899		55,899		
0599998 - Reinsurance ceded - Disability - Active Lives	26,909		26,909		
0599999 - TOTALS (Net) - Disability - Active Lives	28,990		28,990		
(Gross) - Disability - Disabled Lives					
1952 Disability Study & 1958 CSO 3% NL ANB CRF 60-01	213,507		212,810		697
0699997 - TOTALS (Gross) - Disability - Disabled Lives	213,507		212,810		697
0699998 - Reinsurance ceded - Disability - Disabled Lives	158,199		158,199		
0699999 - TOTALS (Net) - Disability - Disabled Lives	55,308		54,611		697
(Gross) - Miscellaneous Reserves					
For excess of valuation net premiums over corresponding gross premiums	10,000				10,000
For non-deduction of deferred fractional premiums at the death of the ins	53,521		53,521		
For surrender values in excess of reserves otherwise required and carried	114,520		114,520		
Additional actuarial reserves	133,847		133,847		
Immediate payment claims reserve	85,968	3,574	80,034	2,349	11
0799997 - TOTALS (Gross) - Miscellaneous Reserves	397,856	3,574	381,922	2,349	10,011
0799998 - Reinsurance ceded - Miscellaneous Reserves	330,957		320,957		10,000
0799999 - TOTALS (Net) - Miscellaneous Reserves	66,899	3,574	60,965	2,349	11
9999999 - TOTALS (Net) - Page 3, Line 1	6,101,708	226,970	5,724,866	149,164	708

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes (X) No ()
- 1.2 If not, state which kind is issued.
.....
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes () No (X)
- 2.2 If not, state which kind is issued.
Non-participating
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions. Yes () No (X)
- 4. Has the reporting entity any assessment or stipulated premium contracts in force?
If so, state: Yes () No (X)
- 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.
.....
- 8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year? Yes () No (X)
- 8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements: \$
- 8.2 State the amount of reserves established for this business: \$
- 8.3 Identify where the reserves are reported in the blank:
.....
- 9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? Yes () No (X)
- 9.1 If yes, state the total dollar amount of account value covered by these contracts, agreements or riders: \$
- 9.2 State the amount of reserves established for this business: \$
- 9.3 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	

NONE

EXHIBIT 6 - AGGREGATES 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									
2. Additional contract reserves (a)	181,748								181,748
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)	181,748								181,748
8. Reinsurance ceded									
9. Totals (Net)	181,748								181,748
CLAIM RESERVE									
10. Present value of amounts not yet due on claims									
11. Additional actuarial reserves - Asset/Liability analysis	23,610								23,610
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. Totals (Gross)	23,610								23,610
15. Reinsurance ceded									
16. Totals (Net)	23,610								23,610
17. TOTAL (Net)	205,358								205,358
18. TABULAR FUND INTEREST									
DETAILS OF WRITE-INS									
0601									
0602									
0603									
0698. Summary of remaining write-ins for Line 6 from overflow page									
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)									
1301									
1302									
1303									
1398. Summary of remaining write-ins for Line 13 from overflow page									
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)									

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

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Exhibit 7, Deposit Type Contracts

NONE

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct											
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net											
2. In course of settlement:											
2.1 Resisted											
2.11 Direct											
2.12 Reinsurance assumed											
2.13 Reinsurance ceded											
2.14 Net			(b)	(b)		(b)	(b)				
2.2 Other											
2.21 Direct	90,838	846	33,117				56,875				
2.22 Reinsurance assumed											
2.23 Reinsurance ceded	18,933		18,933								
2.24 Net	71,905	846	(b) 14,184	(b)		(b)	(b) 56,875		(b)	(b)	(b)
3. Incurred but unreported:											
3.1 Direct	1,197,112		33,633			101	12,340		338,572		812,466
3.2 Reinsurance assumed											
3.3 Reinsurance ceded	262,805								213,572		49,233
3.4 Net	934,307		(b) 33,633	(b)		(b) 101	(b) 12,340		(b) 125,000	(b)	(b) 763,233
4. TOTALS											
4.1 Direct	1,287,950	846	66,750			101	69,215		338,572		812,466
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	281,738		18,933						213,572		49,233
4.4 Net	1,006,212	(a) 846	(a) 47,817			101	(a) 69,215		125,000		763,233

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ in Column 2, \$ in Column 3 and \$ 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 \$, Individual Annuities \$, Credit Life (Group and Individual) \$, and Group Life \$, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$, Credit (Group and Individual) Accident and Health \$ and Other Accident and Health \$ are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS
PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	5,016,625	7,179	762,989	202,487		3,879	37,500		1,582,887		2,419,704
1.2 Reinsurance assumed											
1.3 Reinsurance ceded	1,829,157		634,087						849,194		345,876
1.4 Net (d)	3,187,468	7,179	128,902	202,487		3,879	37,500		733,693		2,073,828
2. Liability December 31, current year from Part 1:											
2.1 Direct	1,287,950	846	66,750			101	69,215		338,572		812,466
2.2 Reinsurance assumed											
2.3 Reinsurance ceded	281,745		18,940						213,572		49,233
2.4 Net	1,006,205	846	47,810			101	69,215		125,000		763,233
3. Amounts recoverable from reinsurers December 31, current year	510,674		242,747						258,787		9,140
4. Liability December 31, prior year:											
4.1 Direct	1,319,060	1,060	118,154			204	78,642		307,000		814,000
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	363,752		66,752						117,000		180,000
4.4 Net	955,308	1,060	51,402			204	78,642		190,000		634,000
5. Amounts recoverable from reinsurers December 31, prior year	500,185		283,687						137,021		79,477
6. Incurred Benefits:											
6.1 Direct	4,985,515	6,965	711,585	202,487		3,776	28,073		1,614,459		2,418,170
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	1,757,639		545,335						1,067,532		144,772
6.4 Net	3,227,876	6,965	166,250	202,487		3,776	28,073		546,927		2,273,398

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ 1,679 in Line 1.1, \$ 1,679 in Line 1.4.
 \$ 1,679 in Line 6.1 and \$ 1,679 in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ 4,173 in Line 1.1, \$ 4,173 in Line 1.4.
 \$ 4,173 in Line 6.1 and \$ 4,173 in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.

