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ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014

OF THE CONDITION AND AFFAIRS OF THE

MULTINATIONAL LIFE INSURANCE COMPANY

NAIC Group Code 4804 (Current Period), 4804 (Prior Period) NAIC Company Code 72087 Employer's ID Number 66-0276881

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

Country of Domicile US

Incorporated/Organized May 8, 1969 Commenced Business July 3, 1969

Statutory Home Office 470 Ponce de Leon Ave., Hato Rey, Puerto Rico 00918 (Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 470 Ponce de Leon Ave, Hato Rey, Puerto Rico 00918 (Street and Number, City or Town, State, Country and Zip Code) 787-758-8080 (Area Code) (Telephone Number)

Mail Address P.O. Box 366107, San Juan, Puerto Rico 00936-6107 (Street and Number or P.O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 470 Ponce de Leon Ave., Hato Rey, Puerto Rico 00918 (Street and Number, City or Town, State, Country and Zip Code)
787-758-8080 (Area Code) (Telephone Number)

Internet Website Address www.multinationallife.com

Statutory Statement Contact Luis Forteza (Name) 787-758-8080 x-2349 (Area Code) (Telephone Number) (Extension)
luis.forteza@multinationalpr.com (E-Mail Address) 787-758-5258 (Fax Number)

OFFICERS

Carlos Iguina (President)
Luis M Pimentel-Zerbi (Executive Vice President)
Yadira Mercado (Senior VP Finance and Treasurer)
Javier Ortiz (Senior VP Sales, Marketing & Underwriting)

OTHER

Yolanda Marquez (Vice President Accounting)
Maria Nelly Collazo (Vice President Sales)
Gustavo Lugo (Vice President Claims)
Eduardo Fantauzzi (Vice President International Market)
Luis Forteza (Manager - Finance & Accounting)

DIRECTORS OR TRUSTEES

Tobias Carrero-Nacar
Carlos Iguina
Yelitza Cruz
Tobias Enrique Carrero-Valentiner
Luis Manuel Pimentel
Rafael Carrero-Valentiner
Miguel Vazquez
Fernando Rivera-Munoz
Bartolome Gamundi
Juan Carlos Puig

State of Puerto Rico
County of SAN JUAN } SS

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

Carlos Iguina President	Yadira Mercado Senior VP Finance and Treasurer	Yolanda Marquez Vice President Accounting

Subscribed and sworn to before me this day of 2015

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 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col 1 - Col 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	92,097,940		92,097,940	93,027,665
2. Stocks (Schedule D):				
2.1 Preferred stocks				110
2.2 Common stocks	94,265		94,265	89,381
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	228,660		228,660	231,537
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ ..... encumbrances)	10,820,328		10,820,328	11,762,790
4.2 Properties held for the production of income (less $ ..... encumbrances)	433,500		433,500	446,250
4.3 Properties held for sale (less $ ..... encumbrances)				
5. Cash ($ 8,735,353 , Schedule E - Part 1), cash equivalents ($ ..... , Schedule E - Part 2) and short-term investments ($ ..... , Schedule DA)	8,735,353		8,735,353	11,423,104
6. Contract loans (including $ ..... premium notes)	2,565,115	40,070	2,525,045	2,800,478
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities	2,410		2,410	14,915
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)	114,977,571	40,070	114,937,501	119,796,230
13. Title plants less $ ..... charged off (for Title insurers only)				
14. Investment income due and accrued	767,313	1,081	766,232	781,062
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	6,332,441	4,485,105	1,847,336	1,829,442
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)	3,305,493		3,305,493	4,261,207
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	580,061		580,061	790,775
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	197,075	3,788	193,287	193,287
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	52,257	52,257		
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	321,599		321,599	253,986
21. Furniture and equipment, including health care delivery assets ($ .....)	80,424	80,424		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				228,659
24. Health care ($ .....) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	1,251,665	765,299	486,366	357,157
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	127,865,899	5,428,024	122,437,875	128,491,805
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Line 26 and Line 27)	127,865,899	5,428,024	122,437,875	128,491,805
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. Prepaid Expenses - Miscellaneous	106,142	106,142		
2502. Accounts Receivable - Miscellaneous	1,123,773	637,407	486,366	357,157
2503. Deferred Expenses - Miscellaneous	21,750	21,750		
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)	1,251,665	765,299	486,366	357,157

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts $ 76,488,740 (Exhibit 5, Line 9999999) less $ .... included in Line 6.3 (including $ .... Modco Reserve)	76,488,740	79,427,166
2. Aggregate reserve for accident and health contracts (including $ .... Modco Reserve)	11,927,007	11,488,756
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Column 1) (including $ .... Modco Reserve)	627,725	
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10 and 11)	1,793,200	2,432,990
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10 and 11)	7,505,942	9,422,249
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 $ .... accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Line 4 and Line 14)		
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled 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 $ 961,471 ceded	961,471	947,121
9.4 Interest Maintenance Reserve (IMR, Line 6)	1,124,059	1,466,990
10. Commissions to agents due or accrued-life and annuity contracts $ .... accident and health $ .... and deposit-type contract funds $	275,236	198,464
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Column 6)	3,405,632	2,148,977
13. Transfers to Separate Accounts due or accrued (net) (including $ .... accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Column 5)	495,004	322,846
15.1 Current federal and foreign income taxes, including $ .... on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income	96,193	99,886
17. Amounts withheld or retained by company as agent or trustee	231,492	368,649
18. Amounts held for agents' account, including $ 1,542,982 agents' credit balances	1,542,982	1,850,478
19. Remittances and items not allocated	138,407	138,146
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money $ .... and interest thereon $		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Column 7)	1,484,043	1,272,209
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	56,499	
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		12,706
24.10 Payable for securities lending		
24.11 Capital notes $ .... and interest thereon $		
25. Aggregate write-ins for liabilities	467,756	3,340,700
26. Total liabilities excluding Separate Accounts business (Line 1 to Line 25)	108,621,388	114,938,333
27. From Separate Accounts statement		
28. Total liabilities (Line 26 and Line 27)	108,621,388	114,938,333
29. Common capital stock	2,502,910	2,502,910
30. Preferred capital stock	2,238,810	2,238,810
31. Aggregate write-ins for other-than-special surplus funds		
32. Surplus notes	5,000,000	5,000,000
33. Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1)	16,622,090	16,622,090
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	(12,547,323)	(12,810,338)
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)	9,074,767	8,811,752
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	13,816,487	13,553,472
39. Totals of Lines 28 and 38 (Page 2, Line 28, Column 3)	122,437,875	128,491,805
DETAILS OF WRITE-INS		
2501. OTHERS ACCOUNT PAYABLE	1,113	1,729
2502. ACCOUNTS PAYABLE - MISCELLANEOUS	466,643	690,694
2503. ADDITIONAL LIABILITIES PENSION COST		2,648,277
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)	467,756	3,340,700
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)	26,322,465	26,029,310
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	3,130,843	3,206,468
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	373,454	513,869
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)		
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	2,192,071	2,731,931
9. Totals (Line 1 to Line 8.3)	32,018,833	32,481,578
10. Death benefits	5,773,829	5,941,576
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Column 4 plus Column 8)	155,435	150,233
13. Disability benefits and benefits under accident and health contracts	3,423,717	2,505,490
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	4,026,112	3,674,173
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	514	581
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	(1,631,126)	(603,862)
20. Totals (Line 10 to Line 19)	11,748,481	11,668,191
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	4,978,440	3,585,698
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Column 1)		(36,360)
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	12,967,453	12,989,301
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Column 1 plus Column 2 plus Column 3)	979,272	739,018
25. Increase in loading on deferred and uncollected premiums	371	4,611
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions		
28. Totals (Line 20 to Line 27)	30,674,017	28,950,459
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	1,344,816	3,531,119
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	1,344,816	3,531,119
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)	1,344,816	3,531,119
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ .... (35,909) (excluding taxes of $ .... 5,386 transferred to the IMR)	(3,885)	15,703
35. Net Income (Line 33 plus Line 34)	1,340,931	3,546,822
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	13,553,472	11,633,961
37. Net income (Line 35)	1,340,931	3,546,822
38. Change in net unrealized capital gains (losses) less capital gains tax of $	(787,855)	(684,933)
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax		
41. Change in nonadmitted assets	(78,227)	(967,456)
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		
44. Change in asset valuation reserve	(211,834)	25,903
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		(825)
54. Net change in capital and surplus for the year (Line 37 through Line 53)	263,015	1,919,511
55. Capital and surplus, December 31, current year (Line 36 plus Line 54) (Page 3, Line 38)	13,816,487	13,553,472
DETAILS OF WRITE-INS		
08.301. Other Income	2,192,071	2,731,931
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)	2,192,071	2,731,931
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. Prior year adjustment		(825)
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)		(825)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	27,292,696	25,431,753
2. Net investment income	3,730,695	3,552,551
3. Miscellaneous income	2,192,071	2,731,931
4. Total (Line 1 through Line 3)	33,215,462	31,716,235
5. Benefit and loss related payments	15,951,964	15,619,912
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	17,419,578	16,633,235
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $ ....tax on capital gains (losses)		66,591
10. Total (Line 5 through Line 9)	33,371,542	32,319,738
11. Net cash from operations (Line 4 minus Line 10)	(156,080)	(603,503)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	6,009,639	13,620,368
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalants and short-term investments		
12.7 Miscellaneous proceeds	153,309	153,293
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	6,162,948	13,773,661
13. Cost of investments acquired (long-term only):		
13.1 Bonds	5,429,727	10,889,935
13.2 Stocks		
13.3 Mortgage loans		232,000
13.4 Real estate	(801,903)	(708,876)
13.5 Other invested assets		
13.6 Miscellaneous applications	201	16,222
13.7 Total investments acquired (Line 13.1 through Line 13.6)	4,628,025	10,429,281
14. Net increase (decrease) in contract loans and premium notes	(256,900)	(31,428)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	1,791,823	3,375,808
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)	(4,323,492)	402,057
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(4,323,492)	402,057
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)	(2,687,749)	3,174,362
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	11,423,103	8,248,741
19.2 End of year (Line 18 plus Line 19.1)	8,735,354	11,423,103

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		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	26,322,465		11,510,612	527,381		1,915,893	1,955,687		3,679,748	242,658	6,490,486	
2. Considerations for supplementary contracts with life contingencies												
3. Net investment income	3,130,843		2,047,006	396,596		27,930	32,830		62,840	3,482	560,159	
4. Amortization of Interest Maintenance Reserve (IMR)	373,454		244,172	47,307		3,331	3,916		7,496	415	66,817	
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded												
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	2,192,071		37,752	1,503		5,458	6,518		12,476	691	2,127,673	
9. Totals (Line 1 to Line 8.3)	32,018,833		13,839,542	972,787		1,952,612	1,998,951		3,762,560	247,246	9,245,135	
10. Death benefits	5,773,829		4,604,669			258,517	910,643					
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits	155,435			155,435								
13. Disability benefits and benefits under accident and health contracts	3,423,717								958,056	(32,842)	2,498,503	
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	4,026,112		3,366,435	659,677								
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds	514		116			393			5			
18. Payments on supplementary contracts with life contingencies												
19. Increase in aggregate reserves for life and accident and health contracts	(1,631,126)		(2,540,302)	248,653		(19,052)					679,575	
20. Totals (Line 10 to Line 19)	11,748,481		5,430,918	1,063,765		239,858	910,643		958,061	(32,842)	3,178,078	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	4,978,440		2,754,673	1,002		472,170	328,646		776,063	59,281	586,605	
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses	12,967,453		4,085,927	116,741		495,572	817,185		2,290,288	141,887	5,019,853	
24. Insurance taxes, licenses and fees, excluding federal income taxes	979,272		285,757	8,165		16,329	57,151		252,633	8,164	351,073	
25. Increase in loading on deferred and uncollected premiums	371		130	4		7	26		41	3	160	
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions												
28. Totals (Line 20 to Line 27)	30,674,017		12,557,405	1,189,677		1,223,936	2,113,651		4,277,086	176,493	9,135,769	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	1,344,816		1,282,137	(216,890)		728,676	(114,700)		(514,526)	70,753	109,366	
30. Dividends to policyholders												
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	1,344,816		1,282,137	(216,890)		728,676	(114,700)		(514,526)	70,753	109,366	
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)	1,344,816		1,282,137	(216,890)		728,676	(114,700)		(514,526)	70,753	109,366	
DETAILS OF WRITE-INS												
08.301. OTHER INCOME	2,192,071		37,752	1,503		5,458	6,518		12,476	691	2,127,673	
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)	2,192,071		37,752	1,503		5,458	6,518		12,476	691	2,127,673	
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	2	Ordinary			6	Group	
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	78,967,708		65,971,229	12,971,684		24,795		
2. Tabular net premiums or considerations	13,455,198		12,726,515	563,124		165,559		
3. Present value of disability claims incurred	1,284,632		1,284,632		XXX			
4. Tabular interest	3,378,233		2,842,573	531,738		3,922		
5. Tabular less actual reserve released								
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)	637,254			637,254				
8. Totals (Line 1 to Line 7)	97,723,025		82,824,949	14,703,800		194,276		
9. Tabular cost	12,217,950		12,052,345		XXX	165,605		
10. Reserves released by death	289,936		289,936	XXX	XXX			XXX
11. Reserves released by other terminations (net)	7,092,333		6,466,721	602,685		22,927		
12. Annuity, supplementary contract, and disability payments involving life contingencies	1,634,065		585,021	1,049,044				
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Line 9 to Line 13)	21,234,284		19,394,023	1,651,729		188,532		
15. Reserve December 31, current year	76,488,741		63,430,926	13,052,071		5,744		

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 287,958	287,846
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 3,542,941	3,531,051
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		
3.	Mortgage loans	(c) 13,815	13,815
4.	Real estate	(d)	
5.	Contract loans	233,857	225,505
6.	Cash, cash equivalents and short-term investments	(e) 11,511	11,511
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	188,597	194,347
10.	Total gross investment income	4,278,679	4,264,075
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) 199,505
14.	Depreciation on real estate and other invested assets		(i) 153,313
15.	Aggregate write-ins for deductions from investment income		780,414
16.	Total deductions (Line 11 through Line 15)		1,133,232
17.	Net investment income (Line 10 minus Line 16)		3,130,843
	DETAILS OF WRITE-INS		
0901.	RENT	188,597	194,347
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)	188,597	194,347
1501.	OTHER INVESTMENT FEES		780,414
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)		780,414

