



# ANNUAL STATEMENT

For the Year Ended December 31, 2009  
of the Condition and Affairs of the

## Reliance Standard Life Insurance Company

NAIC Group Code.....0074, 0074 (Current Period) (Prior Period)	NAIC Company Code..... 68381	Employer's ID Number..... 36-0883760
Organized under the Laws of Illinois Incorporated/Organized..... April 2, 1907	State of Domicile or Port of Entry Illinois Commenced Business..... April 15, 1907	Country of Domicile US
Statutory Home Office	111 South Wacker Drive, Suite 4400..... Chicago ..... IL ..... 60606-4410 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	2001 Market Street, Suite 1500..... Philadelphia ..... PA ..... 19103 <i>(Street and Number) (City or Town, State and Zip Code)</i>	267-256-3500 <i>(Area Code) (Telephone Number)</i>
Mail Address	2001 Market Street, Suite 1500..... Philadelphia ..... PA ..... 19103 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	2001 Market Street, Suite 1500..... Philadelphia ..... PA ..... 19103 <i>(Street and Number) (City or Town, State and Zip Code)</i>	267-256-3500 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.rsli.com	
Statutory Statement Contact	Paul Van Haren <i>(Name)</i> paul.van.haren@rsli.com <i>(E-Mail Address)</i>	267-256-3664 <i>(Area Code) (Telephone Number) (Extension)</i> 267-256-3522 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. Lawrence Edmund Daurelle	President	2. Charles Thomas Denaro	Secretary
3. Thomas William Burghart	Treasurer	4. Rosemary Theresa Barton, FSA, MAAA	Appointed Actuary

### OTHER

Thomas William Burghart	Senior Vice President	Warren Mark Cohen	Senior Vice President
Chad William Coulter	Senior Vice President	Charles Thomas Denaro	Vice President
Daniel Joseph Falkenstein	Senior Vice President	Christopher Anthony Fazzini	Executive Vice President
Danny Ronald Green	Senior Vice President	Debra Glazer Staples	Senior Vice President

### DIRECTORS OR TRUSTEES

Lawrence Edmund Daurelle	Steven Andrew Hirsh	Harold Franz Ilg	James Norbert Meehan
Philip Robert O'Connor	Robert Rosenkranz	Donald Alan Sherman	Robert Michael Smith Jr.
Robert Floyd Wright			

State of..... Pennsylvania  
County of..... Philadelphia

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

(Signature)	(Signature)	(Signature)
Lawrence Edmund Daurelle	Charles Thomas Denaro	Thomas William Burghart
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me  
This 25th day of February 2010

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 \_\_\_\_\_

COMMONWEALTH OF PENNSYLVANIA  
NOTARIAL SEAL  
NICOLE FULMORE, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires November 9, 2011

**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).....	2,992,514,542		2,992,514,542	2,695,105,660
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	13,545,761		13,545,761	22,851,323
2.2 Common stocks.....	95,121,530		95,121,530	85,125,383
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	59,523,022	6,423	59,516,599	108,709,950
3.2 Other than first liens.....	11,126,313	1,102,608	10,023,705	9,833,280
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	499	499	0	
4.3 Properties held for sale (less \$.....0 encumbrances).....	3,052,934		3,052,934	12,290,561
5. Cash (\$.....(8,658,964), Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....265,916,109, Sch. DA).....	257,257,145		257,257,145	288,402,083
6. Contract loans (including \$.....0 premium notes).....	202,652		202,652	150,912
7. Other invested assets (Schedule BA).....	128,657,867	1,927,444	126,730,423	72,631,181
8. Receivables for securities.....	17,732,002	39,691	17,692,311	4,176,808
9. Aggregate write-ins for invested assets.....	1,638,009	0	1,638,009	7,178
10. Subtotals, cash and invested assets (Lines 1 to 9).....	3,580,372,276	3,076,665	3,577,295,611	3,299,284,319
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	27,841,243		27,841,243	29,005,103
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	61,991,342	984,112	61,007,230	57,696,949
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	255,395		255,395	250,193
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	5,471,515		5,471,515	5,748,809
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....	4,548,834		4,548,834	4,913,716
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	11,244,028		11,244,028	4,186,780
16.2 Net deferred tax asset.....	90,031,019	71,240,128	18,790,891	9,239,212
17. Guaranty funds receivable or on deposit.....	340,464		340,464	121,836
18. Electronic data processing equipment and software.....	4,847,251	3,821,617	1,025,634	1,014,605
19. Furniture and equipment, including health care delivery assets (\$.....0).....	4,487,682	4,487,682	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	956,620	956,620	0	1,301
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	3,997,180	3,997,180	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	3,796,384,849	88,564,004	3,707,820,845	3,411,462,823
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	113,489,286		113,489,286	97,535,355
26. TOTALS (Lines 24 and 25).....	3,909,874,135	88,564,004	3,821,310,131	3,508,998,178