(d) Includes \$ premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. 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 (Line 1 to Line 11)			
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	820,922	1,054,722	233,800
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			
Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit	350	53,677	53,327
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	214,171	261,462	47,291
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivable from parent, subsidiaries and affiliates	1,062,463	1,062,463	
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	110,246	121,843	11,597
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	2,208,152	2,554,167	346,015
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	2,208,152	2,554,167	346,015
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. Deferred Charges and Prepayments	110,246	121,000	10,754
2502. Accts Receivable Others		843	843
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	110,246	121,843	11,597

NOTES TO FINANCIAL STATEMENTS**NOTES TO FINANCIAL STATEMENTS****1. Summary of Significant Accounting Policies****A. Accounting Practices**

The Company's financial statements are prepared on the basis of accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the Commonwealth of Puerto Rico (the Commissioner), which are designed primarily to demonstrate ability to meet claims of policyholders. Prescribed statutory accounting practices (SAP) include National Association of Insurance Commissioners' (NAIC) statutory accounting practices (NAIC SAP) that do not conflict with the Puerto Rico Insurance Code and administrative rules. There were no significant differences between NAIC SAP and practices prescribed or permitted by the Commissioner at December 31, 2012 and 2011.

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

Statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting 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. Deposits on deposit-type contracts are entered directly as a liability when received. Health premiums are earned ratably over the term of the related insurance policies. Expenses incurred in connection with acquiring new insurance business, including acquisition cost such as sales commission, are charged to operations when incurred.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost. Other investments consist of certificates of deposit with original maturities in excess of one year at the time of purchase.
2. Bonds not backed by other loans are generally stated at amortized cost. Accretion of discount and amortization of premium are recognized as an interest yield adjustment using a method that approximates the interest method.
3. Common stocks are stated at market.
4. Preferred stocks are stated at cost, lower of cost or amortized cost, or fair values depending on the assigned credit rating and whether the preferred stock has mandatory sinking fund provisions.
5. Mortgage loans on real estate – Not applicable.
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. Premiums and discounts on loan-backed securities are amortized using a method that approximates the interest method.
7. The accounting policies of the insurer with respect to investment in subsidiaries – Not applicable.
8. The accounting policies of the insurer with respect to investments in joint ventures – Not applicable.
9. The accounting policies for derivatives – Not applicable.

NOTES TO FINANCIAL STATEMENTS

10. The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
11. Liabilities for losses and loss/claim adjustment expenses for accident health contracts are estimated by the Company's valuation actuary using statistical claim development models to develop best estimates of liabilities for medical expense business and using tabular reserves employing mortality/morbidity.
12. The Company has not modified its capitalization policy from the prior period.
13. Pharmaceutical rebates receivables – Not Applicable.

2. Accounting Changes and Corrections of Errors

- A. Correction of Errors : None

3. Business Combinations and Goodwill

- A. Statutory Purchase Method – Not Applicable
- B. Statutory Merger – Not Applicable
- C. Assumption Reinsurance – Not Applicable
- D. Impairment Loss – Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments

- A. Mortgage Loan – Not Applicable
- B. Debt Restructuring – Not Applicable
- C. Reverse Mortgage – Not Applicable
- D. Loan-Backed Securities
 1. Prepayment assumptions for single class and multi-class mortgage back/asset backed securities were obtained from broker dealer survey values.
 2. The Company does not have OTTI recognized.
 3. Not Applicable
 4. Impaired securities for which an OTTI was not recognized:
 - a. The aggregate amount of unrealized losses

i. Less than 12 months	\$ 12,680
ii. 12 months or longer	\$ 25,730
 - b. The aggregate fair value of securities with unrealized losses

i. Less than 12 months	\$ 993,699
ii. 12 months or longer	\$ 757,282
5. All securities in an unrealized loss position where reviewed to determine whether an OTTI should be recognized. The company has determined that if any given security repays its principal, pays its interest, and has a good rating, no OTTI will be recognized on the security. Also as of December 31, 2012 the Company can assert that it has the intent and believes that it has the ability to hold these securities long enough to allow the cost basis of these securities to be recovered.
- E. Repurchase Agreements – Not Applicable.
- F. Real Estate – Not Applicable.
- G. The Company has no investments in low-income housing tax credits.

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in joint ventures, partnerships and limited liability companies during the statement periods.

7. Investment Income

- A. Due and accrued income is excluded from surplus on the following bases:
 - 1. Bonds: All investment income due and accrued on bonds in or near default or that is over 60 days past due.
- B. The total amount excluded:
 - 1. Bonds: \$0

8. Derivatives Instruments

Not Applicable

9. Income Taxes

- A. The Company does not have deferred income tax or deferred tax liability.
- B. Deferred tax liabilities that are not recognized – Not applicable.
- C. Disclose the significant components of income taxes incurred – Not Applicable.
- D. Disclose the nature of significant reconciling items – Not Applicable.
- E. Reconciliation of Income Tax Rate to Actual Effective Rate – Not applicable.
- F. Consolidate Federal Income tax return – Not applicable.

10. Information concerning Parent, Subsidiaries, and Affiliates

- A. North America Life Insurance Company, a corporation domiciled in Texas, US, owns 99% of the outstanding shares of the Company. Also the Company owns 100% of the common stocks of Interamerican Marketing Corporation and International Systems & Service Corporation. These stocks have no statement value.
- B. Effective January 1, 2006, the Company entered into an agreement with North America Holdings (NAH) under which, NAH provides financial consulting services to the Company for an annual fee of \$400,000 payable on a quarterly basis. Total management fees associated with this agreement for the year ended December 31, 2011 amounted to \$400,000. Such agreement was terminated effective December 31, 2011. On April 1, 2008 the Company entered into a promissory note with NAH which has been subsequently amended, and currently the outstanding amount is \$980,100. The promissory note bears interest 7% and the interest is due by NAH on the first day of each month. The entire principal amount and the accrued interest shall be finally due on April 1, 2013. As of December 31, 2012, the interest due was \$82,363.
- C. As explained in the preceding section, the Company terminated its management and consulting agreement with NAH effective December 31, 2011.
- D. The amount due from the Parent company is related to a promissory note which includes accrued interest in the amount of \$82,363.

