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ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE

MULTINATIONAL LIFE INSURANCE COMPANY

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

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

Country of Domicile US

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

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

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

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

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

Internet Website Address www.multinationallife.com

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

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

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

State of ____________
County of ____________ } SS

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

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

Subscribed and sworn to before me this
day of 2017

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

ASSETS

		Current Year			Prior Year
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1.	Bonds (Schedule D)	84,474,224		84,474,224	81,266,375
2.	Stocks (Schedule D):				
	2.1 Preferred stocks				
	2.2 Common stocks	114,801		114,801	65,605
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	1,298,454		1,298,454	710,867
	3.2 Other than first liens				
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)	9,085,591		9,085,591	9,141,616
	4.2 Properties held for the production of income (less $ .... encumbrances)	408,000		408,000	420,749
	4.3 Properties held for sale (less $ .... encumbrances)				
5.	Cash ($ ...... 5,867,295 , Schedule E-Part 1), cash equivalents ($ .... , Schedule E-Part 2) and short-term investments ($ .... , Schedule DA)	5,867,295		5,867,295	10,958,654
6.	Contract loans (including $ .... premium notes)	2,159,200	31,243	2,127,957	2,291,822
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities	1,223		1,223	
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)	103,408,788	31,243	103,377,545	104,855,688
13.	Title plants less $ .... charged off (for Title insurers only)				
14.	Investment income due and accrued	777,430	12,917	764,513	774,837
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	6,108,752	4,300,146	1,808,606	1,917,686
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)	3,688,119		3,688,119	3,205,177
	15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ ....)				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	1,895,482		1,895,482	633,968
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts	3,788	3,788		
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software	89,777		89,777	273,602
21.	Furniture and equipment, including health care delivery assets ($ ....)	189,485	189,485		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	155,506		155,506	
24.	Health care ($ ....) and other amounts receivable				
25.	Aggregate write-ins for other-than-invested assets	1,372,573	353,298	1,019,275	1,193,078
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	117,689,700	4,890,877	112,798,823	112,854,036
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	117,689,700	4,890,877	112,798,823	112,854,036
	DETAILS OF WRITE-INS				
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 - Miscellaneous	181,229	181,229		
2502.	Accounts Receivable - Miscellaneous	1,169,594	150,319	1,019,275	1,193,078
2503.	Deferred Expenses - Miscellaneous	21,750	21,750		
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,372,573	353,298	1,019,275	1,193,078

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts $ 68,629,125 (Exhibit 5, Line 9999999) less $ .... included in Line 6.3 (including $ .... Modco Reserve)	68,629,125	71,684,522
2. Aggregate reserve for accident and health contracts (including $ .... Modco Reserve)	14,483,339	13,564,767
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including $ .... Modco Reserve)	591,609	685,086
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	700,945	2,060,986
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	2,602,907	3,685,149
5. Policyholders' dividends $ .... and coupons $ .... due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including $ .... Modco)		
6.2 Dividends not yet apportioned (including $ .... Modco)		
6.3 Coupons and similar benefits (including $ .... Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less $ .... discount; including $ .... accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)		
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of $ .... accident and health experience rating refunds of which $ .... is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including $ .... assumed and $ 1,245,030 ceded	1,245,030	763,896
9.4 Interest Maintenance Reserve (IMR, Line 6)	690,636	856,047
10. Commissions to agents due or accrued-life and annuity contracts $ .... accident and health $ .... and deposit-type contract funds $	190,258	241,474
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	757,535	1,273,646
13. Transfers to Separate Accounts due or accrued (net) (including $ .... accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	523,051	498,702
15.1 Current federal and foreign income taxes, including $ .... on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income	78,415	87,941
17. Amounts withheld or retained by company as agent or trustee	178,424	305,187
18. Amounts held for agents' account, including $ 2,056,765 agents' credit balances	2,056,765	1,699,758
19. Remittances and items not allocated	144,046	164,037
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money $ .... and interest thereon $		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	1,774,533	1,612,591
24.02 Reinsurance in unauthorized and certified ($ ....) companies		
24.03 Funds held under reinsurance treaties with unauthorized and certified ($ ....) reinsurers		
24.04 Payable to parent, subsidiaries and affiliates	766,255	393,005
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities		
24.10 Payable for securities lending		
24.11 Capital notes $ .... and interest thereon $		
25. Aggregate write-ins for liabilities	107,288	188,612
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	95,520,161	99,765,406
27. From Separate Accounts statement		
28. Total liabilities (Lines 26 and 27)	95,520,161	99,765,406
29. Common capital stock	2,502,910	2,502,910
30. Preferred capital stock	2,238,810	2,238,810
31. Aggregate write-ins for other-than-special surplus funds		
32. Surplus notes	5,000,000	5,000,000
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	16,622,090	16,622,090
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	(9,085,148)	(13,275,180)
36. Less treasury stock, at cost:		
36.1 .... shares common (value included in Line 29 $ ....)		
36.2 .... shares preferred (value included in Line 30 $ ....)		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including $ .... in Separate Accounts Statement)	12,536,942	8,346,910
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	17,278,662	13,088,630
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	112,798,823	112,854,036
DETAILS OF WRITE-INS		
2501. OTHERS ACCOUNT PAYABLE	620	833
2502. ACCOUNTS PAYABLE - MISCELLANEOUS	106,668	187,779
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	107,288	188,612
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)	31,975,803	30,081,297
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	3,201,845	3,517,214
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	165,412	265,405
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)		
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	2,355,625	2,639,040
9. Totals (Lines 1 to 8.3)	37,698,685	36,502,956
10. Death benefits	5,645,747	5,441,472
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	113,042	249,970
13. Disability benefits and benefits under accident and health contracts	4,964,590	4,460,280
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	4,528,415	6,299,577
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	1,252	280
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	(1,694,090)	(3,096,862)
20. Totals (Lines 10 to 19)	13,558,956	13,354,717
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	7,179,970	6,015,933
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	11,643,782	10,337,455
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	1,056,460	980,211
25. Increase in loading on deferred and uncollected premiums	(3,955)	1,890
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions		
28. Totals (Lines 20 to 27)	33,435,213	30,690,206
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	4,263,472	5,812,750
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	4,263,472	5,812,750
32. Federal and foreign income taxes incurred (excluding tax on capital gains)		5,350
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	4,263,472	5,807,400
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ .... (excluding taxes of $ .... transferred to the IMR)	(3,376)	(457)
35. Net Income (Line 33 plus Line 34)	4,260,096	5,806,943
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	13,088,629	13,997,828
37. Net income (Line 35)	4,260,096	5,806,943
38. Change in net unrealized capital gains (losses) less capital gains tax of $	719,900	(5,868,108)
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax		
41. Change in nonadmitted assets	206,667	205,515
42. Change in liability for reinsurance in unauthorized and certified companies		
43. Change in reserve on account of change in valuation basis (increase) or decrease		
44. Change in asset valuation reserve	(161,942)	(128,549)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts statement		
48. Change in surplus notes		
49. Cumulative effects of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders	(834,690)	(925,000)
53. Aggregate write-ins for gains and losses in surplus		
54. Net change in capital and surplus for the year (Lines 37 through 53)	4,190,031	(909,199)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	17,278,660	13,088,629
DETAILS OF WRITE-INS		
08.301. Other Income	2,355,625	2,639,040
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)	2,355,625	2,639,040
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)		
5301. Prior year adjustment		
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)		

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	31,868,688	30,031,539
2. Net investment income	3,456,678	3,755,501
3. Miscellaneous income	2,355,625	2,639,040
4. Total (Lines 1 through 3)	37,680,991	36,426,080
5. Benefit and loss related payments	18,918,443	19,951,036
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	20,423,189	19,495,649
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $ ....tax on capital gains (losses)		(46,907)
10. Total (Lines 5 through 9)	39,341,632	39,399,778
11. Net cash from operations (Line 4 minus Line 10)	(1,660,641)	(2,973,698)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	12,821,121	14,500,372
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		943,000
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalants and short-term investments		
12.7 Miscellaneous proceeds	147,688	2,410
12.8 Total investment proceeds (Lines 12.1 to 12.7)	12,968,809	15,445,782
13. Cost of investments acquired (long-term only):		
13.1 Bonds	15,609,168	8,960,688
13.2 Stocks		
13.3 Mortgage loans	607,012	485,000
13.4 Real estate	78,913	(604,568)
13.5 Other invested assets		
13.6 Miscellaneous applications	1,223	660,750
13.7 Total investments acquired (Lines 13.1 to 13.6)	16,296,316	9,501,870
14. Net increase (decrease) in contract loans and premium notes	(174,654)	(231,261)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(3,152,853)	6,175,173
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(93,477)	57,361
16.5 Dividends to stockholders	834,690	925,000
16.6 Other cash provided (applied)	650,302	(110,535)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(277,865)	(978,174)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(5,091,359)	2,223,301
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	10,958,654	8,735,353
19.2 End of year (Line 18 plus Line 19.1)	5,867,295	10,958,654

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

20.001		
20.002		
20.003		
20.004		
20.005		
20.006		
20.007		
20.008		
20.009		
20.010		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	31,975,803		13,911,850	396,884		705,883	3,221,673		4,543,838	120,582	9,075,093	
2. Considerations for supplementary contracts with life contingencies												
3. Net investment income	3,201,845		1,950,408	359,747		10,378	53,824		78,025	1,766	747,697	
4. Amortization of Interest Maintenance Reserve (IMR)	165,412		100,761	18,585		536	2,781		4,031	91	38,627	
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded												
7. Reserve adjustments on reinsurance ceded												
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts												
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income	2,355,625		5,878	148		263	1,372		1,989	45	2,345,930	
9. Totals (Line 1 to Line 8.3)	37,698,685		15,968,897	775,364		717,060	3,279,650		4,627,883	122,484	12,207,347	
10. Death benefits	5,645,747		3,518,099			345,584	1,782,064					
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits	113,042			113,042								
13. Disability benefits and benefits under accident and health contracts	4,964,590								1,434,423	(3,342)	3,533,509	
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	4,528,415		3,408,331	1,120,084								
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds	1,252		811			(296)					737	
18. Payments on supplementary contracts with life contingencies												
19. Increase in aggregate reserves for life and accident and health contracts	(1,694,090)		(2,825,907)	(321,761)		(1,205)					1,454,783	
20. Totals (Line 10 to Line 19)	13,558,956		4,101,334	911,365		344,083	1,782,064		1,434,423	(3,342)	4,989,029	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	7,179,970		3,292,933	263		153,043	539,033		921,756	27,965	2,244,977	
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses	11,643,782		4,054,398	115,840		286,344	810,880		1,274,239	120,964	4,981,117	
24. Insurance taxes, licenses and fees, excluding federal income taxes	1,056,460		292,981	8,371		16,742	58,596		311,452	8,371	359,947	
25. Increase in loading on deferred and uncollected premiums	(3,955)		(1,384)	(40)		(79)	(277)		(435)	(40)	(1,700)	
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions												
28. Totals (Line 20 to Line 27)	33,435,213		11,740,262	1,035,799		800,133	3,190,296		3,941,435	153,918	12,573,370	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	4,263,472		4,228,635	(260,435)		(83,073)	89,354		686,448	(31,434)	(366,023)	
30. Dividends to policyholders												
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	4,263,472		4,228,635	(260,435)		(83,073)	89,354		686,448	(31,434)	(366,023)	
32. Federal income taxes incurred (excluding tax on capital gains)												
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	4,263,472		4,228,635	(260,435)		(83,073)	89,354		686,448	(31,434)	(366,023)	
DETAILS OF WRITE-INS												
08.301. OTHER INCOME	2,355,625		5,878	148		263	1,372		1,989	45	2,345,930	
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)	2,355,625		5,878	148		263	1,372		1,989	45	2,345,930	
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)												

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary 3 Life Insurance	Ordinary 4 Individual Annuities	Ordinary 5 Supplementary Contracts	6 Credit Life (Group and Individual)	Group 7 Life Insurance	Group 8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	71,684,522		60,123,831	11,558,748		1,943		
2. Tabular net premiums or considerations	12,006,137		11,496,015	488,847		21,275		
3. Present value of disability claims incurred	1,336,571		1,336,571		XXX			
4. Tabular interest	3,046,395		2,578,355	467,561		479		
5. Tabular less actual reserve released								
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)								
8. Totals (Line 1 to Line 7)	88,073,625		75,534,772	12,515,156		23,697		
9. Tabular cost	10,809,128		10,809,128		XXX			
10. Reserves released by death	450,511		450,511	XXX	XXX			XXX
11. Reserves released by other terminations (net)	7,741,415		6,533,764	1,184,692		22,959		
12. Annuity, supplementary contract, and disability payments involving life contingencies	443,446		443,446					
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Line 9 to Line 13)	19,444,500		18,236,849	1,184,692		22,959		
15. Reserve December 31, current year	68,629,125		57,297,923	11,330,464		738		