(a) Includes $ 84,396 accrual of discount less $ 429,435 amortization of premium and less $ 7,479 paid for accrued interest on purchases.
(b) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued dividends on purchases.
(c) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.
(d) Includes $ .... for company's occupancy of its own buildings; and excludes $ .... interest on encumbrances.
(e) 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.
(g) Includes $ 780,414 investment expenses and $ .... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ 199,505 interest on surplus notes and $ .... interest on capital notes.
(i) Includes $ 153,313 depreciation on real estate and $ .... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Col. 1 + Col. 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(21)		(21)		
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	35,934		35,934		
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)	(8,800)		(8,800)	8,690	
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	(475)		(475)	5,358	
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate				(801,903)	
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)	(30,523)		(30,523)		
10.	Total capital gains (losses)	(3,885)		(3,885)	(787,855)	
	DETAILS OF WRITE-INS					
0901.	AMORTIZATION OF IMR	(373,454)		(373,454)		
0902.	CHANGE IN IMR RESERVE	342,931		342,931		
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)	(30,523)		(30,523)		

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

	1	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	Credit Life (Group and Individual)	6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected	68,964		22,534					46,430			
2. Deferred and accrued	241,480		241,480								
3. Deferred, accrued and uncollected:											
3.1 Direct	310,444		264,014					46,430			
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net (Line 1 plus Line 2)	310,444		264,014					46,430			
4. Advance											
5. Line 3.4 minus Line 4	310,444		264,014					46,430			
6. Collected during year:											
6.1 Direct	8,565,654		2,162,103	86,663		297,937		795,742	2,031	5,221,178	
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	56,457		29,293							27,164	
6.4 Net	8,509,197		2,132,810	86,663		297,937		795,742	2,031	5,194,014	
7. Line 5 plus Line 6.4	8,819,641		2,396,824	86,663		297,937		842,172	2,031	5,194,014	
8. Prior year (uncollected plus deferred and accrued minus advance)	279,635		244,687					34,948			
9. First year premiums and considerations:											
9.1 Direct	8,596,463		2,181,430	86,663		297,937		807,224	2,031	5,221,178	
9.2 Reinsurance assumed											
9.3 Reinsurance ceded	56,457		29,293							27,164	
9.4 Net (Line 7 minus Line 8)	8,540,006		2,152,137	86,663		297,937		807,224	2,031	5,194,014	
SINGLE											
10. Single premiums and considerations:											
10.1 Direct											
10.2 Reinsurance assumed											
10.3 Reinsurance ceded											
10.4 Net											
RENEWAL											
11. Uncollected	1,821,657		393,712		153,226	180,462		379,177	28,011	687,069	
12. Deferred and accrued	3,196,024		3,196,024								
13. Deferred, accrued and uncollected:											
13.1 Direct	5,017,681		3,589,736		153,226	180,462		379,177	28,011	687,069	
13.2 Reinsurance assumed											
13.3 Reinsurance ceded											
13.4 Net (Line 11 plus Line 12)	5,017,681		3,589,736		153,226	180,462		379,177	28,011	687,069	
14. Advance											
15. Line 13.4 minus Line 14	5,017,681		3,589,736		153,226	180,462		379,177	28,011	687,069	
16. Collected during year:											
16.1 Direct	33,353,465		11,809,929	440,718	1,917,707	2,083,577		3,530,404	241,218	13,329,912	
16.2 Reinsurance assumed											
16.3 Reinsurance ceded	14,763,751		1,711,418			332,189		699,486		12,020,658	
16.4 Net	18,589,714		10,098,511	440,718	1,917,707	1,751,388		2,830,918	241,218	1,309,254	
17. Line 15 plus Line 16.4	23,607,395		13,688,247	440,718	2,070,933	1,931,850		3,210,095	269,229	1,996,323	
18. Prior year (uncollected plus deferred and accrued minus advance)	5,824,936		4,329,772		155,040	274,100		337,571	28,602	699,851	
19. Renewal premiums and considerations:											
19.1 Direct	32,546,210		11,069,893	440,718	1,915,893	1,989,939		3,572,010	240,627	13,317,130	
19.2 Reinsurance assumed											
19.3 Reinsurance ceded	14,763,751		1,711,418			332,189		699,486		12,020,658	
19.4 Net (Line 17 minus Line 18)	17,782,459		9,358,475	440,718	1,915,893	1,657,750		2,872,524	240,627	1,296,472	
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	41,142,673		13,251,323	527,381	1,915,893	2,287,876		4,379,234	242,658	18,538,308	
20.2 Reinsurance assumed											
20.3 Reinsurance ceded	14,820,208		1,740,711			332,189		699,486		12,047,822	
20.4 Net (Lines 9.4 plus 10.4 plus 19.4)	26,322,465		11,510,612	527,381	1,915,893	1,955,687		3,679,748	242,658	6,490,486	

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums											
22. All other											
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											
25.2 Reinsurance assumed											
25.3 Net ceded less assumed											
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)											
26.2 Reinsurance assumed (Page 6, Line 22)											
26.3 Net ceded less assumed											
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	843,706		1,684,132	918	(79)	54,162		210,608	657	(1,106,692)	
28. Single											
29. Renewal	4,134,734		1,070,541	84	472,249	274,484		565,455	58,624	1,693,297	
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	4,978,440		2,754,673	1,002	472,170	328,646		776,063	59,281	586,605	

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6
	1	Accident and Health		4		
		2 Cost Containment	3 All Other	All Other Lines of Business		
	Life				Investment	Total
1. Rent	413,352		505,209			918,561
2. Salaries and wages	1,761,181		2,152,555			3,913,736
3.11 Contributions for benefit plans for employees	29,393		35,924			65,317
3.12 Contributions for benefit plans for agents	34,208		41,810			76,018
3.21 Payments to employees under non-funded benefit plans						
3.22 Payments to agents under non-funded benefit plans						
3.31 Other employee welfare	157,584		192,602			350,186
3.32 Other agent welfare	165,524		202,307			367,831
4.1 Legal fees and expenses	1,141,016		2,387,575			3,528,591
4.2 Medical examination fees	111,447		136,213			247,660
4.3 Inspection report fees						
4.4 Fees of public accountants and consulting actuaries	225,450		275,549			500,999
4.5 Expense of investigation and settlement of policy claims	15,590		19,054			34,644
5.1 Traveling expenses	119,673		146,268			265,941
5.2 Advertising	20,585		25,159			45,744
5.3 Postage, express, telegraph and telephone	146,673		179,268			325,941
5.4 Printing and stationery	91,243		111,519			202,762
5.5 Cost or depreciation of furniture and equipment	150,501		183,945			334,446
5.6 Rental of equipment	46,603		56,959			103,562
5.7 Cost or depreciation of EDP equipment and software						
6.1 Books and periodicals	15,043		18,386			33,429
6.2 Bureau and association fees	1,080		1,320			2,400
6.3 Insurance, except on real estate	50,708		61,976			112,684
6.4 Miscellaneous losses						
6.5 Collection and bank service charges	180,611		220,746			401,357
6.6 Sundry general expenses	13,251		16,195			29,446
6.7 Group service and administration fees			13,140			13,140
6.8 Reimbursements by uninsured plans						
7.1 Agency expense allowance						
7.2 Agents' balances charged off (less $ ....recovered)						
7.3 Agency conferences other than local meetings						
9.1 Real estate expenses						
9.2 Investment expenses not included elsewhere						
9.3 Aggregate write-ins for expenses	624,709		468,349			1,093,058
10. General expenses incurred	5,515,425		7,452,028			(a) 12,967,453
11. General expenses unpaid December 31, prior year	967,040		1,181,937			2,148,977
12. General expenses unpaid December 31, current year	1,532,534		1,873,098			3,405,632
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)	4,949,931		6,760,867			11,710,798
DETAILS OF WRITE-INS						
09.301. Computer Services	144,437		176,535			320,972
09.302. Director Fees	13,298		16,253			29,551
09.303. Professional Services	204,884		250,415			455,299
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	262,090		25,146			287,236
09.399. Totals (Line 09.301 through Line 09.303 plus Line 09.398) (Line 9.3 above)	624,709		468,349			1,093,058

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

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

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business	Investment	Total
1. Real estate taxes	56,174	68,657			124,831
2. State insurance department licenses and fees	19,778	24,173			43,951
3. State taxes on premiums	127,877	319,117			446,994
4. Other state taxes, including $ ....for employee benefits	18,968	23,183			42,151
5. U.S. Social Security taxes	121,371	148,342			269,713
6. All other taxes	23,234	28,398			51,632
7. Taxes, licenses and fees incurred	367,402	611,870			979,272
8. Taxes, licenses and fees unpaid December 31, prior year		322,846			322,846
9. Taxes, licenses and fees unpaid December 31, current year	222,752	272,252			495,004
10. Taxes, licenses and fees paid during year (Line 7 plus Line 8 minus Line 9)	144,650	662,464			807,114

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
1. Applied to pay renewal premiums		
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. Total Line 1 through Line 4		
6. Paid-in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. Total Line 5 through Line 8		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calend		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not incl		
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)		
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)		

NONE

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					
1980 CSO 3.5% CRVM	3,574,809		3,574,809		
1980 CSO 4-4.5% CRVM	58,170,004		58,170,004		
2001 CSO S&U 4.5%	19,857		19,857		
2001 CSO 3.5% CRVM	113,110		113,110		
GROUP & IND. BASED ON MORTALITY TABLES - 80 CSO 4.5%	5,745			5,745	
0199997 - TOTALS (Gross) - Life Insurance	61,883,525		61,877,780	5,745	
0199999 - TOTALS (Net) - Life Insurance	61,883,525		61,877,780	5,745	
(Gross) - Annuities (excluding supplementary contracts with life contingencies)					
BASED ON CARVM FOR IRA CONTRACTS	12,948,057		12,948,057		
PREMIUMS BASIC ACCUMULATED AT 5% INTEREST - GAR	104,013		104,013		
0299997 - TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies)	13,052,070		13,052,070		
0299999 - TOTALS (Net) - Annuities (excluding supplementary contracts with life contingencies)	13,052,070		13,052,070		
(Gross) - Accidental Death Benefits					
1959 ADB 3% NET LEVEL	268,514		268,514		
0499997 - TOTALS (Gross) - Accidental Death Benefits	268,514		268,514		
0499999 - TOTALS (Net) - Accidental Death Benefits	268,514		268,514		
(Gross) - Disability - Active Lives					
1985 CIDA & 1980 CSO 3% NL	184,865		184,865		
1985 CIDA & 1980 CSO 3%	570,105		570,105		
0599997 - TOTALS (Gross) - Disability - Active Lives	754,970		754,970		
0599999 - TOTALS (Net) - Disability - Active Lives	754,970		754,970		
(Gross) - Disability - Disabled Lives					
1952 SOA 3%	10,603		10,603		
1985 CIDC 3%	519,059		519,059		
0699997 - TOTALS (Gross) - Disability - Disabled Lives	529,662		529,662		
0699999 - TOTALS (Net) - Disability - Disabled Lives	529,662		529,662		
9999999 - TOTALS (Net) - Page 3, Line 1	76,488,740		76,482,995	5,745	

EXHIBIT 5 - INTERROGATORIES

1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes ( ) No (X)

1.2 If not, state which kind is issued.

. . . .

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.

. . . .

3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes (X) No ( )
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes ( ) No (X)
If so, state:

4.1 Amount of insurance? $ . . . .

4.2 Amount of reserve? $ . . . .

4.3 Basis of reserve:

. . . .

4.4 Basis of regular assessments:

. . . .

4.5 Basis of special assessments:

. . . .

4.6 Assessments collected during the year: $ . . . .

5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.

. . . .

6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes ( ) No (X)

6.1 If so, state the amount of reserve on such contracts on the basis actually held: $ . . . .

6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: $ . . . .

Attach statement of methods employed in their valuation.

7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes ( ) No (X)

7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: $ . . . .

7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount.

. . . .

7.3 State the amount of reserves established for this business: $ . . . .

7.4 Identify where the reserves are reported in the blank.

. . . .

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 any account value associated with 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	Valuation Basis		4
Description of Valuation Class	2 Changed From	3 Changed To	Increase in Actuarial Reserve Due to Change

NONE

EXHIBIT 6 - AGGREGATES RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	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	34,906	32,892	2,014						
2. Additional contract reserves (a)	10,739,546					10,739,546			
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)	10,774,452	32,892	2,014			10,739,546			
8. Reinsurance ceded	150,491					150,491			
9. Totals (Net)	10,623,961	32,892	2,014			10,589,055			
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	7,491,912	7,233,735	2,139			256,038			
11. Additional actuarial reserves - Asset/Liability analysis									
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. Totals (Gross)	7,491,912	7,233,735	2,139			256,038			
15. Reinsurance ceded	6,188,866	6,042,352				146,514			
16. Totals (Net)	1,303,046	1,191,383	2,139			109,524			
17. TOTAL (Net)	11,927,007	1,224,275	4,153			10,698,579			
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.

