



# ANNUAL STATEMENT

## For the Year Ended DECEMBER 31, 2019

### OF THE CONDITION AND AFFAIRS OF THE

# UNIVERSAL LIFE INSURANCE COMPANY

NAIC Group Code 0071 , 0071 NAIC Company Code 60041 Employer's ID Number 66-0502334  
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[X] Fraternal Benefit Societies[ ]

Incorporated/Organized 04/16/1993 Commenced Business 09/14/1994

Statutory Home Office Calle Bolivia #33 6to Piso , San Juan, PR, 00917  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office Calle Bolivia #33 6to Piso  
(Street and Number) San Juan, PR, 00917 (787)706-7337  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P. O. Box 2145 , San Juan , PR, 00922-2145  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records Calle Bolivia #33 6to Piso  
(Street and Number) San Juan, PR, 00917 (787)706-7337  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.universalpr.com

Statutory Statement Contact Ramón O Giusti, CPA (787)706-7262  
(Name) (Area Code)(Telephone Number)(Extension)  
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(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title
José C Benitez	President
Josely Vega	Secretary
Maritere Jiménez	Treasurer

### OTHERS

### DIRECTORS OR TRUSTEES

Monique Miranda (Director)	Jorge J Amadeo (Director)
Rafael Rodríguez (Director)	José Medina (Director)
Waldemar Fabery (Director)	Josely Vega (Director)
Jaime Toro (Director)	

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

\_\_\_\_\_  
(Signature)  
**José C. Benitez**  
(Printed Name)  
 1.  
**President**  
(Title)

\_\_\_\_\_  
(Signature)  
**Josely Vega**  
(Printed Name)  
 2.  
**Secretary**  
(Title)

\_\_\_\_\_  
(Signature)  
**Maritere Jiménez**  
(Printed Name)  
 3.  
**Treasurer**  
(Title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2020

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

Yes[X] No[ ]

\_\_\_\_\_  
(Notary Public Signature)

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	883,676,500		883,676,500	802,098,253
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	242,190,721		242,190,721	7,777,200
2.2 Common Stocks .....	33,299,975		33,299,975	27,195,482
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....38,016,656, Schedule E Part 1), cash equivalents (\$.....49,811,295, Schedule E Part 2) and short-term investments (\$.....814,355, Schedule DA) .....	88,642,306		88,642,306	127,644,967
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....	59,648,007		59,648,007	19,196,600
9. Receivables for securities .....	8,701		8,701	
10. Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,307,466,211		1,307,466,211	983,912,502
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	8,809,706		8,809,706	7,808,155
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	3,039,313	145,922	2,893,391	2,789,001
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	709,143	261,465	447,678	783,316
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....	27,781,429		27,781,429	4,493,646
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....	122,621		122,621	848,065
18.2 Net deferred tax asset .....				308,410
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	1,281,305	23,754	1,257,551	2,538
21. Furniture and equipment, including health care delivery assets (\$.....0) .....	72,395	72,395		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	62,893,789		62,893,789	68,243,870
24. Health care (\$.....0) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	2,332,824	2,290,072	42,752	34,178
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,414,508,736	2,793,608	1,411,715,128	1,069,223,681
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	538,251,668		538,251,668	521,886,755
28. TOTAL (Lines 26 and 27) .....	1,952,760,404	2,793,608	1,949,966,796	1,591,110,436
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepaid expenses .....	364,225	364,225		
2502. Other account receivable .....	119,079	76,327	42,752	34,178
2503. Negative IMR .....	1,849,520	1,849,520		
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	2,332,824	2,290,072	42,752	34,178

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....498,426,626 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve) .....	498,426,626	378,349,182
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve) .....	1,776,071	1,768,774
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve) .....	663,651	815,248
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10, and 11) .....	3,319,902	3,068,848
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10, and 11) .....	1,193,010	1,206,130
5. Policyholders' dividends/refunds to members \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10) .....		
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year - estimated amounts:		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$.....0 Modco) .....		
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$.....0 Modco) .....		
6.3 Coupons and similar benefits (including \$.....0 Modco) .....		
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....72,994 accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Lines 4 and 14) .....	129,345	14,337
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act .....		
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....2,317,081 ceded .....	2,317,081	3,538,249
9.4 Interest Maintenance Reserve (IMR, Line 6) .....		
10. Commissions to agents due or accrued-life and annuity contracts \$.....673,452 accident and health \$.....389,165 and deposit-type contract funds \$.....0 .....	1,062,617	1,548,926
11. Commissions and expense allowances payable on reinsurance assumed .....		
12. General expenses due or accrued (Exhibit 2, Line 12, Column 7) .....	4,147,170	2,384,688
13. Transfers to Separate Accounts due or accrued (net) (including \$.....(5,263,190) accrued for expense allowances recognized in reserves, net of reinsured allowances) .....	(6,263,941)	(7,458,654)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 6) .....	1,016,812	971,427
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses) .....	1,527,539	
15.2 Net deferred tax liability .....	174,093	
16. Unearned investment income .....		
17. Amounts withheld or retained by reporting entity as agent or trustee .....		
18. Amounts held for agents' account, including \$.....0 agents' credit balances .....		
19. Remittances and items not allocated .....		
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 \$.....24,105,370 and interest thereon \$.....18,935 .....	24,124,305	35,272,562
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.01 Asset Valuation Reserve (AVR, Line 16, Column 7) .....	11,062,891	4,017,946
24.02 Reinsurance in unauthorized and certified (\$.....0) companies .....		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers .....	710,467,506	501,975,789
24.04 Payable to parent, subsidiaries and affiliates .....	6,933,769	
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 .....	229,783	
24.10 Payable for securities lending .....		
24.11 Capital notes \$.....0 and interest thereon \$.....0 .....		
25. Aggregate write-ins for liabilities .....	12,713,350	24,302,664
26. TOTAL Liabilities excluding Separate Accounts Business (Lines 1 to 25) .....	1,275,021,580	951,776,116
27. From Separate Accounts Statement .....	537,986,172	521,661,802
28. TOTAL LIABILITIES (Lines 26 and 27) .....	1,813,007,752	1,473,437,918
29. Common capital stock .....	2,500,000	2,500,000
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus Notes .....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1) .....	22,391,608	22,391,608
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	112,067,436	92,780,910
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 29 \$.....0) .....		
36.2 .....0 shares preferred (value included in Line 30 \$.....0) .....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (Including \$.....265,497 in Separate Accounts Statement) .....	134,459,044	115,172,518
38. TOTALS of Lines 29, 30 and 37 (Page 4, Line 55) .....	136,959,044	117,672,518
39. TOTALS of Lines 28 and 38 (Page 2, Line 28, Column 3) .....	1,949,966,796	1,591,110,436
<b>DETAILS OF WRITE-INS</b>		
2501. Unclaimed funds .....	355,918	199,000
2502. Transfer clearing .....	12,357,432	24,103,664
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	12,713,350	24,302,664
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....		
3199. TOTALS (Lines 3101 through 3103 plus 3198) (Line 31 above) .....		
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page .....		
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....		

## SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col.11)	159,451,045	112,462,020
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	45,230,967	29,786,903
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	241,667	(64,609)
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)	50,314,266	47,022,857
7. Reserve adjustments on reinsurance ceded	(26,706,197)	(36,437,935)
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	4,511,212	5,002,957
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	1,530,791	1,769,250
9. TOTALS (Lines 1 to 8.3)	234,573,751	159,541,443
10. Death benefits	3,831,437	3,500,849
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Columns 4 + 8)		
13. Disability benefits and benefits under accident and health contracts	1,706,227	1,443,949
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	42,943,806	46,165,604
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds		
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	120,636,782	78,301,704
20. TOTALS (Lines 10 to 19)	169,118,252	129,412,106
21. Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	24,304,743	22,838,548
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Column 1)		
23. General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Columns 1, 2, 3, 4 and 6)	16,439,574	15,074,922
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Columns 1 + 2 + 3 + 5)	757,547	699,052
25. Increase in loading on deferred and uncollected premiums		
26. Net transfers to or (from) Separate Accounts net of reinsurance	(43,212,188)	(58,505,590)
27. Aggregate write-ins for deductions	24,402,630	12,724,941
28. TOTALS (Lines 20 to 27)	191,810,558	122,243,979
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)	42,763,193	37,297,464
30. Dividends to policyholders and refunds to members		
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	42,763,193	37,297,464
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	4,608,068	4,188,237
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	38,155,125	33,109,227
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....(141,353) (excluding taxes of \$.....(1,001,949) transferred to the IMR)	794,090	337,519
35. Net Income (Line 33 plus Line 34)	38,949,215	33,446,746
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	117,672,518	98,560,642
37. Net Income (Line 35)	38,949,215	33,446,746
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....482,504	1,930,017	(941,254)
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax		
41. Change in nonadmitted assets	29,106	4,170,820
42. Change in liability for reinsurance in unauthorized companies and certified companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease		
44. Change in asset valuation reserve	(7,044,944)	(877,187)
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	40,543	(19,724)
48. Change in surplus notes		
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders	(3,000,000)	(9,500,000)
53. Aggregate write-ins for gains and losses in surplus	(11,617,411)	(7,167,525)
54. Net change in capital and surplus for the year (Lines 37 through 53)	19,286,526	19,111,876
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	136,959,044	117,672,518
<b>DETAILS OF WRITE-INS</b>		
08.301. Other income	1,530,791	1,769,250
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	1,530,791	1,769,250
2701. Investment income (FWA)	24,402,630	12,724,941
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	24,402,630	12,724,941
5301. Other income from reinsurance transaction	(11,617,411)	(7,167,525)
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above)	(11,617,411)	(7,167,525)

**CASH FLOW**

		1	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	143,042,278	125,438,054
2.	Net investment income .....	46,621,024	30,964,836
3.	Miscellaneous income .....	56,160,477	53,943,475
4.	TOTAL (Lines 1 through 3) .....	245,823,779	210,346,365
5.	Benefit and loss related payments .....	92,506,296	89,340,218
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	(44,406,901)	(60,305,495)
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	58,709,567	51,337,462
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	2,355,770	8,879,616
10.	TOTAL (Lines 5 through 9) .....	109,164,732	89,251,801
11.	Net cash from operations (Line 4 minus Line 10) .....	136,659,047	121,094,564
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	391,350,146	70,688,088
12.2	Stocks .....	48,347,774	321,835
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....	5,791,873	
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....	221,083	2,912,058
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	445,710,876	73,921,981
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	466,004,869	235,679,839
13.2	Stocks .....	289,111,676	15,631,944
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....	47,764,844	11,000,000
13.6	Miscellaneous applications .....		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....	802,881,389	262,311,783
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(357,170,513)	(188,389,802)
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds .....	(11,148,257)	10,931,639
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....	(151,597)	
16.5	Dividends to stockholders .....	3,000,000	9,500,000
16.6	Other cash provided (applied) .....	195,808,659	141,206,138
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	181,508,805	142,637,777
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(39,002,661)	75,342,539
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	127,644,967	52,302,428
19.2	End of year (Line 18 plus Line 19.1) .....	88,642,306	127,644,967

**Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:**

20.0001	.....	.....	.....
20.0002	.....	.....	.....
20.0003	.....	.....	.....

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS - SUMMARY**

	1	2	3	4	5	6	7	8	9
	Total	Individual Life	Group Life	Individual Annuities	Group Annuities	Accident and Health	Fraternal	Other Lines of Business	YRT Mortality Risk Only
1. Premiums and annuity considerations for life and accident and health contracts	159,451,045	1,424,594	11,088,244	136,552,993	5,062,031	5,323,183			
2. Considerations for supplementary contracts with life contingencies		X X X	X X X			X X X	X X X		X X X
3. Net investment income	45,230,967	424,623	684,112	43,750,338	162,375	209,519			
4. Amortization of Interest Maintenance Reserve (IMR)	241,667			241,667					
5. Separate Accounts net gain from operations excluding unrealized gains or losses							X X X		
6. Commissions and expense allowances on reinsurance ceded	50,314,266			48,922,076	1,392,190				X X X
7. Reserve adjustments on reinsurance ceded	(26,706,197)			(26,706,197)					X X X
8. Miscellaneous Income									
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	4,511,212			4,511,212			X X X		
8.2 Charges and fees for deposit-type contracts						X X X	X X X		
8.3 Aggregate write-ins for miscellaneous income	1,530,791	81		1,530,710					
9. TOTALS (Lines 1 to 8.3)	234,573,751	1,849,298	11,772,356	208,802,799	6,616,596	5,532,702			
10. Death benefits	3,831,437	417,043	3,414,394			X X X	X X X		
11. Matured endowments (excluding guaranteed annual pure endowments)						X X X	X X X		
12. Annuity benefits		X X X	X X X			X X X	X X X		X X X
13. Disability benefits and benefits under accident and health contracts	1,706,227					1,706,227	X X X		
14. Coupons, guaranteed annual pure endowments and similar benefits							X X X		
15. Surrender benefits and withdrawals for life contracts	42,943,806	27,751		42,611,461	304,594	X X X	X X X		
16. Group conversions							X X X		
17. Interest and adjustments on contract or deposit-type contract funds							X X X		
18. Payments on supplementary contracts with life contingencies						X X X	X X X		
19. Increase in aggregate reserves for life and accident and health contracts	120,636,782	991,125	(153,649)	116,045,958	3,746,051	7,297	X X X		
20. TOTALS (Lines 10 to 19)	169,118,252	1,435,919	3,260,745	158,657,419	4,050,645	1,713,524	X X X		
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	24,304,743	227,392	3,407,141	19,020,032	404,945	1,245,233			X X X
22. Commissions and expense allowances on reinsurance assumed							X X X		
23. General insurance expenses and fraternal expenses	16,439,574	584,675	2,071,401	12,171,166	116,620	1,495,712			
24. Insurance taxes, licenses and fees, excluding federal income taxes	757,547	31,712	94,957	417,237	3,744	209,897			
25. Increase in loading on deferred and uncollected premiums							X X X		
26. Net transfers to or (from) Separate Accounts net of reinsurance	(43,212,188)			(43,212,188)			X X X		
27. Aggregate write-ins for deductions	24,402,630			24,402,630					
28. TOTALS (Lines 20 to 27)	191,810,558	2,279,698	8,834,244	171,456,296	4,575,954	4,664,366			
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 - Line 28)	42,763,193	(430,400)	2,938,112	37,346,503	2,040,642	868,336			
30. Dividends to policyholders and refunds to members							X X X		
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 - Line 30)	42,763,193	(430,400)	2,938,112	37,346,503	2,040,642	868,336			
32. Federal income taxes incurred (excluding tax on capital gains)	4,608,068	(81,120)	285,448	4,070,999	180,801	151,940			
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	38,155,125	(349,280)	2,652,664	33,275,504	1,859,841	716,396			
34. Policies/certificates in force end of year							X X X		
<b>DETAILS OF WRITE-INS</b>									
08.301. Other income	1,530,791	81		1,530,710					
08.302.									
08.303.									
08.398. Summary of remaining write-ins for Line 8.3 from overflow page									
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	1,530,791	81		1,530,710					
2701. Investment income (FWA)	24,402,630			24,402,630					
2702.									
2703.									
2798. Summary of remaining write-ins for Line 27 from overflow page									
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	24,402,630			24,402,630					

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS - INDIVIDUAL LIFE INSURANCE (b)

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Industrial Life	Whole Life	Term Life	Indexed Life	Universal Life	Universal Life With Secondary Guarantees	Variable Life	Variable Universal Life	Credit Life (c)	Other Individual Life	YRT Mortality Risk Only
1. Premiums for life contracts (a)	1,424,594		580,214	844,380								
2. Considerations for supplementary contracts with life contingencies	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
3. Net investment income	424,623		173,595	251,028								
4. Amortization of Interest Maintenance Reserve (IMR)												
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 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	81			81								
9. TOTALS (Lines 1 to 8.3)	1,849,298		753,809	1,095,489								
10. Death benefits	417,043		162,017	255,026								
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
13. Disability benefits and benefits under accident and health contracts												
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	27,751		27,751									
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds												
18. Payments on supplementary contracts with life contingencies												
19. Increase in aggregate reserves for life and accident and health contracts	991,125		409,389	581,736								
20. TOTALS (Lines 10 to 19)	1,435,919		599,157	836,762								
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	227,392		73,369	154,023								X X X
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses	584,675		220,816	363,859								
24. Insurance taxes, licenses and fees, excluding federal income taxes	31,712		12,591	19,121								
25. Increase in loading on deferred and uncollected premiums												
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions												
28. TOTALS (Lines 20 to 27)	2,279,698		905,933	1,373,765								
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 - Line 28)	(430,400)		(152,124)	(278,276)								
30. Dividends to policyholders and refunds to members												
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 - Line 30)	(430,400)		(152,124)	(278,276)								
32. Federal income taxes incurred (excluding tax on capital gains)	(81,120)		(46,357)	(34,763)								
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(349,280)		(105,767)	(243,513)								
34. Policies/certificates in force end of year												

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DETAILS OF WRITE-INS

08.301. Other Income	81			81								
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	81			81								
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)												

(a) Include premium amounts for preneed plans included in Line 1 \$.....0

(b) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected:

(c) Individual and Group Credit Life are combined and included on \_\_\_\_\_ Group \_\_\_\_\_ page. (Indicate whether included with Individual or Group.)