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 159,826	157,840
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 3,260,251	3,264,830
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	917	917
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c) 43,808	43,808
4.	Real estate	(d)	
5.	Contract loans	206,434	203,974
6.	Cash, cash equivalents and short-term investments	(e) 11,847	11,847
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	132,270	132,270
10.	Total gross investment income	3,815,353	3,815,486
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) 221,738
14.	Depreciation on real estate and other invested assets		(i) 147,688
15.	Aggregate write-ins for deductions from investment income		244,215
16.	Total deductions (Lines 11 through 15)		613,641
17.	Net investment income (Line 10 minus Line 16)		3,201,845
	DETAILS OF WRITE-INS		
0901.	RENT	132,270	132,270
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)	132,270	132,270
1501.	OTHER INVESTMENT FEES		244,215
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)		244,215

(a) Includes $ 138,142 accrual of discount less $ 385,669 amortization of premium and less $ 44,174 paid for accrued interest on purchases.
(b) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued dividends on purchases.
(c) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.
(d) Includes $ .... for company's occupancy of its own buildings; and excludes $ .... interest on encumbrances.
(e) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.
(f) Includes $ .... accrual of discount less $ .... amortization of premium.
(g) Includes $ 244,215 investment expenses and $ .... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ 221,738 interest on surplus notes and $ .... interest on capital notes.
(i) Includes $ 147,688 depreciation on real estate and $ .... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	(3,375)		(3,375)	670,990	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)				48,910	
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	(3,375)		(3,375)	719,900	
	DETAILS OF WRITE-INS					
0901.	AMORTIZATION OF IMR	(165,411)		(165,411)		
0902.	CHANGE IN IMR RESERVE	165,411		165,411		
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	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected	38,673							38,673			
2. Deferred and accrued	401,871		401,871								
3. Deferred, accrued and uncollected:											
3.1 Direct	440,544		401,871					38,673			
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net (Line 1 plus Line 2)	440,544		401,871					38,673			
4. Advance											
5. Line 3.4 minus Line 4	440,544		401,871					38,673			
6. Collected during year:											
6.1 Direct	11,955,803		2,609,161	31,866	1,248	646,695		622,993		8,043,840	
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	18,232		13,901							4,331	
6.4 Net	11,937,571		2,595,260	31,866	1,248	646,695		622,993		8,039,509	
7. Line 5 plus Line 6.4	12,378,115		2,997,131	31,866	1,248	646,695		661,666		8,039,509	
8. Prior year (uncollected plus deferred and accrued minus advance)	311,423		272,610					38,813			
9. First year premiums and considerations:											
9.1 Direct	12,084,924		2,738,422	31,866	1,248	646,695		622,853		8,043,840	
9.2 Reinsurance assumed											
9.3 Reinsurance ceded	18,232		13,901							4,331	
9.4 Net (Line 7 minus Line 8)	12,066,692		2,724,521	31,866	1,248	646,695		622,853		8,039,509	
SINGLE											
10. Single premiums and considerations:											
10.1 Direct											
10.2 Reinsurance assumed											
10.3 Reinsurance ceded											
10.4 Net											
RENEWAL											
11. Uncollected	1,864,462		423,727		26,715	256,967		342,483	17,790	796,780	
12. Deferred and accrued	3,299,901		3,299,901								
13. Deferred, accrued and uncollected:											
13.1 Direct	5,164,363		3,723,628		26,715	256,967		342,483	17,790	796,780	
13.2 Reinsurance assumed											
13.3 Reinsurance ceded											
13.4 Net (Line 11 plus Line 12)	5,164,363		3,723,628		26,715	256,967		342,483	17,790	796,780	
14. Advance											
15. Line 13.4 minus Line 14	5,164,363		3,723,628		26,715	256,967		342,483	17,790	796,780	
16. Collected during year:											
16.1 Direct	38,807,993		12,723,404	365,018	811,891	3,017,046		4,727,742	125,361	17,037,531	
16.2 Reinsurance assumed											
16.3 Reinsurance ceded	19,098,073		1,822,327			453,341		783,551		16,038,854	
16.4 Net	19,709,920		10,901,077	365,018	811,891	2,563,705		3,944,191	125,361	998,677	
17. Line 15 plus Line 16.4	24,874,283		14,624,705	365,018	838,606	2,820,672		4,286,674	143,151	1,795,457	
18. Prior year (uncollected plus deferred and accrued minus advance)	4,965,172		3,437,376		133,971	245,694		365,689	22,569	759,873	
19. Renewal premiums and considerations:											
19.1 Direct	39,007,184		13,009,656	365,018	704,635	3,028,319		4,704,536	120,582	17,074,438	
19.2 Reinsurance assumed											
19.3 Reinsurance ceded	19,098,073		1,822,327			453,341		783,551		16,038,854	
19.4 Net (Line 17 minus Line 18)	19,909,111		11,187,329	365,018	704,635	2,574,978		3,920,985	120,582	1,035,584	
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	51,092,108		15,748,078	396,884	705,883	3,675,014		5,327,389	120,582	25,118,278	
20.2 Reinsurance assumed											
20.3 Reinsurance ceded	19,116,305		1,836,228			453,341		783,551		16,043,185	
20.4 Net (Lines 9.4 plus 10.4 plus 19.4)	31,975,803		13,911,850	396,884	705,883	3,221,673		4,543,838	120,582	9,075,093	

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

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums											
22. All other											
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded											
23.2 Reinsurance assumed											
23.3 Net ceded less assumed											
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed											
24.3 Net ceded less assumed											
25. Renewal:											
25.1 Reinsurance ceded											
25.2 Reinsurance assumed											
25.3 Net ceded less assumed											
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)											
26.2 Reinsurance assumed (Page 6, Line 22)											
26.3 Net ceded less assumed											
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	1,532,313		1,951,094	233		95,765		177,816		(692,595)	
28. Single											
29. Renewal	5,647,657		1,341,839	30	153,043	443,268		743,940	27,965	2,937,572	
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	7,179,970		3,292,933	263	153,043	539,033		921,756	27,965	2,244,977	

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6
	1	Accident and Health		4		
	Life	2 Cost Containment	3 All Other	All Other Lines of Business	Investment	Total
1. Rent	298,968		365,406			664,374
2. Salaries and wages	1,977,043		2,416,386			4,393,429
3.11 Contributions for benefit plans for employees	29,393		35,924			65,317
3.12 Contributions for benefit plans for agents	98,812		120,771			219,583
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	225,977		276,194			502,171
3.32 Other agent welfare	235,711		288,091			523,802
4.1 Legal fees and expenses	197,802		241,758			439,560
4.2 Medical examination fees	128,553		157,120			285,673
4.3 Inspection report fees	45		55			100
4.4 Fees of public accountants and consulting actuaries	292,405		357,384			649,789
4.5 Expense of investigation and settlement of policy claims	12,298		15,030			27,328
5.1 Traveling expenses	205,532		251,205			456,737
5.2 Advertising	194,970		238,297			433,267
5.3 Postage, express, telegraph and telephone	195,791		239,300			435,091
5.4 Printing and stationery	114,509		139,955			254,464
5.5 Cost or depreciation of furniture and equipment	15,512		18,960			34,472
5.6 Rental of equipment	138,089		168,776			306,865
5.7 Cost or depreciation of EDP equipment and software	88,210		107,813			196,023
6.1 Books and periodicals	13,101		16,013			29,114
6.2 Bureau and association fees	233		284			517
6.3 Insurance, except on real estate	43,823		53,562			97,385
6.4 Miscellaneous losses						
6.5 Collection and bank service charges	229,139		280,058			509,197
6.6 Sundry general expenses	13,433		16,418			29,851
6.7 Group service and administration fees						
6.8 Reimbursements by uninsured plans						
7.1 Agency expense allowance						
7.2 Agents' balances charged off (less $ ....recovered)						
7.3 Agency conferences other than local meetings						
9.1 Real estate expenses						
9.2 Investment expenses not included elsewhere						
9.3 Aggregate write-ins for expenses	518,113		571,560			1,089,673
10. General expenses incurred	5,267,462		6,376,320			(a) 11,643,782
11. General expenses unpaid December 31, prior year	573,141		700,505			1,273,646
12. General expenses unpaid December 31, current year	340,891		416,644			757,535
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)	5,499,712		6,660,181			12,159,893
DETAILS OF WRITE-INS						
09.301. COMPUTER SERVICE	192,116		234,808			426,924
09.302. DIRECTORS FEES	15,075		18,425			33,500
09.303. PROFESSIONAL SERVICES	256,258		313,203			569,461
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	54,664		5,124			59,788
09.399. Totals (Line 09.301 through Line 09.303 plus Line 09.398) (Line 9.3 above)	518,113		571,560			1,089,673

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

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

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business	Investment	Total
1. Real estate taxes	32,085	39,216			71,301
2. State insurance department licenses and fees	40,986	50,095			91,081
3. State taxes on premiums	118,963	364,769			483,731
4. Other state taxes, including $ ....for employee benefits	14,595	17,838			32,433
5. U.S. Social Security taxes	148,065	180,968			329,033
6. All other taxes	21,997	26,885			48,881
7. Taxes, licenses and fees incurred	376,690	679,770			1,056,460
8. Taxes, licenses and fees unpaid December 31, prior year	224,416	274,286			498,702
9. Taxes, licenses and fees unpaid December 31, current year	235,373	287,678			523,051
10. Taxes, licenses and fees paid during year (Line 7 plus Line 8 minus Line 9)	365,733	666,378			1,032,111

EXHIBIT 4 - DIVIDENDS OR REFUNDS

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

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
(Gross) - Life Insurance					
1980 CSO 3.5% CRVM	5,471,132		5,471,132		
1980 CSO 4-4.5% CRVM	49,965,227		49,965,227		
2001 CSO S&U 4.5%	15,413		15,413		
2001 CSO 3.5% CRVM	2,356,039		2,356,039		
GROUP & IND. BASED ON MORTALITY TABLES - 80 CSO 4.5%	738			738	
0199997 - TOTALS (Gross) - Life Insurance	57,808,549		57,807,811	738	
0199998 - Reinsurance ceded - Life Insurance	2,120,435		2,120,435		
0199999 - TOTALS (Net) - Life Insurance	55,688,114		55,687,376	738	
(Gross) - Annuities (excluding supplementary contracts with life contingencies)					
BASED ON CARVM FOR IRA CONTRACTS	11,278,909		11,278,909		
PREMIUMS BASIC ACCUMULATED AT 5% INTEREST - GAR	51,555		51,555		
0299997 - TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies)	11,330,464		11,330,464		
0299999 - TOTALS (Net) - Annuities (excluding supplementary contracts with life contingencies)	11,330,464		11,330,464		
(Gross) - Accidental Death Benefits					
1959 ADB 3% NET LEVEL	273,975		273,975		
0499997 - TOTALS (Gross) - Accidental Death Benefits	273,975		273,975		
0499999 - TOTALS (Net) - Accidental Death Benefits	273,975		273,975		
(Gross) - Disability - Active Lives					
1985 CIDA & 1980 CSO 3% NL	257,698		257,698		
1985 CIDA & 1980 CSO 3%	501,256		501,256		
0599997 - TOTALS (Gross) - Disability - Active Lives	758,954		758,954		
0599998 - Reinsurance ceded - Disability - Active Lives	104,566		104,566		
0599999 - TOTALS (Net) - Disability - Active Lives	654,388		654,388		
(Gross) - Disability - Disabled Lives					
1952 SOA 3%	33,620		33,620		
1985 CIDC 3%	1,541,043		1,541,043		
0699997 - TOTALS (Gross) - Disability - Disabled Lives	1,574,663		1,574,663		
0699998 - Reinsurance ceded - Disability - Disabled Lives	892,479		892,479		
0699999 - TOTALS (Net) - Disability - Disabled Lives	682,184		682,184		
9999999 - TOTALS (Net) - Page 3, Line 1	68,629,125		68,628,387	738	

EXHIBIT 5 - INTERROGATORIES

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

1.2 If not, state which kind is issued.

....