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	459,458			459,458		
2. Deposits received during the year	245,043			245,043		
3. Investment earnings credited to the account						
4. Other net change in reserves						
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	76,776			76,776		
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of current year before reinsurance (Lines 1 plus 2 plus 3 plus 4 minus 5 minus 6 minus 7 minus 8)	627,725			627,725		
10. Reinsurance balance at the beginning of the year						
11. Net change in reinsurance assumed						
12. Net change in reinsurance ceded						
13. Reinsurance balance at the end of the year (Line 10 plus Line 11 minus Line 12)						
14. Net balance at the end of current year after reinsurance (Line 9 plus Line 13)	627,725			627,725		

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	4,146,212		545,211			954	51,644		2,535,979	1,136	1,011,288
1.2 Reinsurance assumed	1,986,356						451,439		1,534,917		
1.3 Reinsurance ceded	1,846,957								1,728,173		118,784
1.4 Net	4,285,611		545,211			954	503,083		2,342,723	1,136	892,504
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											
2.22 Reinsurance assumed											
2.23 Reinsurance ceded											
2.24 Net			(b)	(b)		(b)	(b)		(b)	(b)	(b)
3. Incurred but unreported:											
3.1 Direct	3,284,664		218,154			23,555	266,591		507,109	42,949	2,226,306
3.2 Reinsurance assumed	1,961,643						302,436		1,659,207		
3.3 Reinsurance ceded	232,776		10,042				56,742		42,500		123,492
3.4 Net	5,013,531		(b) 208,112	(b)		(b) 23,555	(b) 512,285		(b) 2,123,816	(b) 42,949	(b) 2,102,814
4. TOTALS 4.1 Direct	7,430,876		763,365			24,509	318,235		3,043,088	44,085	3,237,594
4.2 Reinsurance assumed	3,947,999						753,875		3,194,124		
4.3 Reinsurance ceded	2,079,733		10,042				56,742		1,770,673		242,276
4.4 Net	9,299,142	(a)	(a) 753,323			24,509	(a) 1,015,368		4,466,539	44,085	2,995,318

(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	2	Ordinary			6	Group		Accident and Health		
	Total	Industrial Life (a)	3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	19,111,774		6,079,605	155,435		278,125	1,324,056		2,940,414	27,543	8,306,596
1.2 Reinsurance assumed											
1.3 Reinsurance ceded	7,413,410		995,409				234,500		1,099,470		5,084,031
1.4 Net	(d) 11,698,364		5,084,196	155,435		278,125	1,089,556		1,840,944	27,543	3,222,565
2. Liability December 31, current year from Part 1:											
2.1 Direct	7,430,876		763,365			24,509	318,235		3,043,088	44,085	3,237,594
2.2 Reinsurance assumed	3,947,999						753,875		3,194,124		
2.3 Reinsurance ceded	2,079,733		10,042				56,742		1,770,673		242,276
2.4 Net	9,299,142		753,323			24,509	1,015,368		4,466,539	44,085	2,995,318
3. Amounts recoverable from reinsurers December 31, current year	580,063		32,644				46,000		200,458		300,961
4. Liability December 31, prior year:											
4.1 Direct	11,149,604		1,243,498			44,117	467,582		4,306,323	104,470	4,983,614
4.2 Reinsurance assumed	3,947,999						753,875		3,194,124		
4.3 Reinsurance ceded	3,242,364		27,906				48,176		2,149,021		1,017,261
4.4 Net	11,855,239		1,215,592			44,117	1,173,281		5,351,426	104,470	3,966,353
5. Amounts recoverable from reinsurers December 31, prior year	790,777		15,386				25,000		202,457		547,934
6. Incurred Benefits:											
6.1 Direct	15,393,046		5,599,472	155,435		258,517	1,174,709		1,677,179	(32,842)	6,560,576
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	6,040,065		994,803				264,066		719,123		4,062,073
6.4 Net	9,352,981		4,604,669	155,435		258,517	910,643		958,056	(32,842)	2,498,503

(a) 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.

(b) 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.

(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 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans	40,070	21,537	(18,533)
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)	40,070	21,537	(18,533)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued	1,081	3,407	2,326
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	4,485,105	4,517,887	32,782
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	3,788	3,788	
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	52,257	52,257	
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	80,424	67,126	(13,298)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates		6,602	6,602
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	765,299	677,193	(88,106)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	5,428,024	5,349,797	(78,227)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	5,428,024	5,349,797	(78,227)
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. Prepaid Expenses - Miscellaneous	106,142	86,884	(19,258)
2502. Accounts Receivable - Miscellaneous	637,407	568,559	(68,848)
2503. Deferred Expenses Miscellaneous	21,750	21,750	
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)	765,299	677,193	(88,106)

1. Summary of Significant Accounting Policies

A. Accounting Practices, impact of NAIC /State differences

Multinational Life Insurance Company (the "Company"), previously known as National Life Insurance Company ("NALIC"), was incorporated in 1969 under the provisions of the Insurance Code of the Commonwealth of Puerto Rico (the "Insurance Code") and is subject to regulations issued by the Office of the Commissioner of Insurance of Puerto Rico (the "Commissioner") and the National Association of Insurance Commissioners (the "NAIC"). The Company's operations consist principally of underwriting individual and group life and credit life insurance, individual annuities and accident and health insurance contracts. Substantially all of the business is conducted in Puerto Rico, which exposes the Company to geographic risk.

B. Basis of Presentation

The accompanying statutory-basis statement of admitted assets, liabilities, and capital and surplus has been prepared in conformity with accounting practices prescribed or permitted by the Commissioner (hereinafter, "PR SAP"), which vary in certain respects from accounting principles generally accepted in the United States of America (GAAP). Prescribed statutory accounting practices include NAIC's statutory accounting practices (NAIC SAP) that do not conflict with the Insurance Code and administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed. Accounting practices prescribed or permitted by the Commissioner vary from GAAP followed by business enterprises in general in determining an insurance company's financial position in the following significant respects:

I. Certain assets, designated as non-admitted assets, have been excluded from the statutory-basis statement of admitted assets, liabilities, and capital and surplus by a charge directly to unassigned surplus (deficit). Under GAAP, such amounts are recorded as assets.

II. A reserve is made for overdue reinsurance recoverable balances from authorized reinsurers and for reinsurance recoverable from carriers not authorized by the Commissioner. The change in this reserve is charged or credited to unassigned surplus (deficit). Under GAAP, such reserve is not recorded unless it is estimated that the reinsurer will be unable to honor its obligations.

III. Liabilities are recorded net of the effect of reinsurance. Under GAAP, reinsurance recoverable on aggregate reserves, policy and contract claims, and prepaid reinsurance premiums are recorded as assets.

IV. The practice of keeping an asset valuation reserve (AVR) as a liability designed to absorb unrealized gains and losses arising from fluctuations in the market value of investments and an interest maintenance reserve (IMR) where realized gains and losses attributable to interest rate fluctuations are deferred and amortized to income over the stated maturity of the disposed investment. Under GAAP, neither an AVR nor an IMR is required.

V. Under PR SAP, debt securities are generally carried at amortized cost or at the lower of amortized cost or fair value depending on the NAIC rating, whereas under GAAP, they are carried at either amortized cost or fair value based on their classification according to the Company's ability and intent to hold or trade the securities.

VI. Under SAP, surplus notes are treated as part of capital and surplus; however, under GAAP such notes are classified as liabilities of the Company.

As of December 31, 2014, the Company's capital and surplus as reported in the accompanying statutory-basis statement of admitted assets, liabilities, and capital and surplus differed from NAIC SAP as follows:

Statutory Surplus - PR SAP	$ 13,816,486
State Permitted Practice - Real Estate Market Value Adjustment	(801,903)
Statutory Surplus - NAIC SAP	$ 13,014,583

The Commissioner, on notices dated July 11, 2012 and November 27, 2012, permitted the Company to capitalize a $2.4 million value adjustment as determined by the Commissioner for one of its buildings located in San Juan, Puerto Rico for 2013 and 2012. On June 3, 2013, the Company received a new notice from the Commissioner in which the authorization for the market value adjustment for the year 2013 was retired and left without effect. On June 10, 2013, the Company formally requested the Commissioner a meeting to discuss this mater. On a letter dated March 25, 2014 the Commissioner granted a three years phase out period commencing in December 31, 2013, to eliminate the previously granted permitted practice on real estate. As a result, an adjustment in the amount of $802,000 was recorded in 2013 and another $802,000 in 2014 to reduce related real estate value to $10,820,000. Accordingly, remaining market value adjustment for the real estate appreciation at 2014 year end, resulted in $802,000 and will be amortized completely in December 31, 2015.

A reconciliation of the Company's net income and capital and surplus, between NAIC SAP and practices prescribed and permitted by the Commonwealth of Puerto Rico is shown below:

	2014	2013
Net Income – Puerto Rico Basis	$1,340,931	$3,546,822
State Prescribed Practices – None	-	-
State Permitted Practices – None	-	-
Net Income – NAIC SAP	$1,340,931	$3,546,822
Statutory Surplus – Puerto Rico Basis	$13,816,486	$13,553,472
State Prescribed Practice – None	-	-
State Permitted Practice – Real Estate booked at Market Value	(801,903)	(1,603,806)
Statutory Surplus – NAIC SAP	$13,014,583	$11,949,666

The most significant accounting practices followed by the Company are the following:

Use of Estimates — The preparation of the statement of admitted assets, liabilities, and capital and surplus in conformity with statutory accounting practices 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 statement of admitted assets, liabilities, and capital and surplus. Actual results could differ from those estimates.

Non-admitted Assets — Certain assets designated as "non-admitted" have been excluded from the statutory statement of admitted assets, liabilities, capital and surplus by a charge to surplus.

Cash and Cash Equivalents — Cash consists of cash on hand and on deposit. Cash equivalents consist of U.S. Treasury bills and money market investments with maturities of one year or less when purchased. There is no cash equivalent as of December 31, 2014 and December 2013, respectively.

Invested Assets — Debt and equity securities are valued in accordance with rules promulgated by the NAIC. Debt securities eligible for amortization under such rules (including mortgage-backed securities) are stated at amortized cost, net of unamortized premiums and discounts.

Loan-backed securities are subject to prepayment and extension risk. The retrospective method is used to value all loan-backed securities, except for interest only securities, Statements of Statutory Accounting Principles (SSAP) No. 43R, *Loan-backed and Structured Securities* eligible securities or securities where the yield has become negative, which are valued using the prospective method. The Company had no negative yield securities requiring a change from the retrospective to prospective method as of December 31, 2014 and December 31, 2013 respectively.

Prepayment assumptions for mortgage-backed securities incorporated in the calculation of their amortized cost are generated using a prepayment model acquired from a vendor. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and the term and age of the underlying collateral (burnout, seasoning). The fair value of loan-backed securities was obtained from various independent security dealers.

Publicly traded equity securities (common stock) are stated at quoted market prices. Unrealized gains or losses are presented as a direct credit or charge to surplus. Redeemable preferred stocks in good standing are carried at amortized cost.

Declines in the fair value of invested assets below cost are evaluated for other-than-temporary impairment (OTTI) losses on a quarterly basis. Impairment losses for declines in fair value of debt and equity securities below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate in accordance with NAIC SAP and related guidance. For debt securities other than loan-backed securities and structured securities with unrealized losses due to market conditions or industry-related events where the Company has the positive intent and ability to hold the investment for a period of time sufficient to allow a market recovery or to maturity, declines in fair value below cost are assumed to be temporary.

When a bond (other than loan-backed securities and structured securities), preferred stock, or common stock is deemed to be other-than-temporarily impaired, the difference between the investments' amortized cost and its fair value is recognized as a net realized capital loss and reported in net income. The new cost basis of an impaired security is not adjusted for subsequent increases in fair value. In periods subsequent to the recognition of an OTTI, the impaired bond is accounted for as if it had been purchased on the measurement date of the impairment.

Mortgage loans are stated at their outstanding principal balance up to limitations required by the Commissioner. Policy loans are carried at their aggregate unpaid balance, including accumulated interest, not exceeding their cash surrender values or policy benefit reserves.

Real Estate — Real estate investments represent properties occupied by the Company or held for the production of income, and is presented at cost, net of accumulated depreciation or as adjusted by the market value adjustment under permitted practice by the Commissioner. The useful life of real estate was estimated at approximately 40 years. Depreciation expense as of December 31, 2014 and 2013 amounted approximately $153,293 and $153,000 respectively.

Policy and Contract Claims — Unpaid claims consist of the liability for reported claims and an estimate for claims incurred but not reported based on past experience. While management believes that the provisions for unpaid claims and claim adjustment expenses are adequate, amounts ultimately paid may differ.

The reserves for life policies are stated after deduction of reserves and claims applicable to reinsurance ceded to other companies. The Company, however, is liable for these amounts in the event that the reinsurers are unable to pay their portion of the claims.

Future Policy Benefits — Most of the policies in force are under the 1958, 1980 and 2001 CSO mortality tables, with interest assumptions ranging from 2 1/2% to 4 3/4%. Approximately 92% of the reserves are calculated on a modified reserve basis and 8% on a net level reserve basis. The effect of the use of a modified reserve basis is to partially offset the effect of immediately expensing acquisition costs by providing a policy reserve increase in the first policy year that is less than the reserve increase in renewal years. These computation methods are in accordance with commonly accepted actuarial standards and principles, and are in accordance with the requirements of the Insurance Code. The reserve balance relating to individual annuities and deposit–type contracts is determined by contributions plus accrued interest based on contractual provisions less applicable penalties for early retirement or surrender charges. Reserves relating to group policies are determined at an amount equal to unearned premiums.

Asset Valuation Reserve and Interest Maintenance Reserve — An asset valuation reserve is maintained as prescribed by NAIC for the purpose of stabilizing the surplus of the Company against fluctuations in the market value of bonds and stocks held as investments. The asset valuation reserve applies reserve factors to all invested asset categories except cash, policy loans, premium notes, collateral loans, and investment income due and accrued to provide for the inherent credit risk embedded in such invested asset categories.

The interest maintenance reserve captures the realized capital gains and losses on sale of bonds and notes, net of related capital gain taxes for all types of fixed income investments that result from changes in the overall level of interest rates and amortizes these gains or losses into income over the estimated remaining life of the investment sold.

Reinsurance — Amounts recoverable from reinsurance are estimated in a manner consistent with the claim liability associated with the reinsured policy.

EDP Equipment — Electronic data processing (EDP) equipment and software is presented at cost net of accumulated depreciation up to a maximum of 3% of admitted assets. Depreciation is provided on the straight-line method over the estimated useful life of the equipment. Significant additions are capitalized. Depreciation expense as of December 31, 2014 and 2013 amounted approximately $322,591 and $392,000, respectively.

Equipment, Furniture and Fixtures — Equipment, furniture and fixtures are classified as non-admitted assets. Depreciation is provided under the straight-line method over the estimated useful life of the assets. Depreciation expense related to equipment, and furniture as of December 31, 2014 and 2013 amounted to approximately $1,741 and $17,000, respectively

Income Taxes — SSAP No. 10R, *Income Taxes-Revised, A Temporary Replacement of SSAP No. 10* ("SSAP 10R"), modifies two components of the admission calculation that may be utilized by certain reporting entities subject RBC requirements that meet certain RBC thresholds: a) an up to three year reversal period for temporary differences instead of one year and b) 15 percent capital and surplus limit instead of 10 percent. Gross DTA are also subject to reduction by a valuation allowance if it is more likely than not that some portion or all of the gross DTA will not be realized.

Fair Value — The Company categorizes financial assets and liabilities carried at fair value into a three-level hierarchy, based on the significant input with the lowest level in its valuation. The input levels are as follows:

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities. The Company defines active markets based on average trading volume for stocks. The size of the bid/ask spread is used as indicator of market activity for bonds.