**DETAILS OF WRITE-INS**

0901. Purchased options.....	1,638,009		1,638,009	7,178
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	1,638,009	0	1,638,009	7,178
2301. Prepaid pension costs and other expenses and suspense debits.....	3,716,549	3,716,549	0	
2302. Other assets nonadmitted.....	280,631	280,631	0	
2303.....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	3,997,180	3,997,180	0	0

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....1,515,995,491 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	1,515,995,491	1,358,998,034
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$.....0 Modco Reserve).....	744,767,326	698,110,255
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	103,694,102	131,210,341
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	52,347,176	63,419,919
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	435,263,597	395,716,914
5. Policyholders' dividends \$.....0 and coupons \$.....0 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 \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....149,305 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	358,552	144,600
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including \$.....0 accident and health experience rating refunds.....		
9.3 Other amounts payable on reinsurance, including \$.....3,899,796 assumed and \$.....1,118,838 ceded.....	5,018,634	8,465,981
9.4 Interest Maintenance Reserve (IMR, Line 6).....	19,574,415	12,136,586
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....		56,662
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	36,444,792	28,936,274
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....	(146,449)	(122,348)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	1,181,317	3,988,126
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....	3,310,418	4,425,408
18. Amounts held for agents' account, including \$.....2,586,647 agents' credit balances.....	2,586,647	1,818,868
19. Remittances and items not allocated.....	32,267,255	32,872,750
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 \$.....55,000,000 and interest thereon \$.....342,146.....	55,342,146	55,342,146
23. Dividends to stockholders declared and unpaid.....	44,740,000	
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR Line 16, Col. 7).....	19,420,012	21,604,978
24.2 Reinsurance in unauthorized companies.....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers.....	51,968	89,227
24.4 Payable to parent, subsidiaries and affiliates.....	719,084	880,334
24.5 Drafts outstanding.....		
24.6 Liability for amounts held under uninsured plans.....		
24.7 Funds held under coinsurance.....		
24.8 Payable for securities.....	8,134,736	3,577,561
24.9 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	85,740,176	85,034,794
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	3,166,811,395	2,906,707,410
27. From Separate Accounts Statement.....	113,489,375	90,572,939
28. Total liabilities (Line 26 and 27).....	3,280,300,770	2,997,280,349
29. Common capital stock.....	6,003,113	6,003,113
30. Preferred capital stock.....	50,000,000	50,000,000
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....	46,445,903	20,000,000
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	110,724,189	60,724,189
34. Aggregate write-ins for special surplus funds.....	6,959,896	0
35. Unassigned funds (surplus).....	320,876,260	374,990,527
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	485,006,248	455,714,716
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	541,009,361	511,717,829
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3).....	3,821,310,131	3,508,998,178

**DETAILS OF WRITE-INS**

2501. Retained assets program liability to claimants and other miscellaneous liabilities.....	79,419,709	73,177,330
2502. Minimum pension liability adjustment.....	6,320,467	11,857,464
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	85,740,176	85,034,794
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401. Change in accounting method - SSAP 10R.....	6,959,896	
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	6,959,896	0