2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes ( ) No (X)

2.2 If not, state which kind is issued.

....

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

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

4.1 Amount of insurance? $ ....

4.2 Amount of reserve? $ ....

4.3 Basis of reserve:

....

4.4 Basis of regular assessments:

....

4.5 Basis of special assessments:

....

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

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

....

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

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

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

Attach statement of methods employed in their valuation.

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

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

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

....

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

7.4 Identify where the reserves are reported in the blank.

....

8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year? Yes ( ) No (X)

8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements: $ ....

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

8.3 Identify where the reserves are reported in the blank:

....

9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? Yes ( ) No (X)

9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders: $ ....

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

9.3 Identify where the reserves are reported in the blank:

....

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1	Valuation Basis		4
Description of Valuation Class	2 Changed From	3 Changed To	Increase in Actuarial Reserve Due to Change

NONE

EXHIBIT 6 - AGGREGATES RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non-Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	35,396	35,376	20						
2. Additional contract reserves (a)	13,147,026					13,147,026			
3. Additional actuarial reserves - Asset/Liability analysis	643,793					643,793			
4. Reserve for future contingent benefits									
5. Reserve for rate credits									
6. Aggregate write-ins for reserves									
7. Totals (Gross)	13,826,215	35,376	20			13,790,819			
8. Reinsurance ceded	96,984					96,984			
9. Totals (Net)	13,729,231	35,376	20			13,693,835			
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	4,494,843	4,486,335	242			8,266			
11. Additional actuarial reserves - Asset/Liability analysis									
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. Totals (Gross)	4,494,843	4,486,335	242			8,266			
15. Reinsurance ceded	3,740,735	3,740,735							
16. Totals (Net)	754,108	745,600	242			8,266			
17. TOTAL (Net)	14,483,339	780,976	262			13,702,101			
18. TABULAR FUND INTEREST									
DETAILS OF WRITE-INS									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page									
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)									
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page									
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)									

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

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	685,086			685,086		
2. Deposits received during the year						
3. Investment earnings credited to the account						
4. Other net change in reserves						
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	93,477			93,477		
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)	591,609			591,609		
10. Reinsurance balance at the beginning of the year						
11. Net change in reinsurance assumed						
12. Net change in reinsurance ceded						
13. Reinsurance balance at the end of the year (Lines 10+11-12)						
14. Net balance at the end of current year after reinsurance (Lines 9+13)	591,609			591,609		

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	3,493,207		174,811				334,075		1,340,188		1,644,133
1.2 Reinsurance assumed											
1.3 Reinsurance ceded	709,288								700,986		8,302
1.4 Net	2,783,919		174,811				334,075		639,202		1,635,831
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	610,386		189,076			4,096	17,821		61,327	2,371	335,695
3.2 Reinsurance assumed											
3.3 Reinsurance ceded	90,453		16,175				2,759		42,500		29,019
3.4 Net	519,933		(b) 172,901	(b)		(b) 4,096	(b) 15,062		(b) 18,827	(b) 2,371	(b) 306,676
4. TOTALS 4.1 Direct	4,103,593		363,887			4,096	351,896		1,401,515	2,371	1,979,828
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	799,741		16,175				2,759		743,486		37,321
4.4 Net	3,303,852	(a)	(a) 347,712			4,096	(a) 349,137		658,029	2,371	1,942,507

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

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

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1	2	Ordinary			6	Group		Accident and Health		
	Total	Industrial Life (a)	3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	25,688,779		7,561,014	113,042		365,614	2,665,211		3,625,594	12,483	11,345,821
1.2 Reinsurance assumed											
1.3 Reinsurance ceded	11,211,600		3,324,224				133,500		1,596,312		6,157,564
1.4 Net	(d) 14,477,179		4,236,790	113,042		365,614	2,531,711		2,029,282	12,483	5,188,257
2. Liability December 31, current year from Part 1:											
2.1 Direct	4,103,593		363,887			4,096	351,896		1,401,515	2,371	1,979,828
2.2 Reinsurance assumed											
2.3 Reinsurance ceded	799,741		16,175				2,759		743,486		37,321
2.4 Net	3,303,852		347,712			4,096	349,137		658,029	2,371	1,942,507
3. Amounts recoverable from reinsurers December 31, current year	1,995,485		184,250						279,096		1,532,139
4. Liability December 31, prior year:											
4.1 Direct	7,219,246		2,196,188			24,126	350,552		2,096,822	18,196	2,533,362
4.2 Reinsurance assumed	1,401,446						762,500		638,946		
4.3 Reinsurance ceded	2,874,557		1,258,112				14,268		1,475,673		126,504
4.4 Net	5,746,135		938,076			24,126	1,098,784		1,260,095	18,196	2,406,858
5. Amounts recoverable from reinsurers December 31, prior year	683,968		55,923						286,303		341,742
6. Incurred Benefits:											
6.1 Direct	22,573,126		5,728,713	113,042		345,584	2,666,555		2,930,287	(3,342)	10,792,287
6.2 Reinsurance assumed	(1,401,446)						(762,500)		(638,946)		
6.3 Reinsurance ceded	10,448,301		2,210,614				121,991		856,918		7,258,778
6.4 Net	10,723,379		3,518,099	113,042		345,584	1,782,064		1,434,423	(3,342)	3,533,509

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

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

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

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans	31,243	42,032	10,789
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Line 1 to Line 11)	31,243	42,032	10,789
13. Title plants (for Title insurers only)			
14. Investment income due and accrued	12,917		(12,917)
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	4,300,146	4,562,939	262,793
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			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts	3,788	3,788	
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	189,485	90,907	(98,578)
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	353,298	397,878	44,580
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	4,890,877	5,097,544	206,667
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	4,890,877	5,097,544	206,667
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. Prepaid Expenses - Miscellaneous	181,229	221,547	40,318
2502. Accounts Receivable - Miscellaneous	150,319	151,194	875
2503. Deferred Expenses Miscellaneous	21,750	21,750	
2598. Summary of remaining write-ins for Line 25 from overflow page		3,387	3,387
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	353,298	397,878	44,580

1. Summary of Significant Accounting Policies

A. Accounting Practices, impact of NAIC /State differences

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

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

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

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

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

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

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

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

The Commissioner, on notices dated July 11, 2012 and November 27, 2012, permitted the Company to capitalize a $2.4 million value adjustment as determined by the Commissioner for one of its buildings located in San Juan, Puerto Rico for 2013 and 2012. On June 3, 2013, the Company received a new notice from the Commissioner in which the authorization for the market value adjustment for the year 2013 was retired and left without effect. On June 10, 2013, the Company formally requested the Commissioner a meeting to discuss this mater. On a letter dated March 25, 2014 the Commissioner granted a three years phase out period commencing in December 31, 2013, to eliminate the previously granted permitted practice on real estate. As a result, an adjustment of $802,000 was recorded in 2013, 2014 and, 2015 to reduce related real estate value to $9,142,000. With this adjustment we completed with the phase out period of three years granted by the Commissioner to eliminate the permitted practice on real estate.

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

	2016	2015
Net Income - Puerto Rico Basis	$ 4,260,096	$ 5,806,943
State Prescribed Practices	-	-
State Permited Practices	-	-
Net Income - NAIC SAP	$ 4,260,096	$ 5,806,943
Statutory Surplus - Puerot Rico Basis	$ 17,278,662	$ 13,088,630
State Prescribed Practices	-	-
State Permitted Practice – Real Estate booked at Market Value	-	-
Statutory Surplus - NAIC SAP	**$ 17,278,662**	**$ 13,088,630**

B. Use of Estimates in Preparation of the Financial Statements

The preparation of the statement of admitted assets, liabilities, and capital and surplus in conformity with statutory accounting practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of admitted assets, liabilities, and capital and surplus. Actual results could differ from those estimates.

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

Cash and Cash Equivalents — Cash consists of cash on hand and on deposit. Cash equivalents consist of U.S. Treasury bills and money market investments with maturities of one year or less when purchased. There are no cash equivalents as of December 31, 2016 and 2015.

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

Loan-backed securities are subject to prepayment and extension risk. The retrospective method is used to value all loan-backed securities, except for interest only securities, Statements of Statutory Accounting Principles (SSAP) No. 43R, *Loan-backed and Structured Securities* eligible securities or securities where the yield has become negative, which are valued using the prospective method. The Company had no negative yield securities requiring a change from the retrospective to prospective method as of December 31, 2016 and 2015.

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

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

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

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

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

Real Estate — Real estate investments represent properties occupied by the Company or held for the production of income, and is presented at cost, net of accumulated depreciation or as adjusted by the market value adjustment under permitted practice by the Commissioner. The useful life of real estate was estimated at approximately 40 years. Depreciation expense for the years ended on December 31, 2016 and 2015 amounted approximately $147,688 and $143,895, respectively.

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

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

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

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

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

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

EDP Equipment — Electronic data processing (EDP) equipment and software is presented at cost net of accumulated depreciation up to a maximum of 3% of the capital & surplus. Depreciation is provided on the straight-line method over the estimated useful life of the equipment. Significant additions are capitalized. Depreciation expense for the years ended on December 31, 2016 and 2015 amounted approximately $196,023 and $334,687, respectively.

Equipment, Furniture and Fixtures — Equipment, furniture and fixtures are classified as non-admitted assets. Depreciation is provided under the straight-line method over the estimated useful life of the assets. Depreciation expense related to equipment, and furniture for the years ended on December 31, 2016 and 2015 amounted to $34,472 and $7,848, respectively

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

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

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

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

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

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

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

Recent Accounting Developments

In June 2014, the NAIC issued SSAP No.106, *Affordable Care Act Section 9010 Assessment.* This statement establishes statutory accounting principles for the Affordable care Act Section 9010 assessment and disclosures related to the risk sharing provisions of the Affordable Care Act. The issuance of this SSAP did not have an effect on the Company's statutory-basis financial statements.

In December 2014, the NAIC issued SSAP No, 107, *Accounting for the Risk-Sharing Provisions of the Affordable Care Act.* The Affordable Care Act (ACA) imposes fees and premium stabilization provisions on health insurance issuers offering commercial health insurance. This statement provides accounting for three programs known as risk adjustment, reinsurance and risk corridors that take effect in 2014. Risk adjustment is a permanent risk-spreading program (ACA Section 1343). The temporary transitional reinsurance program (ACA Section 1341) and temporary risk corridors program (ACA Section 1342) are for years 2014 through 2016. . The issuance of this SSAP did not have an effect on the Company's statutory-basis financial statements.

During 2016, no new accounting development has emerged that might have any impact in the accompanying statutory financial statements.

2. Accounting Changes and Corrections of Errors

Not applicable

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

NOTES TO FINANCIAL STATEMENTS

5. Investments

Investments in bonds are stated at cost adjusted for amortization of premiums and accrual of discounts, except for with designation of 6 by the National Association of Insurance Commissioners' Securities Valuation Office, which are stated at market value through a valuation allowance charged to surplus. Investments in common stock are reported at market value.