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS - GROUP LIFE INSURANCE (c)

	1	2	3	4	5	6	7	8	9
	Total	Whole Life	Term Life	Universal Life	Variable Life	Variable Universal Life	Credit Life (d)	Other Group Life (a)	YRT Mortality Risk Only
1. Premiums for life contracts (b)	11,088,244						3,699,002	7,389,242	
2. Considerations for supplementary contracts with life contingencies	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
3. Net investment income	684,112						565,774	118,338	
4. Amortization of Interest Maintenance Reserve (IMR)									
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 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									
9. TOTALS (Lines 1 to 8.3)	11,772,356						4,264,776	7,507,580	
10. Death benefits	3,414,394						449,269	2,965,125	
11. Matured endowments (excluding guaranteed annual pure endowments)									
12. Annuity benefits	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
13. Disability benefits and benefits under accident and health contracts									
14. Coupons, guaranteed annual pure endowments and similar benefits									
15. Surrender benefits and withdrawals for life contracts									
16. Group conversions									
17. Interest and adjustments on contract or deposit-type contract funds									
18. Payments on supplementary contracts with life contingencies									
19. Increase in aggregate reserves for life and accident and health contracts	(153,649)						(153,649)		
20. TOTALS (Lines 10 to 19)	3,260,745						295,620	2,965,125	
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	3,407,141						1,988,301	1,418,840	X X X
22. Commissions and expense allowances on reinsurance assumed									
23. General insurance expenses	2,071,401						674,463	1,396,938	
24. Insurance taxes, licenses and fees, excluding federal income taxes	94,957						29,848	65,109	
25. Increase in loading on deferred and uncollected premiums									
26. Net transfers to or (from) Separate Accounts net of reinsurance									
27. Aggregate write-ins for deductions									
28. TOTALS (Lines 20 to 27)	8,834,244						2,988,232	5,846,012	
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 - Line 28)	2,938,112						1,276,544	1,661,568	
30. Dividends to policyholders and refunds to members									
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 - Line 30)	2,938,112						1,276,544	1,661,568	
32. Federal income taxes incurred (excluding tax on capital gains)	285,448						43,283	242,165	
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	2,652,664						1,233,261	1,419,403	
34. Policies/certificates in force end of year									
<b>DETAILS OF WRITE-INS</b>									
08.301.									
08.302.									
08.303.									
08.398. Summary of remaining write-ins for Line 8.3 from overflow page									
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)									
2701.									
2702.									
2703.									
2798. Summary of remaining write-ins for Line 27 from overflow page									
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)									

(a) Includes the following amounts for FEGLI/SGLI: Line 1 \$.....0, Line 10 \$.....0, Line 16 \$.....0, Line 23 \$.....0, Line 24 \$.....0.

(b) Include premium amounts for preneed plans included in Line 1 \$.....0

(c) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.:

(d) Individual and Group Credit Life are combined and included on \_\_\_\_\_ Group \_\_\_\_\_ page. (Indicate whether included with Individual or Group.)



ANALYSIS OF OPERATIONS BY LINES OF BUSINESS - INDIVIDUAL ANNUITIES (a)

	1	Deferred				6 Life Contingent Payout (Immediate and Annuitizations)	7 Other Annuities
		2 Fixed Annuities	3 Indexed Annuities	4 Variable Annuities with Guarantees	5 Variable Annuities without Guarantees		
1. Premiums for individual annuity contracts	136,552,993	71,261,676	68,326,356	(3,035,039)			
2. Considerations for supplementary contracts with life contingencies		X X X	X X X	X X X	X X X	X X X	
3. Net investment income	43,750,338	12,494,798	31,252,452	3,088			
4. Amortization of Interest Maintenance Reserve (IMR)	241,667	241,667					
5. Separate Accounts net gain from operations excluding unrealized gains or losses							
6. Commissions and expense allowances on reinsurance ceded	48,922,076	20,578,921	25,690,220	2,652,935			
7. Reserve adjustments on reinsurance ceded	(26,706,197)			(26,706,197)			
8. Miscellaneous Income							
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	4,511,212			4,511,212			
8.2 Charges and fees for deposit-type contracts							
8.3 Aggregate write-ins for miscellaneous income	1,530,710	976,743	363,078	190,889			
9. TOTALS (Lines 1 to 8.3)	208,802,799	105,553,805	125,632,106	(22,383,112)			
10. Death benefits							
11. Matured endowments (excluding guaranteed annual pure endowments)							
12. Annuity benefits							
13. Disability benefits and benefits under accident and health contracts							
14. Coupons, guaranteed annual pure endowments and similar benefits							
15. Surrender benefits and withdrawals for life contracts	42,611,461	19,921,144	7,921,274	14,769,043			
16. Group conversions							
17. Interest and adjustments on contract or deposit-type contract funds							
18. Payments on supplementary contracts with life contingencies							
19. Increase in aggregate reserves for life and accident and health contracts	116,045,958	55,452,580	60,804,983	(211,605)			
20. TOTALS (Lines 10 to 19)	158,657,419	75,373,724	68,726,257	14,557,438			
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	19,020,032	4,949,628	12,651,130	1,419,274			
22. Commissions and expense allowances on reinsurance assumed							
23. General insurance expenses	12,171,166	5,061,741	5,948,813	1,160,612			
24. Insurance taxes, licenses and fees, excluding federal income taxes	417,237	162,507	189,246	65,484			
25. Increase in loading on deferred and uncollected premiums							
26. Net transfers to or (from) Separate Accounts net of reinsurance	(43,212,188)			(43,212,188)			
27. Aggregate write-ins for deductions	24,402,630		24,402,630				
28. TOTALS (Lines 20 to 27)	171,456,296	85,547,600	111,918,076	(26,009,380)			
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 - Line 28)	37,346,503	20,006,205	13,714,030	3,626,268			
30. Dividends to policyholders and refunds to members							
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 - Line 30)	37,346,503	20,006,205	13,714,030	3,626,268			
32. Federal income taxes incurred (excluding tax on capital gains)	4,070,999	1,684,331	1,680,595	706,073			
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	33,275,504	18,321,874	12,033,435	2,920,195			
34. Policies/certificates in force end of year							
<b>DETAILS OF WRITE-INS</b>							
08.301. Other income	1,530,710	976,743	363,078	190,889			
08.302.							
08.303.							
08.398. Summary of remaining write-ins for Line 8.3 from overflow page							
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	1,530,710	976,743	363,078	190,889			
2701. Investment income (FWA)	24,402,630		24,402,630				
2702.							
2703.							
2798. Summary of remaining write-ins for Line 27 from overflow page							
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	24,402,630		24,402,630				

(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS - GROUP ANNUITIES (a)**

	1	Deferred				6 Life Contingent Payout (Immediate and Annuitizations)	7 Other Annuities
		2 Fixed Annuities	3 Indexed Annuities	4 Variable Annuities with Guarantees	5 Variable Annuities without Guarantees		
	Total						
1. Premiums for group annuity contracts	5,062,031	5,062,031					
2. Considerations for supplementary contracts with life contingencies		X X X	X X X	X X X	X X X	X X X	
3. Net investment income	162,375	162,375					
4. Amortization of Interest Maintenance Reserve (IMR)							
5. Separate Accounts net gain from operations excluding unrealized gains or losses							
6. Commissions and expense allowances on reinsurance ceded	1,392,190	1,392,190					
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							
9. TOTALS (Lines 1 to 8.3)	6,616,596	6,616,596					
10. Death benefits							
11. Matured endowments (excluding guaranteed annual pure endowments)							
12. Annuity benefits							
13. Disability benefits and benefits under accident and health contracts							
14. Coupons, guaranteed annual pure endowments and similar benefits							
15. Surrender benefits and withdrawals for life contracts	304,594	304,594					
16. Group conversions							
17. Interest and adjustments on contract or deposit-type contract funds							
18. Payments on supplementary contracts with life contingencies							
19. Increase in aggregate reserves for life and accident and health contracts	3,746,051	3,746,051					
20. TOTALS (Lines 10 to 19)	4,050,645	4,050,645					
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	404,945	404,945					
22. Commissions and expense allowances on reinsurance assumed							
23. General insurance expenses	116,620	116,620					
24. Insurance taxes, licenses and fees, excluding federal income taxes	3,744	3,744					
25. Increase in loading on deferred and uncollected premiums							
26. Net transfers to or (from) Separate Accounts net of reinsurance							
27. Aggregate write-ins for deductions							
28. TOTALS (Lines 20 to 27)	4,575,954	4,575,954					
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 - Line 28)	2,040,642	2,040,642					
30. Dividends to policyholders and refunds to members							
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 - Line 30)	2,040,642	2,040,642					
32. Federal income taxes incurred (excluding tax on capital gains)	180,801	180,801					
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	1,859,841	1,859,841					
34. Policies/certificates in force end of year							
<b>DETAILS OF WRITE-INS</b>							
08.301.							
08.302.							
08.303.							
08.398. Summary of remaining write-ins for Line 8.3 from overflow page							
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)							
2701.							
2702.							
2703.							
2798. Summary of remaining write-ins for Line 27 from overflow page							
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)							

(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS - ACCIDENT AND HEALTH (a)**

	1 Total	Comprehensive		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health
		2 Individual	3 Group										
1. Premiums for accident and health contracts	5,323,183		5,278,986							43,403			794
2. Considerations for supplementary contracts with life contingencies	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
3. Net investment income	209,519		176,178							33,341			
4. Amortization of Interest Maintenance Reserve (IMR)													
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 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts													
8.2 Charges and fees for deposit-type contracts	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8.3 Aggregate write-ins for miscellaneous income													
9. TOTALS (Lines 1 to 8.3)	5,532,702		5,455,164							76,744			794
10. Death benefits	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
11. Matured endowments (excluding guaranteed annual pure endowments)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
12. Annuity benefits	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
13. Disability benefits and benefits under accident and health contracts	1,706,227		1,674,812							31,415			
14. Coupons, guaranteed annual pure endowments and similar benefits													
15. Surrender benefits and withdrawals for life contracts	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
16. Group conversions													
17. Interest and adjustments on contract or deposit-type contract funds													
18. Payments on supplementary contracts with life contingencies	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
19. Increase in aggregate reserves for life and accident and health contracts	7,297		122,470							(115,173)			
20. TOTALS (Lines 10 to 19)	1,713,524		1,797,282							(83,758)			
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	1,245,233		1,238,165							7,068			
22. Commissions and expense allowances on reinsurance assumed													
23. General insurance expenses	1,495,712		1,397,050							98,662			
24. Insurance taxes, licenses and fees, excluding federal income taxes	209,897		204,477							5,420			
25. Increase in loading on deferred and uncollected premiums													
26. Net transfers to or (from) Separate Accounts net of reinsurance													
27. Aggregate write-ins for deductions													
28. TOTALS (Lines 20 to 27)	4,664,366		4,636,974							27,392			
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 - Line 28)	868,336		818,190							49,352			794
30. Dividends to policyholders and refunds to members													
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 - Line 30)	868,336		818,190							49,352			794
32. Federal income taxes incurred (excluding tax on capital gains)	151,940		138,170							13,770			
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	716,396		680,020							35,582			794
34. Policies/certificates in force end of year													

**DETAILS OF WRITE-INS**

08.301.													
08.302.													
08.303.													
08.398. Summary of remaining write-ins for Line 8.3 from overflow page													
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)													
2701.													
2702.													
2703.													
2798. Summary of remaining write-ins for Line 27 from overflow page													
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)													

(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.:

## ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR - INDIVIDUAL LIFE INSURANCE (a)

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Industrial Life	Whole Life	Term Life	Indexed Life	Universal Life	Universal Life With Secondary Guarantees	Variable Life	Variable Universal Life	Credit Life (b) (N/A Fraternal)	Other Individual Life	YRT Mortality Risk Only
<b>Involving Life or Disability Contingencies (Reserves)</b> (Net of Reinsurance Ceded)												
1. Reserve December 31, prior year .....	8,173,602		3,753,833	4,419,769								
2. Tabular net premiums or considerations .....												
3. Present value of disability claims incurred .....												
4. Tabular interest .....												
5. Tabular less actual reserve released .....												
6. Increase in reserve on account of change in valuation basis .....												
6.1 Change in Excess of VM-20 Deterministic / Stochastic Reserve over Net Premium Reserve .....		X X X								X X X		
7. Other increases (net) .....	1,290,463		572,317	718,146								
8. TOTALS (Lines 1 to 7) .....	9,464,065		4,326,150	5,137,915								
9. Tabular cost .....												
10. Reserves released by death .....	111,468		111,456	12								
11. Reserves released by other terminations (net) .....	188,269		51,471	136,798								
12. Annuity, supplementary contract, and disability payments involving life contingencies .....												
13. Net transfers to or (from) Separate Accounts .....												
14. TOTAL Deductions (Lines 9 to 13) .....	299,737		162,927	136,810								
15. Reserve December 31, current year .....	9,164,328		4,163,223	5,001,105								
<b>Cash Surrender Value and Policy Loans</b>												
16. CSV Ending balance December 31, current year .....												
17. Amount Available for Policy Loans Based upon Line 16 CSV .....												

7.1

(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.:

(b) Individual and Group Credit Life are combined and included on Group page. (Indicate whether included with Individual or Group.)

## ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR - GROUP LIFE INSURANCE (a) (N/A Fraternal)

	1	2	3	4	5	6	7	8	9
	Total	Whole Life	Term Life	Variable Life	Universal Life	Variable Universal Life	Credit Life (b)	Other Group Life	YRT Mortality Risk Only
<b>Involving Life or Disability Contingencies (Reserves)</b> (Net of Reinsurance Ceded)									
1. Reserve December 31 of prior year .....	3,659,513						3,659,116		397
2. Tabular net premiums and considerations .....									
3. Present value of disability claims incurred .....									
4. Tabular interest .....									
5. Tabular less actual reserve released .....									
6. Increase in reserve on account of change in valuation basis .....									
6.1 Change in Excess of VM-20 Deterministic / Stochastic Reserve over Net Premium Reserve .....									
7. Other increases (net) .....	1,145,271						1,144,871		400
8. TOTALS (Lines 1 to 7) .....	4,804,784						4,803,987		797
9. Tabular cost .....									
10. Reserves released by death .....	14,452						14,452		
11. Reserves released by other terminations (net) .....	1,284,067						1,284,067		
12. Annuity, supplementary contract, and disability payments involving life contingencies .....									
13. Net transfers to or (from) Separate Accounts .....									
14. TOTAL Deductions (Lines 9 to 13) .....	1,298,519						1,298,519		
15. Reserve December 31, current year .....	3,506,265						3,505,468		797
<b>Cash Surrender Value and Policy Loans</b>									
16. CSV Ending balance December 31, current year .....									
17. Amount Available for Policy Loans Based upon Line 16 CSV .....									

(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.:

(b) Individual and Group Credit Life are combined and included on Group page. (Indicate whether included with Individual or Group.)

## ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR - INDIVIDUAL ANNUITIES (a)

	1	Deferred				6	7
		2	3	4	5		
	Total	Fixed Annuities	Indexed Annuities	Variable Annuities With Guarantees	Variable Annuities Without Guarantees	Life Contingent Payout (Immediate and Annuityizations)	Other Annuities
<b>Involving Life or Disability Contingencies (Reserves)</b> (Net of Reinsurance Ceded)							
1. Reserve December 31 of prior year .....	364,285,333	203,925,472	159,747,742	612,119			
2. Tabular net premiums and considerations .....							
3. Present value of disability claims incurred .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X
4. Tabular interest .....							
5. Tabular less actual reserve released .....							
6. Increase in reserve on account of change in valuation basis .....							
6.1 Change in Excess of VM-20 Deterministic / Stochastic Reserve over Net Premium Reserve .....							
7. Other increases (net) .....	137,853,335	74,398,116	63,446,134	9,085			
8. TOTALS (Lines 1 to 7) .....	502,138,668	278,323,588	223,193,876	621,204			
9. Tabular cost .....							
10. Reserves released by death .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X
11. Reserves released by other terminations (net) .....	22,361,179	18,837,233	3,303,256	220,690			
12. Annuity, supplementary contract, and disability payments involving life contingencies .....							
13. Net transfers to or (from) Separate Accounts .....							
14. TOTAL Deductions (Lines 9 to 13) .....	22,361,179	18,837,233	3,303,256	220,690			
15. Reserve December 31, current year .....	479,777,489	259,486,355	219,890,620	400,514			
<b>Cash Surrender Value and Policy Loans</b>							
16. CSV Ending balance December 31, current year .....							
17. Amount Available for Policy Loans Based upon Line 16 CSV .....							

(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.:

## ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR - GROUP ANNUITIES (a) (N/A Fraternal)

	1	Deferred				6	7
		2	3	4	5		
	Total	Fixed Annuities	Indexed Annuities	Variable Annuities with Guarantees	Variable Annuities without Guarantees	Life Contingent Payout (Immediate and Annuityizations)	Other Annuities
<b>Involving Life or Disability Contingencies (Reserves)</b> (Net of Reinsurance Ceded)							
1. Reserve December 31 of prior year .....	2,230,734	2,230,734					
2. Tabular net premiums and considerations .....							
3. Present value of disability claims incurred .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4. Tabular interest .....							
5. Tabular less actual reserve released .....							
6. Increase in reserve on account of change in valuation basis .....							
6.1 Change in Excess of VM-20 Deterministic / Stochastic Reserve over Net Premium Reserve .....							
7. Other increases (net) .....	3,831,477	3,831,477					
8. TOTALS (Lines 1 to 7) .....	6,062,211	6,062,211					
9. Tabular cost .....							
10. Reserves released by death .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11. Reserves released by other terminations (net) .....	83,667	83,667					
12. Annuity, supplementary contract, and disability payments involving life contingencies .....							
13. Net transfers to or (from) Separate Accounts .....							
14. TOTAL Deductions (Lines 9 to 13) .....	83,667	83,667					
15. Reserve December 31, current year .....	5,978,544	5,978,544					
<b>Cash Surrender Value and Policy Loans</b>							
16. CSV Ending balance December 31, current year .....							
17. Amount Available for Policy Loans Based upon Line 16 CSV .....							