NOTES TO FINANCIAL STATEMENTS

- E. There are no guarantees or undertaking for the benefit of a subsidiary party, other than that disclosed in Note 10B.
- F. The Company had a Management and Consulting agreement with the Parent Company as disclosed in Note 10B. This agreement was terminated effective December 31, 2011.
- G. The Company's 99% of outstanding shares are owned by the Parent Company.
- H. Not applicable.
- I. The company does not have investments in a subsidiary, controlled, or affiliated (SCA) entity.
- J. Not applicable.
- K. The Company has no investments in foreign insurance subsidiaries.
- L. The Company has no investment in downstream noninsurance holding companies.

11. Debt

The Company has an unused credit facility in the amount of \$30,000 due on September 19, 2013. This credit facility is collateralized by a certificate of deposit.

12. Retirement Plan Deferred Compensation, Compensation, Postemployment Benefits, Compensated Absences and Other Postretirement Benefit Plans.

- A. **Defined Benefit Plan**
The Company is a sponsor to a non-contributory defined benefit pension plan covering substantially all of its employees. The Atlantic Southern Insurance Company of Puerto Rico Administrative Employees Retirement Plan was amended to freeze all benefits effective December 31, 2003. As of such date, all participants became 100% vested. No new participants are allowed in the plan.
- B. **Defined Contribution Plans**
Effective January 1st, 2004 the Company implemented a defined contribution pension plan for the benefits of all administrative employees. The employees are allowed to make deferred tax contributions up to \$13,000 if under 50 years, and \$14,500 if the participant exceeds 50 years. The company matches contributions up to 3% of the annualized salaries provided that the employees are more than one year employed and contribute at least 6% of their annual salaries to the plan.
- C. **Multiemployer Plans – Not Applicable.**
- D. **Consolidated/Holding Company Plans – Not Applicable.**
- E. **Postemployment Benefits and Compensated Absences – Not Applicable.**
- F. **Impact of Medicare Modernization Act on Postretirement Benefits – Not Applicable**

NOTES TO FINANCIAL STATEMENTS**13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

1. The Company's has 200,000 authorized shares of common stock, \$20 par value each, of which 131,695 shares are issued and outstanding.
2. The Company does not have any preferred stocks.
3. 4. and 5. According to the Insurance Code of Puerto Rico, a domestic stock insurer shall not pay any cash dividends to stockholders, except out of the part of its available surplus funds which is derived from any realized net profits from its business. A stock dividend may be paid out of any available surplus fund, except funds representative liens to the Insurers, without the pledge of any of its assets. Dividends on Company stock are paid as declared by its Board of Directors. Dividends are restricted only to the extent of the accumulated unassigned surplus.
6. Restrictions on unassigned surplus - None
7. There have been no advances to surplus.
8. The Company does not have stock held for special purposes.
9. The Company does not have special surplus fund.
10. The portion of unassigned funds surplus represented or (reduced) by each item is as follows:

Unrealized gain or losses	\$ (9,398)
---------------------------	------------

11. The Company does not issue any surplus notes or debentures or similar obligations.
12. and 13. There has been no restatement of surplus due to quasi-reorganizations.
14. The Company did not paid dividends this year.

14. Contingencies

- A. Contingent Commitments – Not Applicable
- B. Assessments – Not Applicable
- C. Gain Contingencies – Not Applicable
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits – Not Applicable
- E. All Other Contingencies – Not Applicable

15. Leases**A. Leasing Arrangements**

1. The company entered into an operating lease agreement of a real estate to host the main offices of the Costa Rica Branch. The lease term commenced on July 1st, 2011 and ends on March 31st, 2013 and at such date the company may exercise an option to purchase the property. The total rent expense under this contract was \$96,000 and \$48,000 for the years 2012 and 2011, respectively.

The company also entered into a lease agreement of motor vehicles which terms commenced on August, 2011 and ends on December, 2015. The total lease expense under these contracts was \$20,000 and \$23,250 for the years 2012 and 2011, respectively.

At December 31, 2012, the minimum aggregate commitments under the lease agreements are:

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31st,		Operating leases
2013		33,403
2014		9,403
2015		9,403

2. The Company has no leases having initial or remaining noncancelable lease terms in excess of one year.
3. The Company has no sale-leaseback transactions.

B. Lessor Leasing Arrangements

Not applicable.

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

- A. Financial Instruments with Off-Balance Sheet risk – Not applicable.
- B. Financial instruments with concentrations of credit risk – Not applicable.

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

Not Applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans.

- A. ASO Plans – Not Applicable
- B. ASC Plans – Not Applicable
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract – Not Applicable

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

Not Applicable.

20. Fair Value Measurements

A.

(1) Fair Value Measurement at Reporting Date

1	2	3	4	5
Description for each class of assets or Liability	(Level 1)	(Level 2)	(Level 3)	Total
A . Assets at fair value				
1. Bonds				
Obligations of US Govt. & agencies		\$4,502,085		\$4,502,085
Obligations of Commonwealth of Puerto Rico & agencies		\$4,965,336		\$4,965,336
Corporate Debt		\$1,381,538		\$1,381,538
MBS & CMOs		\$ 764,466		\$ 764,466
2. Common Stock				
Mutual Funds	\$218,314			\$218,314
Total assets at fair value	\$218,314	\$11,613,425		\$11,831,739

The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs to the respective valuation

NOTES TO FINANCIAL STATEMENTS

technique. The following summarize the type of assets and liabilities included with the three-level fair value hierarchy presented in the table above:

Level 1 This category includes common stock. The estimated fair value of the equity securities is based on quoted prices in active markets.

Level 2 This category includes bonds. The estimated fair values of the debt securities are based on quoted prices for similar assets in active markets and/or quoted prices for identical or similar assets on inactive markets.

Level 3 The Company has no Level 3 assets and liabilities.