The amortized cost, gross unrealized gains and losses, and fair value of investments in debt securities as of December 31, 2016 and December 31, 2015, are as follows:

12/31/2016	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities, and U.S. government and its agencies and instrumentalities	$ 3,018,919	$ 84,396	$ -	$ 3,103,315
Non-U.S. government				-
States, territories, and possessions and political subdivisions in the U.S.	54,544,691	1,812,536	4,892,589	51,464,638
Corporate bonds	8,449,174	318,864	-	8,768,038
Mortgage-backed securities and collaterialized mortgage obligations	22,827,995	361,189	243,845	22,945,339
Total	$ 88,840,779	$ 2,576,985	$ 5,136,434	$ 86,281,330

12/31/2015	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities, and U.S. government and its agencies and instrumentalities	$ 7,555,999	$ 346,791	$ -	$ 7,902,790
Non-U.S. government				-
States, territories, and possessions and political subdivisions in the U.S.	39,574,414	1,877,741	5,110,688	36,341,467
Corporate bonds	8,976,621	267,451	97,397	9,146,675
Mortgage-backed securities and collaterialized mortgage obligations	30,196,887	467,000	301,651	30,362,236
Total	$ 86,303,921	$ 2,958,983	$ 5,509,736	$ 83,753,168

The amortized cost and estimated market value of investments as of December 31, 2016 and December 31, 2015, by contractual maturity are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	12/31/2016		12/31/2015	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 5,002,596	$ 4,680,309	$ 5,556,243	$ 5,698,481
Due after one year through five years	14,670,173	15,311,688	15,266,873	15,667,285
Due after five years through ten years	18,366,882	18,306,338	12,343,018	12,302,104
Due after ten years	27,973,133	25,037,657	22,940,900	19,723,062
Mortgage-backed securities and collateralized mortgage obligations	22,827,995	22,945,339	30,196,887	30,362,236
Total	$ 88,840,779	$ 86,281,330	$ 86,303,921	$ 83,753,167

The following table shows the Company's gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2016 and December 31 2015:

12/31/2016

	Less Than 12 Months		12 Months or More		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
States, territories, and possessions and political subdivisions in the U.S.	$ 15,993,937	$ 526,033	$ 3,756,094	$ 4,366,556	$ 19,750,030	$ 4,892,589
Corporate bonds	-	-	-	-	-	-
Mortgage-backed securities and collateralized mortgage obligations	8,338,335	$ 184,734	1,572,396	59,111	$ 9,910,732	$ 243,845
Total	$ 24,332,272	$ 710,767	$ 5,328,490	$ 4,425,666	$ 29,660,762	$ 5,136,434

12/31/2015

	Less Than 12 Months		12 Months or More		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
States, territories, and possessions and political subdivisions in the U.S.	$ 5,852,380	$ 434,957	$ 2,946,810	$ 4,675,731	$ 8,799,190	$ 5,110,688
Corporate bonds	3,568,565	97,397	-	-	3,568,565	97,397
Mortgage-backed securities and collateralized mortgage obligations	10,538,220	117,613	5,353,682	184,038	15,891,902	301,651
Total	$ 19,959,165	$ 649,967	$ 8,300,492	$ 4,859,769	$ 28,259,657	$ 5,509,736

The Company has $2,980,000 deposited with the Commissioner of Insurance of the Commonwealth of Puerto Rico in trust for the protection of the Company's policyholders and creditors, as required by respective insurance code.

On February 2014, Puerto Rico obligations and guaranteed bonds were been downgraded to low investment grade categories by Standard & Poor's Ratings Services ("S&P") and Moody's. Standard & Poor's Ratings Services lowered its general obligation (GO) rating on the Commonwealth of Puerto Rico to 'CC' from 'B. It also placed the GO rating on CreditWatch with negative implications. In addition, S&P lowered its ratings on Puerto Rico Sales Tax Financing Corp.'s (Cofina) first-lien sales tax bonds to 'CC' from 'B', and Cofina's second-lien sales tax bonds to 'CC' from 'B', Puerto Rico Municipal Finance Agency's, the Puerto Rico Employees Retirement System's, and the commonwealth's general fund-supported appropriation and moral obligation bonds to 'CC' from 'B'; Puerto Rico Infrastructure Financing Authority's (rum tax) and the Puerto Rico Convention Center District Authority's (hotel tax) debt to 'CC' from 'B'; and Puerto Rico Highway and Transportation Authority's rated debt (HTA) to 'CC' from 'B'.On June 29, 2015 Standard & Poor's Rating Agency downgraded Puerto Rico GDB notes to CCC- from CCC, Employees Retirement System to CCC- from CCC+, Puerto Rico Industrial Develop to CCC- from CCC and Puerto Rico Sales Tax Financing Corp. to CCC- form CCC+ all with a negative outlook. On July 02, 2015 Standard & Poor's Rating Agency downgraded Puerto Rico GDB notes to CC from CCC-, Puerto Rico Electric Power Authority to CC from CCC-, Moody's downgrades Puerto Rico Sales Tax Financing Corporation to Ca from Caa3, all with a negative outlook.

On September 10, 2015 Standard & Poor's Rating Agency downgraded Government Employees Retirement System's to CC from CCC-, Puerto Rico Industrial Development to CC from CCC- and Puerto Rico Sales Tax Financing Corp to CC from CCC-, all with a negative outlook.

On June 24, 2016 Fitch Rating Agency downgrade Government Employees Retirement System's to C from CC, and Puerto Rico Sales Tax Financing Corporation to C from CC. On June 27, 2016

Fitch Rating Agency Downgrades Puerto Rico Electric Power Authority to C from CC and on June 30, 2016 Standard & Poor's Rating Agency Rating Agency from C to D.

On September 8, 2016 Standard & Poor's Rating Agency downgrade Government Development Bank from CC to D.

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

Multinational Life Insurance Company maintains an Asset Valuation Reserve as of December 31, 2016 and 2015 in the amount of $1.8 million and $1.6 respectively. As of December 31, 2014 all bonds including Puerto Rico were classified by the SVO with a classification of 5 or better. As of that date Puerto Rico obligations amounted to $8.1 million, at amortized cost. However, as a result of further downgrades of Puerto Rico obligations mentioned above during 2015, such obligations were downgraded by the SVO to classification 6, and reported at reported at fair value, in the amount of $3.7 million and 3.1 million as of December 2016 and 2015 respectively. Puerto Rico obligations represented 8.57%, and 8.34% of the investment portfolio as of December 31, 2016 and 2015, respectively.

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

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

In order to address Puerto Rico fiscal and economic crisis, on June 30, 2016, the U.S. Congress enacted the Puerto Rico Oversight, Management and Economic Stability Act ("PROMESA" or the "Act"), which, among other things, established a Federally-appointed oversight board (the "Oversight Board"), comprised of seven members with ample powers over the finances of the Commonwealth and its instrumentalities. . PROMESA or the Act" was enacted into law on June 30, 2016. The Senate had passed PROMESA on June 29, 2016, and President Obama signed the Act into law on June 30, 2016. The Oversight Board is provided with broad authority over Puerto Rico and instrumentalities of Puerto Rico which the Oversight Board designates as "covered" instrumentalities. The Oversight Board is generally an autonomous body that has broad authority and discretion over Puerto Rico, including the ability to place Puerto Rico itself and a "covered" instrumentality into a debt restructuring proceeding established under the Act, require and approve a fiscal plan, require and approve a budget, oversee operations and implement changes that are necessary to comply with an approved fiscal plan or budget, approve the issuance of debt, hold hearings and issue subpoenas in furtherance of its functions, enter into its own contracts, analyze a territory's pensions and pension liability, approve voluntary settlements with creditors, and become a direct party in litigation against

Puerto Rico or an instrumentality. The Oversight Board is, in effect, considered a division of the territory and can hire officers, professionals and legal counsel.

The Act also established a temporary stay on litigation to enforce rights or remedies related to financial liabilities of the Commonwealth, its instrumentalities and municipalities, which was initially scheduled to expire on February 15, 2017 but was extended by the Oversight Board until May 1, 2017. The Act finally established two separate mechanisms to restructure the debts of the Commonwealth, its public corporations and municipalities. The first mechanism permits modifications of financial indebtedness with the consent of a supermajority of affected financial creditors. The second mechanism is a court-supervised debt-adjustment process, which is modeled after Chapter 9 of the U.S. Bankruptcy Code. Pursuant to PROMESA, the Oversight Board required the Commonwealth to submit a fiscal plan in October 2016. The fiscal plan submitted by the Commonwealth projected that, under current policies, consolidated expenditures (including debt service on tax-supported debt) would, in the aggregate, exceed consolidated resources by approximately $58.7 billion from fiscal year 2017 to fiscal year 2026. The plan estimated that, even assuming the successful implementation of the measures set forth therein, there would still be a material cumulative financing gap before the payment of debt service during the ten-year period covered by the fiscal plan in the absence of federal Affordable Care Act funding for the Government's health programs. The Oversight Board rejected the prior Administration's plan in November 2016 and requested that the new Administration of Governor Ricardo Rosselló Nevares deliver a new fiscal plan by January 15, 2017, which was later extended until February 28, 2017. In a letter dated January 18, 2017, the Oversight Board recommended to the Governor a series of measures for inclusion in the fiscal plan, including a $1.0 billion reduction in health care spending by fiscal year 2019, the elimination of budgetary subsidies to municipalities, and important reductions in payroll expenditures and pension and/or pension-related benefits. On February 28, 2017, the Governor of Puerto Rico submitted a 10-year fiscal plan to the Fiscal Oversight Board established by PROMESA, for its review and approval. As part of the proposed plan, the Puerto Rico government intends to make significant changes to the Government Health Plan, including a cost reductions of around $300 million over the first two years and $2.5 billion over plan period.

As previously mentioned the Company has direct exposure to the Puerto Rico government obligations in the amount of $3.7 million and 3.1 million as of December 2016 and 2015 respectively at reported at fair value, through a valuation allowance charged to capital. No other than temporary impairment has been assessed yet, although a valuation allowance with a charge to capital and surplus has been established to account for the decline in value of Puerto Rico obligations in portfolio. We continue to monitor the restructuring process in order to determine if the impairment on such investment obligations is temporary or not.

A. Mortgage Loans, Including mezzanine real estate loans

1. The maximum and minimum lending rates for real estate mortgage loans during 2016 and 2015 were 6% and 5%

2. During 2016 and 2015 the company did not reduce interest rates of outstanding loans

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

4. At year end of 2016 and 2015 the company did not hold mortgage loans with interest mere than 180 days past due with a recorded investment, excluding accrued interest

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

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

7. Impaired Mortgage loans without an allowance for credit losses – NONE

8. Average recorded investment in impaired loans – NONE

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

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

11. Allowances for credit losses – NONE

12. There are no impaired loans as of December 31, 2016 and December 31, 2015.

B. Troubled debt restructuring for creditors - None

C. Reverse mortgage - None

D. Loan-backed securities- None

1. Loan backed securities are subject to prepayment and extension risk. The retrospective method is used to value all loan-backed securities, except for interest only securities, SSAP No. 43R, *Loan-backed and Structured Securities* eligible securities or securities where the yield has become negative, which are valued using the prospective method. As of December 31, 2016 and 2015, the Company had no negative yield securities requiring a change from the retrospective to prospective method. Prepayment assumptions for mortgage-backed securities incorporated in the calculation of their amortized cost are generated using a prepayment model acquired from a vendor. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and the term and age of the underlying collateral (burnout, seasoning). The market value of loan-backed securities was obtained from various independent security dealers. Investment income due and accrued over 90 days past due is recognized as non-admitted and excluded from surplus.

2. No OTTI was recognized on loan backed securities for the years ended on December 31, 2016 and 2015

	12/31/2016
a. The aggregate amount of unrealized losses:	
1. Less than 12 Months	$ (184,734)
2. 12 Months or Longer	$ (59,111)
b. The aggregate related fair value of securities with unrealized losses	
1. Less than 12 Months	$ 8,338,335
2. 12 Months or Longer	$ 1,572,396

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

F. Real Estate - None

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

H. Restricted Assets - None

I. Working Capital Finance Investment – Not Applicable

J. Offsetting and Netting of Assets and Liabilities – Not Applicable

6. Joint Ventures, Partnerships and Limited Companies

Not applicable.

7. Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due with the exception of mortgage loans in default which are nonadmitted if amounts are over 180 days past due. The amount reported as nonadmitted is excluded form surplus

B. Amount Nonadmitted

As of December 31, 2016 investment income due and accrued for the amount of $12,197 was recognized as non-admitted. No amount was reported for year 2015.

8. Derivative Instruments

A. The Company does not have derivative instruments.

9. Income Taxes

Current

The Puerto Rico Internal Revenue Code ("Tax Code") provides that domestic life insurance companies are subject to corporate income tax of 20% solely on realized gains from the sale of investments and properties. In addition, domestic life insurance companies are subject to the alternative minimum tax ("AMT") calculation.

On June 30, 2013, the Governor of the Commonwealth of Puerto Rico signed into law Puerto Rico's Act No. 40 known as Tax burden Adjustment and Redistribution Act ("Act 40") which introduces substantial changes to the 2011 tax reform. Among the changes introduced by this act was the increase of the AMT tax rate from 20% to 30% and the introduction, as part of the AMT calculation, of an additional tax based on gross income as such term is specifically defined for other than life insurance companies in the Code. During July 2014, Act 77 amended these provisions, and the additional tax on gross income was eliminated from the AMT calculation and it is now a calculated as a stand-alone tax and deductible for income tax purposes. Finally, under Act 238 of December 22, 2014, the additional tax on gross income was repealed.