(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.:

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 2,999,297	2,548,508
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 30,071,093	31,094,957
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 5,724,348	5,928,231
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	1,335,262	1,352,815
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans	2,715	2,715
6. Cash, cash equivalents and short-term investments	(e) 3,447,614	3,405,068
7. Derivative instruments	(f)	
8. Other invested assets	649,087	898,673
9. Aggregate write-ins for investment income		
10. TOTAL gross investment income	44,229,416	45,230,967
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		
17. Net Investment income (Line 10 minus Line 16)		45,230,967
<b>DETAILS OF WRITE-INS</b>		
0901. Investment income recognized as result of prepayment penalties		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$.....1,011,800 accrual of discount less \$.....4,026,530 amortization of premium and less \$.....2,446,339 paid for accrued interest on purchases.  
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.  
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.  
 (e) Includes \$.....373,811 accrual of discount less \$.....21,226 amortization of premium and less \$.....33,800 paid for accrued interest on purchases.  
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.  
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.  
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(1,127,755)		(1,127,755)		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	5,651,519	(455,784)	5,195,735	91,823	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	1,055,876		1,055,876	20,752	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	165,286		165,286	3,725,596	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets	373,339		373,339	(1,425,650)	
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	6,118,265	(455,784)	5,662,481	2,412,521	
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					



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

	1 Total	2 Industrial Life	Insurance								11 Aggregate of All Other Lines of Business	12 Fraternal (Fraternal Benefit Societies Only)
			Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health				
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other		
<b>FIRST YEAR (other than single)</b>												
1.	Uncollected	34,559	(9,266)			11,001		32,824				
2.	Deferred and accrued											
3.	Deferred, accrued and uncollected:											
3.1	Direct	83,374	1,304			18,421		63,649				
3.2	Reinsurance assumed											
3.3	Reinsurance ceded	48,815	10,570			7,420		30,825				
3.4	Net (Line 1 + Line 2)	34,559	(9,266)			11,001		32,824				
4.	Advance	296				296						
5.	Line 3.4 - Line 4	34,263	(9,266)			10,705		32,824				
6.	Collected during year:											
6.1	Direct	138,004,797	204,479	136,510,240		320,501		969,577				
6.2	Reinsurance assumed	63,821				63,821						
6.3	Reinsurance ceded	69,344,052	64,599	68,910,398		76,776		292,279				
6.4	Net	68,724,566	139,880	67,599,842		307,546		677,298				
7.	Line 5 + Line 6.4	68,758,829	130,614	67,599,842		318,251		710,122				
8.	Prior year (uncollected + deferred and accrued - advance)	111,157	(26,139)			97,100		40,196				
9.	First year premiums and considerations:											
9.1	Direct	138,010,728	204,476	136,510,240		304,001		992,011				
9.2	Reinsurance assumed											
9.3	Reinsurance ceded	69,363,056	47,723	68,910,398		82,850		322,085				
9.4	Net (Line 7 - Line 8)	68,647,672	156,753	67,599,842		221,151		669,926				
<b>SINGLE</b>												
10.	Single premiums and considerations:											
10.1	Direct	297,826,353		273,836,693	3,699,002		20,247,255		43,403			
10.2	Reinsurance assumed											
10.3	Reinsurance ceded	220,068,766		204,883,542			15,185,224					
10.4	Net	77,757,587		68,953,151	3,699,002		5,062,031		43,403			
<b>RENEWAL</b>												
11.	Uncollected	2,026,293	(66,208)			774,531		1,317,924		46		
12.	Deferred and accrued											
13.	Deferred, accrued and uncollected:											
13.1	Direct	2,480,631	27,981			925,028		1,527,576		46		
13.2	Reinsurance assumed	64,720				64,720						
13.3	Reinsurance ceded	519,058	94,189			215,217		209,652				
13.4	Net (Line 11 + Line 12)	2,026,293	(66,208)			774,531		1,317,924		46		
14.	Advance	129,049				56,055		72,994				
15.	Line 13.4 - Line 14	1,897,244	(66,208)			718,476		1,244,930		46		
16.	Collected during year:											
16.1	Direct	17,171,217	1,675,116			8,999,273		6,496,080		748		
16.2	Reinsurance assumed	689,258				689,258						
16.3	Reinsurance ceded	4,624,977	531,396			2,224,646		1,868,935				
16.4	Net	13,235,498	1,143,720			7,463,885		4,627,145		748		
17.	Line 15 + Line 16.4	15,132,742	1,077,512			8,182,361		5,872,075		794		
18.	Prior year (uncollected + deferred and accrued - advance)	2,086,956	(190,330)			1,014,270		1,263,016				
19.	Renewal premiums and considerations:											
19.1	Direct	17,164,968	1,674,429			8,817,031		6,672,714		794		
19.2	Reinsurance assumed	753,978				753,978						
19.3	Reinsurance ceded	4,873,160	406,587			2,402,918		2,063,655				
19.4	Net (Line 17 - Line 18)	13,045,786	1,267,842			7,168,091		4,609,059		794		
<b>TOTAL</b>												
20.	TOTAL Premiums and annuity considerations:											
20.1	Direct	453,002,049	1,878,905	410,346,933	3,699,002	9,121,032	20,247,255	7,664,725	43,403	794		
20.2	Reinsurance assumed	753,978				753,978						
20.3	Reinsurance ceded	294,304,982	454,310	273,793,940		2,485,768	15,185,224	2,385,740				
20.4	Net (Lines 9.4 + 10.4 + 19.4)	159,451,045	1,424,595	136,552,993	3,699,002	7,389,242	5,062,031	5,278,985	43,403	794		

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**EXHIBIT 1 - PART 2 - POLICYHOLDERS' DIVIDENDS, REFUNDS TO MEMBERS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)**

10

	1 Total	2 Industrial Life	Insurance								11 Aggregate of All Other Lines of Business	12 Fraternal (Fraternal Benefit Societies Only)
			Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health				
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other		
<b>POLICYHOLDERS'S DIVIDENDS, REFUNDS TO MEMBERS AND COUPONS APPLIED (included in Part 1)</b>												
21.												
22.												
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>												
23.												
23.1	23,231,856			23,231,856								
23.2												
23.3	23,231,856			23,231,856								
24.												
24.1	27,082,410			25,690,220			1,392,190					
24.2												
24.3	27,082,410			25,690,220			1,392,190					
25.												
25.1												
25.2												
25.3												
26.												
26.1	50,314,266			48,922,076			1,392,190					
26.2												
26.3	50,314,266			48,922,076			1,392,190					
<b>COMMISSIONS INCURRED (direct business only)</b>												
27.	7,145,341		163,954	6,368,902		47,290	404,945	160,250				
28.	14,646,499			12,651,130	1,988,301				7,068			
29.	2,512,903		63,438			1,371,550		1,077,915				
30.												
31.	24,304,743		227,392	19,020,032	1,988,301	1,418,840	404,945	1,238,165	7,068			

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UNIVERSAL LIFE INSURANCE COMPANY  
**EXHIBIT 2 - GENERAL EXPENSES**

	Insurance				5 Investment	6 Fraternal	7 Total
	1 Life	Accident and Health		4 All Other Lines of Business			
		2 Cost Containment	3 All Other				
1. Rent	225,291		55,209				280,500
2. Salaries and wages	2,422,920		509,799				2,932,719
3.11 Contributions for benefit plans for employees	191,627		37,990				229,617
3.12 Contributions for benefit plans for agents							
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	205,187		46,172				251,359
3.32 Other agent welfare							
4.1 Legal fees and expenses	1,062,801		116,932				1,179,733
4.2 Medical examination fees	26,239						26,239
4.3 Inspection report fees							
4.4 Fees of public accountants and consulting actuaries	428,098		47,100				475,198
4.5 Expense of investigation and settlement of policy claims			18,153				18,153
5.1 Traveling expenses	273,987		27,153				301,140
5.2 Advertising	174,427		19,091				193,518
5.3 Postage, express, telegraph and telephone	167,067		15,905				182,972
5.4 Printing and stationery	132,278		13,671				145,949
5.5 Cost or depreciation of furniture and equipment	109,159		14,249				123,408
5.6 Rental of equipment							
5.7 Cost or depreciation of EDP equipment and software	829,979		59,125				889,104
6.1 Books and periodicals	1,997		220				2,217
6.2 Bureau and association fees	101,383		13,738				115,121
6.3 Insurance, except on real estate	59,092		6,501				65,593
6.4 Miscellaneous losses							
6.5 Collection and bank service charges	128,619		1,549				130,168
6.6 Sundry general expenses	27,137		2,482				29,619
6.7 Group service and administration fees	6,991,282		110,066				7,101,348
6.8 Reimbursements by uninsured plans							
7.1 Agency expense allowance							
7.2 Agents' balances charged off (less \$.....0 recovered)							
7.3 Agency conferences other than local meetings	271,097		115,319				386,416
8.1 Official publication (Fraternal Benefit Societies Only)	X X X	X X X	X X X	X X X	X X X		
8.2 Expense of supreme lodge meetings (Fraternal Benefit Societies Only)	X X X	X X X	X X X	X X X	X X X		
9.1 Real estate expenses							
9.2 Investment expenses not included elsewhere	593,623		64,863				658,486
9.3 Aggregate write-ins for expenses	520,575		200,422				720,997
10. General expenses Incurred	14,943,865		1,495,709			(b)	(a) 16,439,574
11. General expenses unpaid December 31, prior year	2,018,832		365,856				2,384,688
12. General expenses unpaid December 31, current year	3,510,916		636,254				4,147,170
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)	13,451,781		1,225,311				14,677,092

**DETAILS OF WRITE-INS**

09.301. Professional services & consultants	520,575		1,255				521,830
09.302. Bad debt reserves			199,167				199,167
09.303.							
09.398. Summary of remaining write-ins for Line 9.3 from overflow page							
09.399. TOTALS (Lines 09.301 through 09.303 plus 09.398) (Line 9.3 above)	520,575		200,422				720,997

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

(b) Show the distribution of this amount in the following categories (Fraternal Benefit Societies Only)

1. Charitable ..... ; 2. Institutional ..... ; 3. Recreational and Health ..... ; 4. Educational .....  
 5. Religious ..... ; 6. Membership ..... ; 7. Other ..... ; 8. Total .....

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

	Insurance			4 Investment	5 Fraternal	6 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business			
1. Real estate taxes						
2. State insurance department licenses and fees	325,150	19,713				344,863
3. State taxes on premiums		145,044				145,044
4. Other state taxes, incl. \$.....0 for employee benefits	28,409	6,960				35,369
5. U.S. Social Security taxes	160,763	34,615				195,378
6. All other taxes	33,327	3,566				36,893
7. Taxes, licenses and fees incurred	547,649	209,898				757,547
8. Taxes, licenses and fees unpaid December 31, prior year	709,142	262,285				971,427
9. Taxes, licenses and fees unpaid December 31, current year	742,273	274,539				1,016,812
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	514,518	197,644				712,162

**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 (Lines 1 through 4)		
6. Paid-in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. TOTAL (Lines 5 through 8)		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in line 13		
15. TOTAL (Lines 10 through 14)		
16. TOTAL from prior year		
17. TOTAL Dividends or refunds (Lines 9 + 15 - 16)		

**NONE**

**DETAILS OF WRITE-INS**

0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above)		

**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
<b>Life Insurance (Gross)</b>					
120% 2001 CSO 4.50% ALB	178			178	
120% 2001 CSO 4.25% ALB	384			384	
120% 2001 CSO 3.75% ALB	1,786,438			1,786,438	
120% 2001 CSO 4.00% ALB	113,338			113,338	
120% 2001 CSO 3.50% ALB	1,605,128			1,605,128	
100% 1980 CSO 50% MALE 4.50% ALB CRVM	572,488		572,488		
100% 2001 CSO 4.00% ALB CRVM	1,823,320		1,823,320		
100% 2001 CSO 3.50% ALB CRVM	1,767,415		1,767,415		
100% 1980 CSO 50% MALE 3.5% ALB CRVM	797				797
100% 1980 CSO 50% MALE 4.75% ALB CRVM	3,655		3,655		
100% 2001 CSO 4.50% ANB CRVM	36,177		36,177		
100% 2001 CSO 4.25% ANB CRVM	1,090,472		1,090,472		
100% 2001 CSO 4.00% ANB CRVM	2,892,722		2,892,722		
100% 2001 CSO 3.75% ANB CRVM	628,981		628,981		
100% 2001 CSO 3.50% ANB CRVM	1,169,028		1,169,028		
0199997 Subtotal - Life Insurance (Gross)	13,490,521		9,984,258	3,505,466	797
0199998 Reinsurance Ceded	823,057		823,057		
0199999 Totals - (Net)	12,667,464		9,161,201	3,505,466	797
<b>Annuities (excluding supplementary contracts with life contingencies) (Gross)</b>					
a2000 4.50% CARVM	15,489,427	X X X	15,489,427	X X X	
a2000 5.00% CARVM	20,989,062	X X X	20,989,062	X X X	
a2000 4.25% CARVM	102,853,289	X X X	102,853,289	X X X	
a2000 3.75% CARVM	372,275,181	X X X	372,275,181	X X X	
a2000 3.50% CARVM	372,410,814	X X X	372,410,814	X X X	
a1994 4.75% CARVM	5,252,361	X X X	5,252,361	X X X	
a1994 5.00% CARVM	9,142,247	X X X	9,142,247	X X X	
a1994 4.50% CARVM	7,570,584	X X X	7,570,584	X X X	
a1994 4.25% CARVM	5,871,733	X X X	5,871,733	X X X	
a1994 3.75% CARVM	426,352,068	X X X	426,352,068	X X X	
a1994 3.50% CARVM	473,283,936	X X X	473,283,936	X X X	
1994 GAR 3.75%	8,588,265	X X X			8,588,265
1994 GAR 4.00%	15,325,909	X X X			15,325,909
Guarantees Variable Annuities (AG43)	1,242,337	X X X	1,242,337	X X X	
0299997 Subtotal - Annuities (excluding supplementary contracts with life contingencies) (Gross)	1,836,647,213	X X X	1,812,733,039	X X X	23,914,174
0299998 Reinsurance Ceded	1,350,891,178	X X X	1,332,955,548	X X X	17,935,630
0299999 Totals - (Net)	485,756,035	X X X	479,777,491	X X X	5,978,544
0399998 Reinsurance Ceded					
0399999 Totals - (Net)					
<b>Accidental Death Benefits (Gross)</b>					
1959 US ADB 4.50% ANB	73		73		
1959 US ADB 4.25% ANB	1,797		1,797		
1959 US ADB 4.00% ANB	2,952		2,952		
0499997 Subtotal - Accidental Death Benefits (Gross)	4,822		4,822		
0499998 Reinsurance Ceded	1,695		1,695		
0499999 Totals - (Net)	3,127		3,127		
0599998 Reinsurance Ceded					
0599999 Totals - (Net)					
0699998 Reinsurance Ceded					
0699999 Totals - (Net)					
0799997 Subtotal - Miscellaneous Reserves (Gross)					
0799998 Reinsurance Ceded					
0799999 Totals - (Net)					
9999999 Totals - (Net) -Page 3, Line 1	498,426,626		488,941,819	3,505,466	5,979,341

## EXHIBIT 5 - INTERROGATORIES

- |  |  |
|--|--|
| 1.1 Has the reporting entity ever issued both participating and non-participating contracts?<br>1.2 If not, state which kind is issued:<br>NON-PARTICIPATING   | Yes[ ] No[X]                             |
| 2.1 Does the reporting entity at present issue both participating and non-participating contracts?<br>2.2 If not, state which kind is issued:<br>NON-PARTICIPATING   | Yes[ ] No[X]                             |
| 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?<br>If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.  | Yes[ ] No[X]                             |
| 4. Has the reporting entity any assessment or stipulated premium contracts in force?<br>If so, state:  | Yes[ ] No[X]                             |
| 4.1 Amount of insurance:   | \$ ..... 0                               |
| 4.2 Amount of reserve:   | \$ ..... 0                               |
| 4.3 Basis of reserve   |  |
| 4.4 Basis of regular assessments   |  |
| 4.5 Basis of special assessments   |  |
| 4.6 Assessments collected during the year  | \$ ..... 0                               |
| 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?<br>6.1 If so, state the amount of reserve on such contracts on the basis actually held:<br>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:<br>Attach statement of methods employed in their valuation. | Yes[ ] No[X]<br>\$ ..... 0<br>\$ ..... 0 |
| 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?<br>7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements:<br>7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount<br>7.3 State the amount of reserves established for this business:<br>7.4 Identify where the reserves are reported in the blank   | Yes[ ] No[X]<br>\$ ..... 0<br>\$ ..... 0 |
| 8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year?<br>8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements:<br>8.2 State the amount of reserves established for this business:<br>8.3 Identify where the reserves are reported in the blank:  | Yes[ ] No[X]<br>\$ ..... 0<br>\$ ..... 0 |
| 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?<br>9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders:<br>9.2 State the amount of reserves established for this business:<br>9.3 Identify where the reserves are reported in the blank:  | Yes[ ] No[X]<br>\$ ..... 0<br>\$ ..... 0 |

## 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
9999999 TOTAL (Column 4 Only) .....			

**EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS (a)**

	1	Comprehensive		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long Term Care	Other Health
<b>ACTIVE LIFE RESERVE</b>													
1. Unearned premium reserves .....	251,927									251,927			
2. Additional contract reserves (b) .....													
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) .....	251,927									251,927			
8. Reinsurance ceded .....													
9. TOTALS (NET) .....	251,927									251,927			
<b>CLAIM RESERVE</b>													
10. Present value of amounts not yet due on claims .....	6,100,821										6,100,821		
11. Additional actuarial reserves - Asset/Liability analysis .....													
12. Reserve for future contingent benefits .....													
13. Aggregate write-ins for reserves .....													
14. TOTALS (Gross) .....	6,100,821										6,100,821		
15. Reinsurance ceded .....	4,576,677										4,576,677		
16. TOTALS (Net) .....	1,524,144										1,524,144		
17. TOTAL (Net) .....	1,776,071									251,927	1,524,144		
18. TABULAR FUND INTEREST .....													
<b>DETAILS OF WRITE-INS</b>													
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) .....													

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(a) Indicate if blocks of business in run-off that comprise less than 5% of premiums and less than 5% of reserve and loans liability are aggregated with material blocks of business and which columns are affected.:  
 (b) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.:

## EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance .....	3,260,990	3,260,990				
2. Deposits received during the year .....	1,055,777	1,055,777				
3. Investment earnings credited to the account .....	80,811	80,811				
4. Other net change in reserves .....						
5. Fees and other charges assessed .....						
6. Surrender charges .....						
7. Net surrender or withdrawal payments .....	1,742,975	1,742,975				
8. Other net transfers to or (from) Separate Accounts .....						
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8) .....	2,654,603	2,654,603				
10. Reinsurance balance at the beginning of the year .....	(2,445,742)	(2,445,742)				
11. Net change in reinsurance assumed .....						
12. Net change in reinsurance ceded .....	(454,790)	(454,790)				
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12) .....	(1,990,952)	(1,990,952)				
14. Net balance at the end of current year after reinsurance (Lines 9 + 13) .....	663,651	663,651				

## 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	3,245,943		354,466			892,297	1,614,088		337,664	47,428	
1.2 Reinsurance assumed											
1.3 Reinsurance ceded	1,068,943		200,000				824,956		43,987		
1.4 Net	2,177,000		154,466			892,297	789,132		293,677	47,428	
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	5,234,247		555,074			370,982	3,065,442		1,071,489	170,260	1,000
3.2 Reinsurance assumed											
3.3 Reinsurance ceded	2,898,335		319,627				2,187,864		390,844		
3.4 Net	2,335,912		(b)	(b)		(b)	(b)		(b)	(b)	(b)
4. TOTALS:											
4.1 Direct	8,480,190		909,540			1,263,279	4,679,530		1,409,153	217,688	1,000
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	3,967,278		519,627				3,012,820		434,831		
4.4 Net	4,512,912	(a)	(a)	(a)		1,263,279	(a)	1,666,710	974,322	217,688	1,000

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$.....0 in Column 2, \$.....0 in Column 3 and \$.....0 in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....0, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).



## EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

### PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	7,860,065		713,228			365,913	3,928,739		2,761,268	90,917	
1.2 Reinsurance assumed	135,000						135,000				
1.3 Reinsurance ceded	3,030,976		278,465				1,780,347		972,164		
1.4 Net (d)	4,964,089		434,763			365,913	2,283,392		1,789,104	90,917	
2. Liability December 31, current year from Part 1:											
2.1 Direct	8,480,190		909,540			1,263,279	4,679,530		1,409,153	217,688	1,000
2.2 Reinsurance assumed											
2.3 Reinsurance ceded	3,967,278		519,627				3,012,820		434,831		
2.4 Net	4,512,912		389,913			1,263,279	1,666,710		974,322	217,688	1,000
3. Amounts recoverable from reinsurers December 31, current year	447,678						275,300		172,378		
4. Liability December 31, prior year:											
4.1 Direct	7,746,805		853,011			1,179,923	3,663,674		1,772,007	277,190	1,000
4.2 Reinsurance assumed	35,000						35,000				
4.3 Reinsurance ceded	3,506,827		445,378				2,217,382		844,067		
4.4 Net	4,274,978		407,633			1,179,923	1,481,292		927,940	277,190	1,000
5. Amounts recoverable from reinsurers December 31, prior year	783,316						771,615		11,701		
6. Incurred benefits:											
6.1 Direct	8,593,450		769,757			449,269	4,944,595		2,398,414	31,415	
6.2 Reinsurance assumed	100,000						100,000				
6.3 Reinsurance ceded	3,155,789		352,714				2,079,470		723,605		
6.4 Net	5,537,661		417,043			449,269	2,965,125		1,674,809	31,415	

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in Line 6.4.

(d) Includes \$.....0 premiums waived under total and permanent disability benefits.

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	145,922	213,511	67,589
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	261,465	99,730	(161,735)
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....	23,754	69,088	45,334
21. Furniture and equipment, including health care delivery assets .....	72,395	67,245	(5,150)
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....	2,290,072	2,373,140	83,068
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,793,608	2,822,714	29,106
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	2,793,608	2,822,714	29,106
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501. Prepaid expenses .....	364,225	586,302	222,077
2502. Other account receivable .....	76,327	76,252	(75)
2503. Negative IMR .....	1,849,520	1,710,586	(138,934)
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	2,290,072	2,373,140	83,068

# Notes to Financial Statements

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# Notes to Financial Statements

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Accounting Practices

The accompanying financial statements of Universal Life Insurance Company (the Company) have been prepared in conformity with the Statutory Accounting Practices (SAP) of the National Association of Insurance Commissioners (NAIC) and the accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico.

The Commissioner of Insurance has the right to permit other specific practices that may deviate from prescribed practices. Prescribed statutory accounting practices include a variety of publications of the NAIC including its codification initiative contained in its Accounting Practices and Procedures Manual, as well as state laws, regulations, and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted the Commissioner of Insurance is shown below:

NET INCOME	SSAP#	Page	Line#	2019	2018
(1) State basis (Page 4, Line 35, Columns 1 & 3)	XXX	XXX	XXX	\$38,949,215	\$33,446,746
(2) State prescribed practices that increase/(decrease) NAIC	N/A	N/A	N/A	-	-
(3) State permitted practices that increase/(decrease) NAIC	N/A	N/A	N/A	-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$38,949,215</u>	<u>\$33,446,746</u>
<b>SURPLUS</b>					
(1) State basis (Page 4, Line 35, Columns 1 & 3)	XXX	XXX	XXX	\$136,959,044	\$117,672,518
(2) State prescribed practices that increase/(decrease) NAIC	N/A	N/A	N/A	-	-
(3) State permitted practices that increase/(decrease) NAIC	N/A	N/A	N/A	-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$136,959,044</u>	<u>\$117,672,518</u>

### B. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities, the disclosure of assets and liabilities as of the date of the statutory financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant estimates include those used in determining the carrying values of investments, other-than-temporary impairment(s) (OTTI) and the liabilities for policyholders reserves. Future events including, but not limited to, changes in the level of mortality, morbidity, interest rates, persistency, asset valuations and defaults could cause results to differ from the estimates used in the statutory financial statements. Although some variability is inherent in these estimates, management believes the amounts presented are appropriate.

### C. Accounting policies

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Accident & Health premiums are earned ratably over the terms of the related insurance contracts or policies.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

1. Basis of valuation of short term investments - The carrying amounts for these instruments approximate their fair values given their short-term to maturity. Short-term investments consist of all highly liquid investments purchased with maturities of greater than three months and less than or equal to 12 months. Short-term investments are stated at amortized cost, which approximates fair value.
2. Basis of valuation of bonds – Bonds are generally valued at amortized cost using the constant yield interest method with the exception of NAIC Category 6 bonds, which are in or near default, which are carried at the lower of amortized cost or fair value. NAIC ratings are applied to bonds and other securities. Categories 1 and 2 are considered investment grade, while categories 3

## Notes to Financial Statements

through 6 are considered below investment grade. Bond transactions are recorded on a trade date basis.

3. Basis of valuation of common stocks - The fair values of unaffiliated common stock are valued as prescribed by the SVO. Common stocks are carried at NAIC fair value. The change in the fair value is recorded as a change in net unrealized capital gains (losses), a component of unassigned surplus.
4. Preferred stocks in good standing, those that are rated Categories 1 through 3 by the Securities Valuation Office (SVO) of the NAIC, are generally valued at amortized cost. Preferred stocks not in good standing, those that are rated Categories 4 through 6 by the SVO of the NAIC, are valued at the lower of amortized cost or fair value.
5. The Company has no mortgage loans or real state.
6. For loan-backed securities, such as asset-backed securities (ABS), mortgage-backed securities (MBS), including RMBS and CMBS, included in "Bonds", are generally stated at amortized cost using the scientific method unless they have a NAIC rating designation of 6, in which case such bonds are stated at the lower of amortized cost or fair value. Amortization of the discount or premium from the purchase of the securities considers the estimated timing and amount of prepayments of the underlying mortgage loans. Actual prepayment experience is periodically reviewed and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments-sensitive bonds (e.g., interest-only securities), the effective yield is recalculating on a prospective basis. For all other mortgage -backed and asset-backed bonds, the effective yield is recalculated on a retrospective basis.

For certain residential mortgage-backed securities ("RMBS") and certain commercial mortgage-backed securities ("CMBS"), both an initial and final NAIC designation is determined on a security-by-security basis based on a range of values published by the NAIC. The initial designation is used to determine the carrying value of the RMBS and CMBS. RMBS and CMBS with initial designation of 1-5 are stated at amortized cost while RMBS and CMBS with initial designation of 6 are stated at the lower of amortized cost or fair value. The final designation calculation compares this carrying value with a range of values, resulting in a final NAIC designation reported herein, which is used for all other accounting and reporting purposes.

The NAIC adopted a revised rating methodology for loan-backed and structured securities, including asset-backed securities ("ABS"), which are not modeled. For these securities, the NAIC relies on NAIC Acceptable Rating Organization ("ARO") rating to determine the initial NAIC's designation. The second lowest ARO rating is used to determine the carrying value of the security, which is based on the NAIC's estimate of expected losses, using and NAIC published formula. The carrying value of the securities determines its final NAIC designation, which is used for reporting in the Annual Statement and in risk-based capital ("RBC") calculations. This revised methodology does not apply to NAIC 6 securities which are rated at the second lowest ARO designation.

7. The Company does not have investments in subsidiaries or affiliated entities.
8. The Company does not have minor ownership interests in joint ventures, partnerships or limited liability companies.
9. The Company does not invest in derivatives.
10. The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation in accordance with SSAP No. 54, "Individual and Group & Health Contracts".
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from the prior period.

## Notes to Financial Statements

13. The Company has no pharmaceutical rebate receivable.
14. The book values of investments are written down when declines in value are considered to be other than temporary.

### Bonds- general

The company employs a systematic methodology to evaluate OTTI by conducting a quarterly analysis of bonds. OTTI is evaluated in a manner consistent with market participant assumptions. The company considers the following factors, where applicable depending on the type of securities, in the evaluation of whether a decline in value is other than temporary: (a) the likelihood that the Company will be able to collect all amounts due according to the contractual terms of the debt security; (b) the present value of the expected future cash flows of the security; (c) the characteristics, quality and value of the underlying collateral or issuer securing the position; (d) collateral structure; (e) the length of time and extent to which the fair value has been below amortized cost; (f) the financial condition and near-term prospects of the issuer; (g) adverse conditions related to the security or industry; (h) the rating of the security; (i) the Company's ability and intent to hold the investment for a period of time sufficient to allow for an anticipated recovery to amortized cost; and (j) other qualitative and quantitative factors in determining the existence of OTTI including, but not limited to, unrealized loss trend analysis and significant short-term changes in value.

When a bond is other-than-temporarily impaired, a new cost basis is established.

### Bonds – corporate

For corporate securities, if it is determined that a decline in the fair value of a bond is other than temporary, OTTI is recognized as a realized loss equal to the difference between the investment's amortized cost basis and, generally, its fair value at the balance sheet date.

### Bonds – loan-backed and structured securities

For loan-backed and structured securities, if the present value of cash flows expected to be collected is less than the amortized cost basis of the security, an OTTI is recognized as a realized loss equal to the difference between the investment's amortized cost basis and the present value of cash flows expected to be collected. The expected cash flows are discounted at the security's effective interest rate. Internal inputs used in determining the amount of the OTTI on structured securities include collateral performance, prepayment speeds, default rates, and loss severity based on borrower and loan characteristics, as well as deal structure including subordination, over-collateralization and cash flow priority.

ABS and MBS are evaluated for OTTI using scenarios and assumptions based on the specifics of each security including collateral type, loan type, vintage and subordination level in the structure. Cash flow estimates are based on these assumptions and inputs obtained from external industry sources along with internal analysis and actual experience. Where applicable, assumptions include prepayment speeds, default rates and loss severity, weighted average maturity and changes in the underlying collateral values.

For loan-backed and structure securities, any difference between the new amortized cost basis and any increased present value of future cash flows expected to be collected is accreted into net investment income over the expected remaining life of the bond.

### Common and preferred stock

The cost basis of common and preferred stocks is adjusted for impairments deemed to be other than temporary. The company considers the following factors in the evaluation of whether a decline in value is other than temporary: (a) the financial condition and near-term prospects of the issuer; (b) the Company's ability and intent to retain the investment for a period sufficient to allow for a near-term recovery in value; and (c) the period and degree to which the value has been below cost. The Company also considers other qualitative and quantitative factors in determining the existence of OTTI including, but not limited to, unrealized loss trend analysis and significant short-term changes in value.

- D. Going Concern – There is not substantial doubt regarding the Company's ability to continue as a going concern.

## Notes to Financial Statements

### 2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

None

### 3. BUSINESS COMBINATIONS AND GOODWILL

- A. The Company did not have any business combinations accounted for using the statutory purchase method.
- B. There were no business combinations taking the form of a statutory merger.
- C. The Company did not enter into any assumption reinsurance agreements.
- D. The Company did not recognize an impairment loss on the transactions described above.

### 4. DISCONTINUED OPERATIONS

The Company did not have any discontinued operations during 2019 and 2018.

### 5. INVESTMENTS

- A. Mortgage loans, including mezzanine real estate loans – None
- B. Debt restructuring – None
- C. Reverse mortgages – None
- D. Loan-backed securities
  - 1. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values along with internal analysis and actual experience.
  - 2. No OTTI recognized during 2019.
  - 3. The Company performs a regular evaluation, on a security-by-security basis, of its securities holdings in accordance with its OTTI policy in order to evaluate whether such investments are other than temporarily impaired. Management considers a wide range of factors about the security issuer and uses its best judgment in evaluating the cause of the decline in the estimated fair value of the security and in assessing the prospects for near-term recovery. Factors considered include fundamentals of the industry and geographic area in which the security issuer operates, as well as overall macroeconomic conditions. Projected future cash flows are estimated using assumptions derived from management's best estimates of likely scenario-based outcomes after giving consideration to a variety of variables that include, but are not limited to: (i) general payment terms of the security; (ii) the likelihood that the issuer can service the scheduled interest and principal payments; (iii) the quality and amount of any credit enhancements; (iv) the security's position within the capital structure of the issuer; (v) possible corporate restructuring or assets sales by the issuer; and (vi) changes to the rating of the security or the issuer by rating agencies. Additional considerations are made when assessing the unique features that apply to certain loan-backed and structured securities including, but are not limited to: (i) the quality of underlying collateral; (ii) expected prepayment speeds; (iii) current and forecasted loss severity; (iv) consideration of the payments terms of the underlying assets backing the security; and (v) the payment priority within the tranche structure of the security. There are no impaired securities where the present value of cash flows expected to be collected is less than the amortized cost basis.
  - 4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

## Notes to Financial Statements

- a. The aggregate amount of unrealized losses:
- |                        |            |
|------------------------|------------|
| 1. Less than 12 Months | \$ 910,963 |
| 2. 12 Months or Longer | \$ 646,465 |
- b. The aggregate related fair value of securities with unrealized losses:
- |                        |              |
|------------------------|--------------|
| 1. Less than 12 Months | \$60,650,658 |
| 2. 12 Months or Longer | \$24,005,615 |
5. No additional information
- E. Dollar repurchase agreements and/or securities lending transactions – None
- F. Repurchase agreement transactions accounted for as secured borrowing
1. The Company has entered into repurchase agreements whereby the Company sells securities and simultaneously agrees to repurchase the same or substantially the same securities. These repurchase agreements are accounted for as collateralized borrowings with the proceeds from the sale of the securities recorded as a liability and the underlying securities continue to be recorded as an investment by the Company. Earnings on these investments are recorded as investment income and the difference between the proceeds and the amount at which the securities will be subsequently reacquired is amortized as interest expense. Repurchase agreements are used as a tool for the overall portfolio management to help ensure the Company maintains adequate assets in order to provide yield, spread and duration to support liabilities and other corporate needs.

The Company provides collateral, as dictated by the repurchase agreements, to the counterparty in exchange for a loan. If the fair value of the securities sold becomes less than the loan, the counterparty may require additional collateral.

The carrying value, which is at cost, reported in the Company's assets for repurchase agreements approximates the fair value.

Per NAIC instructions, information about the third quarter (December 31, 2019) balance are included below, without retrospective application of the quarterly detail.

## 2. Type of Repo Trades Used

	1 First Quarter	2 Second Quarter	3 Third Quarter	4 Fourth Quarter
a. Bilateral (YES/NO)	YES	YES	YES	YES
b. Tri-Party (YES/NO)	NO	NO	NO	NO

## 3. Original (flow) &amp; residual maturity

	1 First Quarter	2 Second Quarter	3 Third Quarter	4 Fourth Quarter
a. Maximum Amount				
1 Open - No Maturity	-	-	-	-
2 Overnight	-	-	-	-
3 2 Days to 1 Week	-	-	-	-
4 > 1 Week to 1 Month	-	-	-	-
5 > 1 Month to 3 Months	3,941,000	3,712,000	3,712,000	3,712,000
6 > 3 Months to 1 Year	-	-	-	-
7 > 1 Year	-	-	-	-

	1 First Quarter	2 Second Quarter	3 Third Quarter	4 Fourth Quarter
b. Ending Balance				
1 Open - No Maturity	-	-	-	-
2 Overnight	-	-	-	-
3 2 Days to 1 Week	-	-	-	-
4 > 1 Week to 1 Month	-	-	-	-
5 > 1 Month to 3 Months	3,712,000	3,712,000	3,712,000	3,712,000
6 > 3 Months to 1 Year	-	-	-	-
7 > 1 Year	-	-	-	-

4. The Company did not have any repurchase agreements were securities sold and/or acquired resulted in default for the year ended December 31, 2019.
5. Securities "sold" under repo – Secured borrowing



## Notes to Financial Statements

	1 First Quarter	2 Second Quarter	3 Third Quarter	4 Fourth Quarter
a. Maximum Amount				
1 BACV	XXX	XXX	XXX	XXX
2 Nonadmitted - Subset of BACV	XXX	XXX	XXX	XXX
3 Fair Value	3,892,370	3,988,770	4,022,399	4,104,390

	1 First Quarter	2 Second Quarter	3 Third Quarter	4 Fourth Quarter
b. Ending Balance				
1 BACV	3,715,465	3,714,836	3,933,891	4,000,723
2 Nonadmitted - Subset of BACV	-	-	-	-
3 Fair Value	3,715,753	3,988,770	4,003,929	4,092,340

## 6. Securities "sold" under repo – Secured borrowings by NAIC designation

	1 None	2 NAIC 1	3 NAIC 2	4 NAIC 3	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Non-Admitted
a. Bonds - BACV	-	4,000,723	-	-	-	-	-	-
b. Bonds - FV	-	4,092,340	-	-	-	-	-	-
c. LB & SS - BACV	-	-	-	-	-	-	-	-
d. LB & SS - FV	-	-	-	-	-	-	-	-
e. Preferred stock - BACV	-	-	-	-	-	-	-	-
f. Preferred stock - FV	-	-	-	-	-	-	-	-
g. Common stock	-	-	-	-	-	-	-	-
h. Mortgage loan - BACV	-	-	-	-	-	-	-	-
i. Mortgage loan - FV	-	-	-	-	-	-	-	-
j. Real estate - BACV	-	-	-	-	-	-	-	-
k. Real estate - FV	-	-	-	-	-	-	-	-
l. Derivatives - BACV	-	-	-	-	-	-	-	-
m. Derivatives - FV	-	-	-	-	-	-	-	-
n. Other invested assets - BACV	-	-	-	-	-	-	-	-
o. Other invested assets - FV	-	-	-	-	-	-	-	-
p. Total assets - BACV	-	4,000,723	-	-	-	-	-	-
q. Total assets - FV	-	4,092,340	-	-	-	-	-	-

## 7. Collateral received – Secured borrowings – None

## 8. Cash and Non-Cash Collateral Received – Secured borrowings by NAIC designation – None

## 9. Allocation of aggregate collateral by remaining contractual maturity - None

10. The Company did not have any repurchase agreements where cash collateral received was reinvested for the quarter ended December 31, 2019.