21. Other Items

- A. Extraordinary Items – Not applicable.
- B. Troubled debt restructuring – Not applicable.
- C. Other disclosures – Not applicable.
- D. Balance that is reasonably possible to be uncollectible – Not applicable.
- E. Business Interruption Insurance Recoveries – Not applicable.
- F. State Transferable Tax Credits – Not Applicable
- G. Subprime Mortgage Related Risk Exposure – Not Applicable
- H. Retained Assets – Not Applicable

22. Subsequent Events

Not applicable

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owed in excess of 10% of controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? Yes No
2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) which is owed 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

Section 2 – Ceded Reinsurance Report – Part A

1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes No
2. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes No

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

NOTES TO FINANCIAL STATEMENTS

statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

2. Have any new agreements been excluded or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in-force or which had existing reserves established by the company as of the effective date of the agreement? () Yes (X) No

B. Uncollectible Reinsurance

The Company has no uncollectible reinsurance during the year.

C. Commutation of reinsurance reflected in Income and Expenses

The Company has not commuted any ceded reinsurance during the year.

24. Retrospectively Rated Contracts & Subject to Redetermination

Not Applicable

25. Change in Incurred Losses and Loss Adjustments Expenses

Reserves on accident and health contracts for incurred losses and loss adjustment expenses attributable to insured events of prior years developed as anticipated during 2012. See Schedule H – Part 3 and the Five Year Historical Data. Original estimates are increased or decreased as additional information becomes known regarding claims. However, no significant trends or unanticipated events were noted in 2012. None of the Company's accident and health contracts are subject to retrospective rating.

26. Intercompany Pooling Arrangements

Not Applicable

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 year ended December 31, 2012, life premium for participating policies were \$47,216.

30. Premium Deficiency Reserves

Not applicable.

31. Reserves for Life Contracts and Annuity Contracts

1. The Company waives deduction of deferred fractional premium upon death of the insured and holds net premium reserves on mortality and

NOTES TO FINANCIAL STATEMENTS

interest consistent with the basis of the policies. The Company does not return any portion of the final premium for periods beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

2. Additional premiums are charged for ordinary life policies issued on substandard lives according to underwriting classification. The corresponding reserves held on such policies are calculated using the same interest rate as standard policies, but employing mortality rates which are multiples of standard mortality.
3. As of December 31, 2012, the Company had no material insurance in force for which the gross premiums were less than the net premiums.
4. The Tabular Interest, the Tabular less Actual reserves released, and the Tabular Cost have been determined by formula as described in the instructions.
5. Tabular Interest has been determined exactly according to amounts credited to each contract.
6. Other reserves changes – Not applicable.

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

Withdrawal characteristics of annuity actuarial reserves and deposit-type contract funds and other liabilities without life or disability contingencies.

		(1) Amount	(2) % of Total
A.	Subject to discretionary withdrawal:		
	(1) With market value adjustment		
	(2) At book value less current surrender charge of 5% or more		
	(3) At fair value		
	(4) Total with adjustment or at market value (Total of 1 through 3)		
	(5) At book value without adjustment (minimal or no charge or adjustment)	\$ 1,303,512.00	100%
B.	Not subject to discretionary withdrawal	0	
C.	Total (gross)	\$ 1,303,512.00	100%
D.	Reinsurance ceded	0	
E.	Total (net)*(C)-(D)	\$ 1,303,512.00	100%
	*Reconciliation of total annuity actuarial reserve and deposit fund liabilities.		
F.	Life & Accident & Health Annual Statement		
	(1) Exhibit 5, Annuities Section, Total (net)	\$ 1,294,512.00	
	(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total(net)	9,000.00	
	(3) Exhibit 7, line 14, Column 1	0	
	(4) Subtotal	\$ 1,303,512.00	
	Separate Accounts Annual Statement		
	(5) Exhibit 3, line 0299999, Column 2	0	
	(6) Exhibit 3, line 0399999, Column 2	0	
	(7) Page 3, line 2, Column 3	0	
	(8) Subtotal	0	
	(9) Combined Total	\$ 1,303,512.00	

NOTES TO FINANCIAL STATEMENTS**33. Premium and Annuity Considerations Deferred and Unallocated**

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2012, were as follows:

		(1)	(2)
		<u>Gross</u>	<u>Net of Loading</u>
(1)	Industrial	\$ 2,603.00	\$ 1,457.00
(2)	Ord. New Business	304,177.00	83,050.00
(3)	Ordinary Renewal	689,215.00	452,682.00
(4)	Credit Life	6,436.00	6,436.00
(5)	Health New Business	93,354.00	38,486.00
(6)	Health Renewal	187,985.00	155,906.00
(7)	Totals	\$1,283,770.00	\$ 738,016.00

34. Separate Accounts

Not Applicable

35. Loss/Claim Adjustment Expenses

The activity in the liability for unpaid accident and health claim adjustments expenses is summarized below:

	Year Ended December 31	
	2012	2011
Balance as of January 1	\$ 824,000	\$ 1,451,000
Amount incurred:		
Current year	2,095,433	1,902,832
Prior years	724,891	1,440,437
Less amount paid:		
Current year	2,031,200	2,529,832
Prior years	724,891	1,440,437
Balance as of December 31	\$ 888,232	\$ 824,000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ()
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes (X) No () N/A ()
- 1.3 State Regulating? Puerto Rico
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 10/10/2011
- 3.2 State the as of date of 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). 12/28/2011
- 3.4 By what department or departments?
.....
- 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 (X) No () N/A ()
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes (X) 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 (X)
- 4.12 renewals? Yes () No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes () No (X)
- 4.22 renewals? Yes () No (X)

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)

5.2 If yes, provide the name of entity, the NAIC company code, and state of domicile 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 (X)