Further, Act 72 of May 29, 2015 made several changes to the alternative minimum tax (AMT) rules, specifically regarding the calculation of the minimum tentative tax, limiting the amount of expenses paid to a related person or home office that the Secretary may exclude from the calculation. Lastly, on September 30, 2015, it was signed into law Act No. 159, which also amended the Code to provide additional limitations to the income tax calculation. The net operating loss deduction determination is altered and cannot consider the following expenses: expenses incurred and/or paid to a related person (as such term is defined in Section 1010.05(b) of the Code) that is not engaged in a trade or business within PR if those payments are not attributable to the PR business and are not subject to PR income or withholding taxes and expenses incurred and /or paid to a home office located outside of PR by a foreign corporation engaged in a trade or business in PR through a Branch.

Net operating loss carryforward deduction for AMT purposes are limited for taxable years ending after December 31, 2014, to seventy (70) percent of the alternative minimum taxable income. Also, the net operating loss carryforward deduction incurred by regular operations are limited to eighty (80) percent of the taxable income for periods commencing after December 31, 2014. Lastly net capital losses carryforward were also limited to eighty (80) percent of the capital gains.

Another limitation imposed to deductible expenses was enacted to disallow the expenses paid or incurred to a non-resident person for services provided if the taxpayer has not complied with the payment of the sales and use tax imposed by Subtitle D Code. Likewise, the cost of depreciation expense of any tangible property or taxable item as defined under Subtitle D of the Code will not be allowed if the applicable sales and use tax was not paid.

In the case of insurance companies, the rules to file the income tax return for the taxable years commencing after December 31, 2014 was supposed to change and additional instructions were to be provided by the Secretary of the Treasury. For the year ended December 31, 2016, no special guidance was provided regarding these new filing rules.

There is no provision for Puerto Rico current income taxes for the year ended December 31, 2016 and 2015, respectively.

NOTES TO FINANCIAL STATEMENTS

Deferred

The Company reports its deferred assets and liabilities using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Deferred components are computed based on enacted tax rates. Gross deferred tax assets are reduced by statutory valuation allowance adjustment if, based on weight of available evidence, it is more likely than not that some portion or all the deferred tax assets will not be realized. If a portion is determined to be realized, then the deferred tax asset is subject to admissibility test. Under NAIC SSAP 101, gross deferred tax assets are generally admitted to the extent that the Company's income taxes paid in prior years can be recovered through loss carrybacks; plus the lesser of (a) the amount of gross deferred tax assets expected to be realized within three years after year-end or (b) 15% of statutory capital and surplus as of year-end; plus any remaining deferred tax assets that can be offset against existing gross deferred tax liabilities.

Premium Tax

In addition to the income tax changes introduced by Act 40, this act established a tax to the insurance companies of 1% on net premiums earned after June 30, 2014. The Office of the Commissioner of Insurance of PR issued Normative Letter CN-2014-170-AF providing guidance for this special tax calculation pursuant to section 7.022 of the Insurance Code. During the year ended December 31, 2016 and 2015 this tax amounted $288,124 and $266,649 respectively.

The components of the net deferred tax assets/ (liability) at December 31, 2016 are as follows:

1.

		12/31/2016			12/31/2015			Change		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				(Col 1+2)			(Col 4+5)	(Col 1-4)	(Col 2-5)	(Col 7+8)
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	Gross Deferred Tax Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b)	Statutory Valuation Allowance Adjustments $	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(c)	Adjusted Gross Deferred Tax Assets (1a- 1b)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(d)	Deferred Tax Assets Nonadmitted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(f)	Deferred Tax Liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

	12/31/2016		12/31/2015		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Total
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.						
1. Adjusted Gross DTAs Amount From Note 9A1 (c)	-	-	-	-	-	-
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	-	-	-	-	-	-
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	-	-	-	-	-	-
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	-	-	-	-	-	-

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

2.

	12/31/2016			12/31/2015			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

3.

	2016	2015
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	$ -	$ -
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

	(1) 12/31/2016	(2) 12/31/2015	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$ -	$ -	$ -
(b) Foreign	$ -	$ -	$ -
(c) Subtotal	$ -	$ -	$ -
(d) Federal income tax on net capital gains	$ -	$ -	$ -
(e) Utilization of capital loss carry-forwards	$ -	$ -	$ -
(f) Other	$ -	$ -	$ -
(g) Federal and foreign income taxes incurred	$ -	$ -	$ -
	$ -	$ -	$ -
2.. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ -	$ -	$ -
(2) Unearned premium reserve	$ -	$ -	$ -
(3) Policyholder reserves	$ -	$ -	$ -
(4) Investments	$ -	$ -	$ -
(5) Deferred acquisition costs	$ -	$ -	$ -
(6) Policyholder dividends accrual	$ -	$ -	$ -
(7) Fixed assets	$ -	$ -	$ -
(8) Compensation and benefits accrual	$ -	$ -	$ -
(9) Pension accrual	$ -	$ -	$ -
(10) Receivables – nonadmitted	$ -	$ -	$ -
(11) Net operating loss carry-forward	$ -	$ -	$ -
(12) Tax credit carry-forward	$ -	$ -	$ -
(13) Other (including items <5% of total ordinary tax assets)	$ -	$ -	$ -
(99) Subtotal	$ -	$ -	$ -
(b) Statutory valuation allowance adjustment	$ -	$ -	$ -
(c) Nonadmitted	$ -	$ -	$ -
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	$ -	$ -	$ -
(e) Capital:			
(1) Investments	$ -	$ -	$ -
(2) Net capital loss carry-forward	$ -	$ -	$ -
(3) Real estate	$ -	$ -	$ -
(4) Other (including items <5% of total capital tax assets)	$ -	$ -	$ -
(99) Subtotal	$ -	$ -	$ -
(f) Statutory valuation allowance adjustment	$ -	$ -	$ -
(g) Nonadmitted	$ -	$ -	$ -
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	$ -	$ -	$ -
(i) Admitted deferred tax assets (2d + 2h)	$ -	$ -	$ -
3. Deferred Tax Liabilities:	$ -	$ -	$ -
(a) Ordinary			
(1) Investments	$ -	$ -	$ -
(2) Fixed assets	$ -	$ -	$ -
(3) Deferred and uncollected premium	$ -	$ -	$ -
(4) Policyholder reserves	$ -	$ -	$ -
(5) Other (including items <5% of total ordinary tax liabilities)	$ -	$ -	$ -
(99) Subtotal	$ -	$ -	$ -
(b) Capital:			
(1) Investments	$ -	$ -	$ -
(2) Real estate	$ -	$ -	$ -
(3) Other (including items <5% of total capital tax liabilities)	$ -	$ -	$ -
(99) Subtotal	$ -	$ -	$ -
(c) Deferred tax liabilities (3a99 + 3b99)		-	
4. Net deferred tax assets/liabilities (2i – 3c)	$ -	$ -	$ -

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

A. Related Party Transactions

The Company leases office space from Multinational Insurance Company under an operating lease agreement. This agreement expired on November 30, 2016 and was a renewal option for a period of five years, which was executed. For the year ended on December 31, 2016 and 2015, a total amount of $207,648 and $235,344 respectively, were recorded as rental expense.

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

Amount billed from Multinational Insurance Company	$1,068,687
Amount billed to Multinational Insurance Company	1,082,237
Other expenses net balance	$ (13,550

As of December 31, 2016 and 2015 the company reported net amount due to Multinational Insurance Company in the amount of $610,749 and $393,005 respectively. The net amount due from/to Multinational Insurance Company do not bear interest and are due on demand.

The Company has 500,000 shares of $10 par value common stock authorized and 250,291 shares issued and outstanding. As of December 31, 2014, approximately 99% of the Company's common stock is owned by affiliated parties, of which 48.81% was owned by Multinational Insurance Company, a property and casualty domestic insurance corporation doing business in Puerto Rico, and 47.74% is owned by Nacalui, an investment corporation doing business in Curazao. On December 2015, Multinational Insurance Company sold the 48.81% owned to Aseguradora Ancón, another affiliate insurance company doing business in Panamá.

On December 28, 2011 the Company issued 223,881 shares of convertible non-voting preferred stock, with $10 par value at a $67 purchase price, and 4% dividend rate, for a total issuance of $15,000,027. The stock was purchased by an affiliate company. For the year 2015 and thereafter the board of directors approved an increase in the preferred stocks dividend rate to 12%, subject to a maximum of prior calendar year end net income, or 10% of statutory surplus, whichever is lower (in order to be classified as an ordinary dividend as per the Puerto Rico Insurance Code). As a result dividends paid on preferred stock for the year ended on December 31, 2016 and for the year ended December 31, 2015 amounted to $834,690 and $925,000, respectively.

11. Debt

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

For the years ended on December 31, 2016 and, 2015, the Company recorded interest expense on surplus notes issued to unrelated parties amounting to $221,738, and $201,949, respectively. Approval for such payments was received from the Office of the Commissioner of Insurance of Puerto Rico prior to disbursement.

NOTES TO FINANCIAL STATEMENTS

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

Not applicable.

(3) Funded status

	Pension Benefits		Postretirement Benefits	
	2016	2015	2016	2015
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$ -	$ -	$ -	$ -
2. Overfunded plan assets	$ -	$ -	$ -	$ -
3. Total assets (nonadmitted)	$ -	$ -	$ -	$ -
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	$ -	$ -	$ -	$ -
2. Liability for pension benefits	$ -	$ -	$ -	$ -
3. Total liabilities recognized	$ -	$ -	$ -	$ -
c. Unrecognized liabilities	$ -	$ -	$ -	$ -

(4) Components of net periodic benefit cost

		Pension Benefits		Postretirement Benefits		Postemployment & Compensated Absence Benefits	
		2016	2015	2016	2016	2016	2015
a.	Service cost	$ -	$ -	$ -	$ -	$ -	$ -
b.	Interest cost	$ -	$ -	$ -	$ -	$ -	$ -
c.	Expected return on plan assets	$ -	$ -	$ -	$ -	$ -	$ -
d.	Transition asset or obligation	$ -	$ -	$ -	$ -	$ -	$ -
e.	Gains and losses	$ -	$ -	$ -	$ -	$ -	$ -
f.	Prior service cost or credit	$ -	$ -	$ -	$ -	$ -	$ -
g.	Gain or loss recognized due to a settlement or curtailment						
h.	Total net periodic benefit cost	$ -	$ -	$ -	$ -	$ -	$ -

(5) Change in benefit obligation

	Pension Benefits		Postretirement Benefits	
	2016	2015	2016	2015
a. Items not yet recognized as a component of net periodic cost – prior year	$ -	$ -	$ -	$ -
b. Net transition asset or obligation recognized during the period	$ -	$ -	$ -	$ - $ -
c .Net prior service cost or credit arising during the period	$ -	$ -	$ -	$ -
d. Net prior service cost or credit recognized	$ -	$ -	$ -	$ -
e. Net gain and loss arising during the period	$ -	$ -	$ -	$ -
f. Net gain and loss recognized	$ -	$ -	$ -	$ -
g. Items not yet recognized as a component of	$ -	$ -	$ -	$ -

(3) Funded status

	Pension Benefits		Postretirement Benefits	
	2016	2015	2016	2015
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$ -	$ -	$ -	$ -
2. Overfunded plan assets	$ -	$ -	$ -	$ -
3. Total assets (nonadmitted)	$ -	$ -	$ -	$ -
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	$ -	$ -	$ -	$ -
2. Liability for pension benefits	$ -	$ -	$ -	$ -
3. Total liabilities recognized	$ -	$ -	$ -	$ -
c. Unrecognized liabilities	$ -	$ -	$ -	$ -

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

	Pension Benefits		Postretirement Benefits	
	2016	2015	2016	2015
a. Net transition asset or obligation	$ -	$ -	$ -	$ -
b. Net prior service cost or credit	$ -	$ -	$ -	$ -
c. Net recognized gains and losses	$ -	$ -	$ -	$ -

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

	Pension Benefits		Postretirement Benefits	
	2016	2015	2016	2015
a. Net transition asset or obligation	$ -	$ -	$ -	$ -
b. Net prior service cost or credit	$ -	$ -	$ -	$ -
c. Net recognized gains and losses	$ -	$ -	$ -	$ -

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

	2016	2015
a. Weighted-average discount rate	$ -	$ -
b. Expected long-term rate of return on plan assets	$ -	$ -
c. Rate of compensation increase	$ -	$ -
Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:		
d. Weighted-average discount rate	$ -	$ -
e. Rate of compensation increase	$ -	$ -

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

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

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

Year(s)	Amount
a. 2016	$ -
b. 2017	$ -
c. 2018	$ -
d. 2019	$ -
e. 2020	$ -
f. 2016 through 2020	$ -

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

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

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

Description for each class of plan assets	Beginning Balance at 01/01/2016	Transfers into Level 3	Transfers out of Level 3	Return on Assets Still Held	Return on Assets Sold	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2016
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total Plan Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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

(1)– (2)
The Company has 500,000 shares of $10 par value common stock authorized and 250,291 shares issued and outstanding, of which approximately 99% is owned by related parties. The Company has 300,000 shares of $10 par value preferred stock authorized. On December 28, 2011 the Company issued 223,881 shares of convertible non-voting preferred stock, with $10 par value at a $67 purchase price, and 4% dividend rate, for a total issuance of $15,000,027. The stock was purchased by an affiliate company. . For the year 2015 the board of directors approved an increase in the preferred stocks dividend rate to 12%, subject to a maximum of prior calendar year end net income, or 10% of statutory surplus, whichever is lower (in order to be classified as an ordinary dividend as per the Puerto Rico Insurance Code). As a result dividends paid on preferred stock for the years ended December 31, 2016 and 2015 amounted to $834,690 and $925,000, respectively.