Annual Statement for the year 2009 of the **Reliance Standard Life Insurance Company**  
**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).....	1,212,870,311	1,233,739,630
2. Considerations for supplementary contracts with life contingencies.....	512,926	522,154
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	190,405,199	175,296,581
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	1,809,624	1,663,112
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).....	2,815,744	4,660,282
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.....	1,565,196	1,828,293
8.2 Charges and fees for deposit-type contracts.....		
8.3 Aggregate write-ins for miscellaneous income.....	1,831,559	1,917,927
9. Totals (Lines 1 to 8.3).....	1,411,810,559	1,419,627,979
10. Death benefits.....	242,676,469	267,157,129
11. Matured endowments (excluding guaranteed annual pure endowments).....		3,000
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....	36,732,966	24,729,455
13. Disability benefits and benefits under accident and health contracts.....	392,432,091	381,675,767
14. Coupons, guaranteed annual pure endowments and similar benefits.....		
15. Surrender benefits and withdrawals for life contracts.....	112,687,125	116,163,269
16. Group conversions.....		
17. Interest and adjustments on contract or deposit-type contract funds.....	11,212,159	13,235,221
18. Payments on supplementary contracts with life contingencies.....	1,725,608	1,805,396
19. Increase in aggregate reserves for life and accident and health contracts.....	203,654,528	358,106,274
20. Totals (Lines 10 to 19).....	1,001,120,946	1,162,875,511
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	111,659,710	109,369,727
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....	2,338,910	1,937,611
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4).....	136,208,904	131,756,935
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	26,404,249	28,516,737
25. Increase in loading on deferred and uncollected premiums.....	605,694	(130,723)
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	(4,219)	(3,068)
27. Aggregate write-ins for deductions.....	1,909,459	(135,397,716)
28. Totals (Lines 20 to 27).....	1,280,243,653	1,298,925,014
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	131,566,906	120,702,965
30. Dividends to policyholders.....		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	131,566,906	120,702,965
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	26,329,692	42,459,932
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).....	105,237,214	78,243,033
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$..... (12,876,661) excluding taxes of \$.....4,979,398 transferred to the IMR).....	(134,298,319)	(54,958,191)
35. Net income (Line 33 plus Line 34).....	(29,061,105)	23,284,842
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	511,717,829	457,548,006
37. Net income (Line 35).....	(29,061,105)	23,284,842
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....(5,634,871).....	16,219,306	(45,791,312)
39. Change in net unrealized foreign exchange capital gain (loss).....	773,505	(886,114)
40. Change in net deferred income tax.....	4,896,783	19,556,911
41. Change in nonadmitted assets.....	(11,945,242)	(30,570,325)
42. Change in liability for reinsurance in unauthorized companies.....		
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4).....		
44. Change in asset valuation reserve.....	2,184,966	31,104,783
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.....	6,962,416	10,311,422
47. Other changes in surplus in Separate Accounts Statement.....	(6,962,416)	(10,311,422)
48. Change in surplus notes.....	26,445,903	20,000,000
49. Cumulative effect of changes in accounting principles.....	7,596,617	
50. Capital changes:		
50.1 Paid in.....		20,000,000
50.2 Transferred from surplus (Stock Dividend).....		
50.3 Transferred to surplus.....		
51. Surplus adjustment:		
51.1 Paid in.....	50,000,000	27,022,892
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.....	(47,940,000)	(2,400,000)
53. Aggregate write-ins for gains and losses in surplus.....	10,120,799	(7,151,854)
54. Net change in capital and surplus for the year (Lines 37 through 53).....	29,291,532	54,169,823
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	541,009,361	511,717,829
<b>DETAILS OF WRITE-INS</b>		
08.301. Miscellaneous income.....	1,831,559	1,917,927
08.302. ....		
08.303. ....		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	1,831,559	1,917,927
2701. Interest on surplus debenture.....	2,212,014	
2702. Reserve adjustments on reinsurance assumed.....	(302,555)	(135,397,716)
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	1,909,459	(135,397,716)
5301. Minimum pension liability adjustment.....	3,160,903	(7,151,854)
5302. Change in accounting method - SSAP 10R.....	6,959,896	
5303. ....		
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	10,120,799	(7,151,854)