## 11. Liability to return collateral – Secured borrowing (Total) - None

G. Reverse repurchase agreement transactions accounted for as secured borrowing - None

H. Repurchase agreement transactions accounted for as a sale – None

I. Reverse repurchase agreement transactions accounted for as a sale - None

J. The Company has no investment in Real Estate.

K. The Company has no investment in Low Income Housing Tax Credits.

## Notes to Financial Statements

## L. Restricted assets

Restricted Asset Category	Gross Restricted							Percentage		
	Current Year					6	7	8	9	10
	1	2	3	4	5					
Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted	
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	0.0%	0.0%
c. Subject to repurchase agreements	4,000,723	-	-	-	4,000,723	3,946,480	54,243	4,000,423	0.2%	0.2%
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	0.0%	0.0%
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	0.0%	0.0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	0.0%	0.0%
g. Placed under option contracts	-	-	-	-	-	-	-	-	0.0%	0.0%
h. Letter stock or securities restricted as to sale	-	-	-	-	-	-	-	-	0.0%	0.0%
i. On deposit with states	-	-	-	-	-	-	-	-	0.0%	0.0%
J. On deposit with other regulatory bodies	1,599,183	-	-	-	1,599,183	1,714,920	(115,737)	1,599,183	0.1%	0.1%
k. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	0.0%	0.0%
l. Other restricted assets	-	-	-	-	-	-	-	-	0.0%	0.0%
m. Total Restricted Assets	\$ 5,599,906	\$ -	\$ -	\$ -	\$ 5,599,906	\$ 5,661,400	\$ (61,494)	\$ 5,599,606	0.3%	0.3%

## M. Working capital finance investments - None

N. Offsetting and netting of assets and liabilities – The Company reports repurchase agreement assets and liabilities as gross in the financial statements without offsetting.

## O. 5\* Securities – None

## P. Short sale – None

## Q. Prepayment penalty and acceleration fee:

	Year Ended December 31, 2019	
	General Account	Separate Account
1. Number of CUSIPS	4	5
2. Aggregate Amount of Investment Income	\$ 265,909	\$ 35,972

**6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

A. The Company did not have any individual investment in joint ventures, partnerships or limited liability companies exceeding 10% of admitted assets for the year ended December 31, 2019 and 2018.

B. Write downs for impairments of joint ventures, partnerships or limited liability companies – Not applicable

**7. INVESTMENT INCOME**

A. Accrued investment income consist primary of interest and dividends. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date.

B. The Company did not have any non-admitted due and accrued investment income as December 31, 2019 and 2018.

**8. DERIVATIVE INSTRUMENTS**

The Company does not own any derivatives instrument.

**9. INCOME TAX**

A. The Company provides for deferred income taxes based on an admissibility limitation of 15% of surplus and a three year reversal/realization period.

- The net DTA or net deferred tax liability (DTL) recognized in the company's assets, liabilities and surplus is as follows:

## Notes to Financial Statements

	12/31/2019			12/31/2018			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
a) Gross deferred tax assets	\$ -	\$ 3,931,907	\$ 3,931,907	\$ -	\$ 4,138,741	\$ 4,138,741	\$ -	\$ (206,834)	\$ (206,834)
b) Statutory valuation allowance adjustments	-	3,830,330	3,830,330	-	3,830,330	3,830,330	-	-	-
c) Adjusted gross deferred tax assets (1a - 1b)	-	101,577	101,577	-	308,411	308,411	-	(206,834)	(206,834)
d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
e) Subtotal net admitted deferred tax assets (1c - 1d)	-	101,577	101,577	-	308,411	308,411	-	(206,834)	(206,834)
f) Deferred tax liabilities	-	275,670	275,670	-	-	-	-	275,670	275,670
g) Net admitted deferred tax asset / (Net deferred tax liability) (1e - 1f)	\$ -	\$ (174,093)	\$ (174,093)	\$ -	\$ 308,411	\$ 308,411	\$ -	\$ (482,504)	\$ (482,504)

2. The amount of adjusted gross DTA admitted under each component of the guidance and the resulting change by tax character are as follows:

	12/31/2019			12/31/2018			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b) Adjusted Gross DTAs expected to be realized (excluding the amount of DTAs From 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	101,577	101,577	-	308,411	308,411	-	(206,834)	(206,834)
1. adjusted gross DTAs expected to be realized following the balance sheet date	-	101,577	101,577	-	308,411	308,411	-	(206,834)	(206,834)
2. adjusted gross DTAs allowed per limitation threshold	-	17,604,235	17,604,235	-	17,604,235	17,604,235	-	-	-
c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	3,830,330	3,830,330	-	3,830,330	3,830,330	-	-	-
d) DTAs admitted as the result of application of SSAP no. 101 Total (2(a) + 2(b) + 2c)	-	3,931,907	3,931,907	-	4,138,741	4,138,741	-	(206,834)	(206,834)

3. The company's total realization threshold limitations are as follows:

	12/31/2019	12/31/2018
(a) recovery period and threshold limitation amount	1488%	1334%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 135,701,493	\$ 117,361,570

B. The Company does not have any deferred tax liabilities not recognized.

C. Current income tax incurred consist of the following mayor components

	12/31/2019	12/31/2018	Change
(a) Federal	-	-	-
(b) Foreign - Puerto Rico	4,608,068	4,188,237	419,831
(c) Subtotal	4,608,068	4,188,237	419,831
(d) Federal income tax on net capital gains	-	-	-
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other (Capital Gains Foreign PR)	122,612	44,802	77,810
(g) Federal and foreign income taxes incurred	4,730,680	4,233,039	497,641

## Notes to Financial Statements

2. Deferred Tax Assets:			
	12/31/2019	12/31/2018	Change
(a) Ordinary	-	-	-
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary DTAs (2a - 2b - 2c)	-	-	-
(e) Capital			
(1) Investments	-	4,037,164	(4,037,164)
(2) Net capital loss carry-forward	101,577	101,577	-
(3) Real estate	-	-	-
(4) Other	-	-	-
(5) Subtotal	101,577	4,138,741	(4,037,164)
(f) Statutory valuation allowance adjustment	-	3,830,331	(3,830,331)
(g) Nonadmitted	-	-	-
(h) Admitted capital DTAs (2e5 - 2f - 2g)	101,577	308,410	(206,833)
(i) Admitted DTAs (2d + 2h)	101,577	308,410	(206,833)
3. Deferred Tax Liabilities:			
(a) Ordinary	-	-	-
(6) Subtotal	-	-	-
(b) Capital			
(1) Investments	275,670	-	275,670
(2) Real estate	-	-	-
(3) Other	-	-	-
(4) Subtotal	275,670	-	275,670
(c) Total DTLs (3a6 + 3b4)	275,670	-	275,670
4. Net DTA(L) (2i - 3c)	(174,093)	308,410	(482,503)

D. The Company is exempt from federal income tax.

E. Operating loss and tax credit carry forwards – Not applicable

F. The Company is a qualified domestic life insurance company, which was incorporated under the laws of the Commonwealth of Puerto Rico. The Company is exempt from federal income tax.

Domestic life insurance companies in the Commonwealth of Puerto Rico are only taxed on income derived from capital gains (sales of capital assets and investments) at an income tax rate of 20% and are subject to alternative minimum tax calculation, as provided in the Commonwealth of Puerto Rico Internal Revenue Code.

G. No income tax contingencies determined.

H. (1) Repatriation transition tax. Not applicable

I. (1) The Company does not have an alternative minimum tax credit.

#### 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

A. Universal Insurance Company (UNICO) acquired 100% of Universal Life Insurance Company from Universal Group (parent company of UNICO). The acquisition was approved by the Commissioner of Insurance of Puerto Rico on June 27, 2012 however; the effective date of the transaction was January 1, 2012. Universal Life was incorporated on April 16, 1993 under the name of Eastern America Life Insurance Company, and changed its name to Universal Life Insurance Company during 1997.

B. Detail of transactions greater than ½% of admitted assets

## Notes to Financial Statements

- C. Amounts of transactions and effects on any change in terms of intercompany arrangements.
- D. Amounts due to or from related parties. Terms generally require settlement of these amounts within 30 to 90 days.

	12/31/2019	12/31/2018
Amount due from affiliates	\$ 62,893,789	\$ 68,243,870
Amount due to affiliates	6,933,769	-
Net Receivable from affiliates	\$ 55,960,020	\$ 68,243,870

- E. Guarantees or contingencies for related parties – None
- F. The company has management and cost sharing arrangements with affiliated companies.
- G. 25,000 of the outstanding shares of the Company are owned by Universal Insurance Company, an insurance company with domiciled in the Commonwealth of Puerto Rico.
- H. The company owns no shares of the stocks of its parent, Universal Insurance Company, or any of its affiliates.
- I. Detail of investments in affiliates greater than 10% of admitted assets – None
- J. Write down for impairments of investments in affiliates – Not applicable
- K. CARVM assumptions for adjusting foreign subsidiary annuity reserves from GAAP – None
- L. Valuation of a downstream noninsurance holding company - None
- M. SCA Investments – None

### 11. DEBT

- A. As of December 31, 2019 the Company had no capital notes outstanding.
- B. The Company uses margin accounts to enhance investment portfolio income through leverage strategies and to access short term funding. As of December 31, 2019 the margin account balance amounted to \$20,393,370 used to fund intercompany short term notes. Funding cost of the margin account was 2.35% approximately calculated on daily balance.

### 12. RETIREMENT PLANS, DEFERRED COMPENSATION, POST EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POST RETIREMENT BENEFIT PLANS

- A. B. C. & D. The Company has no defined benefit plan.
- E. The Company has a qualified noncontributory profit-sharing plan, which provides retirement benefits to eligible employees. The plan calls for a voluntary contribution by Universal Life of no less than 1% of the annual participant's compensation, as defined, plus a portion of the administrative expenses of the plan during the first ten years. Universal Life's contributions to the profit-sharing plan as of December 31, 2019 and December 31, 2018, amounted to \$118,433 and \$128,512 respectively.

Universal Life's employees participate in a qualified defined contribution savings plan. Universal Life matching contributions are set at 50% of the participants' pre-tax and after-tax contributions up to the first 6% of each participant's contribution. Universal Life's contributions to the savings plan as of December 31, 2019 and December 31, 2018, amounted to \$57,822 and \$55,350, respectively

- F. The Company does not participate in a multiemployer plan.
- G. The Company does not participate in a consolidated / holding company plan.
- H. Compensated vacation pay is recorded as an accrued liability in salaries and wages general expenses.
- I. Impact of Medicare Modernization Act on postretirement benefits – Not applicable

## Notes to Financial Statements

### 13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

1. The Company has 100,000 authorized shares of common stock of \$100 par value, of which 25,000 are issued and outstanding.
2. The Company has no preferred stock authorized.
3. Dividends to shareholder are limited by the laws of the Commonwealth of Puerto Rico to an amount that is based on restrictions relating to statutory surplus.
4. Total dividends declared as of December 31, 2019 and for the year end December 31, 2018 amounted to \$3,000,000 and \$9,500,000 respectively.
5. According to the Insurance Code of Puerto Rico, a domestic stock insurer shall not pay any cash dividend to stockholders, except out of the part of its available surplus funds which is derived from any realized net profits on its business. A stock dividend may be paid out of any available surplus fund, except funds representative liens to the insurers, without the pledge of any of its assets.
6. Restrictions on unassigned funds – None
7. The Company did not make any advance to surplus.
8. The Company does not hold any stock for special purpose.
9. Changes in balances of special surplus funds from the prior year are due to: None
10. The portion of unassigned funds (surplus) represented by net unrealized gains and losses (cumulative, net of deferred tax) is as follows:

	12/31/2019	12/31/2018
a. Common stocks	\$2,341,210	(\$639,266)
b. Preferred stocks	-	(16,602)
c. Bonds	(98,010)	(171,469)
d. Other Invested Assets	(1,140,120)	-
<b>Total</b>	<b>\$1,103,080</b>	<b>(\$827,337)</b>

11. The Company has not issued any surplus notes or debentures or similar obligations.
  12. Impact of quasi-reorganizations – Not applicable
  13. Date of quasi-reorganizations – Not applicable
- ### 14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS
- A. Contingent commitments – None
  - B. Pursuant to the Puerto Rico Insurance Code, the Company is a member of the Puerto Rico Insurance Guaranty Association for Life, Disability and Health Insurance. As a member, the Company is required to provide funds for the settlement of claims and reimbursement of unearned premiums of insurance policies issued by insolvent insurance companies. During the year ended December 31, 2019 and the year ended December 31, 2018, no accrual for possible future assessment was provided. The Company has not been informed nor had any knowledge of assessments or insurance companies that have become insolvent that could result in significant future charges by the association.
  - C. Gain contingencies – No material gain contingencies were realized subsequent to December 31, 2019 through the filing date.
  - D. Extra contractual obligations – The Company did not have any claims related to extra contractual obligations in 2019.
  - E. Joint and several liabilities – The Company has no joint and several liabilities.

## Notes to Financial Statements

- F. In the normal course of business, the Company is involved in various cases relating to insurance matters or certain corporate matters. Generally, the Company's liability is limited to specific amounts relating to insurance or policy coverage for which provision has been made in the financial statements. Other cases involve general corporate matters which generally do not represent significant contingencies to the Company.

The Company evaluates the need for accruals of loss contingencies for each matter. When a liability for a matter is probable and can be estimated, the Company accrues an estimate of the loss and any related insurance recoveries, if any. An accrual is subject to subsequent adjustment as a result of additional information and other developments. The resolutions of matters are inherently difficult to predict, especially in the early stages of matter. Even if a loss is probable, due to many complex factors, such as speed of discovery and the timing of court decisions or rulings, a loss or range of loss may not be reasonably estimated until the later stages of the matter. For matters where a loss is material and it is either probable or reasonably possible then it is disclosed. For matters where a loss may be reasonably possible, but not probable, or is probable but not reasonably estimated, no accrual is established, but the matter, if material, is disclosed.

### 15. LEASES

- A. Lessee leasing arrangements

The Company leases office space in the normal course of business under a non-cancelable operating lease. Rental expense recorded in general insurance expenses for December 31, 2019 and December 31, 2018 was \$118,430 and \$118,430 respectively. The Company has no sublease or sale-leaseback transactions.

- B. Lesser leasing arrangements – Not applicable

### 16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK

The Company does not have any financial instruments with off-balance sheet risk.

### 17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. During 2019 and 2018, the Company did not transfer any receivables that were reported as sales.

- B. Transfer and servicing of financial assets:

1. The Company did not participate in securities lending as of December 31, 2019 or 2018.
2. The Company did not have any servicing assets or liabilities in 2019 or 2018.
3. The Company did not have any servicing assets or liabilities in 2019 or 2018.
4. The Company did not have interests that continue to be held by a transferor in securitized financial assets in 2019 or 2018.
5. The Company did not have any transfers of financial assets accounted for a secured borrowing in 2019 or 2018.
6. The Company did not have any transfers of receivables with resource in 2019 or 2018.
7. See Note 5f1 "Repurchase agreements".

- C. Wash sales

1. In the course of the Company's investment management activities, securities may be sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investments portfolio.
2. The Company did not sell any securities with the NAIC Designation 3 or below for the year ended December 31, 2019 or 2018, that were reacquired within 30 days of the sale date.

### 18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

- A. Administrative services only (ASO) plans – None
- B. Administrative services contract (ASC) plans – None
- C. Medicare or similarly structured cost based reimbursement contracts – None

## Notes to Financial Statements

### 19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS

- A. The company does not have direct premiums written by managing general agents or third party administrators.

### 20. FAIR VALUE MEASUREMENTS

- A. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance around fair value establishes a measurement framework that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques into three levels. Each level reflects a unique description of the inputs that are significant to the fair values measurements. The levels of the fair value hierarchy are as follows:

Level 1 - Observable inputs in the form of quoted prices for identical instruments in active markets.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be derived from observable market data for substantially the full term of the assets or liabilities.

Level 3 - One or more unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using internal models, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Assets measured and reported at estimated fair value in the statutory statements of admitted assets, liabilities and capital and surplus are subject to additional disclosures. These disclosure requirements apply only to those financial assets and liabilities measured at estimated fair value as of the end of the reporting period. Such financial assets include unaffiliated common stocks, separate account assets and certain bonds and preferred stocks carried at the lower of amortized cost or estimated fair value when estimated fair value is lower than amortized cost as of the end of the current year period.

- (1) As of December 31, 2019, the Company's financial assets and liabilities measured and reported at estimated fair values were as follows:

Description	Level 1	Level 2	Level 3	Total
Bonds	\$ 2,952,736	\$ 0	\$ 0	\$ 2,952,736
Cash Equivalent	32,741,986	0	0	32,741,986
Common stocks	30,586,734	0	2,708,991	33,295,725
<b>Total equity securities</b>	<b>\$ 66,281,456</b>	<b>\$ 0</b>	<b>\$ 2,708,991</b>	<b>\$ 68,990,447</b>
Separate account assets	\$ 538,251,668	\$ 0	\$ 0	\$ 538,251,668
Separate account liabilities	\$ 537,986,172	\$ 0	\$ 0	\$ 537,986,172

- (2) A roll forward of the estimated fair value measurements for all assets and liabilities measured and reported at estimated fair value using significant unobservable (Level 3) inputs for the period ended December 31, 2019 is as follows:

	(1)	(2)	(3)	(4)	(5)	(7)
	Balance at 1/1/2019	Transfer in and/or out of Level 3	Total gains and (losses) included in Net Income	Total gains & (losses) included in surplus	Other than temporary impairment	Balance at 9/30/2019
Common stocks	2,223,352	0	0	485,639	0	2,708,991
Total	\$ 2,223,352	\$ 0	\$ 0	\$ 485,639	\$ 0	\$ 2,708,991

- (3) The Company reviews the fair value hierarchy classifications at each reporting period. Overall, reclassifications between levels occur when there are changes in the observability of inputs and market activity used in the valuation of a financial asset or liability. Such reclassifications are reported as transfers between levels at the beginning fair value for the reporting period in which the changes occur. Given the types of assets classified as Level 1 (primarily equity securities and mutual fund investments), transfers between Level 1 and Level 2



## Notes to Financial Statements

measurement categories are expected to be infrequent. Transfers into and out of Level 3 are summarized in the schedule of changes in Level 3 assets and liabilities.