Level 2 — Quoted prices in markets that are not active or inputs that are observable either directly or indirectly. These inputs can include quoted prices for similar assets or liabilities other than quoted prices in Level 1; quoted prices in markets that are not active; or other significant inputs that are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Recent Accounting Developments

In August 2012 the NAIC issued SSAP No. 104, *Shared Based Payments.* This statement provides accounting principles for transactions in which an entity exchanges its equity instruments to employees in share-based payment transactions. This statement supersedes SSAP No. 13 and is effective for periods beginning after January 1, 2013. The issuance of this SSAP did not have an effect on the Company's statutory basis financial statements.

In March 2012, the NAIC issued SSAP No. 103, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities.* This statement establishes statutory accounting principles for transfers and servicing of financial assets, including asset and extinguishment of liabilities. This statement supersedes SSAP No. 91R and is effective for periods beginning after January 1, 2013. The issuance of

In March 2012, the NAIC issued SSAP No. 102, *Accounting for Pensions – A replacement of SSAP No. 89.* This statement establishes statutory accounting principles and related reporting for employers' pension obligations. This statement supersedes SSAP No. 89 and is effective for periods beginning after January 1, 2013, with early adoption permitted. The issuance of this SSAP did not have an effect on the Company's statutory financial statements.

In March 2012, the NAIC issued SSAP No. 92, *Accounting for Postretirement Benefits Other than Pensions – A replacement of SSAP No.14.* This statement establishes the statutory accounting principles and related reporting for employers' postretirement plans other than pensions. This statement supersedes SSAP No. 14 and is effective for periods beginning after January 1, 2013, with early adoption permitted. The issuance of this SSAP did not have an effect on the Company's statutory-basis financial statements.

Net realized gains and losses on the sale of investments are determined on the specific identification method and recorded in accordance with interest maintenance reserve provisions. Investment transactions are recorded on the trade date.

Revenue Recognition- Premiums are recognized as income when due from policyholders under the terms of the insurance contract.

Reinsurance Ceded and Assumed

The Company reinsures certain risks assumed in the normal course of business. Reinsurance arrangements are used to limit maximum loss, provide greater diversification of risk, minimize exposure on larger risks, and to meet certain regulatory ratios. The Company cedes all risks in excess of $250,000 on individual life insurance and $75,000 for Group Life insurance. For accident and health, the Company cedes 85% of the risk for all Long-Term Disability (LTD) policies. Presently, the Company is doing business with six reinsurance companies, one of which reinsures exclusively LTD. For the cancer business, the Company ceded 60% of the risk during 2013 and 2012.

Premiums and commissions related to insurance ceded are accounted for as a reduction of premiums written and acquisition and commission costs, respectively. Reinsurance recoveries are recorded as a reduction of life and accident and health benefits incurred.

Since 2008, the Company is one of the participants of various pools of reinsurance managed and administered by a Third Party Administrator ("TPA"), which is an entity that specializes in the management and administration of life and health insurance business. As result, through an underwriting management agreement with the TPA, the Company assumes group life and health and accident premiums as part of a pool of reinsurers. The management of these pools of reinsurance works through a "Working Fund Withheld" account, in which during the first two years of each pool all the premiums received and claims paid are deposited/withdrawn in/from the account. The contract establishes that after two years, each pool is individually analyzed in terms of reserve and funds available to pay claims and based on this analysis Redbridge should make a distribution of earnings or request a cash payment from the pool participants.

Upon the change in control of the Company in November 2011, new management performed an audit of this business which led to disagreements with the TPA. As of the date of the filing of the quarterly and annual reports for the year 2013, the TPA had not sent the financial information needed to account for this assumed block of business. On September and October some information was received, but is was until March 25, 2014 that the financial information for the whole year 2013 was received from the TPA. Such information reflected inconsistencies such as no change in reserves, although material claims paid, among other things. Accordingly, as part of the interim audit procedures for the Company statutory financial statements for the year 2013, we requested the access for the external independent auditors to the financial information submitted by the TPA and the documentation supporting the transactions reflected in the information received from them. Our auditors informed us that additional information on reserves, premiums, claims and expenses were provided to them, which differed from the information reported by the TPA to us previously, also other information requested to the TPA by the auditors was not provided at all. As a result, the 2013 year-end financial information presented in the audited statutory financial statements and in the annual statement filed does not reflect the impact of this block of business on the Company's financial condition and result of operations.

Furthermore, it was not until November 13, 2014 that financial data for the third quarter of 2014 was received. It contains information that remains inconsistent with information previously provided to us. No financial data was receive for the fourth quarter of 2014 for this block of business.

As a result of the situation mentioned above the Company has been unable to record the transactions related to this block of business during the years 2014 and 2013, since there were several significant incongruence with the information provided to the Company and their external auditors by the TPA in charge of these reinsurance pools.

In addition, the Company entered into legal and arbitration proceedings with the TPA through the American Arbitration Association. The outcome of that claim, as where previously expected, was an agreement executed on November 11, 2014, by which among other things the TPA has agreed to provide the information needed to account for corresponding block of business. As of the date of the submission of this Annual Statement the information has not been received and accordingly its impact on financial information included in this Annual Statement is not reflected.

Regulatory Matters

The Commissioner, on notices dated July 11, 2012 and November 27, 2012, permitted the Company to capitalize a $2.4 million value adjustment as determined by the Commissioner for one of its buildings located in San Juan, Puerto Rico for 2013 and 2012. On June 3, 2013, the Company received a new notice from the Commissioner in which the authorization for the market value adjustment for the year 2013 was retired and left without effect. On June 10, 2013, the Company formally requested the Commissioner a meeting to discuss this mater. On a letter dated March 25, 2014 the Commissioner granted a three years phase out period commencing in December 31, 2013, to eliminate the previously granted permitted practice on real estate. As a result, an adjustment in the amount of $802,000 was recorded in 2013 and another $802,000 in 2014 to reduce related real estate value to $10,820,000. Accordingly, remaining market value adjustment for the real estate appreciation at 2014 year end, resulted in $802,000 and will be amortized completely in December 31, 2015.

2. Accounting Changes and Corrections of Errors

Not applicable

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, Including mezzanine real estate loans

1. The maximum and minimum lending rates for mortgage loans during 2014 and 2013 were 6% for Real Estate loans

2. During 2014 the company reduced interest rates of outstanding loans as follows - NONE

3. The maximum percentage of any one to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was 80%

4. At the end of the year the company held mortgage with interest mere than 180 days past due with a recorded investment, excluding accrued interest – NONE

5. Taxes, assessments and any amounts advanced and not included in the mortgage loan total – NONE

6. Current year impaired loans with a related allowance for credit losses – NONE

7. Impaired Mortgage loans without an allowance for credit losses – NONE
8. Average recorded investment in impaired loans – NONE

9. Interest income recognized during the period the loans were impaired – NONE

10. Amount of interest income recognized on a cash basis during the period the loan were impaired – NONE

11. Allowances for credit losses – NONE

12. There is not impaired loan as of December 31, 2014 and December 31, 2013.

B. Troubled debt restructuring for creditors - None

C. Reverse mortgage - None

D. Loan-backed securities

1. Loan backed securities are subject to prepayment and extension risk. The retrospective method is used to value all loan-backed securities, except for interest only securities, SSAP No. 43R, *Loan-backed and Structured Securities* eligible securities or securities where the yield has become negative, which are valued using the prospective method. As of December 31, 2014 and 2013, the Company had no negative yield securities requiring a change from the retrospective to prospective method. Prepayment assumptions for mortgage-backed securities incorporated in the calculation of their amortized cost are generated using a prepayment model acquired from a vendor. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and the term and age of the underlying collateral (burnout, seasoning). The market value of loan-backed securities was obtained from various independent security dealers. Investment income due and accrued over 90 days past due is recognized as non-admitted and excluded from surplus.

2. No OTTI was recognized during years 2014and 2013, respectively.

On February, June, July and September 2014, the investments rating agencies Moody's, Standard and Poor's and Fitch downgraded the general obligations bonds of the Commonwealth of Puerto Rico and some other instrumentalities. As of December 31, 2014 Multinational Life Insurance Company ("the Company") possessed investments in Puerto Rico (P.R.) obligations and other instrumentalities recorded at amortized cost in the amount of $8.1 million, with a market value of $4.7 million . Such investments represented 8.0% of the Company's investment portfolio.

The Statement of Statutory Accounting Principle Number 26 ("SSAP No. 26") establishes that bonds shall be valued and reported in accordance with this statement, the *Purposes and Procedures Manual of the National Association of Insurance Commissioner ("NAIC") Securities Valuation Office ("SVO"),* and the designation assigned in the NAIC *Valuations of Securities* product prepared by the *SVO.* **For reporting entities that maintain an Asset Valuation Reserve ("AVR"), the bonds shall be reported as amortized cost, except those with a NAIC designation of 6, which shall be reported at the lower of amortized cost or fair value**. For reporting entities that do not maintain an AVR, bonds that are designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) shall be reported at amortized cost; with all other bonds (NAIC designations 3 to 6) reported at the lower of amortized cost or fair value.

Multinational Life Insurance Company maintains an Asset Valuation Reserve in the amount of $1.5 million as of December 31, 2014, and all bonds including Puerto Rico Obligations presented in the accompanying financial statements were classified by the SVO with a classification of 2, 3, 4 and 5, and reported at amortized cost accordingly. None of the Company's investments in PR were downgraded to designation 6 by the SVO.

Other than Temporary Impairment Assessment

The SSAP No. 26 also requires an assessment in order to determine if there is a probability that a deficiency resulting by the difference between the carrying value of a debt security and its fair value is "other than temporary" ("OTTI)". A decline in value is other than temporary if it is probable that the reporting entity will be unable to collect all amounts due according to the contractual terms of a debt security in effect at the date of the acquisition. The SSAP establishes that a decline in fair value which is other than temporary includes situations where a reporting entity has made a decision to sell a security prior to its maturity at an amount below its carrying value. If it is determined that the decline in fair value is other than temporary, an impairment loss should be recognized for the entire difference between the bond's carrying value and its fair value at the balance sheet date of the reporting period for which the assessment is made.

In addition, the Article 6.03 of the Puerto Rico Insurance Code (the "Code") establishes that in those cases in which an investment becomes ineligible at a date subsequent to its acquisition as a result of a downgrade to the "low investment grade category", the insurer will have a year after such downgrade to dispose of corresponding investment. The Code defines as low investment grade category debt securities classified 4, 5, or 6 by the SVO, or BB to R by Standard and Poor's Rating Group. On March 30, 2014 the Puerto Rico Legislature, approved "P. de S. 968", which amended aforementioned Article 6.03, which extends the one year term mentioned above to three years and, upon request of the insurer, granting authority to the Puerto Rico Insurance Commissioner to waive the disposal requirement of a downgraded debt security, if it is contrary to the bests interest of the policyholders, debt holders, or public interest.

As mentioned above, as a result of the downgrading of Puerto Rico obligations, investments in our portfolio with amortized cost of $8.1 million and a $4.7 million fair value as of December 31, 2014, were downgraded to designation 3, 4 and 5 by the NAIC Securities Valuation Office. Nevertheless, it is our understanding that the decline in value of those investments is temporary and that the Company has the ability and intent to hold those securities until they recover or its maturity. We recognize that Puerto Rico's economy has been stuck for several years, but it is our opinion that on the positive front recent reforms as well as newly enacted taxes should help relief the government's debt servicing burdens and provide some breathing room to policy makers. In addition, it is important to point out that our Constitution provides for bondholders protection, since in any event they have priority on the recovery of their investment. Accordingly, we understand that the unrealized losses reflected on the Puerto Rico government obligations does not constitute impairment other than temporary.

E. Repurchase agreement and/or Securities Lending transactions - None

F. Real Estate - None

G. The company has no investment in low Income Housing tax credits.

H. Restricted Assets - None

Investments in bonds are stated at cost adjusted for amortization of premiums and accrual of discounts. Investments in common stock are reported at market value.

The Company has $1,300,000 deposited with the Commissioner of Insurance of the Commonwealth of Puerto Rico in trust for the protection of the Company's policyholders and creditors, as required by respective insurance codes.

6. Joint Ventures, Partnerships and Limited Companies

B. Not applicable.

7. Investment Income

A. Investment income due and accrued over 90 days past due is recognized as non-admitted and excluded from surplus. As of December 31, 2014 investment income due and accrued for $1,081 was recognized as non-admitted.

8. Derivative Instruments

A. The Company does not have derivative instruments.

9. Income Taxes

The Puerto Rico Internal Revenue Code ("Tax Code") provides that domestic life insurance companies are subject to corporate income tax of 15% solely on realized gains from the sale of investment and property. In addition, domestic life insurance companies are subject to an alternative minimum tax ("AMT").

On July 10, 2009 the Governor of the Commonwealth of Puerto Rico signed into law Puerto Rico's Act No. 37, which requires certain corporations to pay a 5% additional special tax over the tax obligation. The effective tax rate includes the additional special tax, as enacted.

On January 31, 2011, a new Puerto Rico Income Tax Code (the "2011 Tax Code") was enacted. Among other changes, the 2011 Tax Code reduces the alternative minimum tax rate from 22% to 20%, and repealed the temporary surtax of 5% that was applicable to the Company's 2012 tax year. These changes are effective for periods commencing after December 31, 2010.

On June 30, 2013, the Governor of the Commonwealth of Puerto Rico signed into law Puerto Rico's Act No. 40 known as Tax burden Adjustment and Redistribution Act ("Act 40") which introduces substantial changes to the 2011 tax reform. Among the changes introduced by this act was the increase of AMT tax rate from 20% to 30% and the introduction, as part of the AMT calculation, of an additional tax based on gross income as such term is specifically defined for life insurance companies in the Code. The law established a tax to the insurance companies of 1% on net premiums earned after June 30, 2013. The Office of the Commissioner of Insurance of PR issued Normative Letter CN-2014-170-AF providing guidance for this special tax calculation pursuant to section 7.022 of the Insurance Code. As of December 31, 2014 the amount accrued was $281,051, and for the year ended December 31, 2013 was $124,775.

Also the new tax legislation requires the companies to calculate a Sales Tax (known as “Patente Nacional”) of .5% of net income effective January 1, 2013. Because of the income tax exemption granted to life insurance companies this law only imposes to the Company the 0.5% obligation to alternative minimum tax and capital gains. There was no tax accrued for the year ended December 31, 2014 was and for the year ended December 31, 2013 it amounted to
$145.