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	1,209,676,011	1,233,082,746
2. Net investment income.....	158,489,679	134,337,891
3. Miscellaneous income.....	6,238,954	8,457,694
4. Total (Lines 1 through 3).....	1,374,404,644	1,375,878,331
5. Benefit and loss related payments.....	761,268,089	727,230,700
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	(4,320)	(3,006)
7. Commissions, expenses paid and aggregate write-ins for deductions.....	276,900,254	138,163,449
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	25,489,676	62,652,284
10. Total (Lines 5 through 9).....	1,063,653,699	928,043,427
11. Net cash from operations (Line 4 minus Line 10).....	310,750,945	447,834,904
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	756,691,619	452,274,970
12.2 Stocks.....	3,616,325	2,558,824
12.3 Mortgage loans.....	23,856,902	37,363,785
12.4 Real estate.....	5,584,354	151,168
12.5 Other invested assets.....	52,760,950	219,036,455
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(2,993)	(33,868)
12.7 Miscellaneous proceeds.....	(6,400,430)	26,946,224
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	836,106,727	738,297,558
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	1,114,344,955	867,833,500
13.2 Stocks.....	1,114,752	24,153,250
13.3 Mortgage loans.....	19,516,613	27,472,440
13.4 Real estate.....	67,776,256	21,966
13.5 Other invested assets.....	4,195,638	47,268,247
13.6 Miscellaneous applications.....	1,206,948,214	988,116,726
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,206,948,214	988,116,726
14. Net increase (decrease) in contract loans and premium notes.....	51,740	4,070
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(370,893,227)	(249,823,238)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	25,000,000	20,000,000
16.2 Capital and paid in surplus, less treasury stock.....	50,000,000	47,022,892
16.3 Borrowed funds.....	(4,105,750)	(4,105,750)
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(34,925,044)	(10,537,395)
16.5 Dividends to stockholders.....	3,200,000	2,400,000
16.6 Other cash provided (applied).....	(3,771,862)	(118,243,724)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	28,997,344	(68,263,977)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(31,144,938)	129,747,689
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	288,402,083	158,654,394
19.2 End of year (Line 18 plus Line 19.1).....	257,257,145	288,402,083
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Real estate acquired in satisfaction of debt.....	2,734,930	9,937,124
20.0002 Other long-term invested assets acquired in satisfaction of debt.....	32,320,105	

**ANALYSIS OF OPERATION BY LINES OF BUSINESS**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	1,212,870,311		647,057	187,390,709			355,670,261	65,477,573	603,526,879		157,832	
2. Considerations for supplementary contracts with life contingencies.....	512,926				512,926							
3. Net investment income.....	190,405,199		568,994	62,530,130	3,265,395		14,301,338	28,528,882	79,140,834			2,069,626
4. Amortization of Interest Maintenance Reserve (IMR).....	1,809,624		5,467	600,821	31,376		137,415	274,120	760,425			
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	2,815,744		193,474	13			(96,701)		2,718,958			
7. Reserve adjustments on reinsurance ceded.....	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	1,565,196		1,565,196									
8.2 Charges and fees for deposit-type contracts.....	0											
8.3 Aggregate write-ins for miscellaneous income.....	1,831,559	0	0	0	0	0	0	0	1,831,559	0	0	0
9. Totals (Lines 1 to 8.3).....	1,411,810,559	0	2,980,188	250,521,673	3,809,697	0	370,012,313	94,280,575	687,978,655	0	157,832	2,069,626
10. Death benefits.....	242,676,469		1,937,534				240,738,935					
11. Matured endowments (excluding guaranteed annual pure endowments).....	0											
12. Annuity benefits.....	36,732,966			28,351,359				8,381,607				
13. Disability benefits and benefits under accident and health contracts.....	392,432,091		3,942						392,289,484		138,665	
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	112,687,125		68,912	79,604,185				33,014,028				
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	11,212,159		11,726	104,814	3,592,970		1,725,740	1,650,308	303,144			3,823,457
18. Payments on supplementary contracts with life contingencies.....	1,725,608				1,725,608							
19. Increase in aggregate reserves for life and accident and health contracts.....	203,654,528		460,475	107,129,652	430,180		10,987,563	37,989,587	46,657,071			
20. Totals (Lines 10 to 19).....	1,001,120,946	0	2,482,589	215,190,010	5,748,758	0	253,452,238	81,035,530	439,249,699	0	138,665	3,823,457
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	111,659,710		142,987	12,001,700			33,338,993	4,086,872	62,089,113		45	
22. Commissions and expense allowances on reinsurance assumed.....	2,338,910			1,588,014				133,318	617,578			
23. General insurance expenses.....	136,208,904		1,036,302	4,924,104	264,370		37,170,128	1,987,879	90,826,121			
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	26,404,249		13,542	954,462			9,931,170		15,505,075			
25. Increase in loading on deferred and uncollected premiums.....	605,694		34,942				13,131		557,621			
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	(4,219)		(4,219)									
27. Aggregate write-ins for deductions.....	1,909,459	0	0	(302,555)	0	0	0	0	0	0	0	2,212,014
28. Totals (Lines 20 to 27).....	1,280,243,653	0	3,706,143	234,355,735	6,013,128	0	333,905,660	87,243,599	608,845,207	0	138,710	6,035,471
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	131,566,906	0	(725,955)	16,165,938	(2,203,431)	0	36,106,653	7,036,976	79,133,448	0	19,122	(3,965,845)
30. Dividends to policyholders.....	0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	131,566,906	0	(725,955)	16,165,938	(2,203,431)	0	36,106,653	7,036,976	79,133,448	0	19,122	(3,965,845)
32. Federal income taxes incurred (excluding tax on capital gains).....	26,329,692		(145,323)	2,933,150	(440,959)		7,092,437	1,710,310	15,969,911		3,827	(793,661)
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).....	105,237,214	0	(580,632)	13,232,788	(1,762,472)	0	29,014,216	5,326,666	63,163,537	0	15,295	(3,172,184)