(3)– (5)
Under applicable Puerto Rico insurance laws and regulations, the Company is required to maintain minimum capital and surplus of $2,500,000. Dividends can be paid from unassigned surplus without prior approval of the Office of the Commissioner of Insurance of the Commonwealth of Puerto Rico. For the twelve months ended on December 31, 2016 and 2015 the Company complied with the minimum requirements for capital and surplus.

(6) Not Applicable

(7) Not Applicable

(8) The Company does not hold any stock for special purpose.

(9) Nor Applicable

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

	12/31/2016	12/31/2015
a. Unrealized gains (losses) on investment securities	$ 719,900	$ (5,066,205)

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

(11) Surplus Notes

(a) Date issued – March 30, 2005

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

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

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

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

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

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

(h) Unapproved interest and/or principal – None

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

(j) Total interest and/or principal paid on surplus notes - $3,225,997
(k) Subordination terms – N/A

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

(m) The repayment conditions and restrictions:

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

(12) Quasi – Reorganization restatement - Not Applicable

(13) Quasi – Reorganization effective date – Not Applicable

14. Contingencies

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

During January 2015 a loss contingency was judged against the Company by a competent party in the amount of $943,000. This loss contingency was properly accrued in the 2014 financial statements and paid in full on March 2015.

15. Leases

The Company leases office space from Multinational Insurance Company under an operating lease agreement. This agreement expired on November 30 2016 and has a renewal option for a period of five years. For the years ended on December 31, 2016 and 2015 a total amount of $207,248, and $235,344, respectively, were recorded as rental expense.

a. At January 1, 2017, the minimun aggregate rental commtments are as follows:

	Reporting Period Ending	Operating Leases
1.	2017	$ 265,358
2.	2018	$ 233,707
3.	2019	$ 233,707
4.	2020	$ 233,707
5.	2021	$ 233,707
6.	Total	$ 1,200,186

b. Lessor Leases – Not Applicable-

c. Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2016 are as follows

		Operating Leases
1.	2017	$ -
2.	2018	$ -
3.	2019	$ -
4.	2020	$ -
5.	2021	$ -
6.	Total	$ -

d. Contingent rentals included in income for the quarter ended December 31, 2016 and December 31, 2015 amounted to $ - 0 - and $ -0 -, respectively. The net investment is classified as real estate.

(2) Leveraged Leases

b. The Company's investment in leveraged leases relates to equipment used primarily in the transportation industries. The component of net income from leveraged leases at December 31, 2016 and December 31, 2015 were as shown below:

		2016	2015
1.	Income from leveraged leases before income tax including investment tax credit	$ -	$ -
2.	Less current income tax	$ -	$ -
3.	Net income from leveraged leases	$ -	$ -

c. The components of the investment in leveraged leases at December 31, 2016 and December 31, 2015 were as shown below:

		2016	2015
1.	Lease contracts receivable (net of principal and interest on non-recourse financing)	$ -	$ -
2.	Estimated residual value of leased assets	$ -	$ -
3.	Unearned and deferred income	$ -	$ -
4.	Investment in leveraged leases	$ -	$ -
5.	Deferred income taxes related to leveraged leases	$ -	$ -
6.	Net investment in leveraged leases	$ -	$ -

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations Of Credit Risk

Not applicable.

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

Not Applicable.

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

Not Applicable.

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

Not applicable.

20. Fair Value Measurements

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

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

NOTES TO FINANCIAL STATEMENTS

Investment in Securities

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

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Perpetual Preferred Stock				
Industrial and Misc.	$ -	$ -	$ -	$ -
Parent, Subsidiaries and Affiliates	$ -	$ -	$ -	$ -
Total Perpetual Preferred Stocks	$ -	$ -	$ -	$ -
Bonds				
U.S, Treasury securuties, and U.S. government and agencies and instrumentalities	$ 607,030	$ 4,686,533	$ -	$ 5,293,563
States, territories, and possession and political subdivisions in U.S.	$ -	$ 9,574,282	$ -	$ 9,574,282
Industrial and Misc.	$ -	$ 16,133,367	$ -	$ 16,133,367
Hybrid Securities	$ -	$ 264,028	$ -	$ 264,028
Special Rev./Assess Obligations	$ -	$ 55,016,090	$ -	$ 55,016,090
Parent, Subsidiaries and Affiliates	$ -	$ -	$ -	$ -
Total Bonds	$ 607,030	$ 85,674,300	$ -	$ 86,281,330
Common Stock				
Industrial and Misc.	$ 114,801	$ -	$ -	$ 114,801
Parent, Subsidiaries and Affiliates	$ -	$ -	$ -	$ -
Total Common Stocks	$ 114,801	$ -	$ -	$ 114,801
Derivative assets				
Interest rate contractas	$ -	$ -	$ -	$ -
Foreign exchange contracts	$ -	$ -	$ -	$ -
Credit contracts	$ -	$ -	$ -	$ -
Commodity futures contracts	$ -	$ -	$ -	$ -
Commodity forward contracts	$ -	$ -	$ -	$ -
Total Derivatives	$ -	$ -	$ -	$ -
Separate accounts assets	$ -	$ -	$ -	$ -
Total assets at fair value	$ 721,831	$ 85,674,300	$ -	$ 86,396,131

b. Liabilities at fair value

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

Description	Beginning Balance at 01/01/2016	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Insurances	Sales	Settlements	Ending Balance at 12/31/2016
a. Assets:										
Loan-Backed and Structured Securities (NAIC 3-6)										
Residential Mortgaged- Backed Securities										
Commercial Mortgaged- Backed Securities										
Derivative										
Credit Contracts										
Other Fund Investments										
Hedge Fund High-Yield Debt Securities										
Private Equity										
Common Stock (Industrial & Misc. (Unaffiliated)										-
Preferred Stock (Indistrial & Misc. (Unaffiliated)										-
....										
Total Assets										
b. Liabilities										
....										
....										
....										
Total Liabilities										

C.

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

D. Not Practicable to Estimate Fair Value

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

21. Other Items

Not applicable.

22. Subsequent Events

Not applicable.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

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

Yes ( ) No(X)

If yes, give full details

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

Yes ( ) No(X)

If yes, give full details

Section 2 - Ceded Reinsurance Report - Part A

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

Yes ( ) No(X)

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

Yes ( ) No(X)

Section 3 - Ceded Reinsurance Report - Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? $0

NOTES TO FINANCIAL STATEMENTS

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

Yes ( ) No(X)

B. As of December 31, 2016 and 2015 there was a reserve for possible uncollectible reinsurance for the amount of $100,000 and $50,000 respectively. There was no written off amount for uncollectible reinsurance balances for the year ended December 31, 2016 and 2015.

C. For the year ended December 31, 2016 and 2015, the company did not commute any ceded reinsurance

Reinsurance Ceded and Assumed

The Company reinsures certain risks assumed in the normal course of business. Reinsurance arrangements are used to limit maximum loss, provide greater diversification of risk, minimize exposure on larger risks, and to meet certain regulatory ratios. The Company cedes all risks in excess of $250,000 on individual life insurance and $75,000 for Group Life insurance. For accident and health, the Company cedes 85% of the risk for all Long-Term Disability (LTD) policies. Presently, the Company is doing business with six reinsurance companies, one of which reinsures exclusively LTD. For the cancer business, the Company ceded 60% of the risk during 2015 and 2014. For the transplant business, the Company ceded 80% of the risk during 2016 and 2015.

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

Starting on 2008 the Company was one of the participants of various pools of reinsurance managed and administered by a Third Party Administrator (“TPA”), which is an entity that specializes in the management and administration of life and health insurance business. As result, through an underwriting management agreement with the TPA, the Company assumes group life and health and accident premiums as part of a pool of reinsurers. The contract established that after two years, each pool would be individually analyzed in terms of reserve and funds available to pay claims and based on this analysis the TPA should make a distribution of earnings or request a cash payment from the pool participants.

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

As a result of the situation mentioned above the Company was not able to record the transactions related to this block of business during the years 2014 and 2013, since there were several significant incongruence with the information provided to the Company and their external auditors by the TPA in charge of these reinsurance pools.

In addition, the Company entered into legal and arbitration proceedings with the TPA through the American Arbitration Association. The outcome of that claim, as where previously expected, was an agreement executed on November 11, 2014, by which among other things the TPA agreed to provide the information needed to account for corresponding block of business. On April 2015 we completed the evaluation and compilation of the financial information impacting the year 2013 and 2014.

The following table presents the impact of this block of business for the year 2016 and 2015 respectively:

	2016	2015
Net Premium	$ -	$ -
Investment Income	-	-
Other Income (Reinsurance Allowance)	-	-
Total Income	**$ -**	**$ -**
Benefits and Reserve Changes	(52,500)	(69,069)
Commission & Other Expenses	-	-
Total Expenses	**(52,500)**	**(69,069)**
Impact on Net Income (Loss)	**$ 52,500**	**$ 69,069**
Decrease in non-admitted assets	-	-
Impact on Capital	**$ 52,500**	**$ 69,069**

Based on the agreement executed on November 11, 2014, Multinational Life Insurance Co. is no longer part of above mentioned reinsurance pool. All pending cases were settled during 2016.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

25. Change in Incurred Losses and Loss Adjustment Expenses

Not applicable.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

Not applicable.

31. Reserves for Life Contracts And Annuity Contracts

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

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

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

Aggregate Reserves for Life Contracts

Valuation Standard		2016	2015	2014	2013
1980 CSO 3.5% CRVM		5,471,132	4,465,237	3,574,809	3,009,834
1980 CSO 4-4.5% CRVM		50,200,831	53,636,846	58,283,114	61,277,340
2001 CSO S&U 4.5%		15,413	17,601	19,857	22,551
GROUP & IND. BASED ON MORTALITY TABLES - 80 CSO 4.5%		738	1,943	5,745	24,797
	-	**55,688,114**	**58,121,627**	**61,883,525**	**64,334,521**
BASED ON CARVM FOR IRA CONTRACTS		11,278,909	11,449,775	12,948,057	12,872,442
BASED ON CARVM FOR IRA CONTRACTS		-	-	-	459,458
PREMIUMS BASIC ACCUMULATED AT 5% INTEREST - GAR		51,555	108,973	104,013	99,242
TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies)		**11,330,464**	**11,558,748**	**13,052,070**	**13,431,141**
1959 ADB 3% NET LEVEL		273,975	283,107	268,514	254,508
1985 CIDA & 1980 CSO 3% NL		153,132	172,774	184,865	199,057
1985 CIDA & 1980 CSO 3%		501,257	534,421	570,105	580,751
TOTALS (Gross) - Disability - Active Lives		**654,389**	**707,195**	**754,970**	**779,808**
1952 SOA 3%		16,810	1,590	10,603	50,157
1985 CIDC 3%		665,373	1,012,254	519,059	577,031
	-	**682,183**	**1,013,844**	**529,662**	**627,188**
TOTALS (Net)		**$ 68,629,126**	**$ 71,684,522**	**$ 76,488,740**	**$ 79,427,166**

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

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

	General Account	Separate Account with Guarantees	Separate Account nonguaranteed	Total
A. Subject to discretionary withdrawal:				
(1) With fair value adjustment				
(2) At book value less current surrender charge of 5% or more	10,197,417			10,197,417
(3) At fair value	-			-
(4) Total with adjustment or at fair value (total of 1 through 3)	10,197,417	-	-	10,197,417
(5) At book value without adjustment (minimal or no charge or adjustment)				
B. Not subject to discretionary withdrawal	1,133,046	-	-	1,133,046
C. Total (gross: direct + assumed)	11,330,464	-	-	11,330,464
D. Reinsurance ceded	-	-	-	-
E. Total (net)* (C) – (D)	11,330,464	-	-	11,330,464
F. Life & Accident & Health Annual Statement:				
1. Exhibit 5, Annuities Section, Total (net)				11,330,464
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section,				
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1				591,609
4. Subtotal				11,922,073
Separate Accounts Annual Statement:				
5. Exhibit 3, Line 0299999, Column 2				-
5a. Exhibit 3, Line 0299999, Column 2 (Reinsurance Adjustment)				-
6. Exhibit 3, Line 0399999, Column 2				-
7. Policyholder dividend and coupon accumulations				-
8. Policyholder premiums				-
9. Guaranteed interest contracts				
10. Other contract deposit funds				-
11. Subtotal				-
12. Combined Total				11,922,073

33. Premium and Annuity Considerations Deferred and Uncollected numbers

A. Deferred and Uncollected life insurance premiums and annuity considerations as of December 31, 2016 were as follows:

Type	Gross	Net of Loading
Ordinary New Business	401,871	400,779
Ordinary Renewal	3,299,901	3,287,340
Total	3,701,772	3,688,119

34. Separate Accounts

Not applicable.