Temporary differences are identified and measured using a “balance sheet” approach whereby statutory and tax balance sheets are compared. Deferred income taxes reflect the tax effects of: (a) temporary differences

NOTES TO FINANCIAL STATEMENTS

between carrying amounts of assets and liabilities for both statutory reporting and income tax purposes and (b) Capital losses and tax credit carry forwards.

A. The components of the net deferred tax assets/ (liability) at December 31 are as follows:

1.

		12/31/2014			12/31/2013			Change		
		(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a)	Gross Deferred Tax Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b)	Statutory Valuation Allowance Adjustments $	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(c)	Adjusted Gross Deferred Tax Assets (1a- 1b)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(d)	Deferred Tax Assets Nonadmitted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(f)	Deferred Tax Liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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2.

	12/31/2014			12/31/2013			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

3.

	2014	2013
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	$ -	$ -
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	$ -	$ -

	12/31/2014		12/31/2013		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Total
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.						
1. Adjusted Gross DTAs Amount From Note 9A1 (c)	-	-	-	-	-	-
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	-	-	-	-	-	-
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	-	-	-	-	-	-
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	-	-	-	-	-	-

(b) Does the Company's tax planning strategies include the use of reinsurance? Yes ______ No X

NOTES TO FINANCIAL STATEMENTS

	(1) 12/31/2014	(2) 12/31/2013	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$ -	$ -	$ -
(b) Foreign	$ -	$ -	$ -
(c) Subtotal	$ -	$ -	$ -
(d) Federal income tax on net capital gains	$ -	$ -	$ -
(e) Utilization of capital loss carry-forwards	$ -	$ -	$ -
(f) Other	$ -	$ -	$ -
(g) Federal and foreign income taxes incurred	$ -	$ -	$ -
	$ -	$ -	$ -
2.. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ -	$ -	$ -
(2) Unearned premium reserve	$ -	$ -	$ -
(3) Policyholder reserves	$ -	$ -	$ -
(4) Investments	$ -	$ -	$ -
(5) Deferred acquisition costs	$ -	$ -	$ -
(6) Policyholder dividends accrual	$ -	$ -	$ -
(7) Fixed assets	$ -	$ -	$ -
(8) Compensation and benefits accrual	$ -	$ -	$ -
(9) Pension accrual	$ -	$ -	$ -
(10) Receivables – nonadmitted	$ -	$ -	$ -
(11) Net operating loss carry-forward	$ -	$ -	$ -
(12) Tax credit carry-forward	$ -	$ -	$ -
(13) Other (including items <5% of total ordinary tax assets)	$ -	$ -	$ -
(99) Subtotal	$ -	$ -	$ -
(b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(c) Nonadmitted	$ -	$ -	$ -
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	$ -	$ -	$ -
(e) Capital:			
(1) Investments	$ -	$ -	$ -
(2) Net capital loss carry-forward	$ -	$ -	$ -
(3) Real estate	$ -	$ -	$ -
(4) Other (including items <5% of total capital tax assets)	$ -	$ -	$ -
(99) Subtotal	$ -	$ -	$ -
(f) Statutory valuation allowance adjustment	$ -	$ -	$ -
(g) Nonadmitted	$ -	$ -	$ -
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	$ -	$ -	$ -
(i) Admitted deferred tax assets (2d + 2h)	$ -	$ -	$ -
3. Deferred Tax Liabilities:	$ -	$ -	$ -
(a) Ordinary			
(1) Investments	$ -	$ -	$ -
(2) Fixed assets	$ -	$ -	$ -
(3) Deferred and uncollected premium	$ -	$ -	$ -
(4) Policyholder reserves	$ -	$ -	$ -
(5) Other (including items <5% of total ordinary tax liabilities)	$ -	$ -	$ -
(99) Subtotal	$ -	$ -	$ -
(b) Capital:			
(1) Investments	$ -	$ -	$ -
(2) Real estate	$ -	$ -	$ -
(3) Other (including items <5% of total capital tax liabilities)	$ -	$ -	$ -
(99) Subtotal	$ -	$ -	$ -
(c) Deferred tax liabilities (3a99 + 3b99)		-	
4. Net deferred tax assets/liabilities (2i – 3c)	$ -	$ -	$ -

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

A. Related Party Transactions

The Company leases office space from Multinational Insurance Company under an operating lease agreement. This agreement expired on December 31, 2013 and was renewed for a period of five years. As of December 31, 2014 and the year 2013, a total amount of $$540,000, respectively was recorded as rental expense.

In addition, the Company shares certain expenses with Multinational Insurance Company such as salaries, professional services, occupancy expenses, information technology, and other expenses, which are incurred for the benefit of both companies. As of December 31, 2014, these charges were as follows:

Amount billed from Multinational Insurance Company	$1,441,564
Amount billed to Multinational Insurance Company	1,284,777
Other expenses net balance	$ 156,787

As of December 31, 2014, amount due to Multinational Insurance Company was $56,498 and the amount due from Multinational Insurance Company was $0. Amounts due from/to Multinational Insurance Company do not bear interest and are due on demand.

11. Debt

On March 30, 2005, the Company issued $5.0 million in surplus notes to develop surplus funds for statutory purposes in exchange of cash. The underwriter of these notes was Dekania Capital Management LLC and the actual trustee is Banco Popular de PR. These notes have been reported as surplus since these are subordinated to policyholders, claimant and beneficiary claims and to all other classes of creditors other than the surplus notes holders. The Commissioner approved the surplus notes as to form and content on March 25, 2005. Although the notes provide a stated interest rate (at three-month London Interbank Offered Rate plus 3.7% with a cap of 12.5%), the Company is required to request permission to the Commissioner prior to repaying such surplus notes as well as paying interest on them. Accordingly, interest is not recorded as a liability or as an expense until approval for payment of such interest has been granted by the Commissioner.

As of December 31, 2014 and year 2013, the Company recorded interest expense on surplus notes issued to unrelated parties amounting to $199,505, and $201,699, respectively. Approval for such payments was received from the Office of the Commissioner of Insurance of Puerto Rico prior to disbursement.

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

A. Defined Benefit Plan ("the Plan")

As a former member of the National Financial Group, the Company's employees participate in the Carlos M. Benitez, Inc. Employees' Pension Plan (the "Plan"). The Plan is a qualified noncontributory defined benefit pension plan covering substantially all employees of the National Financial Group who have attained 21 years of age and completed 1,000 hours of service. The Plan was organized in 1969 under the laws of the Commonwealth of Puerto Rico and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Company is required to make annual contributions to the Plan, as determined by consulting actuaries that should be at least the minimum funding requirement of ERISA. Plan assets consist mainly of U.S. Government securities, bonds, stocks, cash and cash surrender values on life insurance policies. Separate data for the Company's employees are not available.

Effective December 31, 2004, the Plan was amended as follows: 1) Benefits accruals under the Plan shall be frozen as of December 31, 2004 and there will be no increase in the accrued benefit of any participant after that date; and 2) Employees of any of the companies which participate in the Plan who are employed after December 31, 2004 shall not be permitted to participate in the Plan. Notwithstanding, active participants of the Plan as of December 31, 2004 shall continue to accrue years of services of vesting service subsequent to December 31, 2004, for purposes of eligibility for benefits and vesting of accrued benefits under the Plan.

As a result of the change in ownership and based on a legal opinion obtained on this matter, the Company determined that the Plan is a single-employer plan that had three contributing sponsors, one of which was the Company. Accordingly, upon the Plan's termination or upon withdrawal of a substantial employer, the total unfunded liability of the Plan, determined under ERISA Section 4062, would be allocated among the contributing sponsors of the Plan using the allocation formulas provided under Sections 4063(b) and 4064(b) of ERISA. The Plan is covered by the Premium Benefit Guaranty Corporation (PBGC). The Company requested to the PBGC the termination of its participation in the Plan. During 2013 the Company recorded a $1.0 million adjustment to account for its share in the Plan's unfunded liability based on a computation provided by the PBGC. On May 13, 2013, MLIC notified the Trustees of it's withdrawal, effective as of June 1, 2013. On July 12, 2013, the Trustees notified PBGC of the withdrawal and requested that it determine MLIC's withdrawal liability under 29 U.S.C. § 1363(b). On October 8, 2013 the Trustees of the Plan provided noticed to MLIC of MLIC's withdrawal liability to the Plan in the amount of $2,648,277. Based on that, the Parties reached a settlement with respect to the withdrawal of MLIC, and the amount of $2,648,277 was paid on December 1, 2014. After MLIC has made the 2014 Contribution, neither PBGC nor the Trustees nor any Other Participant Employer may at any time make any further claim of liability against MLIC.

(1) Change in benefit obligation

a. Pension Benefits

	Overfunded 2014	Overfunded 2013	Underfunded 2014	Underfunded 2013
1. Benefit obligation at beginning of year	$ 17,487,946	$ 17,487,946	$ -	$ -
2. Service cost	$ -	$ -	$ -	$ -
3. Interest cost	$ -	$ -	$ -	$ -
4. Contribution by plan participants	$ -	$ -	$ -	$ -
5. Actuarial gain (loss)	$ -	$ -	$ -	$ -
6. Foreign currency exchange rate changes	$ -	$ -	$ -	$ -
7. Benefits paid	$ -	$ -	$ -	$ -
8. Plan amendments	$ -	$ -	$ -	$ -
9. Business combinations, divestitures, curtailments, settlements and special termination benefits.	$ (17,487,946)	$ -	$ -	$ -
10. Benefit obligation at end of year	$ -	$ 17,487,946	$ -	$ -

b. Postretirement Benefits

	Overfunded 2014	Overfunded 2013	Underfunded 2014	Underfunded 2013
1. Benefit obligation at beginning of year	$ -	$ -	$ -	$ -
2. Service cost	$ -	$ -	$ -	$ -
3. Interest cost	$ -	$ -	$ -	$ -
4. Contribution by plan participants	$ -	$ -	$ -	$ -
5. Actuarial gain (loss)	$ -	$ -	$ -	$ -
6. Foreign currency exchange rate changes	$ -	$ -	$ -	$ -
7. Benefits paid	$ -	$ -	$ -	$ -
8. Plan amendments	$ -	$ -	$ -	$ -
9. Business combinations, divestitures, curtailments, settlements and special termination benefits.	$ -	$ -	$ -	$ -
10. Benefit obligation at end of year	$ -	$ -	$ -	$ -

c. Postemployment & Compensated Absence Benefits

	Overfunded 2014	Overfunded 2013	Underfunded 2014	Underfunded 2013
1. Benefit obligation at beginning of year	$ -	$ -	$ -	$ -
2. Service cost	$ -	$ -	$ -	$ -
3. Interest cost	$ -	$ -	$ -	$ -
4. Contribution by plan participants	$ -	$ -	$ -	$ -
5. Actuarial gain (loss)	$ -	$ -	$ -	$ -
6. Foreign currency exchange rate changes	$ -	$ -	$ -	$ -
7. Benefits paid	$ -	$ -	$ -	$ -
8. Plan amendments	$ -	$ -	$ -	$ -
9. Business combinations, divestitures, curtailments, settlements and special termination benefits.	$ -	$ -	$ -	$ -
10. Benefit obligation at end of year	$ -	$ -	$ -	$ -

(2) Change in plan assets

		Pension Benefits 2014	Pension Benefits 2013	Postretirement Benefits 2014	Postretirement Benefits 2013	Postemployment 2014	Postemployment 2013
a.	Fair value of plan assets at beginning of year	$ 10,530,515.00	$ 10,530,515	$ -	$ -	$ -	$ -
b.	Actual return on plan assets	$ -	$ -	$ -	$ -	$ -	$ -
c.	Foreign currency exchange rate changes	$ -	$ -	$ -	$ -	$ -	$ -
d.	Reporting entity contribution	$ -	$ -	$ -	$ -	$ -	$ -
e.	Plan participants' contributions	$ -	$ -	$ -	$ -	$ -	$ -
f.	Benefits paid	$ -	$ -	$ -	$ -	$ -	$ -
g.	Business combinations, divestitures and settlements	$ (10,530,515)	$ -	$ -	$ -	$ -	$ -
h.	Fair value of plan assets at end of year	$ -	$ 10,530,515	$ -	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

(3) Funded status

	Pension Benefits		Postretirement Benefits	
	2014	2013	2014	2013
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$ -	$ -	$ -	$ -
2. Overfunded plan assets	$ -	$ -	$ -	$ -
3. Total assets (nonadmitted)	$ -	$ -	$ -	$ -
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	$ -	$ -	$ -	$ -
2. Liability for pension benefits	$ -	$ -	$ -	$ -
3. Total liabilities recognized	$ -	$ -	$ -	$ -
c. Unrecognized liabilities	$ -	$ -	$ -	$ -

(4) Components of net periodic benefit cost

		Pension Benefits		Postretirement Benefits		Postemployment & Compensated Absence Benefits	
		2014	2013	2014	2013	2014	2013
a.	Service cost	$ -	$ -	$ -	$ -	$ -	$ -
b.	Interest cost	$ -	$ -	$ -	$ -	$ -	$ -
c.	Expected return on plan assets	$ -	$ -	$ -	$ -	$ -	$ -
d.	Transition asset or obligation	$ -	$ -	$ -	$ -	$ -	$ -
e.	Gains and losses	$ -	$ -	$ -	$ -	$ -	$ -
f.	Prior service cost or credit	$ -	$ -	$ -	$ -	$ -	$ -
g.	Gain or loss recognized due to a settlement or curtailment						
h.	Total net periodic benefit cost	$ -	$ -	$ -	$ -	$ -	$ -

(5) Change in benefit obligation

	Pension Benefits		Postretirement Benefits	
	2014	2013	2014	2013
a. Items not yet recognized as a component of net periodic cost – prior year	$ -	$ -	$ -	$ -
b. Net transition asset or obligation recognized during the period	$ -	$ -	$ -	$ - $ -
c .Net prior service cost or credit arising during the period	$ -	$ -	$ -	$ -
d. Net prior service cost or credit recognized	$ -	$ -	$ -	$ -
e. Net gain and loss arising during the period	$ -	$ -	$ -	$ -
f. Net gain and loss recognized	$ -	$ -	$ -	$ -
g. Items not yet recognized as a component of	$ -	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2014	2013	2014	2013
a. Net transition asset or obligation	$ -	$ -	$ -	$ -
b. Net prior service cost or credit	$ -	$ -	$ -	$ -
c. Net recognized gains and losses	$ -	$ -	$ -	$ -

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2014	2013	2014	2013
a. Net transition asset or obligation	$ -	$ -	$ -	$ -
b. Net prior service cost or credit	$ -	$ -	$ -	$ -
c. Net recognized gains and losses	$ -	$ -	$ -	$ -

(8) Weighted-average assumptions used to deretmine net periodic benefits cost as

	2014	2013
a. Weighted-average discount rate	$ -	$ -
b. Expected long-term rate of return on plan assets	$ -	$ -
c. Rate of compensation increase	$ -	$ -
Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:		
d. Weighted-average discount rate	$ -	$ -
e. Rate of compensation increase	$ -	$ -

(11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one- percentage-point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. **Effect on total of service and interest cost**	$ -	$ -
b. **Effect on postretirement benefit obligation**	$ -	$ -

(12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	Year(s)	Amount
a.	2015	$ -
b.	2016	$ -
c.	2017	$ -
d.	2018	$ -
e.	2019	$ -
f.	2015 through 2019	$ -

NOTES TO FINANCIAL STATEMENTS

(1) Fair Value Measurements of Plan Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
	$ -	$ -	$ -	$-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total Plan Assets	$	$	$	$

(2) Fair Value Measurements in Level 3 of the Fair Value Hierarchy

Description for each class of plan assets	Beginning Balance at 01/01/2014	Transfers into Level 3	Transfers out of Level 3	Return on Assets Still Held	Return on Assets Sold	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2014
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total Plan Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

13. Capital and Surplus, Shareholder's Dividend restrictions and Queasy-Reorganization

The Company has 500,000 shares of $10 par value common stock authorized and 250,291 shares issued and outstanding. The Company has 300,000 shares of $10 par value preferred stock authorized. On December 28, 2011 the Company issued 223,881 shares of convertible non-voting preferred stock, of $10 par value at a $67 purchase price, for a total issuance of $15,000,027. As of December 31, 2014 and the year 2013 the Company paid 4% interest payments on preferred stocks dividends for a total payment of $600,000 and $600,000, respectively.