(4) The Company determines the fair values of its investments using primarily the market approach or the income approach. The use of quoted prices for identical assets and matrix pricing or other similar techniques are examples of market approaches, while the use of discounted cash flow methodologies is an example of the income approach. The Company attempts to maximize the use of observable inputs and minimize the use of unobservable inputs in selecting whether the market or the income approach is used.

- B. The Company provides additional fair value information in Note 21 “Other Items” if needed.
- C. The following presents a summary of the carrying values and fair values of the Company’s financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 917,890,768	\$ 883,676,500	\$ 2,952,736	\$ 874,420,969	\$ 6,302,795	\$ 0
Preferred stocks	253,783,723	242,190,721	242,190,721	0	0	0
Common stocks	33,299,975	33,299,975	30,590,984	0	2,708,991	0
Short term	815,024	814,355	0	814,355	0	0
Other Assets	61,726,708	59,648,007	28,474,352	13,864,586	17,309,069	0
Cash & cash equivalents	<u>87,828,876</u>	<u>87,827,951</u>	<u>70,758,510</u>	<u>17,069,441</u>	<u>0</u>	<u>0</u>
Separate account assets	<u>\$ 538,251,668</u>	<u>\$ 538,251,668</u>	<u>\$ 538,251,668</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

- D. As of December 31, 2019 and December 31, 2018, the Company had no investments where it was not practicable to estimate fair value.

## 21. OTHER ITEMS

- A. There were no unusual or infrequent items requiring disclosure.
- B. There were no troubled debt restructurings that occurred during the period for which the financial statements are presented.
- C. Other disclosures and unusual items

On June 11, 2019, ULICO notified Private Bankers Life & Annuity Co., LTD (PBLA) its intention to terminate the Coinsurance Reinsurance Agreement (the “Agreement”) between both parties dated June 03, 2017, with respect to the cession of new fixed annuity business. The effective date related to the new business was May 31, 2019. These events were triggered by the impending change in control of PBLA. ULICO has also exercised its contractual option to recapture the in-force block and has been evaluating various alternatives to cede such obligations to a new reinsurer. Assets backing the statutory liabilities are held in a trust for the benefit of ULICO (the “Trust”). As part of the recapture process, ULICO has engaged external advisors to perform an independent valuation of the Trust, which is comprised of cash and certain private investments. ULICO has also contracted expert consultants to perform the monetization of non-cash positions to be ceded to the new reinsurer. As for the new business, ULICO entered into a coinsurance agreement with a Shenandoah Life Insurance Company new reinsurer effective January 1, 2020 which includes all fixed annuity new business issued from June 1st 2019. Additionally, the Company has entered into a letter of intent with an affiliated entity of the new business reinsurer where in-force policies will be transferred to a new trust as assets are being monetized. Regulatory bodies from Puerto Rico and Bermuda have been actively notified of the details and intricacies of this recapture process and have shown support to ULICO’s position, as credit for reinsurance has continued to be granted as of December 31, 2019.

- D. The Company did not receive any business interruption recoveries in 2019.
- E. The Company did not have unused transferable or non-transferable state tax credits as of December 31, 2019.
- F. The Company has no exposure to subprime mortgage related risks.
- G. Retained Assets – None

## Notes to Financial Statements

H. Insurance-linked securities – None

### 22. EVENTS SUBSEQUENT

Management of the Company has evaluated events subsequent to December 31, 2019, through April 1, 2020, which is the date these financial statements were available to be issued.

On March 15, 2020, the Governor of Puerto Rico, Hon. Wanda Vázquez Garced, issued an Executive Order to facilitate the private and public closings necessary to minimize the effects of the coronavirus (COVID-19) and control the spread of this disease through the Island until March 30, 2020. On March 26, 2020, the Governor extended this period of social distancing and other executive measures protecting the health and welfare of Puerto Rican citizens until April 12, 2020. As of the filing date, it is difficult to assess the financial effect at this point, but the Company foresees no significant impact on the business.

The Company is not aware of any other events occurring subsequent to the close of the books for this statement period which may have a material effect on its financial condition.

### 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% controlled, either directly or indirectly, by the company or by any representative officer, trustee or director of the company? Yes ( ) No (X)

2. Have any policies issued by the company being reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes ( ) No (X)

##### Section 2 – Ceded Reinsurance Report Part A

1. Does the Company has any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premiums or other similar credits?

Yes ( ) No (X)

2. Does the company has any reinsurance agreement in effect such that the amount of losses paid or accrued thru the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits for other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes ( ) No (X)

##### Section 3 – Ceded Reinsurance Report - Part B

1. If all reinsurance agreements were terminated by either party as of December 31, 2019, the resulting reduction in surplus due to loss of reinsurance reserve credits net of unearned premium would be \$10,210,530, assuming no return of the assets (excluding assets in trust) backing these reserves from the reinsurer to the Company.

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

B. As of December 31, 2019, the Company had no uncollectible reinsurance balances written off through income and expenses.

C. The Company did not commute any ceded reinsurance

D. The company did not reinsure any policies with certified reinsurer whose rating was downgraded or status subject to revocation.

E. The Company does not have reinsurance of variable annuity contracts with an affiliated captive reinsurer.

## Notes to Financial Statements

- F. The Company does not have reinsurance of variable annuity contracts with an affiliated captive reinsurer.
- G. Ceding entities that utilize captive reinsurers to assume reserves subject to the XXX/AXXX captive framework. – None

### **24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

The Company does not issue group health insurance and therefore did not issue retrospectively rated contracts or contracts subject to redetermination.

### **25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

Reserves on accident and health contracts for incurred losses and loss adjustment expenses attributable to insured events of prior years' developed as anticipated during 2019. Original estimates can increase or decrease as additional information becomes known regarding individual claims. However, no significant trends or unanticipated events were noted in 2019.

### **26. INTERCOMPANY POOLING ARRANGEMENTS**

The Company did not have any intercompany pooling arrangements.

### **27. STRUCTURED SETTLEMENTS**

The Company did not enter into structured settlement agreements with other life insurers to resolve claims.

### **28. HEALTH CARE RECEIVABLES**

The Company did not issue any business that would give rise to pharmaceutical rebates or risk sharing receivables.

### **29. PARTICIPATING POLICIES**

Not applicable

### **30. PREMIUM DEFICIENCY RESERVES**

The Company did not have any liability for premium deficiency on accident and health contracts.

### **31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS**

1. Reserve practices - The Credit Life aggregate reserve is computed using the following valuation tables and interests:

<b>Effective Year</b>	<b>Valuation Table &amp; Interest</b>
2005	120% 2001 CSO 5.00% ALB
2006-2010	120% 2001 CSO 4.50% ALB
2011	120% 2001 CSO 4.25% ALB
2012-2013	120% 2001 CSO 3.75% ALB
2014	120% 2001 CSO 4.00% ALB
2015-2016	120% 2001 CSO 3.75% ALB
2017-2018	120% 2001 CSO 3.50% ALB
2019	120% 2001 CSO 3.75% ALB

The reserve for credit disability is calculated using the mean of the "pro rata" and the rule of 78. Policy reserves for group life and health and accident insurance include claim reserves and unearned premiums.

For Ordinary Life products the aggregate reserves are computed using the following valuation tables and interests:

## Notes to Financial Statements

### Valuation table & Interest

100% 1980 CSO 50% MALE (4.50% - 4.75%) ALB CRVM

2001 CSO (3.50% - 4.00%) ALB Gender distinct CRVM

100% 2001 CSO (3.50% - 4.50%) ANB CRVM

Annuity reserves are based on statutory mortality, morbidity and interest requirements, without consideration of future withdrawals. Virtually all annuity reserves are calculated on the modified reserve basis, which partially offsets the effect of immediately charging policy acquisition costs for commission expense. Annuity reserves are computed using assumed interest and valuation methods that will provide, in aggregate, reserves that are greater than the minimum valuation required by law and the guaranteed policy cash values.

Reserves for fixed deferred annuities are based on A2000 mortality table gender distinct and Commissioners Annuity Reserve Valuation Method ("CARVM") with assumed interest rates ranging from 3.75% to 5.00%.

Reserves for equity indexed annuities are based on A1994 mortality table gender distinct and Commissioners Annuity Reserve Valuation Method ("CARVM") with assumed interest rates ranging from 3.75% to 5.00%.

2. Methods employed in valuation of substandard policies. – Not applicable

3. Amount of insurance where gross premiums are less than net premiums – Not applicable

4. The tabular interest, the Tabular Less Actual Reserve Released, and the Tabular Cost have been determined by formula as describe in the instructions.

5. Methods used to determine tabular interest on funds not involving life contingencies – Not applicable.

6. Details of other changes - Not applicable

### **32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS**

The withdrawal characteristics of the Company's annuity actuarial reserve and deposit-type contracts as of December 31, 2019 are illustrated below:

	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	1,169,770,983	-	-	1,169,770,983
(3) At fair value	1,242,337	-	523,725,976	524,968,313
(4) Total with adjustment or at fair value (total of 1 through 3)	<u>1,171,013,320</u>	-	<u>523,725,976</u>	<u>1,694,739,296</u>
(5) At book value without adjustment (minimal or no charge or adjustment)	636,979,175	-	-	636,979,175
B. Not subject to discretionary withdrawal	<u>31,309,321</u>	-	-	<u>31,309,321</u>
C. Total (gross: direct + assumed)	<u>1,839,301,816</u>	-	<u>523,725,976</u>	<u>2,363,027,792</u>
D. Reinsurance ceded	<u>1,352,882,130</u>	-	<u>314,235,585</u>	<u>1,667,117,715</u>
E. Total (net)* (C) – (D)	<u>486,419,686</u>	-	<u>209,490,391</u>	<u>695,910,077</u>
F. Life & Accident & Health Annual Statement:				
1. Exhibit 5, Annuities Section, Total (net)				485,756,035
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section,				-
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1				663,651
4. Subtotal				<u>486,419,686</u>
Separate Accounts Annual Statement:				
5. Exhibit 3, Line 0299999, Column 2				523,725,976
5a. Exhibit 3, Line 0299999, Column 2 (Reinsurance Adjustment)				(314,235,585)
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				<u>209,490,391</u>
12. Combined Total				<u>695,910,077</u>

## Notes to Financial Statements

### 33. ANALYSIS OF LIFE ACTUARIAL RESERVES BY WITHDRAWAL CHARACTERISTICS

	General Account			Separate Account		
	Account Value	Cash Value	Reserve	Account Value	Cash Value	Reserve
Subject to discretionary withdrawal, surrender						
A. value, or policy loans						
(1) Term Policies with Cash Value	-	-	-	-	-	-
(2) Universal Life	-	-	-	-	-	-
(3) Universal Life with Secondary Guarantees	-	-	-	-	-	-
(4) Indexed Universal Life	-	-	-	-	-	-
(5) Indexed Universal Life with Secondary Guarantees	-	-	-	-	-	-
(6) Indexed Life	-	-	-	-	-	-
(7) Other Permanent Cash Value Life Insurance	-	2,276,916	4,163,223	-	-	-
(8) Variable Life	-	-	-	-	-	-
(9) Variable Universal Life	-	-	-	-	-	-
(10) Miscellaneous Reserves	-	-	-	-	-	-
Not subject to discretionary withdrawals or no cash value						
B. value						
(1) Term policies without Cash Value	XXX	XXX	5,825,857	XXX	XXX	-
(2) Accidental Death Benefit	XXX	XXX	-	XXX	XXX	-
(3) Disability - Active Life	XXX	XXX	-	XXX	XXX	-
(4) Disability - Disabled Life	XXX	XXX	-	XXX	XXX	-
(5) Miscellaneous Reserves	XXX	XXX	-	XXX	XXX	-
C. Total (gross: direct + assumed)	-	2,276,916	9,989,080	-	-	-
D. Reinsurance Ceded	-	-	824,752	-	-	-
E. Total (net) (C) - (D)	-	2,276,916	9,164,328	-	-	-
F. Life & Accident & Health Annual Statement:						
				Amount		
1. Exhibit 5, Life Insurance Section, Total (net)				9,161,201		
2. Exhibit 5, Accidental Death Benefit Section, Total (net)				3,127		
3. Exhibit 5, Disability - Active Lives Section, Total (net)				-		
4. Exhibit 5, Disability - Disabled Lives Section, Total (net)				-		
5. Exhibit 5, Miscellaneous Reserves Section, Total (net)				-		
6. Subtotal				9,164,328		
Separate Accounts Annual Statement:						
7. Exhibit 3, Line 01999999, Column 2				-		
8. Exhibit 3, Line 04999999, Column 2				-		
8. Exhibit 3, Line 05999999, Column 2				-		
10. Subtotal (Lines (7) through (9))				-		
11. Combined Total ((6) and (10))				9,164,328		

### 34. PREMIUMS AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2019 were as follows:

Type	Gross	Net of Loading
Ordinary New Business	\$ 732	\$ 732
Ordinary Renewal	25,922	25,922
Credit Life	325,710	325,710
Group Life	942,265	942,265
Total	\$ 1,294,629	\$ 1,294,629

### 35. SEPARATE ACCOUNTS

#### A. Separate Account Activity

- Universal Life Insurance Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and/or transactions. For the current reporting year, ULICO reported assets and liabilities from the following product lines/transactions into a separate account:
  - Universal Variable Investment Annuity
- In accordance with the products/transactions recorded within the separate account, some assets are considered legally insulated whereas others are not legally insulated from the general account. The legal insulation of the separate account products prevent assets other than seed money or amounts in a supplemental account from being generally available to satisfy claims resulting from the general account.

## Notes to Financial Statements

As of December 31, 2019 and December 31, 2018 the Company separate account statement included legally insulated assets of \$538.3MM and \$521.9MM, respectively. The assets legally insulated from the general account as of December 31, 2019 are attributed to the following products/transactions:

Product Identifier	(1)	(2)	(3)
		Separate Account Assets	Legally Insulated Assets
Universal Variable Investment Annuity		\$ 538,251,668	\$ 538,251,668

3. In accordance with the products/transaction recorded within the separate account, some separate account liabilities are guaranteed by the general account. Reserves for guarantees covering death benefits are held in the general account. If the investment proceeds are insufficient to cover the guaranteed death benefit, the policyholder's proceeds will be remitted by the general account.

To compensate the general account for the risk taken, the separate account has paid risk charges as follows for the past five (5) years:

a.	2019	\$ 58,462
b.	2018	163,648
c.	2017	183,772
d.	2016	119,533
e.	2015	154,600

4. The Company does not engage in any securities lending transactions within the separate account.

B. General Nature and Characteristics of Separate Accounts Business:

Separate accounts held by the company relate to individual variable annuities of a nonguaranteed return nature. The net investment experience of the separate account is credited directly to the policyholder and can be positive or negative. The assets and liabilities of these accounts are carried at market. The minimum guaranteed death benefit reserve is held in Exhibit 5, Miscellaneous Reserves Section, of the company's general account annual statement. This business has been included in Column 4 of the table below.

	(1)	(2)	(3)	(4)	(5)
	Index	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	Total
Premiums, considerations or deposits for year ended 12/31/2019				\$ 20,060,449	\$ 20,060,449
Reserves at 12/31/2019					
For accounts with assets at:					
a. Fair value				\$ 523,725,976	\$ 523,725,976
b. Amortized cost				\$ -	\$ -
c. Total Reserves	\$ -	\$ -	\$ -	\$ 523,725,976	\$ 523,725,976
By withdrawal characteristics:					
d. At fair value				523,725,976	\$ 523,725,976
f. Subtotal	\$ -	\$ -	\$ -	\$ 523,725,976	\$ 523,725,976
g. Not subject to discretionary withdrawal:					\$ -
h. Total	\$ -	\$ -	\$ -	\$ 523,725,976	\$ 523,725,976

## Notes to Financial Statements

### C. Reconciliation of Net Transfers To or (From) Separate Accounts

#### 1. Transfers as reported in the Summary of Operations of the Separate Accounts Statement:

a.	Transfers to Separate Accounts (Page 4, Line 1.4)	\$	19,944,809
b.	Transfers from Separate Accounts (Page 4, Line 10)	\$	61,220,289
c.	Net transfers to or (From) Separate Accounts (a) - (b)	\$	<u>(41,275,480)</u>

#### 2. Reconciling Adjustments:

a.	Change in Expense Allowance Ceded	\$	(1,936,708)
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#### 3. Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement

(1c) + (2) = (Page 4, Line 26)      \$(43,212,188)

### 36. LOSS/CLAIM ADJUSTMENT EXPENSES

The Company incurred \$18,153 and paid \$18,153 of claim adjustment expenses in the current year, of which \$0 of the paid amount was attributable to insured or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years.

# 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  
Yes[ ] No[X]
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group?
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

- 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. .....12/31/2013.....
- 3.2 State as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....12/31/2013.....
- 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). .....09/15/2015.....
- 3.4 By what department or departments?
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[X] No[ ] N/A[ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]

- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[ ] No[X]
- 4.12 renewals? Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[ ] No[X]
- 4.22 renewals? Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]  
 If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]
- 7.2 If yes, ..... 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....	.....
.....	.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. Yes[ ] No[X]
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?
- 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
.....	.....	..... No .....	..... No .....	..... No .....	..... No .....

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 Ernst & Young Puerto Rico LLC Plaza 273, 10th floor, 273 Ponce de Leon Avenue San Juan, Puerto Rico 00917-1951
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[ ] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the 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?  
 Willis Towers Watson - 1800 McGill College Avenue Montreal, Quebec H3A 3H3



## GENERAL INTERROGATORIES (Continued)

- 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 \$ ..... 0  
 12.2 If yes, provide explanation \$ ..... 0
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 [ ] N/A [X]  
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ] N/A [X]  
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]  
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code.  
 14.11 If the response to 14.1 is no, please explain:  
 14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]  
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]  
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

### BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.11 To directors or other officers \$ ..... 0  
 20.12 To stockholders not officers \$ ..... 0  
 20.13 Trustees, supreme or grand (Fraternal only) \$ ..... 0  
 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 \$ ..... 0  
 20.22 To stockholders not officers \$ ..... 0  
 20.23 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 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 \$ ..... 0  
 21.22 Borrowed from others \$ ..... 0  
 21.23 Leased from others \$ ..... 0  
 21.24 Other \$ ..... 0
- 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 \$ ..... 0  
 22.22 Amount paid as expenses \$ ..... 0  
 22.23 Other amounts paid \$ ..... 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]  
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 0

### 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 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 the 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. \$ ..... 0  
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ ..... 0  
 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:

## GENERAL INTERROGATORIES (Continued)

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$ ..... 0
24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$ ..... 0
24.103 Total payable for securities lending reported on the liability page.	\$ ..... 0

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[X] No[ ]

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

25.21 Subject to repurchase agreements	\$ ..... 4,000,723
25.22 Subject to reverse repurchase agreements	\$ ..... 0
25.23 Subject to dollar repurchase agreements	\$ ..... 0
25.24 Subject to reverse dollar repurchase agreements	\$ ..... 0
25.25 Placed under option agreements	\$ ..... 0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ ..... 0
25.27 FHLB Capital Stock	\$ ..... 0
25.28 On deposit with states	\$ ..... 0
25.29 On deposit with other regulatory bodies	\$ ..... 1,599,183
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ ..... 0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ ..... 0
25.32 Other	\$ ..... 0

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? Yes[ ] No[ ] N/A[X]  
 If no, attach a description with this statement.