6.2 If yes, give full information:
.....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes () No (X)

7.2 If yes, 7.21 State the percentage of foreign control;%

7.22 State the nationality(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 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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
RSM ROC & Company Reparto Loyola Calle San Roberto No. 1000 San Juan, PR
- 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 the 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 Model 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 the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws? Yes (X) 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?
Hans Dahl 1300 Guadalupe, Suite 200 Austin, Texas 78701
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes () No (X)
- 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 (X)
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes () No (X)
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes () No () N/A (X)
- 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? Yes (X) No ()
- (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.
- 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 (X)
- 14.21 If the response to 14.2 is Yes, provide information related to amendment(s).
.....
- 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 where the issuing or confirming bank is not on the SVO Bank List? Yes () No (X)
- 15.2 If the response to 15.1 is yes, indicated the American Bankers Association (ABA) Routing Number and the name of 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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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 committee 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 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 | \$ |
| 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? | Yes (X) No () |
| 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: | \$ 1,062,463 |

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

- 24.01 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 24.03) Yes (X) No ()
- 24.02 If no, give full and complete information relating thereto:

- 24.03 For the 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)

- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions? Yes () No () N/A (X)
- 24.05 If answer to 24.04 is YES, report amount of collateral for conforming programs. \$
- 24.06 If answer to 24.04 is NO, report amount of collateral for other programs. \$
- 24.07 Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes () No () N/A (X)
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes () No () N/A (X)
- 24.09 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 (X)
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 24.103 Total payable for securities lending reported on the liability page \$
- 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 24.03) Yes () No (X)
- 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 | \$ |
| | 25.29 Other | \$ |

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

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

Citibank	San Juan, Puerto Rico
Citizens Security Bank	Guam
First Bank	US Virgin Island
Scotiabank	Trujillo Alto, Puerto Rico

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)
--------------	------------------	------------------------------

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

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 () No ()

29.2 If yes, complete the following schedule:

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
-------------------	--------------------------	-----------------------------------

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from question 29.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
--	--	---	------------------------

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

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	\$ 10,261,287	\$ 11,613,424	\$ 1,352,137
30.2 Preferred stocks	\$	\$	\$
30.3 Totals	\$ 10,261,287	\$ 11,613,424	\$ 1,352,137

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

We obtain the fair values for our instruments through our borkers / custodians

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 (X) 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 (X)

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:
 The Company use the Broker's statement price.

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

OTHER

33.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$ 10,000

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
AM Best	\$ 10,000
.....	\$
.....	\$
.....	\$

34.1 Amount of payments for legal expenses, if any? \$ 27,231

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
Guillermo Nigaglioni	\$ 12,660
Carlos E. Jimenez	\$ 14,571
.....	\$
.....	\$

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

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
.....	\$
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes () No (X)
- 1.2 If yes, indicate premium earned on U.S. business only. \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.31 Reason for excluding:

.....

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$

1.6 Individual policies:

Most current three years:

- 1.61 Total premium earned \$
- 1.62 Total incurred claims \$
- 1.63 Number of covered lives

All years prior to most current three years:

- 1.64 Total premium earned \$
- 1.65 Total incurred claims \$
- 1.66 Number of covered lives

1.7 Group policies:

Most current three years:

- 1.71 Total premium earned \$
- 1.72 Total incurred claims \$
- 1.73 Number of covered lives

All years prior to most current three years:

- 1.74 Total premium earned \$
- 1.75 Total incurred claims \$
- 1.76 Number of covered lives

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	\$ 5,621,849	\$ 6,109,136
2.2 Premium Denominator	\$ 8,514,150	\$ 8,229,486
2.3 Premium Ratio (Line 2.1 divided by Line 2.2)	..... 0.660	..... 0.742
2.4 Reserve Numerator	\$ 888,233	\$ 824,000
2.5 Reserve Denominator	\$ 6,593,575	\$ 6,618,514
2.6 Reserve Ratio (Line 2.4 divided by Line 2.5)	..... 0.135	..... 0.124

- 3.1 Does this reporting entity have Separate Accounts? Yes () No (X)
- 3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes () No () N/A (X)
- 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 (X)
- 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes () No (X)
- 3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts, due or accrued (net)"? \$

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes () No (X)

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 (X)

5.2 If yes, what amount pertaining to these items is included in:

- 5.21 Page 3, Line 1 \$
- 5.22 Page 4, Line 1 \$

6. For stock reporting entities only:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$

7. Total dividends paid stockholders since organization of the reporting entity:

- 7.11 Cash \$ 6,962,625
- 7.12 Stock \$ 946,700

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes () No (X)

Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes () No (X)

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

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

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

	1 Attachment Point	2 Earned Premium	3 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 Line 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 table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Column 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
.....
.....
.....

10. For reporting entities having sold annuities to another insurer 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	2
P&C Insurance Company and Location	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. \$

GENERAL INTERROGATORIES (Continued)

Part 2 - LIFE INTERROGATORIES

Line 9.2

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Column 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit

NONE

Line 10.2

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

NONE

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 2012	2 2011	3 2010	4 2009	5 2008
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Column 4)	86,360	87,729	88,568	99,449	102,902
2. Ordinary-term (Line 21, Column 4, less Line 34, Column 4)	3,486	3,618	3,446	4,828	4,579
3. Credit life (Line 21, Column 6)	9,743	13,061	16,867	23,028	30,013
4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Line 43 and Line 44, Column 4)	7,324	7,362	38,608	40,008	42,768
5. Industrial (Line 21, Column 2)	522	532	575	621	657
6. FEGLI/SGLI (Line 43 and Line 44, Column 4)					
7. Total (Line 21, Column 10)	107,435	112,302	148,064	167,934	180,919
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Column 2)	14,724	17,810	15,998	21,126	23,528
9. Ordinary-term (Line 2, Column 4, less Line 34, Column 2)	398	440	490	2,143	3,399
10. Credit life (Line 2, Column 6)	3,142	3,132	2,902	3,638	8,727
11. Group (Line 2, Column 9)	310	520	890	130	700
12. Industrial (Line 2, Column 2)					
13. Total (Line 2, Column 10)	18,574	21,902	20,280	27,037	36,354
Premium Income-Lines of Business (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Column 2)	4,966	6,346	7,496	8,262	10,596
15.1 Ordinary life insurance (Line 20.4, Column 3)	1,940,300	1,793,859	1,427,231	1,422,898	1,139,859
15.2 Ordinary individual annuities (Line 20.4, Column 4)	118,113	106,833	103,623	97,246	88,870
16. Credit life, (group and individual) (Line 20.4, Column 5)	114,546	135,009	120,690	188,235	479,459
17.1 Group life insurance (Line 20.4, Column 6)	51,293	135,105	257,715	74,686	52,610
17.2 Group annuities (Line 20.4, Column 7)					
18.1 A & H-group (Line 20.4, Column 8)	986,185	1,872,743	4,156,249	4,800,611	4,687,041
18.2 A & H-credit (group and individual) (Line 20.4, Column 9)					
18.3 A & H-other (Line 20.4, Column 10)	5,298,744	4,173,488	7,100,622	5,566,636	5,077,535
19. Aggregate of all other lines of business (Line 20.4, Column 11)					
20. Total	8,514,147	8,223,383	13,173,626	12,158,574	11,535,970
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Column 3)	17,688,403	17,015,896	19,288,586	19,311,364	18,502,379
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	10,644,008	9,897,759	10,388,373	10,582,502	9,972,543
23. Aggregate life reserves (Page 3, Line 1)	6,101,710	5,548,538	4,949,002	4,658,744	4,533,825
24. Aggregate A & H reserves (Page 3, Line 2)	205,354	210,783	191,537	181,276	170,982
25. Deposit-type contract funds (Page 3, Line 3)					
26. Asset valuation reserve (Page 3, Line 24.01)	231,602	229,014	215,336	186,499	179,343
27. Capital (Page 3, Line 29 and Line 30)	2,633,900	2,633,900	2,633,900	2,633,900	2,633,900
28. Surplus (Page 3, Line 37)	4,410,494	4,484,236	6,266,313	6,094,962	5,895,936
Cash Flow (Page 5)					
29. Net cash from operations (Line 11)	483,881	(1,342,270)	(382,556)	2,316,011	(451,438)
Risk-Based Capital Analysis					
30. Total adjusted capital	7,275,996	7,347,150	9,115,549	8,915,362	8,709,179
31. Authorized control level risk-based capital	389,325	441,534	784,093	683,037	632,848
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Line No. / Page 2, Line 12, Column 3) x 100.0					
32. Bonds (Line 1)	66.5	71.6	71.8	73.4	79.8
33. Stocks (Line 2.1 and Line 2.2)	1.4	1.5	1.5	0.1	5.6
34. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
35. Real estate (Line 4.1, Line 4.2 and Line 4.3)	11.9	13.0	8.4	8.2	9.4
36. Cash, cash equivalents and short-term investments (Line 5)	19.0	10.8	12.4	12.5	(1.0)
37. Contract loans (Line 6)	1.3	1.4	1.1	0.8	0.7
38. Derivatives (Page 2, Line 7)				XXX	XXX
39. Other invested assets (Line 8)		1.7	3.0		
40. Receivables for securities (Line 9)			1.7		
41. Securities lending reinvested collateral assets (Line 10)				XXX	XXX
42. Aggregate write-ins for invested assets (Line 11)				5.1	5.6
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 2012	2 2011	3 2010	4 2009	5 2008
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Schedule D Summary, Line 12, Column 1)					
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1)					
46. Affiliated common stocks (Schedule D Summary, Line 24, Column 1)					
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
48. Affiliated mortgage loans on real estate					
49. All other affiliated					
50. Total of above Line 44 to Line 49					
51. Total investment in parent included in Line 44 to Line 49 above					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Column 2)	2,208,152	2,554,167	1,692,314	1,674,929	1,462,423
53. Total admitted assets (Page 2, Line 28, Column 3)	17,688,403	17,015,896	19,288,586	19,311,364	18,502,379
Investment Data					
54. Net investment income (Exhibit of Net Investment Income)	541,195	701,569	820,838	978,957	808,071
55. Realized capital gains (losses) (Page 4, Line 34, Column 1)		222			
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	(9,398)	(22,288)			
57. Total of above Line 54, Line 55 and Line 56	531,797	679,503	820,838	978,957	808,071
Benefits and Reserve Increase (Page 6)					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15, Column 1 minus Lines 10, 11, 12, 13, 14 and 15, Columns 9, 10 and 11)	557,730	595,234	733,427	1,196,786	1,169,298
59. Total contract benefits - A & H (Line 13 and Line 14, Columns 9, 10 and 11)	2,820,324	3,343,269	7,626,077	6,727,874	6,000,143
60. Increase in life reserves - other than group and annuities (Line 19, Columns 2 and 3)	625,318	615,655	406,214	198,178	219,749
61. Increase in A & H Reserves (Line 19, Columns 9, 10 and 11)	(5,447)	19,228	10,244	10,277	138,645
62. Dividends to policyholders (Line 30, Column 1)	33,028	47,632	52,320	65,601	67,046
Operating Percentages					
63. Insurance expense percent (Page 6, Column 1, Line 21, Line 22 and Line 23 less Line 6) / (Page 6, Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00	62.6	60.2	39.3	38.2	39.0
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Line 14 and Line 15) / 1/2 (Exhibit of Life Insurance, Column 4, Line 1 and Line 21)] x 100.00	17.6	17.4	26.4	24.2	21.3
65. A & H loss percent (Schedule H, Part 1, Line 5 and Line 6, Column 2)	42.7	54.8	58.8	64.9	61.4
66. A & H cost containment percent (Schedule H, Part 1, Line 4, Column 2)					
67. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Column 2)	67.0	66.6	31.6	39.0	44.7
A & H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1, Column 2)	123,732	774,704	809,278	810,200	2,752,300
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2)	190,000	871,000	704,500	508,669	514,335
70. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Column 2)	601,158	665,733	724,511	792,135	1,317,386
71. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Column 2)	634,000	580,000	668,961	450,000	260,000
Net Gains From Operations After Federal Income					
Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Column 2)	(3,030)	678	3,854	5,207	69,583
73. Ordinary-life (Column 3)	272,624	253,994	231,007	438,065	442,459
74. Ordinary-individual annuities (Column 4)	5,551	10,002	17,986	22,935	48,828
75. Ordinary-supplementary contracts (Column 5)					
76. Credit life (Column 6)	68,847	30,623	117,342	201,938	389,584
77. Group life (Column 7)	(10,091)	11	31,515	12,936	46,002
78. Group annuities (Column 8)					
79. A & H-group (Column 9)	(180,138)	(495,248)	116,952	208,929	(173,065)
80. A & H-credit (Column 10)					
81. A & H-other (Column 11)	(671,043)	(709,199)	(362,711)	(419,020)	(360,153)
82. Aggregate of all other lines of business (Column 12)			26,170	52,053	
83. Total (Column 1)	(517,280)	(909,139)	182,115	523,043	463,238