Under applicable Puerto Rico insurance laws and regulations, the Company is required to maintain minimum capital and surplus of $2,500,000. Dividends can be paid from unassigned surplus without prior approval of the Office of the Commissioner of Insurance of the Commonwealth of Puerto Rico. As of December 31, 2014 and 2013 the Company complied with the minimum requirements for capital and surplus.

As previously stated on March 30, 2005, the Company issued $5.0 million in surplus notes to develop surplus funds for statutory purposes in exchange of cash.

11) Surplus Notes

(a) Date issued – March 30, 2005

(b) Description of asset received - $5,000,000 in exchange of cash for statutory purpose

(c) Holder of the note or, if public, the names of the underwriter and trustee – The Underwriter is Dekania Capital Management and the trustee, Banco Popular de Puerto Rico

(d) Par Value (Face Amount of Note) - $5,000,000

(e) Carrying value of note $5,000,000

(f) The rate at which interest accrues – 3 month libor, plus 3.7% with a cap of 12.5% due on March 15, June 15, September 15 and December of each year. Commencing on June 15, 2005, during the term of the Indenture.

(g) Maturity dates or repayment schedules, if stated – The stated maturity means March 15, 2035

(h) Unapproved interest and/or principal – None

(i) Interest and/or principal paid in the current year - $199,505

(j) Total interest and/or principal paid on surplus notes - $2,802,308

(k) Subordination terms – N/A

(l) Liquidation preference to the reporting entity's common and preferred shareholders - N/A

(m) The repayment conditions and restrictions:

The unpaid principal amount of the Securities shall bear interest at a variable rate of LIBOR plus 3.7% per annum *provided, that,* the applicable interest rate shall not exceed 12.50% through the Interest Payment Date in March, 2010 until paid or duly provided for, such interest to accrue from the Original Issue Date or from the most recent Interest Payment Date to which interest has been paid or duly provided for. Notwithstanding the foregoing or anything to the contrary herein contained or implied, principal of and premium, if any, and interest on the Securities shall be payable solely from and to the extent, if any, of Available Surplus, subject to the prior approval of the Applicable Insurance Regulatory Authority therefor and subject to any other restrictions set forth under Applicable Insurance Laws. If not so approved or if there is insufficient Available Surplus therefor, such principal, premium, if any, or interest shall not be due and payable.

14. Contingencies

The Company is subject to legal proceedings and claims, which range between approximately $1 million and $27.4 million, in the ordinary course of business that has not been finally adjudicated. These actions, when finally concluded, will not, in the opinion of management, have a material adverse effect upon the financial position of the Company.

In October 2012, the Company received a letter from third parties claiming that the Company is liable to them under servicing and underwriting management agreements. The initial legal action taken by either the Company or the third parties was the filing of a petition to compel arbitration filed by the third parties against the Company in the United States District Court for the Southern District of Florida. The above mentioned petition was dismissed with prejudice by the Court on December 5, 2012. A similar action was filed by the third parties, which involved the parties in arbitration proceedings. The outcome of that claim, as where previously expected, was an agreement executed on November 11, 2014, by which among other things and without the disbursement of any money from MLIC, the other parties release MLIC with prejudice from all claims against the Company and without admitting any liability.

As a result of the situation mentioned above the Company has been unable to record the transactions related to this block of business during the years 2014 and 2013, since there were several significant incongruence with the information provided to the Company and their external auditors by the third party administrator (TPA) in charge of these reinsurance pools. As part of the settlement mentioned above, the TPA has agreed to provide the information needed to account for corresponding block of business. As of the date of the submission of this Annual Statement the information has not been received and accordingly its impact on financial information included in this Annual Statement is not reflected.

NOTES TO FINANCIAL STATEMENTS

(1) Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: $ -0- .

(2)

1 Nature and circuntances of guarantee and key attributes, including date and duration of agreement.	2 Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	3 Ultimate financial Statement impact if action under the guarantee is required.	4 Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee if unable to develop an estimate, this should be specifically noted.	5 Current Status of payment or performance risk of guarantee. Also provide additional discussion as waranted.
None	None	None	None	None
Total				

B. Assessments

(2)

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$ -
b. Decreases current year:	
Policy surcharges collected	$ -
Policy surcharges charged off	$ -
Premium tax offset applied	$ -
	$ -
	$ -
	$ -
c. Increases current year:	
Policy surcharges collected	$ -
Policy surcharges charged off	$ -
Premium tax offset applied	$ -
	$ -
	$ -
	$ -
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$ -

(3)

a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.)	$ -
b. Current Liability Recognized in F/S:	
1. Noncontingent Liabilities	$ -
2. Contingent Liabilities	$ -
c. Ultimate Financial Statement Impact if action under the guarantee is required.	
1. Investments in SCA	$ -
2. Joint Venture	$ -
3. Dividends to Stockholders (capital contribution)	$ -
4. Expense	$ -
5. Other	$ -
6. Total (Should equal (3)a.)	$ -

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related ECO and bad faith losses paid during the reporting period	

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim ( ) (g) Per Claimant ( )

15. Leases

The Company leases office space from Multinational Insurance Company under an operating lease agreement. This agreement expired on December 31 2013 and was renewed for a period of five years. As of December 31, 2014 and the year 2013 a total amount of $540,000, and $540,000, respectively were recorded as rental expense.

(2)

a. At January 1, 2014, the minimun aggregate rental commtments are as follows:

	Reporting Period Ending	Operating Leases	
1.	2015	$	265,957
2.	2016	$	222,195
3.	2017	$	5,308
4.	2018	$	-
5.	2019	$	-
6.	Total	$	493,460

c. Future minimum lease payment receivables under noncancelable leasing arrangements as of September 30, 2014 are as follows

		Operating Leases	
1.	2015	$	-
2.	2016	$	-
3.	2017	$	-
4.	2018	$	-
5.	2019	$	-
6.	Total	$	-

d. Contingent rentals included in income for the year eneded December 31, 2014 and 2013 amounted to $ - 0 - and $ -0 -, respectively. The net investment is classified as real estate.

(2) Leveraged Leases

b. The Company's investment in leveraged leases relates to equipment used primarily in the transportation industries. The component of net income from leveraged leases at December 31, 2014 and December 31, 2013 were as shown below:

		2014		2013	
1.	Income from leveraged leases before income tax including investment tax credit	$	-	$	-
2.	Less current income tax	$	-	$	-
3.	Net income from leveraged leases	$	-	$	-

c. The components of the investment in leveraged leases at September 30, 2014 and 2013 were as shown below:

		2014		2013	
1.	Lease contracts receivable (net of principal and interest on non-recourse financing)	$	-	$	-
2.	Estimated residual value of leased assets	$	-	$	-
3.	Unearned and deferred income	$	-	$	-
4.	Investment in leveraged leases	$	-	$	-
5.	Deferred income taxes related to leveraged leases	$	-	$	-
6.	Net investment in leveraged leases	$	-	$	-

16. Information About Financial Instruments With Off-Balance Sheet Risk And 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 Portion of Partially Insured Plans

Not Applicable.

19. Direct Premiums Written/Produced by Management General Agents/Third Party Administrators

Not applicable.

20. Fair Value Measurements

The fair value of financial instruments in the accompanying financial statements was determined as follows:

Cash and Cash Equivalents
The company consider all investment instruments purchased with an original maturity of three month or less to be cash equivalents.

Investment in Securities
The fair value of investment in securities is estimated based on quoted market prices for those or similar investments. Additional information pertinent to the estimated fair value of investment in securities is included in Note 1.

NOTES TO FINANCIAL STATEMENTS

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Perpetual Preferred Stock				
Industrial and Misc.	$ -	$ -	$ -	$ -
Parent, Subsidiaries and Affiliates	$ -	$ -	$ -	$ -
Total Perpetual Preferred Stocks	$ -	$ -	$ -	$ -
Bonds				
U.S, Treasury securuties, and U.S. government and agencies and instrumentalities	$ 647,265	$ 8,091,659	$ -	$ 8,738,924
States, territories, and possession and political subdivisions in U.S.	$ -	$ 9,743,957	$ -	$ 9,743,957
Industrial and Misc.	$ -	$ 27,055,312	$ -	$ 27,055,312
Hybrid Securities	$ -	$ -	$ -	$ -
Special Rev./Assess Obligations	$ -	$ 47,314,214	$ -	$ 47,314,214
Parent, Subsidiaries and Affiliates	$ -	$ -	$ -	$ -
Total Bonds	$ 647,265	$ 92,205,143	$ -	$ 92,852,408
Common Stock				
Industrial and Misc.	$ 94,265	$ -	$ -	$ 94,265
Parent, Subsidiaries and Affiliates	$ -	$ -	$ -	$ -
Total Common Stocks	$ 94,265	$ -	$ -	$ 94,265
Derivative assets				
Interest rate contractas	$ -	$ -	$ -	$ -
Foreign exchange contracts	$ -	$ -	$ -	$ -
Credit contracts	$ -	$ -	$ -	$ -
Commodity futures contracts	$ -	$ -	$ -	$ -
Commodity forward contracts	$ -	$ -	$ -	$ -
Total Derivatives	$ -	$ -	$ -	$ -
Separate accounts assets	$ -	$ -	$ -	$ -
Total assets at fair value	$ 741,530	$ 92,205,143	$ -	$ 92,946,672

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 01/01/2014	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Insurances	Sales	Settlements	Ending Balance at 12/31/2014
a. Assets:										
Loan-Backed and Structured Securities (NAIC 3-6)										
Residential Mortgaged- Backed Securities										
Commercial Mortgaged- Backed Securities										
Derivative										
Credit Contracts										
Other Fund Investments										
Hedge Fund High-Yield Debt Securities										
Private Equity										
Common Stock(Industrial & Misc.(Unaffiliated)	5			-5						-
Preferred Stock(Indistrial & Misc.(Unaffiliated)	110			-110						-
....										
Total Assets										
b. Liabilities										
....										
....										
....										
Total Liabilities										

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	$ -	$ -	$ -	$ -	$ -	$ -
Common Stocks	-	-	-	-	-	-
Perpetual Preferred Stocks	-	-	-	-	-	-
Mortgage Loans	-	-	-	-	-	-

D. Not Practicable to Estimate Fair Value

Type of Class of Financial Instrument	Carrying Value	Efective Interest Rate	Maturity Date	Explanation
Bonds	$ -			
Common Stocks	-			
Perpetual Preferred Stocks	-			
Mortgage Loans	-			
Description 1	-			
Description 2	-			
	-			
	-			
	-			

21. Other Items

Not applicable.

22. Subsequent Events

None

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

(1) Are any of the reinsurers listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officers, trustee or director of the company

Yes ( ) No(X)

If yes, give full details

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (Excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insurer, a beneficiary, a creditor or any other person not primarily engaged in the insurance business.

Yes ( ) No(X)

If yes, give full details

Section 2 - Ceded Reinsurance Report - Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes ( ) No(X)

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under reinsured policies?

Yes ( ) No(X)

Section 3 - Ceded Reinsurance Report - Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than

those under which the reinsurer may unilaterally cancel for reasons other than nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimated $0

(2) Have any new agreement been executed or existing agreements, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No(X)

B. As of December 31, 2014 there were no reserves for possible uncollectible reinsurance, as of December 31,2013, the Company had a $100,000 reserve for possible uncollectible reinsurance. For the years 2014 the company had the amount of $48,786 written off for uncollectible reinsurance balances, for year 2013 the Company had no uncollectible reinsurance balances.

C. In October 2, 2013 we entered into a Commutation Settlement and Release agreement with Swiss Re Life & Health America regarding to the following treaties:

Treaty Reference	Description	Treaty Effective Date
LN3771-02	Individual Health Reinsurance Agreement	1/1/1998
L1134S-93	UL DI Riders Amendment to Ordinary Life Reinsurance	4/1/1993

Multinational Life Insurance Company and Swiss Re Life & Health America Inc. have agreed that the present value of the Reinsurer's net current and future obligation to the Company under the Reinsurance Agreements, as of the effective date of December 31, 2011 was $656,529. The parties specifically acknowledged and agreed that the Commutation amount was good and adequate consideration for the complete discharge of the parties' respective rights, liabilities and obligation under the Reinsurance Agreements. The commutation proceeds were received in October 8, 2013.

Income Statement items:

- Losses incurred - ($252,240)
- Premiums earned - ($24,990)

During year 2014, the company has not commuted any ceded reinsurance.