**DETAILS OF WRITE-INS**

08.301. Miscellaneous income.....	1,831,559								1,831,559			
08.302. ....	0											
08.303. ....	0											
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	1,831,559	0	0	0	0	0	0	0	1,831,559	0	0	0
2701. Interest on surplus debentures.....	2,212,014											2,212,014
2702. Reserve adjustment on reinsurance assumed.....	(302,555)			(302,555)								
2703. ....	0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	1,909,459	0	0	(302,555)	0	0	0	0	0	0	0	2,212,014

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

**ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
<b>Involving Life or Disability Contingencies (Reserves)</b>								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year.....	1,358,998,035		4,750,241	838,962,488	12,366,572		109,561,679	393,357,055
2. Tabular net premiums or considerations.....	567,921,238		647,057	187,390,709	512,926		313,892,973	65,477,573
3. Present value of disability claims incurred.....	10,075,268				XXX		10,075,268	
4. Tabular interest.....	71,532,510		197,769	46,891,613	938,217		113,094	23,391,817
5. Tabular less actual reserve released.....	(140,594,862)			(98,615,676)	704,645			(42,683,831)
6. Increase in reserve on account of change in valuation basis.....	0							
7. Other increases (net).....	0							
8. Totals (Lines 1 to 7).....	1,867,932,189	0	5,595,067	974,629,134	14,522,360	0	433,643,014	439,542,614
9. Tabular cost.....	311,001,444		(76,010)		XXX		311,077,454	
10. Reserves released by death.....	488,323		387,507	XXX	XXX		100,816	XXX
11. Reserves released by other terminations (net).....	1,984,415		68,912				1,915,503	
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	38,462,517		3,942	28,351,359	1,725,608			8,381,608
13. Net transfers to or (from) Separate Accounts.....	0							
14. Total deductions (Lines 9 to 13).....	351,936,699	0	384,351	28,351,359	1,725,608	0	313,093,773	8,381,608
15. Reserve December 31, current year.....	1,515,995,490	0	5,210,716	946,277,775	12,796,752	0	120,549,241	431,161,006

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....4,515,160	.....4,447,014
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....212,309,763	.....213,374,534
1.3 Bonds of affiliates.....	(a).....1,739,130	.....1,743,961
2.1 Preferred stocks (unaffiliated).....	(b).....221,820	.....(277,604)
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....488,645	.....321,832
2.21 Common stocks of affiliates.....	.....1,300,000	.....1,300,000
3. Mortgage loans.....	(c).....4,542,819	.....3,195,235
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....10,854	.....10,854
6. Cash, cash equivalents and short-term investments.....	(e).....384,769	.....233,274
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....7,497,936	.....6,742,485
9. Aggregate write-ins for investment income.....	.....(36,968)	.....(2,447,433)
10. Total gross investment income.....	.....232,973,928	.....228,644,152
11. Investment expenses.....	.....	(g).....33,926,810
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....206,393
13. Interest expense.....	.....	(h).....4,105,750
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....38,238,953
17. Net investment income (Line 10 minus Line 16).....	.....	.....190,405,199

**DETAILS OF WRITE-INS**

0901. Miscellaneous Income.....	.....(36,968)	.....(36,703)
0902. Separate Accounts.....	.....	.....(2,410,730)
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....(36,968)	.....(2,447,433)
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....49,275,465 accrual of discount less \$.....4,892,782 amortization of premium and less \$.....6,990,162 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....77,613 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....862,052 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....27,552 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....1,085,338	.....	.....1,085,338	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(23,519,631)	.....(85,604,961)	.....(109,124,592)	.....(4,958,117)	.....773,603
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....(7,207,349)	.....(7,207,349)	.....(1,991,902)	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....1,053,901	.....(1,168,602)	.....(114,701)	.....42,616	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....13,623,734	.....
3. Mortgage loans.....	.....	.....(11,310,688)	.....(11,310,688)	.....	.....
4. Real estate.....	.....	.....(4,649,765)	.....(4,649,765)	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....(2,993)	.....	.....(2,993)	.....	.....
7. Derivative instruments.....	.....(173,398)	.....	.....(173,398)	.....701,919	.....
8. Other invested assets.....	.....	.....	.....0	.....1,420,156	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(1,449,982)	.....(1,449,982)	.....1,746,019	.....0
10. Total capital gains (losses).....	.....(21,556,783)	.....(111,391,347)	.....(132,948,130)	.....10,584,425	.....773,603