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes[ ] No[X]

26.4 If the response to 26.3 is yes, does the reporting entity utilize:

26.41 Special Accounting Provision of SSAP No. 108	Yes[ ] No[X]
26.42 Permitted Accounting Practice	Yes[ ] No[X]
26.43 Other Accounting Guidance	Yes[ ] No[X]

26.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, does the reporting entity attest to the following: Yes[ ] No[X]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated with in the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts

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. \$ ..... 0

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 I, 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
UBS Financial Services, Incorporated of PR	1161 Ashford Avenue, San Juan PR 00907
Insigneo Securities	250 Ave Ponce de Leon Ste 505 San Juan PR 00918-2036
OFS Securities, Inc.	254 Muñoz Rivera Avenue Hato Rey PR 00918
Citigroup	PO Box 70301, San Juan PR 00936-70301
Popular Securities	209 Muñoz Rivera Ave Popular Center 12 Floor, San Juan PR 00907
Oriental Financial Service Corp	997 San Roberto Street, San Juan PR 00907

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[ ] No[X]  
 28.04 If yes, give full and complete information relating thereto:

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

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [ " that have access to the investment accounts"; " handle securities"]

1 Name of Firm or Individual	2 Affiliation
Raul Ramirez Negron (Chief Investment Officer)	I



## GENERAL INTERROGATORIES (Continued)

		1	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds .....	900,868,482	934,872,134	34,003,652
30.2	Preferred stocks .....	242,190,721	253,783,723	11,593,002
30.3	Totals .....	1,143,059,203	1,188,655,857	45,596,654

30.4 Describe the sources or methods utilized in determining the fair values:  
Interactive Data third party of listed markets and broker /custodians market prices

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

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

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 Investment Analysis Office been followed? Yes[X] No[ ]

32.2 If no, list exceptions:

33. By self-designation 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:  
 a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
 b. Issuer or obligor is current on all contracted interest and principal payments.  
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
 Has the reporting-entity self-designated 5GI securities? Yes[ ] No[X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
 a. The security was purchased prior to January 1, 2018.  
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security  
 c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
 d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
 Has the reporting entity self-designated PLGI securities? Yes[ ] No[X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:  
 a. The shares were purchased prior to January 1, 2019.  
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security  
 c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.  
 d. The fund only or predominantly holds bonds in its portfolio.  
 e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.  
 f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.  
 Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes[ ] No[X]

### OTHER

36.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 73,635

36.2 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 .....	34,100
ACODESE .....	24,500

37.1 Amount of payments for legal expenses, if any? \$ ..... 1,179,732

37.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Sepulvado & Maldonado .....	332,877

38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 0

38.2 List the name of 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 ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES INTERROGATORIES

Life Accident and Health Companies/Fraternal Benefit Societies:

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes  No
- 1.2 If yes, indicate premium earned on U.S. business only. \$ ..... 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ ..... 0
  - 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. \$ ..... 0
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$ ..... 0
- 1.6 Individual policies:
  - Most current three years:
    - 1.61 Total premium earned \$ ..... 0
    - 1.62 Total incurred claims \$ ..... 0
    - 1.63 Number of covered lives ..... 0
  - All years prior to most current three years:
    - 1.64 Total premium earned \$ ..... 0
    - 1.65 Total incurred claims \$ ..... 0
    - 1.66 Number of covered lives ..... 0
- 1.7 Group policies:
  - Most current three years:
    - 1.71 Total premium earned \$ ..... 0
    - 1.72 Total incurred claims \$ ..... 0
    - 1.73 Number of covered lives ..... 0
  - All years prior to most current three years:
    - 1.74 Total premium earned \$ ..... 0
    - 1.75 Total incurred claims \$ ..... 0
    - 1.76 Number of covered lives ..... 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....		
2.2 Premium Denominator .....	159,451,045	112,462,020
2.3 Premium Ratio (2.1 / 2.2) .....		
2.4 Reserve Numerator .....	975,322	928,940
2.5 Reserve Denominator .....	504,715,609	384,392,934
2.6 Reserve Ratio (2.4 / 2.5) .....	0.002	0.002

- 3.1 Does this reporting entity have Separate Accounts? Yes  No
- 3.2 If yes, has a Separate Accounts statement been filed with this department? Yes  No  N/A
- 3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$ ..... 0
- 3.4 State the authority under which Separate Accounts are maintained:  
Art. 13.290 to 13.350 of the Insurance Code of Puerto Rico (26 L.P.R.A Sec 1329-1335)
- 3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes  No
- 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes  No
- 3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?" \$ ..... 0
- 4. 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: \$ ..... 0
  - 4.1 Amount of loss reserves established by these annuities during the current year:
  - 4.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

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

- 5.1 Do you act as a custodian for health savings accounts? Yes  No
- 5.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ ..... 0
- 5.3 Do you act as an administrator for health savings accounts? Yes  No
- 5.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ ..... 0
- 6.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers? Yes  No  N/A
- 6.2 If the answer to 6.1 is yes, please provide the following:

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

- 7. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)
  - 7.1 Direct Premium Written \$ ..... 1,879,699
  - 7.2 Total incurred claims \$ ..... 769,767
  - 7.3 Number of covered lives ..... 4,468

## GENERAL INTERROGATORIES (Continued)

*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)

8. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes[ ] No[X]  
 8.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes[ ] No[X]

Life, Accident and Health Companies Only:

- 9.1 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[X] No[ ]  
 9.2 Net reimbursement of such expenses between reporting entities:  
     9.21 Paid \$ ..... 0  
     9.22 Received \$ ..... 198,000
- 10.1 Does the reporting entity write any guaranteed interest contracts? Yes[ ] No[X]  
 10.2 If yes, what amount pertaining to these items is included in:  
     10.21 Page 3, Line 1 \$ ..... 0  
     10.22 Page 4, Line 1 \$ ..... 0
11. For stock reporting entities only:  
 11.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$ ..... 22,391,608
12. Total dividends paid stockholders since the organization of the reporting entity:  
     12.11 Cash \$ ..... 44,443,794  
     12.12 Stock \$ ..... 0
- 13.1 Does the reporting entity reinsure any Workers' Compensation Carve-Out business defined as:  
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance. Yes[ ] No[X]
- 13.2 If yes, has the reporting entity completed the WORKERS' COMPENSATION CARVE-OUT SUPPLEMENT to the Annual Statement? Yes[ ] No[ ] N/A[X]  
 13.3 If 13.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
13.31 Earned premium .....	.....	.....	.....
13.32 Paid claims .....	.....	.....	.....
13.33 Claim liability and reserve (beginning of year) .....	.....	.....	.....
13.34 Claim liability and reserve (end of year) .....	.....	.....	.....
13.35 Incurred claims .....	.....	.....	.....

- 13.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 13.31 and 13.34 for Column (1) are:

	1 Earned Premium	2 Claim Liability and Reserve
13.41 < \$25,000 .....	.....	.....
13.42 \$25,000 - 99,999 .....	.....	.....
13.43 \$100,000 - 249,999 .....	.....	.....
13.44 \$250,000 - 999,999 .....	.....	.....
13.45 \$1,000,000 or more .....	.....	.....

- 13.5 What portion of earned premium reported in 13.31, Column 1 was assumed from pools? \$ ..... 0

Fraternal Benefit Societies Only:

14. Is the reporting entity organized and conducted on the lodge system, with ritualistic form of work and representative form of government? Yes[ ] No[X]  
 15. How often are meetings of the subordinate branches required to be held?  
 16. How are the subordinate branches represented in the supreme or governing body?  
 17. What is the basis of representation in the governing body?  
 18.1 How often are regular meetings of the governing body held?  
 18.2 When was the last regular meeting of the governing body held? .....  
 18.3 When and where will the next regular or special meeting of the governing body be held? .....  
 18.4 How many members of the governing body attended the last regular meeting? ..... 0  
 18.5 How many of the same were delegates of the subordinate branches? ..... 0
19. How are the expenses of the governing body defrayed?  
 20. When and by whom are the officers and directors elected?  
 21. What are the qualifications for membership?  
 22. What are the limiting ages for admission?  
 23. What is the minimum and maximum insurance that may be issued on any one life?

## GENERAL INTERROGATORIES (Continued)

24. Is a medical examination required before issuing a benefit certificate to applicants? Yes[ ] No[X]
25. Are applicants admitted to membership without filing an application with and becoming a member of a local branch by ballot and initiation? Yes[ ] No[X]
- 26.1 Are notices of the payments required sent to the members? Yes[ ] No[ ] N/A[X]  
 26.2 If yes, do the notices state the purpose for which the money is to be used? Yes[ ] No[ ] N/A[X]
27. What proportion of first and subsequent years payments may be used for management expenses?  
 27.11 First year ..... 0%  
 27.12 Subsequent years ..... 0%
- 28.1 Is any part of the mortuary, disability, emergency or reserve fund, or the accretions from or payments for the same, used for expenses? Yes[ ] No[X]  
 28.2 If so, what amount? \$ ..... 0  
 For what purpose?
- 29.1 Does the reporting entity pay an old age disability benefit? Yes[ ] No[X]  
 29.2 If yes, at what age does the benefit commence? ..... 0
- 30.1 Has the constitution or have the laws of the reporting entity been amended during the year? Yes[ ] No[X]  
 30.2 If yes, when?
31. Have you filed with this Department all forms of benefit certificates issued, a copy of the constitution and of all the laws, rules and regulations in force at the present time? Yes[ ] No[X]
- 32.1 State whether all or a portion of the regular insurance contributions were waived during the current year under premium-paying certificates on account of meeting attained age or membership requirements? Yes[ ] No[X]  
 32.2 If so, was an additional reserve included in Exhibit 5? Yes[ ] No[ ] N/A[X]  
 32.3 If yes, explain
- 33.1 Has the reporting entity reinsured, amalgamated with, or absorbed any company, order, society, or association during the year? Yes[ ] No[X]  
 33.2 If yes, was there any contract agreement, or understanding, written or oral, expressed or implied, by means of which any officer, director, trustee or any other person, or firm, corporation, society or association, received or is to receive any fee, commission, emolument, or compensation of any nature whatsoever in connection with, on account of such reinsurance, amalgamation, absorption, or transfer of membership or funds? Yes[ ] No[ ] N/A[X]
34. Has any present or former officer, director, trustee, incorporator, or any other persons, or any firm, corporation, society or association, any claims of any nature whatsoever against this reporting entity, which is not included in the liabilities on Page 3 of this statement? Yes[ ] No[X]
- 35.1 Does the reporting entity have outstanding assessments in the form of liens against policy benefits that have increased surplus? Yes[ ] No[X]  
 35.2 If yes, what is the date of the original lien and the total outstanding balance of liens that remain in surplus?

1	2
Date	Outstanding Lien Amount
.....	.....

**FIVE - YEAR HISTORICAL DATA**

Show Amounts in Whole Dollars Only, No Cents; Show Percentages to One Decimal Place, i.e., 17.6.

\$000 omitted for amounts of life insurance

	1 2019	2 2018	3 2017	4 2016	5 2015
<b>Life Insurance in Force (Exhibit of Life Insurance)</b>					
1. Ordinary - whole life and endowment (Line 34, Column 4) .....	6,678	6,712	6,520	6,030	5,231
2. Ordinary - term (Line 21, Column 4, less Line 34, Column 4) .....	314,841	307,865	300,538	291,186	275,142
3. Credit life (Line 21, Column 6) .....	212,046	217,968	227,313	266,668	320,496
4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Lines 43 & 44, Column 4) .....	4,110,726	3,643,693	3,283,700	2,923,624	2,840,810
5. Industrial (Line 21, Column 2) .....					
6. FEGLI/SGLI (Lines 43 & 44, Column 4) .....					
7. Total (Line 21, Column 10) .....	4,644,291	4,176,238	3,818,071	3,487,508	3,441,679
7.1 Total in force for which VM-20 Deterministic / Stochastic Reserves are calculated .....				X X X	X X X
<b>New Business Issued (Exhibit of Life Insurance)</b>					
8. Ordinary - whole life and endowment (Line 34, Column 2) .....	337	668	872	1,396	1,619
9. Ordinary - term (Line 2, Column 4, less Line 34, Column 2) .....	26,222	28,992	33,823	42,675	49,857
10. Credit life (Line 2, Column 6) .....	76,202	72,929	61,570	73,593	88,014
11. Group (Line 2, Column 9) .....	92,973	126,924	435,699	90,263	154,369
12. Industrial (Line 2, Column 2) .....					
13. Total (Line 2, Column 10) .....	195,734	229,513	531,964	207,927	293,859
<b>Premium Income-Lines of Business (Exhibit 1 - Part 1)</b>					
14. Industrial life (Exhibit 1 - Part 1, Line 20.4, Column 2) .....					
15.1 Ordinary life insurance (Exhibit 1 - Part 1, Line 20.4, Column 3) .....	1,424,595	1,418,392	1,369,402	1,364,652	1,135,952
15.2 Ordinary individual annuities (Exhibit 1 - Part 1, Line 20.4, Column 4) .....	136,552,993	92,992,122	82,860,301	90,956,828	97,124,716
16. Credit life, (group and individual) (Exhibit 1 - Part 1, Line 20.4, Column 5) .....	3,699,002	3,225,036	2,444,612	2,155,238	2,652,123
17.1 Group life insurance (Exhibit 1 - Part 1, Line 20.4, Column 6) .....	7,389,242	7,329,816	6,549,037	5,987,827	5,584,828
17.2 Group annuities (Exhibit 1 - Part 1, Line 20.4, Column 7) .....	5,062,031	2,899,574			
18.1 A & H group (Exhibit 1 - Part 1, Line 20.4, Column 8) .....	5,278,985	4,631,736	4,458,126	3,724,348	3,528,598
18.2 A & H credit (group and individual) (Exhibit 1 - Part 1, Line 20.4, Column 9) .....	43,403	(35,293)	(232,735)	(409,340)	(1,060,885)
18.3 A & H other (Exhibit 1 - Part 1, Line 20.4 Column 10) .....	794	637	664	1,807	3,114
19. Aggregate of all other lines of business (Exhibit 1 - Part 1, Line 20.4, Column 11) .....					
20. Total .....	159,451,045	112,462,020	97,449,407	103,781,360	108,968,446
<b>Balance Sheet Items (Pages 2 and 3)</b>					
21. Total Admitted Assets excluding Separate Accounts business (Page 2, Line 26, Column 3) .....	1,411,715,128	1,069,223,681	769,458,374	540,394,575	404,013,051
22. Total Liabilities excluding Separate Accounts business (Page 3, Line 26) .....	1,275,021,580	951,776,116	671,142,410	472,498,418	350,135,122
23. Aggregate life reserves (Page 3, Line 1) .....	498,426,626	378,349,182	300,151,815	239,203,640	179,988,098
23.1 Excess VM-20 Deterministic / Stochastic Reserves over NPR related to Line 7.1 .....				X X X	X X X
24. Aggregate A & H reserves (Page 3, Line 2) .....	1,776,071	1,768,774	1,903,209	2,372,657	3,245,086
25. Deposit-type contract funds (Page 3, Line 3) .....	663,651	815,248	889,839	840,644	855,264
26. Asset valuation reserve (Page 3, Line 24.1) .....	11,062,891	4,017,946	3,140,760	2,092,000	129,262
27. Capital (Page 3, Lines 29 & 30) .....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
28. Surplus (Page 3, Line 37) .....	134,459,044	115,172,518	96,060,642	65,611,464	51,579,581
<b>Cash Flow (Page 5)</b>					
29. Net Cash from Operations (Line 11) .....	136,659,047	121,094,564	78,925,622	51,142,325	23,158,627
<b>Risk-Based Capital Analysis</b>					
30. Total Adjusted Capital .....	148,021,935	121,690,464	101,701,402	70,203,464	54,208,843
31. Authorized control level risk-based capital .....	11,096,601	9,102,068	6,315,347	6,346,338	6,184,387
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Line No./Page 2, Line 12, Column 3) x 100.0</b>					
32. Bonds (Line 1) .....	67.6	81.5	88.2	88.6	87.7
33. Stocks (Lines 2.1 and 2.2) .....	21.1	3.6	2.9	3.9	4.1
34. Mortgage loans on real estate (Line 3.1 and 3.2) .....					
35. Real estate (Lines 4.1, 4.2 and 4.3) .....					
36. Cash, cash equivalents and short-term investments (Line 5) ..	6.8	13.0	7.3	6.2	6.9
37. Contract loans (Line 6) .....					
38. Derivatives (Page 2, Line 7) .....					
39. Other invested assets (Line 8) .....	4.6	2.0	1.1	1.4	1.3
40. Receivables for securities (Line 9) .....	0.0		0.4	0.0	
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 2019	2 2018	3 2017	4 2016	5 2015
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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 Lines 44 to 49 .....					
51. Total Investment in Parent included in Lines 44 to 49 above .....					
<b>Total Nonadmitted and Admitted Assets</b>					
52. Total Nonadmitted Assets (Page 2, Line 28, Column 2) .....	2,793,608	2,822,714	6,993,534	3,338,213	1,412,380
53. Total Admitted Assets (Page 2, Line 28, Column 3) .....	1,949,966,796	1,591,110,436	1,402,978,561	1,135,965,490	979,936,972
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income) .....	45,230,967	29,786,903	20,390,375	15,380,024	12,538,155
55. Realized capital gains (losses) (Page 4, Line 34, Column 1) .....	794,090	337,519	(696,002)	(166,044)	(6,106,418)
56. Unrealized capital gains (losses) (Page 4, Line 38, Col. 1) .....	1,930,017	(941,254)	343,177	864,229	(7,146,545)
57. Total of Above Lines 54, 55, and 56 .....	47,955,074	29,183,168	20,037,550	16,078,209	(714,808)
<b>Benefits and Reserve Increase (Page 6)</b>					
58. Total contract/certificate benefits-life (Lines 10, 11, 12, 13, 14 and 15, Col. 1 minus Lines 10, 11, 12, 13, 14 and 15, Cols. 6, 7 and 8) .....	46,775,243	49,666,453	35,782,090	34,212,093	36,977,508
59. Total contract/certificate benefits-A & H (Lines 13 & 14, Col. 6) .....	1,706,227	1,443,949	1,229,669	1,455,661	934,284
60. Increase in life reserves-other than group and annuities (Line 19, Columns 2) .....	991,125	945,283	1,094,891	1,014,121	857,383
61. Increase in A & H reserves (Line 19, Column 6) .....	7,297	(134,435)	(469,448)	(872,430)	(1,985,957)
62. Dividends to policyholders and refunds to members (Line 30, Col. 1) .....					
<b>Operating Percentages</b>					
63. Insurance expense percent (Page 6, Column 1, Lines 21, 22 & 23 less Line 6) / (Page 6 Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00 .....	(6.0)	(8.1)	(5.8)	(0.6)	1.1
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Column 4, Lines 1 & 21)] x 100.00 .....	5.9	6.9	8.1	9.4	9.3
65. A & H loss percent (Schedule H, Part 1, Line 5 + Line 6, Column 2) .....	32.2	28.5	18.0	17.6	(42.6)
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) .....	55.4	50.3	49.7	55.6	60.8
<b>A &amp; H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1, Column 2) .....	2,291,525	2,135,766	1,878,984	1,856,679	1,503,634
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2) .....	2,329,614	2,284,896	2,092,858	1,885,673	2,016,063
70. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Col. 2) .....	173,558	303,090	413,465	534,709	447,306
71. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Col. 2) .....	278,190	400,966	587,297	552,353	742,033
<b>Net Gains From Operations After Dividends to Policyholders/Members' Refunds and Federal Income Taxes by Lines of Business (Page 6.x, Line 33)</b>					
72. Industrial life (Page 6.1, Col. 2) .....					
73. Ordinary-life (Page 6.1, Col. 1 less Cols. 2, 10 and 12) .....	(349,280)	(233,564)	(354,341)	(439,362)	(703,916)
74. Ordinary-individual annuities (Page 6, Col. 4) .....	33,275,504	29,934,004	24,266,716	20,991,447	18,784,302
75. Ordinary-supplementary contracts .....	X X X				
76. Credit life (Page 6.1, Col. 10 plus Page 6.2, Col. 7) .....	1,233,261	367,159	646,325	777,974	1,445,646
77. Group life (Page 6.2, Col.1 Less Cols. 7 and 9) .....	1,419,403	1,625,547	1,645,264	1,141,226	689,901
78. Group annuities (Page 6, Col. 5) .....	1,859,841	532,958			
79. A & H-group (Page 6.5, Col. 3) .....	680,020	728,795	961,724	478,747	853,459
80. A & H-credit (Page 6.5, Col. 10) .....	35,582	153,691	370,201	415,748	1,389,875
81. A & H-other (Page 6.5, Col. 1 less Cols. 3 and 10) .....	794	637	664	1,723	3,927
82. Aggregate of all other lines of business (Page 6, Col. 8) .....					
83. Fraternal (Page 6, Col. 7) .....					
84. Total (Page 6, Col. 1) .....	38,155,125	33,109,227	27,536,553	23,367,503	22,463,194