Reinsurance Ceded and Assumed

The Company reinsures certain risks assumed in the normal course of business. Reinsurance arrangements are used to limit maximum loss, provide greater diversification of risk, minimize exposure on larger risks, and to meet certain regulatory ratios. The Company cedes all risks in excess of $250,000 on individual life insurance and $75,000 for Group Life insurance. For accident and health, the Company cedes 85% of the risk for all Long-Term Disability (LTD) policies. Presently, the Company is doing business with six reinsurance companies, one of which reinsures exclusively LTD. For the cancer business, the Company ceded 60% of the risk during 2014 and 2013.

Premiums and commissions related to insurance ceded are accounted for as a reduction of premiums written and acquisition and commission costs, respectively. Reinsurance recoveries are recorded as a reduction of life and accident and health benefits incurred.

Since 2008, the Company is one of the participants of various pools of reinsurance managed and administered by Redbridge Group ("Redbridge"), which is an entity that specializes in the management and administration of life and health insurance business. As result, through an underwriting management agreement with Redbridge, the Company assumes group life and health and accident premiums as part of a pool of reinsurers. The management of these pools of reinsurance works through a "Working Fund Withheld" account, in which during the first two years of each pool all the premiums received and claims are deposited/withdrawn in/from the account. The contract establishes that after two years, each pool is individually analyzed in terms of reserve and funds available to pay claims and based on this analysis Redbridge should make a distribution of earnings or request a cash payment from the pool participants. As of December 31, 2014 and December 31, 2013 the working fund balance on the Company's books was $193,286, leaving an amount due from Redbridge of $193,286 as of December 31 2014 and December 31, 2013. .

Upon the change in control of the Company in November 2011, new management performed an audit of this business which led to disagreements with Redbridge. As of the date of the filing of the quarterly and annual reports for the year 2013, Redbridge had not sent the financial information needed to account for this assumed block of business. On September and October some information was received, but is was until March 25. 2014 that the financial information for the whole year 2013 was received from Redbridge. Such information reflected inconsistencies such as no change in reserves, although material claim paid, among other things. Accordingly, as part of the interim audit procedures for the Company statutory financial statements for the year 2013, we requested the access for the external independent auditors to the financial information submitted by Redbridge and the documentation supporting the transactions reflected in the information received from them. Our auditors informed us that additional information on reserves, premiums, claims and expenses were provided to them, which differed from the information reported by Redbridge to us previously, Also other information requested to Redbridge by the auditors was not provided at all. As a result, the 2013 year-end financial information presented in the audited statutory financial statements and in the annual statement filed did not reflect the impact of this block of business on the Company's financial condition and result of operations.

Furthermore, it was not until November 1, 2014 that financial data for the third quarter of 2014 was received. It contained information that remains, inconsistent with information previously provided to us.

As a result of the above mentioned the Company and Redbridge and some of its affiliates ('third parties") were involved in arbitration proceedings. The outcome, as where previously expected, was an agreement executed on November 11, 2014, by which among other things and without the disbursement of any money from MLIC, the other parties release MLIC with prejudice from all claims against the Company and without admitting any liability.

However, because of the situation mentioned above the Company has been unable to record the transactions related to this block of business during the years 2014 and 2013, since there were several significant incongruence with the information provided to the Company and their external auditors by Redbridge, the third party administrator (TPA) in charge of these reinsurance pools. As part of the settlement mentioned above, the TPA has agreed to provide the information needed to account for corresponding block of business. As of the date of the submission of this Annual Statement the information has not been received and accordingly its impact on financial information included in this Annual Statement is not reflected.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

25. Change in Incurred Losses and Loss Adjustment Expenses

Not applicable.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

Not applicable.

31. Reserves for Life Contracts And Annuity Contracts

1. Reserve Practices- Commissioners Valuation Reserves Method (CRVM) Reserves are held for all individual life insurance using either the 1958, 1980, or 2001 Commissioners Standard Ordinary (CSO) mortality tables and discount rates ranging from 3.5% to 5% depending upon the policy form and year of issue.

(1) Policy reserves for universal life insurance are calculated in conformance with the NAIC model Regulation for universal life insurance.

(2) Net level (single premium) reserves are held for credit life insurance using the 1980 CSP mortality Table discounted at 4.5%. Unearned premium reserves for credit disability insurance are calculated as the mean between pro-rata gross premium reserves and reserves calculated using the "rule of 78's"

Aggregate Reserves for Life Contracts

Valuation Standard	2014	2013	2012	2011
1980 CSO 3.5% CRVM	3,574,809	3,009,834	$ 2,601,696	$ 2,844,544
1980 CSO 4-4.5% CRVM	58,283,114	61,277,340	62,819,869	63,201,865
2001 CSO S&U 4.5%	19,857	22,551	25,170	28,244
GROUP & IND. BASED ON MORTALITY TABLES - 80 CSO 4.5%	5,745	24,797	84,497	233,911
TOTALS (Gross) - Life Insurance	**61,883,525**	**64,334,521**	**65,531,232**	**66,308,564**
BASED ON CARVM FOR IRA CONTRACTS	12,948,057.00	12,872,442	12,784,883	12,678,660
BASED ON CARVM FOR IRA CONTRACTS	-	459,458	408,103	454,667
PREMIUMS BASIC ACCUMULATED AT 5% INTEREST - GAR	104,013	99,242	179,050	370,088
TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies)	**13,052,070**	**13,431,141**	**13,372,036**	**13,503,415**
1959 ADB 3% NET LEVEL	268,514	254,508	162,375	163,739
1985 CIDA & 1980 CSO 3% NL	184,865	199,057	214,967	250,737
1985 CIDA & 1980 CSO 3%	570,105	580,751	535,949	475,300
TOTALS (Gross) - Disability - Active Lives	**754,970**	**779,808**	**750,916**	**726,037**
1952 SOA 3%	10,603	50,157	56,856	147,102
1985 CIDC 3%	519,059	577,031	634,066	911,882
TOTALS (Gross) - Disability - Disabled Lives	**529,662**	**627,188**	**690,922**	**1,058,984**
TOTALS (Net)	**$ 76,488,740**	**$79,427,166**	**$80,507,481**	**$81,760,739**

(3) Annuity reserves are based on statutory mortality, morbidity and interest requirements, without consideration of future withdrawals.

NOTES TO FINANCIAL STATEMENTS

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

	General Account	Separate Account with Guarantees	Separate Account nonguaranteed	Total
A. Subject to discretionary withdrawal:				
(1) With fair value adjustment				
(2) At book value less current surrender charge of 5% or more	12,311,815			12,311,815
(3) At fair value	-			-
(4) Total with adjustment or at fair value (total of 1 through 3)	12,311,815	-	-	12,311,815
(5) At book value without adjustment (minimal or no charge or adjustment)				
B. Not subject to discretionary withdrawal	1,367,979	-	-	1,367,979
C. Total (gross: direct + assumed)	13,679,794	-	-	13,679,794
D. Reinsurance ceded	-	-	-	-
E. Total (net)* (C) – (D)	13,679,794	-	-	13,679,794
F. Life & Accident & Health Annual Statement:				
1. Exhibit 5, Annuities Section, Total (net)				13,052,070
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section,				
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1				627,725
4. Subtotal				13,679,795
Separate Accounts Annual Statement:				
5. Exhibit 3, Line 0299999, Column 2				-
5a. Exhibit 3, Line 0299999, Column 2 (Reinsurance Adjustment)				-
6. Exhibit 3, Line 0399999, Column 2				-
7. Policyholder dividend and coupon accumulations				-
8. Policyholder premiums				-
9. Guaranteed interest contracts				
10. Other contract deposit funds				-
11. Subtotal				-
12. Combined Total				13,679,795

33. Premium and Annuity Considerations Deferred and Uncollected numbers

A. Deferred and Uncollected life insurance premiums and annuity considerations as of December 31, 2014 were as follows:

Type	Gross	Net of Loading
Ordinary New Business	241,479	240,337
Ordinary Renewal	3,079,730	3,065,156
Total	3,321,209	3,305,493

34. Separate Accounts

Not applicable.

35. Loss/Claim Adjustment Expenses

The balance in the liability for unpaid accident and health claim adjustment expenses as of 1/1/2014 and 12/31/14 was $10,038 and $18,366 respectively.

The company incurred $125,061 and paid $106,695 of claims adjustment expenses in the current year, of which $1,330 of the paid amount was attributable to incurred or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years.

Estimated of anticipated Salvage and Subrogation's - Not applicable

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 ( )

If yes, complete Schedule Y, Parts 1, 1A and 2.

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. 12/31/2012

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). 02/15/2013

3.4 By what department or departments?
Office of the Insurance Commissioner of Puerto Rico

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)

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 (use two-letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

7.2 If yes,

7.21 State the percentage of foreign control .... 47.8 %

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

1 Nationality	2 Type of Entity
PANAMA	INSURANCE COMPANY

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

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes ( ) No (X)

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
LPG CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS PMB 516, 1353 AVE LUIS VIGOREAUX, GUAYNABO, PR 00966

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 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?
CLARK F. HIMMELBERGER, FSA MAAA (MILLIMAN) 3000 BAYPORT DRIVE, SUITE 1050, TAMPA FL 33607

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 ( )

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

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

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 (X) No ( )

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 $

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 ( ) No (X)

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

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 securities 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 Placed under option agreements $..................
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock $..................
25.27 FHLB Capital Stock $..................
25.28 On deposit with states $..................
25.29 On deposit with other regulatory bodies $..................
25.30 Pledged as collateral - excluding collateral pledged to an FHLB $..................
25.31 Pledged as collateral to FHLB - including assets backing funding agreements $..................
25.32 Other $..................

25.3 For category (25.26) 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? If no, attach a description with this statement. Yes ( ) No ( ) N/A (X)

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, NA.	PO BOX 70301 SAN JUAN. PR 00936-70301

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

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 (X)

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

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	$ 92,097,940	$ 92,852,411	$ 754,471
30.2 Preferred stocks	$	$	$
30.3 Totals	$ 92,097,940	$ 92,852,411	$ 754,471

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

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

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes ( ) No ( )

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

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

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 21,676

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	$ 18,076
	$
	$
	$

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

34.1 Amount of payments for legal expenses, if any? $ 3,528,591

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
....	$........................
....	$........................
....	$........................
....	$........................

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	$ 10,426,948	$ 9,357,965
2.2 Premium Denominator	$ 26,322,465	$ 26,029,310
2.3 Premium Ratio (Line 2.1 divided by Line 2.2)	.... 0.396	.... 0.360
2.4 Reserve Numerator	$ 7,494,749	$ 9,356,659
2.5 Reserve Denominator	$ 97,714,889	$ 102,379,088
2.6 Reserve Ratio (Line 2.4 divided by Line 2.5)	.... 0.077	.... 0.091

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 $..................
7.12 Stock $..................

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:

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

8.5 What portion of earned premium reported in 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 following table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to 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 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)

11.1 Do you act as a custodian for health savings accounts? Yes ( ) No (X)

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

11.3 Do you act as an administrator for health savings accounts? Yes ( ) No (X)

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

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

12.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes ( ) No ( ) N/A (X)

12.2 If the answer to 12.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	5 Letters of Credit	6 Trust Agreements	7 Other

13. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

13.1 Direct Premiums Written $ ....
13.2 Total Incurred Claims $ ....
13.3 Number of Covered Lives ....

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app") Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app") Variable Life (with or without secondary guarantee) Universal Life (with or without secondary guarantee) Variable Universal Life (with or without secondary guarantee)