**DETAILS OF WRITE-INS**

0901. Receivables.....	.....	.....(470,684)	.....(470,684)	.....	.....
0902. Accrued Interest.....	.....	.....(979,298)	.....(979,298)	.....	.....
0903. Separate Accounts.....	.....	.....	.....0	.....1,746,019	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....(1,449,982)	.....(1,449,982)	.....1,746,019	.....0

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

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
<b>FIRST YEAR (other than single)</b>											
1. Uncollected.....	.0										
2. Deferred and accrued.....	.0										
3. Deferred, accrued and uncollected:											
3.1 Direct.....	.0										
3.2 Reinsurance assumed.....	.0										
3.3 Reinsurance ceded.....	.0										
3.4 Net (Line 1 + Line 2).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Advance.....	.0										
5. Line 3.4 - Line 4.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:											
6.1 Direct.....	19,145,085		389,092	9,300,674			9,455,319				
6.2 Reinsurance assumed.....	.0										
6.3 Reinsurance ceded.....	94,176		94,176								
6.4 Net.....	19,050,909	.0	294,916	9,300,674	.0	.0	9,455,319	.0	.0	.0	.0
7. Line 5 + Line 6.4.....	19,050,909	.0	294,916	9,300,674	.0	.0	9,455,319	.0	.0	.0	.0
8. Prior year (uncollected + deferred and accrued - advance).....	.0										
9. First year premiums and considerations:											
9.1 Direct.....	19,145,085		389,092	9,300,674			9,455,319				
9.2 Reinsurance assumed.....	.0										
9.3 Reinsurance ceded.....	94,176		94,176								
9.4 Net (Line 7 - Line 8).....	19,050,909	.0	294,916	9,300,674	.0	.0	9,455,319	.0	.0	.0	.0
<b>SINGLE</b>											
10. Single premiums and considerations:											
10.1 Direct.....	229,654,447			175,463,158			54,191,289				
10.2 Reinsurance assumed.....	.0										
10.3 Reinsurance ceded.....	.0										
10.4 Net.....	229,654,447	.0	.0	175,463,158	.0	.0	54,191,289	.0	.0	.0	.0
<b>RENEWAL</b>											
11. Uncollected.....	68,105,005		353,874			22,887,062		44,861,894		2,175	
12. Deferred and accrued.....	308,476		308,476								
13. Deferred, accrued and uncollected:											
13.1 Direct.....	65,309,398		2,245,839			24,401,109		38,660,275		2,175	
13.2 Reinsurance assumed.....	9,311,561		85,477					9,226,084			
13.3 Reinsurance ceded.....	6,207,478		1,668,966			1,514,047		3,024,465			
13.4 Net (Line 11 + Line 12).....	68,413,481	.0	662,350	.0	.0	22,887,062	.0	44,861,894	.0	2,175	.0
14. Advance.....	358,552		209,247					149,248		57	
15. Line 13.4 - Line 14.....	68,054,929	.0	453,103	.0	.0	22,887,062	.0	44,712,646	.0	2,118	.0
16. Collected during year:											
16.1 Direct.....	998,532,010		6,060,829	1,248,472		386,312,156	75,306	604,677,415		157,832	
16.2 Reinsurance assumed.....	64,075,363		268,224	2,208,707			1,755,659	59,842,773			
16.3 Reinsurance ceded.....	102,149,643		6,007,164	830,302		33,132,205		62,179,972			
16.4 Net.....	960,457,730	.0	321,889	2,626,877	.0	353,179,951	1,830,965	602,340,216	.0	157,832	.0
17. Line 15 + Line 16.4.....	1,028,512,659	.0	774,992	2,626,877	.0	376,067,013	1,830,965	647,052,862	.0	159,950	.0
18. Prior year (uncollected + deferred and accrued - advance).....	64,347,703		422,850			20,396,752		43,525,983		2,118	
19. Renewal premiums and considerations:											
19.1 Direct.....	1,006,190,093		6,304,097	1,248,472		388,945,974	75,306	609,458,412		157,832	
19.2 Reinsurance assumed.....	60,101,299		261,422	2,208,707			1,755,659	55,875,511			
19.3 Reinsurance ceded.....	102,126,436		6,213,377	830,302		33,275,713		61,807,044			
19.4 Net (Line 17 - Line 18).....	964,164,956	.0	352,142	2,626,877	.0	355,670,261	1,830,965	603,526,879	.0	157,832	.0
<b>TOTAL</b>											
20. Total premiums and annuity considerations:											
20.1 Direct.....	1,254,989,625	.0	6,693,189	186,012,304	.0	388,945,974	63,721,914	609,458,412	.0	157,832	.0
20.2 Reinsurance assumed.....	60,101,299	.0	261,422	2,208,707	.0		1,755,659	55,875,511	.0		.0
20.3 Reinsurance ceded.....	102,220,612	.0	6,307,553	830,302	.0	33,275,713	.0	61,807,044	.0		.0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	1,212,870,312	.0	647,058	187,390,709	.0	355,670,261	65,477,573	603,526,879	.0	157,832	.0

**EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND  
EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)**

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health		11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>										
21. To pay renewal premiums.....	0									
22. All other.....	40,798		40,798							
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>										
23. First year (other than single):										
23.1 Reinsurance ceded.....	163,768		163,768							
23.2 Reinsurance assumed.....	464,000			464,000						
23.3 Net ceded less assumed.....	(300,232)	0	163,768	(464,000)	0	0	0	0	0	0
24. Single:										
24.1 Reinsurance ceded.....	0									
24.2 Reinsurance assumed.....	1,124,014			1,124,014						
24.3 Net ceded less assumed.....	(1,124,014)	0	0	(1,124,014)	0	0	0	0	0	0
25. Renewal:										
25.1 Reinsurance ceded.....	2,651,976		29,706	13		(96,701)		2,718,958		
25.2 Reinsurance assumed.....	750,896						133,318	617,578		
25.3 Net ceded less assumed.....	1,901,080	0	29,706	13	0	(96,701)	(133,318)	2,101,380	0	0
26. Totals:										
26.1 Reinsurance ceded (Page 6, Line 6).....	2,815,744	0	193,474	13	0	(96,701)	0	2,718,958	0	0
26.2 Reinsurance assumed (Page 6, Line 22).....	2,338,910	0	0	1,588,014	0	0	133,318	617,578	0	0
26.3 Net ceded less assumed.....	476,834	0	193,474	(1,588,001)	0	(96,701)	(133,318)	2,101,380	0	0
<b>COMMISSIONS INCURRED (direct business only)</b>										
27. First year (other than single).....	1,345,256		169,943	1,175,313						
28. Single.....	10,682,742			10,682,742						
29. Renewal.....	99,631,712		(26,956)	143,645		33,338,993	4,086,872	62,089,113		45
30. Deposit-type contract funds.....	0									
31. Totals (to agree with Page 6, Line 21).....	111,659,710	0	142,987	12,001,700	0	33,338,993	4,086,872	62,089,113	0	45

Annual Statement for the year 2009 of the **Reliance Standard Life Insurance Company**  
**EXHIBIT 2 - GENERAL EXPENSES**