35. Loss/Claim Adjustment Expenses

The balance in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2016 and December 31, 2015 was $8,687 and $12,005, respectively.

The company incurred $118,084 and paid $109,396 of claims adjustment expenses for the year ended of 2016, of which $12,727 of the paid amount was attributable to incurred or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years.

Estimated of anticipated Salvage and Subrogation's - Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ( )

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

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes (X) No ( ) N/A ( )

1.3 State Regulating? Puerto Rico

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

2.2 If yes, date of change: ....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012

3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2010

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/15/2013

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

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

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes (X) No ( ) N/A ( )

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ( ) No (X)
4.12 renewals? Yes ( ) No (X)

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ( ) No (X)
4.22 renewals? Yes ( ) No (X)

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

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

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

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

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

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

7.2 If yes,

7.21 State the percentage of foreign control .... 96.6 %

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

1 Nationality	2 Type of Entity
PANAMA	INSURANCE COMPANY

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

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

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes ( ) No (X)

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes ( ) No (X)

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

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
MICHAEL E. WEILANT, FSA MAA (MILIMAN 3000 BAYPORT DRIVE, SUITE 1050, TAMPA, FL 33607

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

12.11 Name of real estate holding company

12.12 Number of parcels involved ....

12.13 Total book/adjusted carrying value $ ....

12.2 If yes, provide explanation

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

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

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

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes (X) No ( )
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

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

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

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

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

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes ( ) No (X)

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

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

BOARD OF DIRECTORS

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

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes (X) No ( )

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes (X) No ( )

FINANCIAL

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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
20.11 To directors or other officers $..................
20.12 To stockholders not officers $..................
20.13 Trustees, supreme or grand (Fraternal only) $..................

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
20.21 To directors or other officers $..................
20.22 To stockholders not officers $..................
20.23 Trustees, supreme or grand (Fraternal only) $..................

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes ( ) No (X)

21.2 If yes, state the amount thereof at December 31 of the current year:
21.21 Rented from others $..................
21.22 Borrowed from others $..................
21.23 Leased from others $..................
21.24 Other $..................

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes ( ) No (X)

22.2 If answer is yes:

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

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 155,506

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes (X) No ( )

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

24.03 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions? Yes ( ) No ( ) N/A (X)

24.05 If answer to 24.04 is YES, report amount of collateral for conforming programs. $..................

24.06 If answer to 24.04 is NO, report amount of collateral for other programs. $..................

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

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

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

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2 $..................

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $..................

24.103 Total payable for securities lending reported on the liability page $..................

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes ( ) No (X)

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

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

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes ( ) No (X)

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

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

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

1 Name of Custodian(s)	2 Custodian's Address
CITIBANK, NA	PO BOX 70301 SAN JUAN. PR 00936-70301

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

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

28.05 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

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes ( ) No (X)

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes ( ) No ( )

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identified (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes ( ) No (X)

29.2 If yes, complete the following schedule:

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

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

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

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	$ 84,474,223	$ 86,281,331	$ 1,807,108
30.2 Preferred stocks	$	$	$
30.3 Totals	$ 84,474,223	$ 86,281,331	$ 1,807,108

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

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

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

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

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 29,114

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
AM Best	$ 17,200
	$
	$
	$

34.1 Amount of payments for legal expenses, if any? $ 439,560

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

1 Name	2 Amount Paid
	$
	$
	$
	$

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

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	$
	$
	$
	$

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes ( ) No (X)

1.2 If yes, indicate premium earned on U.S. business only. $..................

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $..................

1.31 Reason for excluding:

....

....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $..................

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $..................

1.6 Individual policies:

Most current three years:

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

All years prior to most current three years:

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

1.7 Group policies:

Most current three years:

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

All years prior to most current three years:

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	$...... 13,741,821	$...... 11,688,680
2.2 Premium Denominator	$...... 31,975,803	$...... 30,081,297
2.3 Premium Ratio (Line 2.1 divided by Line 2.2)	.... 0.430	.... 0.389
2.4 Reserve Numerator	$....... 2,635,912	$....... 3,703,920
2.5 Reserve Denominator	$...... 85,772,523	$...... 90,995,424
2.6 Reserve Ratio (Line 2.4 divided by Line 2.5)	.... 0.031	.... 0.041

3.1 Does this reporting entity have Separate Accounts? Yes ( ) No (X)

3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes ( ) No ( ) N/A (X)

3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? $..................

3.4 State the authority under which Separate Accounts are maintained:

....

....

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes ( ) No (X)

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes ( ) No (X)

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?" $..................

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

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid $..................
4.22 Received $..................

5.1 Does the reporting entity write any guaranteed interest contracts? Yes ( ) No (X)

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

5.21 Page 3, Line 1 $..................
5.22 Page 4, Line 1 $..................

6. For stock reporting entities only:

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

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

7.11 Cash $..................
7.12 Stock $..................

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

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

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

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

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

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

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

8.5 What portion of earned premium reported in Line 8.31, Column 1 was assumed from pools? $ ....

9.1 Does the company have variable annuities with guaranteed benefits? Yes ( ) No (X)

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

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

10. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year: $ ....

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

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

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

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

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

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

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

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

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

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

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

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

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.
Show amounts of life insurance in this exhibit in thousands (omit $000)

	1 2016	2 2015	3 2014	4 2013	5 2012
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Column 4)					
2. Ordinary-term (Line 21, Column 4, less Line 34, Column 4)	2,720,812	2,727,281	2,735,297	2,702,032	2,803,840
3. Credit life (Line 21, Column 6)	71,175	72,128	73,412	75,046	77,959
4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Line 43 and Line 44, Column 4)	2,023,316	1,346,648	1,129,014	961,843	775,230
5. Industrial (Line 21, Column 2)					
6. FEGLI/SGLI (Line 43 and Line 44, Column 4)					
7. Total (Line 21, Column 10)	4,815,303	4,146,057	3,937,723	3,738,921	3,657,029
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Column 2)					
9. Ordinary-term (Line 2, Column 4, less Line 34, Column 2)	329,761	10,019	304,429	199,784	78,563
10. Credit life (Line 2, Column 6)	7	2		3	2,780
11. Group (Line 2, Column 9)	375,638	226,948	100,144	154,991	46,071
12. Industrial (Line 2, Column 2)					
13. Total (Line 2, Column 10)	705,406	236,969	404,573	354,778	127,414
Premium Income-Lines of Business (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Column 2)					
15.1 Ordinary life insurance (Line 20.4, Column 3)	13,911,850	13,263,587	11,510,612	11,989,454	13,618,378
15.2 Ordinary individual annuities (Line 20.4, Column 4)	396,884	604,607	527,381	393,380	576,929
16. Credit life, (group and individual) (Line 20.4, Column 5)	705,883	1,678,570	1,915,893	2,160,204	2,434,894
17.1 Group life insurance (Line 20.4, Column 6)	3,221,673	2,843,325	2,112,730	2,157,778	2,252,246
17.2 Group annuities (Line 20.4, Column 7)					
18.1 A & H-group (Line 20.4, Column 8)	4,543,838	4,223,443	3,243,643	3,478,806	5,012,640
18.2 A & H-credit (group and individual) (Line 20.4, Column 9)	120,582	209,239	242,658	289,467	432,132
18.3 A & H-other (Line 20.4, Column 10)	9,075,093	7,258,526	6,490,486	5,560,221	5,309,874
19. Aggregate of all other lines of business (Line 20.4, Column 11)					
20. Total	31,975,803	30,081,297	26,043,403	26,029,310	29,637,093
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Column 3)	112,798,823	112,854,036	122,244,588	128,491,805	130,454,991
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	95,520,161	99,765,406	108,246,760	114,938,330	118,821,030
23. Aggregate life reserves (Page 3, Line 1)	68,629,125	71,684,522	76,488,740	79,427,166	80,507,451
24. Aggregate A & H reserves (Page 3, Line 2)	14,483,339	13,564,767	11,927,007	11,488,756	11,494,277
25. Deposit-type contract funds (Page 3, Line 3)	591,609	685,086	627,725		
26. Asset valuation reserve (Page 3, Line 24.01)	1,774,533	1,612,591	1,484,043	1,272,209	1,298,112
27. Capital (Page 3, Line 29 and Line 30)	4,741,720	4,741,720	4,741,720	4,741,720	4,741,720
28. Surplus (Page 3, Line 37)	12,536,942	8,346,910	9,256,108	8,811,752	6,892,241
Cash Flow (Page 5)					
29. Net cash from operations (Line 11)	(1,660,641)	(2,973,698)	(281,046)	(603,500)	8,089,644
Risk-Based Capital Analysis					
30. Total adjusted capital	19,053,195	14,701,221	15,481,871	14,825,681	12,932,073
31. Authorized control level risk-based capital	2,503,403	2,803,784	2,614,413	2,404,762	2,603,818
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Line No./Page 2, Line 12, Column 3) x 100.0					
32. Bonds (Line 1)	81.7	77.5	80.1	77.7	79.9
33. Stocks (Line 2.1 and Line 2.2)	0.1	0.1	0.1	0.1	0.1
34. Mortgage loans on real estate (Line 3.1 and Line 3.2)	1.3	0.7	0.2	0.2	
35. Real estate (Line 4.1, Line 4.2 and Line 4.3)	9.2	9.1	9.8	10.2	10.9
36. Cash, cash equivalents and short-term investments (Line 5)	5.7	10.5	7.6	9.5	6.9
37. Contract loans (Line 6)	2.1	2.2	2.2	2.3	2.4
38. Derivatives (Page 2, Line 7)					
39. Other invested assets (Line 8)					
40. Receivables for securities (Line 9)					
41. Securities lending reinvested collateral assets (Line 10)					
42. Aggregate write-ins for invested assets (Line 11)					
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2016	2 2015	3 2014	4 2013	5 2012
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Schedule D Summary, Line 12, Column 1)					
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1)					
46. Affiliated common stocks (Schedule D Summary, Line 24, Column 1)					
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
48. Affiliated mortgage loans on real estate					
49. All other affiliated					
50. Total of above Line 44 to Line 49					
51. Total investment in parent included in Line 44 to Line 49 above					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Column 2)	4,890,877	5,097,544	5,303,058	5,349,797	4,330,086
53. Total admitted assets (Page 2, Line 28, Column 3)	112,798,823	112,854,036	122,244,588	128,491,805	130,454,991
Investment Data					
54. Net investment income (Exhibit of Net Investment Income)	3,201,845	3,517,214	3,130,818	3,206,468	3,358,453
55. Realized capital gains (losses) (Page 4, Line 34, Column 1)	(3,376)	(457)	(3,885)	15,703	76,680
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	719,900	(5,868,108)	(787,855)	(684,933)	18,242
57. Total of above Line 54, Line 55 and Line 56	3,918,369	(2,351,351)	2,339,078	2,537,238	3,453,375
Benefits and Reserve Increase Page 6)					
58. Total contract benefits-life (Lines 10, 11, 12, 13, 14 and 15, Column 1 minus Lines 10, 11, 12, 13, 14 and 15, Columns 9, 10 and 11)	10,287,204	11,991,019	9,840,689	9,765,982	10,811,747
59. Total contract benefits-A & H (Line 13 and Line 14, Columns 9, 10 and 11)	4,964,590	4,460,280	2,941,672	2,505,490	6,200,901
60. Increase in life reserves-other than group and annuities (Line 19, Columns 2 and 3)	(2,825,907)	(3,307,098)	(2,540,302)	(1,079,690)	(972,495)
61. Increase in A & H reserves (Line 19, Columns 9, 10 and 11)	1,454,783	1,649,998	679,575	476,424	2,297
62. Dividends to policyholders (Line 30, Column 1)					
Operating Percentages					
63. Insurance expense percent (Page 6, Column 1, Line 21, Line 22 and Line 23 less Line 6) / (Page 6, Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00	58.9	54.4	69.7	63.5	48.8
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Line 14 and Line 15) / 1/2 (Exhibit of Life Insurance, Column 4, Line 1 and Line 21)] x 100.00	11.4	10.0	9.9	11.6	10.6
65. A & H loss percent (Schedule H, Part 1, Line 5 and Line 6, Column 2)	42.8	52.1	36.2	31.9	60.2
66. A & H cost containment percent (Schedule H, Part 1, Line 4, Column 2)					
67. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Column 2)	74.6	70.1	95.2	92.4	67.3
A & H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims-group health (Schedule H, Part 3, Line 3.1, Column 2)	1,721,699	3,395,276	5,069,870	6,192,828	7,987,731
69. Prior years' claim liability and reserve-group health (Schedule H, Part 3, Line 3.2, Column 2)	2,498,717	3,809,142	5,351,426	8,417,827	11,865,482
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Column 2)	2,985,089	3,191,658	2,997,332	3,137,689	1,356,330
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Column 2)	2,474,712	3,151,066	4,070,823	4,141,520	1,030,158
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Column 2)					
73. Ordinary-life (Column 3)	4,228,635	3,905,481	1,282,137	2,032,716	3,040,546
74. Ordinary-individual annuities (Column 4)	(260,435)	(102,536)	(216,890)	(116,627)	154,825
75. Ordinary-supplementary contracts (Column 5)					
76. Credit life (Column 6)	(83,073)	720,387	728,676	817,389	1,268,332
77. Group life (Column 7)	89,354	431,769	(37,811)	(229,516)	407,727
78. Group annuities (Column 8)					
79. A & H-group (Column 9)	686,448	634,216	(535,040)	1,388,111	979,713
80. A & H-credit (Column 10)	(31,434)	48,158	70,753	51,525	178,694
81. A & H-other (Column 11)	(366,023)	169,925	109,366	(412,479)	(1,670,149)
82. Aggregate of all other lines of business (Column 12)					
83. Total (Column 1)	4,263,472	5,807,400	1,401,191	3,531,119	4,359,688