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[ ] N/A[X]

If no, please explain:

# EXHIBIT OF LIFE INSURANCE

(\$000 Omitted for Amounts of Life Insurance)

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance	Number of Policies	Amount of Insurance	Number of Individual Policies and Group Certificates	Amount of Insurance	7 Policies	8 Certificates	Amount of Insurance	
1. In force end of prior year			4,466	314,577	22,017	217,968	2,289	199,340	3,643,693	4,176,238
2. Issued during year			276	26,559	4,246	76,202	19	4,383	92,973	195,734
3. Reinsurance assumed									364,158	364,158
4. Revived during year										
5. Increased during year (net)									26,647	26,647
6. Subtotals, Lines 2 to 5			276	26,559	4,246	76,202	19	4,383	483,778	586,539
7. Additions by dividends during year	X X X		X X X		X X X		X X X	X X X		
8. Aggregate write-ins for increases										
9. TOTALS (Lines 1 and 6 to 8)			4,742	341,136	26,263	294,170	2,308	203,723	4,127,471	4,762,777
<b>Deductions during year:</b>										
10. Death			66	696	73	414	X X X	227	4,668	5,778
11. Maturity							X X X			
12. Disability							X X X			
13. Expiry					3,794	6,222				6,222
14. Surrender										
15. Lapse			208	18,918	2,274	22,626	13	1,664	12,052	53,596
16. Conversion							X X X	X X X	X X X	
17. Decreased (net)				3	150	52,862	199	7,905	25	52,890
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. TOTALS (Lines 10 to 19)			274	19,617	6,291	82,124	212	9,796	16,745	118,486
21. In force end of year (b) (Line 9 minus Line 20)			4,468	321,519	19,972	212,046	2,096	193,927	4,110,726	4,644,291
22. Reinsurance ceded end of year	X X X		X X X	191,749	X X X		X X X	X X X	1,967,273	2,159,022
23. Line 21 minus Line 22	X X X		X X X	129,770	X X X	(a) 212,046	X X X	X X X	2,143,453	2,485,269
<b>DETAILS OF WRITE-INS</b>										
0801. ~										
0802. ~										
0803. ~										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above)										
1901. ~										
1902. ~										
1903. ~										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. TOTALS (Lines 1901 through 1903 plus 1998) (Line 19 above)										

Life Accident and Health Companies Only:

(a) Group \$.....0; Individual \$.....0.

Fraternal Benefit Societies Only:

(b) Paid-up insurance included in the final totals of Line 21 (including additions to certificates) number of certificates .....0, Amount \$.....0

Additional accidental death benefits included in life certificates were in amount \$.....0

Does the society collect any contributions from members for general expenses of the society under fully paid-up certificates Yes[ ] No[X]

If not, how are such expenses met?:

**EXHIBIT OF LIFE INSURANCE (Continued)**

(\$000 Omitted for Amounts of Life Insurance)

**ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR**

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
24. Additions by dividends .....	X X X		X X X	
25. Other paid-up insurance .....				
26. Debit ordinary insurance .....	X X X	X X X		

**ADDITIONAL INFORMATION ON ORDINARY INSURANCE**

Term Insurance Excluding Extended Term Insurance	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
27. Term policies -- decreasing .....				
28. Term policies -- other .....	188	26,222	2,095	314,842
29. Other term insurance -- decreasing .....	X X X		X X X	
30. Other term insurance .....	X X X		X X X	
31. TOTALS (Lines 27 to 30) .....	188	26,222	2,095	314,842
Reconciliation to Lines 2 and 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 .....	88	337	2,373	6,678
35. TOTALS (Lines 31 to 34) .....	276	26,559	4,468	321,520

**CLASSIFICATION OF AMOUNT OF INSURANCE 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 .....	26,559		321,519	
38. Credit Life (Group and Individual) .....	76,202		212,046	
39. Group .....	92,973		4,110,726	
40. TOTALS (Lines 36 to 39) .....	195,734		4,644,291	

**ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE**

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance	3 Number of Certificates	4 Amount of Insurance
41. Amount of insurance included in Line 2 ceded to other companies .....	X X X		X X X	40,905
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis .....		X X X		X X X
43. Federal Employees' Group Life Insurance included in Line 21 .....				
44. Servicemen's Group Life Insurance included in Line 21 .....				
45. Group Permanent Insurance included in Line 21 .....				

**ADDITIONAL ACCIDENTAL DEATH BENEFITS**

46. Amount of additional accidental death benefits in force end of year under ordinary policies .....	5,504
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**BASIS OF CALCULATION OF ORDINARY TERM INSURANCE**

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc. policies and riders included above.
47.1 ~
47.2 ~

**POLICIES WITH DISABILITY PROVISIONS**

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance	5 Number of Policies	6 Amount of Insurance	7 Number of Certificates	8 Amount of Insurance
48. Waiver of Premium .....			692	124,983	1,391	149	65,391	2,480,534
49. Disability Income .....								
50. Extended Benefits .....			X X X	X X X				
51. Other .....								
52. TOTAL .....		(a)	692	(a) 124,983	1,391	(a) 149	65,391	(a) 2,480,534

(a) See the Annual Audited Financial Reports section of the annual statement instructions.

**EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES**

**SUPPLEMENTARY CONTRACTS**

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year .....				
2. Issued during year .....				
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. TOTALS (Lines 1 to 4) .....				
Deductions during year:				
6. Decreased (net) .....				
7. Reinsurance ceded .....				
8. TOTALS (Lines 6 and 7) .....				
9. In force end of year .....				
10. Amount on deposit .....		(a)		(a)
11. Income now payable .....				
12. Amount of income payable .....	(a)	(a)	(a)	(a)

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year .....		38,190	2	211
2. Issued during year .....		7,522	1	75
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. TOTALS (Lines 1 to 4) .....		45,712	3	286
Deductions during year:				
6. Decreased (net) .....		2,029		21
7. Reinsurance ceded .....				
8. TOTALS (Lines 6 and 7) .....		2,029		21
9. In force end of year .....		43,683	3	265
Income now payable:				
10. Amount of income payable: .....	(a)	X X X	X X X	(a)
Deferred fully paid:				
11. Account balance .....	X X X	(a)	X X X	(a)
Deferred not fully paid:				
12. Account balance .....	X X X	(a)	X X X	(a)

**ACCIDENT AND HEALTH INSURANCE**

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year .....	149,373		1,472			
2. Issued during year .....	22,526		316			
3. Reinsurance assumed .....						
4. Increased during year (net) .....	8,882	X X X		X X X		X X X
5. TOTALS (Lines 1 to 4) .....	180,781	X X X	1,788	X X X		X X X
Deductions during year:						
6. Conversions .....		X X X	X X X	X X X	X X X	X X X
7. Decreased (net) .....	31,104	X X X	694	X X X		X X X
8. Reinsurance ceded .....		X X X		X X X		X X X
9. TOTALS (Lines 6 to 8) .....	31,104	X X X	694	X X X		X X X
10. In force end of year .....	149,677	(a)	1,094	(a)		(a)

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

	1 Deposit Funds Contracts	2 Dividend Accumulations Contracts
1. In force end of prior year .....		
2. Issued during year .....		
3. Reinsurance assumed .....		
4. Increased during year (net) .....		
5. TOTALS (Lines 1 to 4) .....		
Deductions during year:		
6. Decreased (net) .....		
7. Reinsurance ceded .....		
8. TOTALS (Lines 6 and 7) .....		
9. In force end of year .....		
10. Amount of account balance .....	(a)	(a)

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

# SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

1	States, Etc.	Active Status (a)	Direct Business Only					
			Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
			2 Life Insurance Premiums	3 Annuity Considerations				
1.	Alabama (AL)	N						
2.	Alaska (AK)	N						
3.	Arizona (AZ)	N						
4.	Arkansas (AR)	N						
5.	California (CA)	N						
6.	Colorado (CO)	N						
7.	Connecticut (CT)	N						
8.	Delaware (DE)	N						
9.	District of Columbia (DC)	N						
10.	Florida (FL)	N						
11.	Georgia (GA)	N						
12.	Hawaii (HI)	N						
13.	Idaho (ID)	N						
14.	Illinois (IL)	N						
15.	Indiana (IN)	N						
16.	Iowa (IA)	N						
17.	Kansas (KS)	N						
18.	Kentucky (KY)	N						
19.	Louisiana (LA)	N						
20.	Maine (ME)	N						
21.	Maryland (MD)	N						
22.	Massachusetts (MA)	N						
23.	Michigan (MI)	N						
24.	Minnesota (MN)	N						
25.	Mississippi (MS)	N						
26.	Missouri (MO)	N						
27.	Montana (MT)	N						
28.	Nebraska (NE)	N						
29.	Nevada (NV)	N						
30.	New Hampshire (NH)	N						
31.	New Jersey (NJ)	N						
32.	New Mexico (NM)	N						
33.	New York (NY)	N						
34.	North Carolina (NC)	N						
35.	North Dakota (ND)	N						
36.	Ohio (OH)	N						
37.	Oklahoma (OK)	N						
38.	Oregon (OR)	N						
39.	Pennsylvania (PA)	N						
40.	Rhode Island (RI)	N						
41.	South Carolina (SC)	N						
42.	South Dakota (SD)	N						
43.	Tennessee (TN)	N						
44.	Texas (TX)	N						
45.	Utah (UT)	N						
46.	Vermont (VT)	N						
47.	Virginia (VA)	N						
48.	Washington (WA)	N						
49.	West Virginia (WV)	N						
50.	Wisconsin (WI)	N						
51.	Wyoming (WY)	N						
52.	American Samoa (AS)	N						
53.	Guam (GU)	N						
54.	Puerto Rico (PR)	L	14,898,371	430,594,188	7,509,809		453,002,368	
55.	U.S. Virgin Islands (VI)	N						
56.	Northern Mariana Islands (MP)	N						
57.	Canada (CAN)	N						
58.	Aggregate Other Alien (OT)	X X X						
59.	Subtotal	X X X	14,898,371	430,594,188	7,509,809		453,002,368	
90.	Reporting entity contributions for employee benefits plans	X X X						
91.	Dividends or refunds applied to purchase paid-up additions and annuities	X X X						
92.	Dividends or refunds applied to shorten endowment or premium paying period	X X X						
93.	Premium or annuity considerations waived under disability or other contract provisions	X X X						
94.	Aggregate other amounts not allocable by State	X X X						
95.	TOTALS (Direct Business)	X X X	14,898,371	430,594,188	7,509,809		453,002,368	
96.	Plus Reinsurance Assumed	X X X	753,079				753,079	
97.	TOTALS (All Business)	X X X	15,651,450	430,594,188	7,509,809		453,755,447	
98.	Less Reinsurance Ceded	X X X	2,897,417	288,979,164	2,161,214		294,037,795	
99.	TOTALS (All Business) less Reinsurance Ceded	X X X	12,754,033	141,615,024	(c) 5,348,595		159,717,652	

**DETAILS OF WRITE-INS**

58001~	X X X							
58002~	X X X							
58003~	X X X							
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X							
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X							
9401. ~	X X X							
9402. ~	X X X							
9403. ~	X X X							
9498. Summary of remaining write-ins for Line 94 from overflow page	X X X							
9499. TOTALS (Lines 9401 through 9403 plus 9498) (Line 94 above)	X X X							

(a) Active Status Counts:

- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
- 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

1

R - Registered - Non-domiciled RRGs

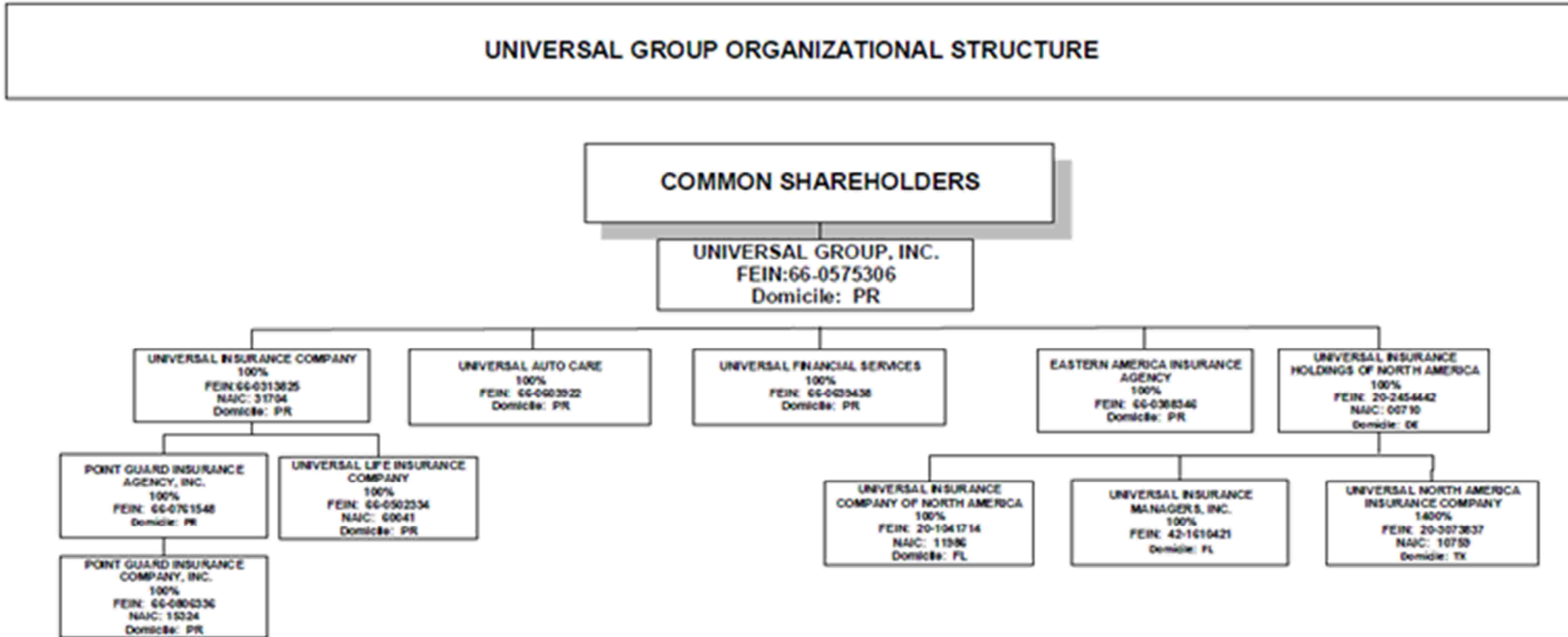
Q - Qualified - Qualified or accredited reinsurer

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(b) Explanation of basis of allocation by states, etc., of premiums and annuity considerations: THE COMPANY ONLY HAS BUSINESS IN PUERTO RICO.

(c) 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 H - Part 1, Column 1, Line 1

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



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