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?
If no, please explain:

Yes () No ()

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year	784	532	8,735	91,337	2,361	13,062	48	666	7,362	112,293
2. Issued during year			2,480	15,122	779	3,142	3	31	310	18,574
3. Reinsurance assumed										
4. Revived during year										
5. Increased during year (net)		21	16	268				27	248	537
6. Subtotals, Line 2 to Line 5		21	2,496	15,390	779	3,142	3	58	558	19,111
7. Additions by dividends during year	X X X		X X X		X X X		X X X	X X X		
8. Aggregate write-ins for increases										
9. Totals (Line 1 and Line 6 to Line 8)	784	553	11,231	106,727	3,140	16,204	51	724	7,920	131,404
Deductions during year:										
10. Death	7	6	158	591	3	7	X X X			604
11. Maturity							X X X			
12. Disability							X X X			
13. Expiry	50	21	6	63	1,141	2,038				2,122
14. Surrender	6	4	253	4,442						4,446
15. Lapse			1,543	11,494						11,494
16. Conversion							X X X	X X X	X X X	
17. Decreased (net)				291		4,416	2	54	596	5,303
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. Totals (Line 10 to Line 19)	63	31	1,960	16,881	1,144	6,461	2	54	596	23,969
21. In force end of year (Line 9 minus Line 20)	721	522	9,271	89,846	1,996	9,743	49	670	7,324	107,435
22. Reinsurance ceded end of year	X X X		X X X	45,264	X X X		X X X	X X X		45,264
23. Line 21 minus Line 22	X X X	522	X X X	44,582	X X X	(b) 9,743	X X X	X X X	7,324	62,171
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)										
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. Totals (Line 1901 through Line 1903 plus Line 1998) (Line 19 above)										

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).
 (b) Group \$; Individual \$ 9,743 .

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	
25. Other paid-up insurance		256	10	31
26. Debit ordinary insurance	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	5	398	41	3,486
28. Term policies-other				
29. Other term insurance-decreasing	X X X		X X X	
30. Other term insurance	X X X		X X X	
31. Totals (Line 27 to Line 30)	5	398	41	3,486
Reconciliation to Line 2 and Line 21:				
32. Term additions	X X X		X X X	
33. Totals, extended term insurance	X X X	X X X		
34. Totals, whole life and endowment	2,475	14,724	9,230	86,360
35. Totals (Line 31 to Line 34)	2,480	15,122	9,271	89,846

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			523	
37. Ordinary	15,122		87,331	2,514
38. Credit Life (Group and Individual)	3,142		9,473	
39. Group	310		7,323	
40. Totals (Line 36 to Line 39)	18,574		104,650	2,514

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	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis		X X X		X X X
43. Federal Employees' Group Life Insurance included in Line 21				
44. Servicemen's Group Life Insurance included in Line 21				
45. Group Permanent Insurance included in Line 21	1,996	9,743	670	7,323

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	19,408
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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)	
(47.2)	NONE

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			841	569				
49. Disability Income			167	108				
50. Extended Benefits			X X X	X X X				
51. Other								
52. Total		(b)	1,008	(b)		(b)		(b)

(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 AND 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				
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Line 1 to Line 4)				
NONE				
Deductions during year:				
6. Decreased (net)				
7. Reinsurance ceded				
8. Totals (Line 6 and Line 7)				
9. In force end of year				
10. Amount on deposit		(a)		(a)
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	12	5		
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Line 1 to Line 4)	12	5		
Deductions during year:				
6. Decreased (net)				
7. Reinsurance ceded				
8. Totals (Line 6 and Line 7)				
9. In force end of year	12	5		
Income now payable:				
10. Amount of income payable	(a)	X X X	X X X	(a)
Deferred fully paid:				
11. Account balance	X X X	(a)	X X X	(a)
Deferred not fully paid:				
12. Account balance	X X X	(a) 5	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	3,900	11,731,998			17,106	5,770,568
2. Issued during year	83				7,802	
3. Reinsurance assumed						
4. Increased during year (net)	70	X X X		X X X	385	X X X
5. Totals (Line 1 to Line 4)	4,053	X X X		X X X	25,293	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)	3,383	X X X		X X X	7,666	X X X
8. Reinsurance ceded		X X X		X X X		X X X
9. Totals (Line 6 to Line 8)	3,383	X X X		X X X	7,666	X X X
10. In force end of year	670	(a) 2,732,798		(a)	17,627	(a) 5,987,582

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds	Dividend Accumulations
	Contracts	Contracts
1. In force end of prior year		
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (Line 1 to Line 4)		
NONE		
Deductions during year:		
6. Decreased (net)		
7. Reinsurance ceded		
8. Totals (Line 6 and Line 7)		
9. In force end of year		
10. Amount of account balance	(a)	(a)