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

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of: 7 Policies	Number of: 8 Certificates	9 Amount of Insurance (a)	Total Amount of Insurance (a)
1. In force end of prior year			27,419	2,727,281	32,397	72,128	180	58,499	1,346,648	4,146,057
2. Issued during year			4,364	329,761	2	7	76	45,095	375,638	705,406
3. Reinsurance assumed										
4. Revived during year			98	14,525						14,525
5. Increased during year (net)				21,866				34,851	373,826	395,692
6. Subtotals, Line 2 to Line 5			4,462	366,152	2	7	76	79,946	749,464	1,115,623
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		
8. Aggregate write-ins for increases										
9. Totals (Line 1 and Line 6 to Line 8)			31,881	3,093,433	32,399	72,135	256	138,445	2,096,112	5,261,680
Deductions during year:										
10. Death			2	100			XXX			100
11. Maturity			394	43,458			XXX			43,458
12. Disability							XXX			
13. Expiry			25	2,619						2,619
14. Surrender			3,495	304,850	244	535	27	877	26,901	332,286
15. Lapse			134	6,101	13	15		133	1,956	8,072
16. Conversion			171	13,064			XXX	XXX	XXX	13,064
17. Decreased (net)				2,321						2,321
18. Reinsurance										
19. Aggregate write-ins for decreases			4	108		410		789	43,939	44,457
20. Totals (Line 10 to Line 19)			4,225	372,621	257	960	27	1,799	72,796	446,377
21. In force end of year (Line 9 minus Line 20)			27,656	2,720,812	32,142	71,175	229	136,646	2,023,316	4,815,303
22. Reinsurance ceded end of year	XXX		XXX	2,057,686	XXX		XXX	XXX	1,103,174	3,160,860
23. Line 21 minus Line 22	XXX		XXX	663,126	XXX	(b) 71,175	XXX	XXX	920,142	1,654,443
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)										
1901. Paid Up			3	7		410		789	43,939	44,356
1902. Incomplete			1	101						101
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. Totals (Line 1901 through Line 1903 plus Line 1998) (Line 19 above)			4	108		410		789	43,939	44,457

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

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	X NONE		X X X	
25. Other paid-up insurance				
26. Debit ordinary insurance	X X X	X X X		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
Term Insurance Excluding Extended Term Insurance	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing				
28. Term policies-other	4,364	329,761	27,656	2,720,812
29. Other term insurance-decreasing	X X X		X X X	
30. Other term insurance	X X X		X X X	
31. Totals (Line 27 to Line 30)	4,364	329,761	27,656	2,720,812
Reconciliation to Line 2 and Line 21:				
32. Term additions	X X X		X X X	
33. Totals, extended term insurance	X X X	X X X		
34. Totals, whole life and endowment				
35. Totals (Line 31 to Line 34)	4,364	329,761	27,656	2,720,812

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary	329,761		2,720,812	
38. Credit Life (Group and Individual)	7		71,175	
39. Group	375,638		2,023,316	
40. Totals (Line 36 to Line 39)	705,406		4,815,303	

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

NONE

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

ADDITIONAL ACCIDENTAL DEATH BENEFITS

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

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

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

(47.1)

(47.2) NONE

POLICIES WITH DISABILITY PROVISIONS

NONE

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

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)
(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

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

SUPPLEMENTARY CONTRACTS

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

NONE

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year		940		
2. Issued during year		13		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Line 1 to Line 4)		953		
Deductions during year:				
6. Decreased (net)		47		
7. Reinsurance ceded				
8. Totals (Line 6 and Line 7)		47		
9. In force end of year		906		
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	22,587		3		60,944	
2. Issued during year	4,188				16,903	
3. Reinsurance assumed						
4. Increased during year (net)	13,945	XXX	17	XXX		XXX
5. Totals (Line 1 to Line 4)	40,720	XXX	20	XXX	77,847	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)	3,952	XXX		XXX	8,713	XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Line 6 to Line 8)	3,952	XXX		XXX	8,713	XXX
10. In force end of year	36,768	(a)	20	(a)	69,134	(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

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

NONE

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

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only: Life Contracts: 2 Life Insurance Premiums	3 Annuity Considerations	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
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	16,342				16,342	
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	3,935				3,935	
53. Guam GU	N						
54. Puerto Rico PR	L	15,687,723	396,884	30,566,248		46,650,855	
55. U.S. Virgin Islands VI	N						
56. Northern Mariana Islands MP	N						
57. Canada CAN	N						
58. Aggregate Other Alien OT	XXX	4,420,975				4,420,975	
59. Subtotal	(a) 1	20,128,975	396,884	30,566,248		51,092,107	
90. Reporting entity contributions for employee benefit plans	XXX						
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX						
92. Dividends of refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX						
94. Aggregate other amounts not allocable by State	XXX						
95. Totals (Direct Business)	XXX	20,128,975	396,884	30,566,248		51,092,107	
96. Plus Reinsurance Assumed	XXX						
97. Totals (All Business)	XXX	20,128,975	396,884	30,566,248		51,092,107	
98. Less Reinsurance Ceded	XXX	2,349,833		16,766,472		19,116,305	
99. Totals (All Business) less Reinsurance Ceded	XXX	17,779,142	396,884	(b) 13,799,776		31,975,802	
DETAILS OF WRITE-INS							
58001. ECU	XXX	3,050,134				3,050,134	
58002. PER	XXX	1,007,508				1,007,508	
58003. DOM	XXX	80,259				80,259	
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	283,074				283,074	
58999. Total (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)	XXX	4,420,975				4,420,975	
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX						
9499. Total (Line 9401 through Line 9403 plus Line 9498) (Line 94 above)	XXX						

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

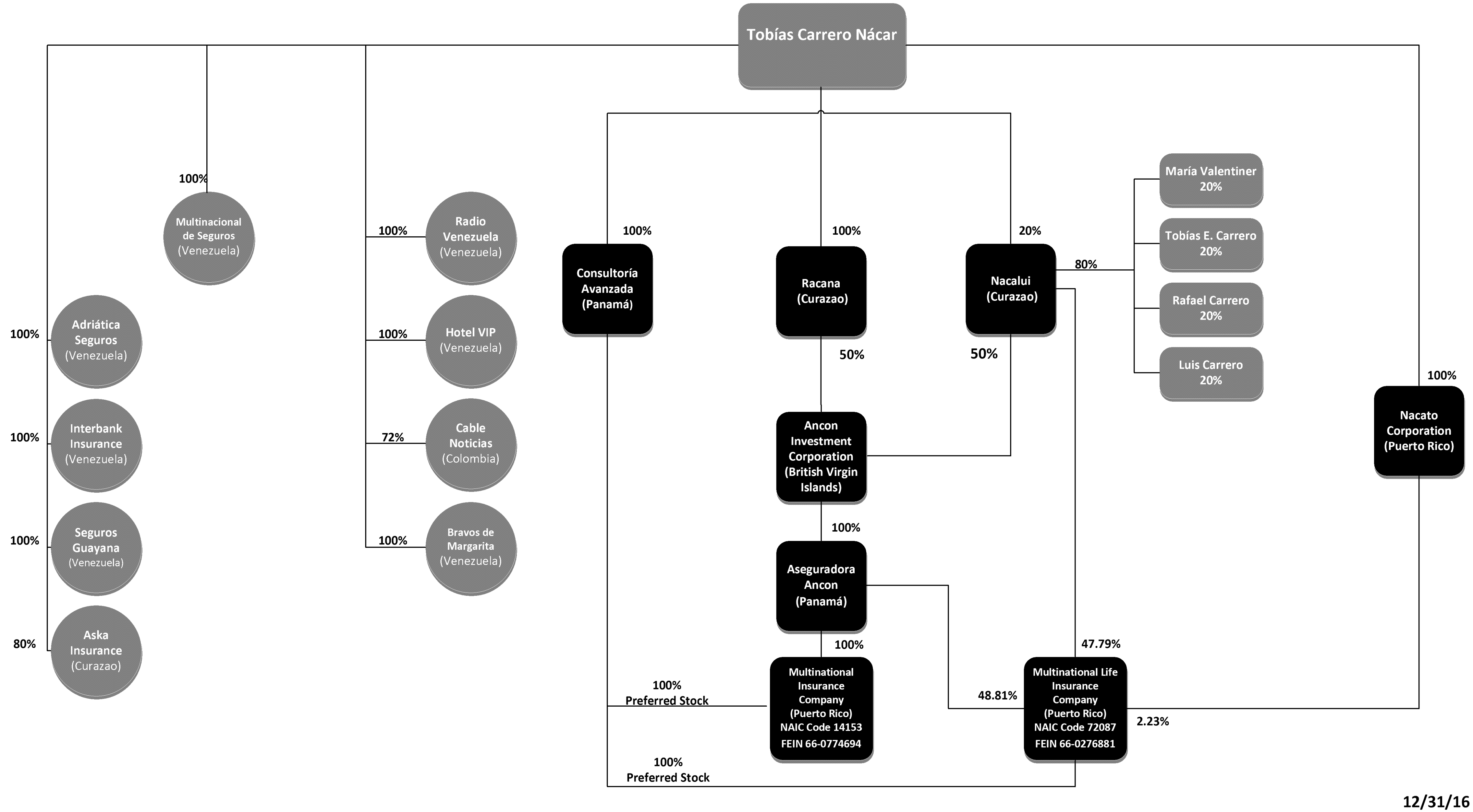
Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Ordinary and Industrial and Individual Accident and Health premiums and Annuity are allocated accordind to residence of the policyholder at time premium is paid. Group Premium are allocated based on the situs of the contract.

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

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

PART 1 - ORGANIZATIONAL CHART



Life and Accident and Health
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