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 2014	2 2013	3 2012	4 2011	5 2010
Life Insurance in Force (Exhibit of Life Insurance)						
1.	Ordinary-whole life and endowment (Line 34, Column 4)					
2.	Ordinary-term (Line 21, Column 4, less Line 34, Column 4)	2,735,297	2,702,032	2,803,840	3,070,070	3,761,368
3.	Credit life (Line 21, Column 6)	73,412	75,046	77,959	81,106	110,213
4.	Group, excluding FEGLI/SGLI (Line 21, Column 9 less Line 43 and Line 44, Column 4)	1,129,014	961,843	775,230	888,311	1,292,577
5.	Industrial (Line 21, Column 2)					
6.	FEGLI/SGLI (Line 43 and Line 44, Column 4)					
7.	Total (Line 21, Column 10)	3,937,723	3,738,921	3,657,029	4,039,487	5,164,158
New Business Issued (Exhibit of Life Insurance)						
8.	Ordinary-whole life and endowment (Line 34, Column 2)					
9.	Ordinary-term (Line 2, Column 4, less Line 34, Column 2)	304,429	199,784	78,563	117,826	430,371
10.	Credit life (Line 2, Column 6)		3	2,780	3,045	4,348
11.	Group (Line 2, Column 9)	100,144	154,991	46,071	47,439	
12.	Industrial (Line 2, Column 2)					
13.	Total (Line 2, Column 10)	404,573	354,778	127,414	168,310	434,719
Premium Income-Lines of Business (Exhibit 1 - Part 1)						
14.	Industrial life (Line 20.4, Column 2)					
15.1	Ordinary life insurance (Line 20.4, Column 3)	11,510,612	11,989,454	13,618,378	13,904,723	17,820,756
15.2	Ordinary individual annuities (Line 20.4, Column 4)	527,381	393,380	576,929	642,018	570,043
16.	Credit life, (group and individual) (Line 20.4, Column 5)	1,915,893	2,160,204	2,434,894	2,818,691	3,219,209
17.1	Group life insurance (Line 20.4, Column 6)	1,955,687	2,157,778	2,252,246	3,534,306	5,588,697
17.2	Group annuities (Line 20.4, Column 7)					
18.1	A & H-group (Line 20.4, Column 8)	3,679,748	3,478,806	5,012,640	8,672,075	27,880,889
18.2	A & H-credit (group and individual) (Line 20.4, Column 9)	242,658	289,467	432,132	720,313	483,536
18.3	A & H-other (Line 20.4, Column 10)	6,490,486	5,560,221	5,309,874	9,127,348	19,163,656
19.	Aggregate of all other lines of business (Line 20.4, Column 11)					
20.	Total	26,322,465	26,029,310	29,637,093	39,419,474	74,726,786
Balance Sheet (Pages 2 and 3)						
21.	Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Column 3)	122,437,875	128,491,805	130,454,991	132,927,745	135,458,610
22.	Total liabilities excluding Separate Accounts business (Page 3, Line 26)	108,621,388	114,938,330	118,821,030	126,074,912	135,554,829
23.	Aggregate life reserves (Page 3, Line 1)	76,488,740	79,427,166	80,507,451	81,760,739	88,534,834
24.	Aggregate A & H reserves (Page 3, Line 2)	11,927,007	11,488,756	11,494,277	5,858,617	12,339,568
25.	Deposit-type contract funds (Page 3, Line 3)	627,725				
26.	Asset valuation reserve (Page 3, Line 24.01)	1,484,043	1,272,209	1,298,112	1,310,123	1,341,403
27.	Capital (Page 3, Line 29 and Line 30)	4,741,720	4,741,720	4,741,720	4,741,720	2,502,910
28.	Surplus (Page 3, Line 37)	9,074,767	8,811,752	6,892,241	2,111,113	(2,599,129)
Cash Flow (Page 5)						
29.	Net cash from operations (Line 11)	(156,080)	(603,500)	8,089,644	(23,129,244)	2,155,096
Risk-Based Capital Analysis						
30.	Total adjusted capital	15,300,530	14,825,681	12,932,073	8,162,956	1,245,184
31.	Authorized control level risk-based capital	2,634,920	2,404,762	2,603,818	3,171,023	5,283,815
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)	80.1	77.7	79.9	65.8	84.0
33.	Stocks (Line 2.1 and Line 2.2)	0.1	0.1	0.1		0.2
34.	Mortgage loans on real estate (Line 3.1 and Line 3.2)	0.2	0.2			
35.	Real estate (Line 4.1, Line 4.2 and Line 4.3)	9.8	10.2	10.9	10.9	11.6
36.	Cash, cash equivalents and short-term investments (Line 5)	7.6	9.5	6.9	20.7	1.5
37.	Contract loans (Line 6)	2.2	2.3	2.4	2.5	2.8
38.	Derivatives (Page 2, Line 7)					
39.	Other invested assets (Line 8)					
40.	Receivables for securities (Line 9)					
41.	Securities lending reinvested collateral assets (Line 10)					
42.	Aggregate write-ins for invested assets (Line 11)					
43.	Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2014	2 2013	3 2012	4 2011	5 2010
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)	5,428,024	5,349,797	4,330,086	4,644,593	11,266,794
53. Total admitted assets (Page 2, Line 28, Column 3)	122,437,875	128,491,805	130,454,991	132,927,745	135,458,610
Investment Data					
54. Net investment income (Exhibit of Net Investment Income)	3,130,843	3,206,468	3,358,453	4,493,791	5,423,163
55. Realized capital gains (losses) (Page 4, Line 34, Column 1)	(3,885)	15,703	76,680	84,512	
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	(787,855)	(684,933)	18,242	(100,552)	
57. Total of above Line 54, Line 55 and Line 56	2,339,103	2,537,238	3,453,375	4,477,751	5,423,163
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)	9,955,376	9,765,982	10,811,747	21,463,692	15,345,564
59. Total contract benefits-A & H (Line 13 and Line 14, Columns 9, 10 and 11)	3,423,717	2,505,490	6,200,901	14,471,919	26,705,966
60. Increase in life reserves-other than group and annuities (Line 19, Columns 2 and 3)	(2,540,302)	(1,079,690)	(972,495)	(2,652,395)	(810,311)
61. Increase in A & H reserves (Line 19, Columns 9, 10 and 11)	679,575	476,424	2,297	(32,562)	1,305,620
62. Dividends to policyholders (Line 30, Column 1)					
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	68.2	63.5	48.8	87.0	51.0
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	9.9	11.6	10.6	23.1	22.8
65. A & H loss percent (Schedule H, Part 1, Line 5 and Line 6, Column 2)	39.4	31.9	60.2	76.5	59.2
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)	91.0	92.4	67.3	115.6	53.4
A & H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims-group health (Schedule H, Part 3, Line 3.1, Column 2)	4,995,663	6,192,828	7,987,731	9,199,541	10,839,508
69. Prior years' claim liability and reserve-group health (Schedule H, Part 3, Line 3.2, Column 2)	5,351,426	8,417,827	11,865,482	12,079,702	11,943,023
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Column 2)	2,997,332	3,137,689	1,356,330	2,840,719	4,661,843
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Column 2)	4,070,823	4,141,520	1,030,158	4,476,408	2,727,799
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Column 2)					
73. Ordinary-life (Column 3)	1,282,137	2,032,716	3,040,546	(3,227,811)	2,657,091
74. Ordinary-individual annuities (Column 4)	(216,890)	(116,627)	154,825	935,142	(419,782)
75. Ordinary-supplementary contracts (Column 5)					
76. Credit life (Column 6)	728,676	817,389	1,268,332	1,089,804	1,461,519
77. Group life (Column 7)	(114,700)	(229,516)	407,727	(1,122,942)	1,542,564
78. Group annuities (Column 8)					
79. A & H-group (Column 9)	(514,526)	1,388,111	979,713	(12,407,709)	970,025
80. A & H-credit (Column 10)	70,753	51,525	178,694	(63,336)	(104,574)
81. A & H-other (Column 11)	109,366	(412,479)	(1,670,149)	(3,076,804)	(4,891,959)
82. Aggregate of all other lines of business (Column 12)					
83. Total (Column 1)	1,344,816	3,531,119	4,359,688	(17,873,656)	1,214,884

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

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10
	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 7 Policies	Number of 8 Certificates	9 Amount of Insurance (a)	Total Amount of Insurance (a)
1. In force end of prior year			25,811	2,702,032	33,314	75,046	152	25,803	961,843	3,738,921
2. Issued during year			4,538	304,429			32	3,177	100,144	404,573
3. Reinsurance assumed										
4. Revived during year			140	22,494						22,494
5. Increased during year (net)				1,259				3,711	106,746	108,005
6. Subtotals, Line 2 to Line 5			4,678	328,182			32	6,888	206,890	535,072
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		
8. Aggregate write-ins for increases										
9. Totals (Line 1 and Line 6 to Line 8)			30,489	3,030,214	33,314	75,046	184	32,691	1,168,733	4,273,993
Deductions during year:										
10. Death			105	4,946	39	46	XXX	79	1,342	6,334
11. Maturity							XXX			
12. Disability							XXX			
13. Expiry			134	16,069						16,069
14. Surrender			362	41,349						41,349
15. Lapse			2,719	227,701	543	1,068	12	419	20,469	249,238
16. Conversion			22	2,079			XXX	XXX	XXX	2,079
17. Decreased (net)				2,773		520		452	17,908	21,201
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. Totals (Line 10 to Line 19)			3,342	294,917	582	1,634	12	950	39,719	336,270
21. In force end of year (Line 9 minus Line 20)			27,147	2,735,297	32,732	73,412	172	31,741	1,129,014	3,937,723
22. Reinsurance ceded end of year	XXX		XXX	649,581	XXX		XXX	XXX	473,876	1,123,457
23. Line 21 minus Line 22	XXX		XXX	2,085,716	XXX	(b) 73,412	XXX	XXX	655,138	2,814,266
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 $ ....

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 NONE		X X X	
25. Other paid-up insurance				
26. Debit ordinary insurance	X X X	X X X		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
Term Insurance Excluding Extended Term Insurance	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing				
28. Term policies-other	4,538	304,429	27,147	2,735,295
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)	4,538	304,429	27,147	2,735,295
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				
35. Totals (Line 31 to Line 34)	4,538	304,429	27,147	2,735,295

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary	304,429		2,735,295	
38. Credit Life (Group and Individual)			73,412	
39. Group	100,144		1,129,015	
40. Totals (Line 36 to Line 39)	404,573		3,937,722	

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

NONE

	Credit Life		Group	
	1	2	3 umber of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to oth			X X X	
42. Number in force end of year if the number under sha counted on a pro-rata basis				X X X
43. Federal Employees' Group Life Insurance included ir				
44. Servicemen's Group Life Insurance included in Line				
45. Group Permanent Insurance included in Line 21				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

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

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

NONE

	Industrial		Ordinary		Credit		Group	
Disability Provision	1 Number of Policies					6 unt of nce (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium								
49. Disability Income								
50. Extended Benefits								
51. Other								
52. Total								(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)				
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)

NONE

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year		952		
2. Issued during year		30		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Line 1 to Line 4)		982		
Deductions during year:				
6. Decreased (net)		21		
7. Reinsurance ceded				
8. Totals (Line 6 and Line 7)		21		
9. In force end of year		961		
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(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	31,751		81		49,038	
2. Issued during year	2,851				9,758	
3. Reinsurance assumed						
4. Increased during year (net)	4,719	XXX		XXX		XXX
5. Totals (Line 1 to Line 4)	39,321	XXX	81	XXX	58,796	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)	2,698	XXX	65	XXX	9,021	XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Line 6 to Line 8)	2,698	XXX	65	XXX	9,021	XXX
10. In force end of year	36,623	(a)	16	(a)	49,775	(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds	2 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)		
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)

NONE

(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

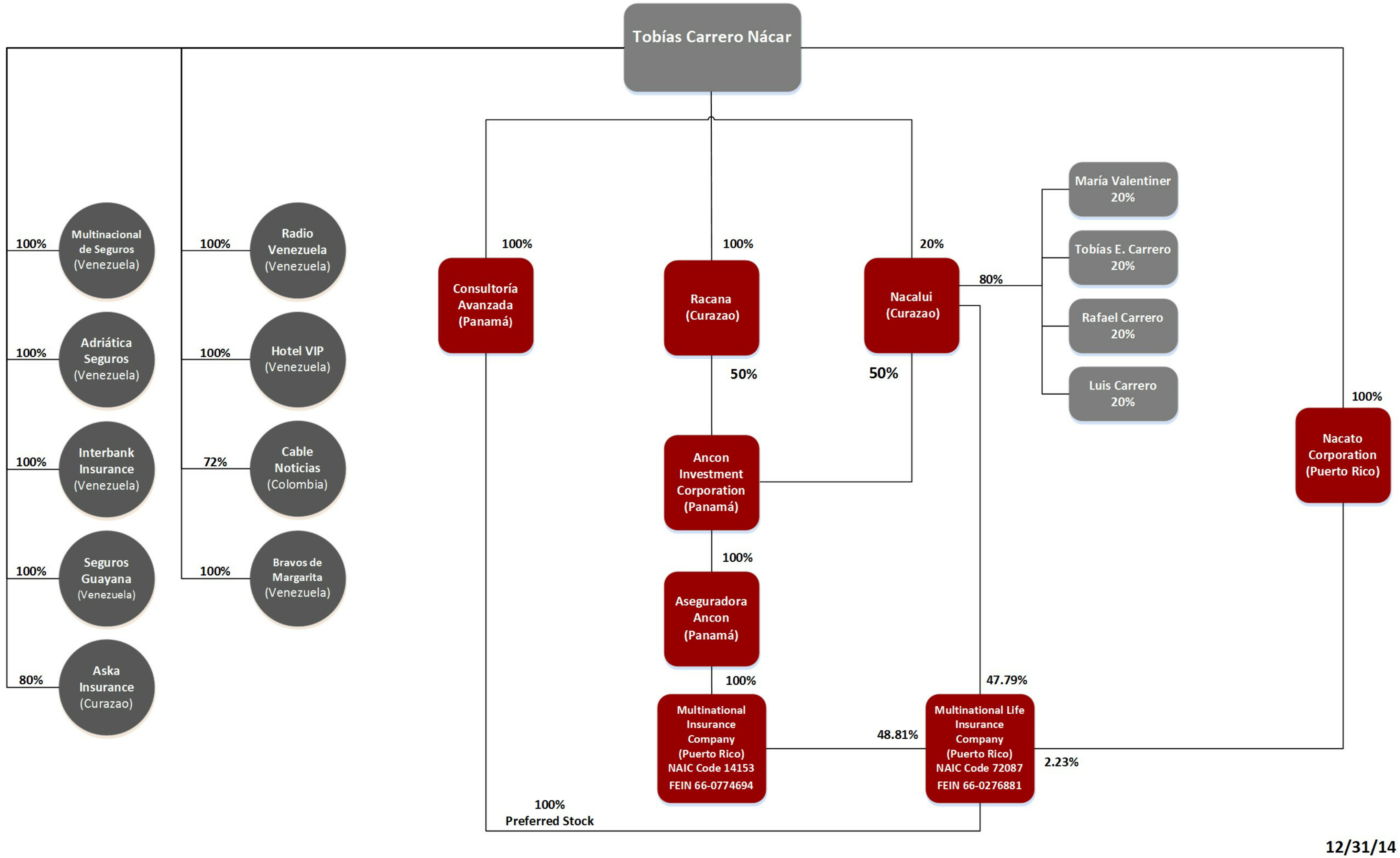
	1	Direct Business Only					
		Life Contracts		4	5	6	7
		2	3	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees			
States, Etc.	Active Status	Life Insurance Premiums	Annuity Considerations		Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1. Alabama 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	7,332		164		7,496	
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	L	7,056				7,056	
53. Guam GU	N						
54. Puerto Rico PR	L	13,197,792	527,381	23,160,035		36,885,208	
55. U.S. Virgin Islands VI	N						
56. Northern Mariana Islands MP	N						
57. Canada CAN	N						
58. Aggregate Other Alien OT	XXX	4,242,912				4,242,912	
59. Subtotal	(a) 2	17,455,092	527,381	23,160,199		41,142,672	
90. Reporting entity contributions for employee benefit plans	XXX						
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX						
92. Dividends of refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX						
94. Aggregate other amounts not allocable by State	XXX						
95. Totals (Direct Business)	XXX	17,455,092	527,381	23,160,199		41,142,672	
96. Plus Reinsurance Assumed	XXX						
97. Totals (All Business)	XXX	17,455,092	527,381	23,160,199		41,142,672	
98. Less Reinsurance Ceded	XXX	2,076,907		12,743,300		14,820,207	
99. Totals (All Business) less Reinsurance Ceded	XXX	15,378,185	527,381	(b) 10,416,899		26,322,465	
DETAILS OF WRITE-INS							
58001. PREMIUMS WRITTEN IN VARIOUS COUNTRIES IN SOUTH AMERICA AND DOM	XXX	4,242,912				4,242,912	
58002.	XXX						
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX						
58999. Total (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)	XXX	4,242,912				4,242,912	
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX						
9499. Total (Line 9401 through Line 9403 plus Line 9498) (Line 94 above)	XXX						

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

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

(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;

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



Life and Accident and Health
Annual Statement Blank Alphabetical Index