(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					
		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	N					
2. Alaska	AK	N					
3. Arizona	AZ	N					
4. Arkansas	AR	N					
5. California	CA	N					
6. Colorado	CO	N					
7. Connecticut	CT	N					
8. Delaware	DE	N					
9. District of Columbia	DC	N					
10. Florida	FL	N					
11. Georgia	GA	N					
12. Hawaii	HI	N					
13. Idaho	ID	N					
14. Illinois	IL	N					
15. Indiana	IN	N					
16. Iowa	IA	N					
17. Kansas	KS	N					
18. Kentucky	KY	N					
19. Louisiana	LA	N					
20. Maine	ME	N					
21. Maryland	MD	N					
22. Massachusetts	MA	N					
23. Michigan	MI	N					
24. Minnesota	MN	N					
25. Mississippi	MS	N					
26. Missouri	MO	N					
27. Montana	MT	N					
28. Nebraska	NE	N					
29. Nevada	NV	N					
30. New Hampshire	NH	N					
31. New Jersey	NJ	N					
32. New Mexico	NM	N					
33. New York	NY	N					
34. North Carolina	NC	N					
35. North Dakota	ND	N					
36. Ohio	OH	N					
37. Oklahoma	OK	N					
38. Oregon	OR	N					
39. Pennsylvania	PA	N					
40. Rhode Island	RI	N					
41. South Carolina	SC	N					
42. South Dakota	SD	N					
43. Tennessee	TN	N					
44. Texas	TX	N					
45. Utah	UT	N					
46. Vermont	VT	N					
47. Virginia	VA	N					
48. Washington	WA	N					
49. West Virginia	WV	N					
50. Wisconsin	WI	N					
51. Wyoming	WY	N					
52. American Samoa	AS	N					
53. Guam	GU	L					
54. Puerto Rico	PR	L	2,501,632	118,113	4,438,031	7,057,776	
55. U.S. Virgin Islands	VI	L	66,859		996,871	1,063,730	
56. Northern Mariana Islands	MP	N					
57. Canada	CAN	N					
58. Aggregate Other Alien	OT	X X X	161,550		3,135,311	3,296,861	
59. Subtotal	(a)	3	2,730,041	118,113	8,570,213	11,418,367	
90. Reporting entity contributions for employee benefit plans		X X X					
91. Dividends or refunds applied to purchase paid-up additions and annuities		X X X					
92. Dividends of 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					
94. Aggregate other amounts not allocable by State		X X X					
95. Totals (Direct Business)		X X X	2,730,041	118,113	8,570,213	11,418,367	
96. Plus Reinsurance Assumed		X X X					
97. Totals (All Business)		X X X	2,730,041	118,113	8,570,213	11,418,367	
98. Less Reinsurance Ceded		X X X	682,032		2,230,933	2,912,965	
99. Totals (All Business) less Reinsurance Ceded		X X X	2,048,009	118,113	(b) 6,339,280	8,505,402	
DETAILS OF WRITE-INS							
58001. British Virgin Island		X X X	38,660		2,080,184	2,118,844	
58002. Anguilla		X X X	122,890		854,069	976,959	
58003. Costa Rica		X X X			198,194	198,194	
58998. Summary of remaining write-ins for Line 58 from overflow page		X X X			2,864	2,864	
58999. Total (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)		X X X	161,550		3,135,311	3,296,861	
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 (Line 9401 through Line 9403 plus Line 9498) (Line 94 above)		X X X					

(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.

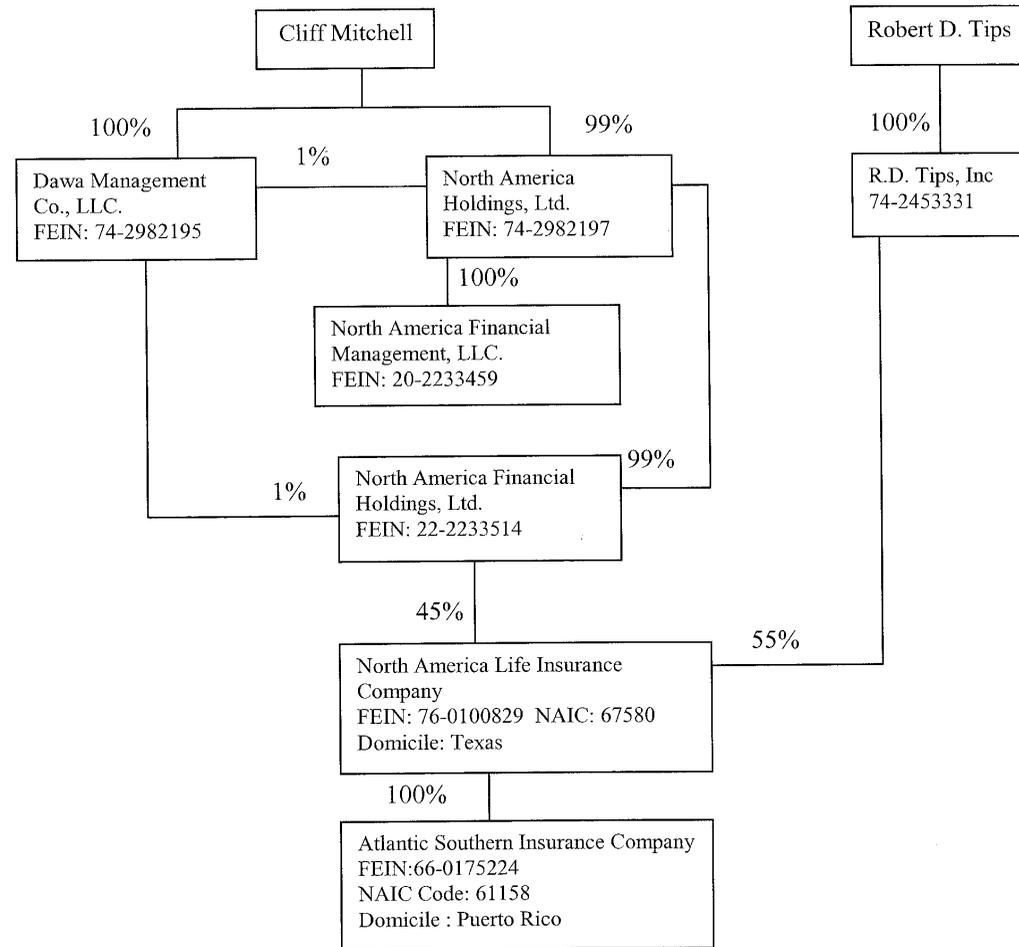
Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Ordinary, Industrial, Individual Accident and Health Premiums, and Annuity considerations are allocated to the residence of the policyholder at time policy was acquired.
Group Premium are allocated according to the residence of the group at time policy was acquired.

(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;

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE ATLANTIC SOUTHERN INS CO
 SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
 PART 1 - ORGANIZATIONAL CHART



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