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		Cost Containment	3 All Other			
1. Rent.....	2,755,692		4,810,990		4,230,154	11,796,836
2. Salaries and wages.....	24,944,577	1,508,812	47,786,623		19,674,847	93,914,859
3.11 Contributions for benefit plans for employees.....	4,353,251	263,313	8,339,575		1,808,266	14,764,405
3.12 Contributions for benefit plans for agents.....						0
3.21 Payments to employees under non-funded benefit plans.....						0
3.22 Payments to agents under non-funded benefit plans.....						0
3.31 Other employee welfare.....	416,418	25,188	797,737		503,429	1,742,772
3.32 Other agent welfare.....						0
4.1 Legal fees and expenses.....	329,242		309,979		195,077	834,298
4.2 Medical examination fees.....	434,108		5,476			439,584
4.3 Inspection report fees.....	27,476		39,839			67,315
4.4 Fees of public accountants and consulting actuaries.....	257,272		497,260		258,575	1,013,107
4.5 Expense of investigation and settlement of policy claims.....	288,265	1,088,754	1,847,651			3,224,670
5.1 Traveling expenses.....	1,287,920	12,620	2,819,661		916,733	5,036,934
5.2 Advertising.....	537,016		727,894		100	1,265,010
5.3 Postage, express, telegraph and telephone.....	1,072,459	4	1,514,797		316,146	2,903,406
5.4 Printing and stationery.....	533,050	70	882,015		113,271	1,528,406
5.5 Cost or depreciation of furniture and equipment.....	1,166,196		1,091,026		704,976	2,962,198
5.6 Rental of equipment.....	3,147,033		4,627,498		630,774	8,405,305
5.7 Cost or depreciation of EDP equipment and software.....	248,041		422,339			670,380
6.1 Books and periodicals.....	22,458	929	34,421		24,296	82,104
6.2 Bureau and association fees.....	56,494	827	58,761		94,956	211,038
6.3 Insurance, except on real estate.....	211,524		211,524		289,778	712,826
6.4 Miscellaneous losses.....						0
6.5 Collection and bank service charges.....	128,267		155,556		226,137	509,960
6.6 Sundry general expenses.....	7,987		67,211		332,441	407,639
6.7 Group service and administration fees.....	456,693		6,747,274			7,203,967
6.8 Reimbursements by uninsured plans.....						0
7.1 Agency expense allowance.....						0
7.2 Agents' balances charged off (less \$.....0 recovered).....						0
7.3 Agency conferences other than local meetings.....	424,108		711,841			1,135,949
9.1 Real estate expenses.....						0
9.2 Investment expenses not included elsewhere.....						0
9.3 Aggregate write-ins for expenses.....	2,277,232	29,998	3,388,658	0	3,606,854	9,302,742
10. General expenses Incurred.....	45,382,779	2,930,515	87,895,606	0	33,926,810	(a) 170,135,710
11. General expenses unpaid December 31, prior year.....	8,986,824	137,000	13,468,193		6,344,257	28,936,274
12. General expenses unpaid December 31, current year.....	10,012,762	122,000	15,536,438		10,773,592	36,444,792
13. Amounts receivable relating to uninsured plans, prior year.....						0
14. Amounts receivable relating to uninsured plans, current year.....						0
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14).....	44,356,841	2,945,515	85,827,361	0	29,497,475	162,627,192

**DETAILS OF WRITE-INS**

09.301. Computer Services.....	2,043,831	4,757	2,255,332		764,962	5,068,882
09.302. Consulting.....	233,401	25,241	1,133,326		2,841,892	4,233,860
09.303.....						0
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	0	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	2,277,232	29,998	3,388,658	0	3,606,854	9,302,742

(a) Includes management fees of \$.....5,920,305 to affiliates and \$.....0 to non-affiliates.

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
2. State insurance department licenses and fees.....	1,319,335	1,637,426			2,956,761
3. State taxes on premiums.....	6,545,938	9,859,626			16,405,564
4. Other state taxes, including \$.....0 for employee benefits.....	1,087,792	1,357,040		5,938	2,450,770
5. U.S. Social Security taxes.....	1,829,035	2,505,683		200,455	4,535,173
6. All other taxes.....	117,074	145,300			262,374
7. Taxes, licenses and fees incurred.....	10,899,174	15,505,075	0	206,393	26,610,642
8. Taxes, licenses and fees unpaid December 31, prior year.....	1,573,391	2,403,225		10,657	3,987,273
9. Taxes, licenses and fees unpaid December 31, current year.....	366,774	813,049		1,495	1,181,318
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	12,105,791	17,095,251	0	215,555	29,416,597

**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.....	40,798	
4. Applied to provide paid-up annuities.....		
5. Total Lines 1 through 4.....	40,798	0
6. Paid-in cash.....	8,031	
7. Left on deposit.....		
8. Aggregate write-ins for dividend or refund options.....	(48,829)	0
9. Total Lines 5 through 8.....	0	0
10. Amount due and unpaid.....		
11. Provision for dividends or refunds payable in the following calendar year.....		
12. Terminal dividends.....		
13. Provision for deferred dividend contracts.....		
14. Amount provisionally held for deferred dividend contracts not included in Line 13.....		
15. Total Lines 10 through 14.....	0	0
16. Total from prior year.....		
17. Total dividends or refunds (Lines 9 + 15 - 16).....	0	0

**DETAILS OF WRITE-INS**

0801. Dividends - reinsurance ceded.....	(48,829)	
0802.....		
0803.....		
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0
0899. Totals (Line 0801 thru 0803 plus 0898) (Line 8 above).....	(48,829)	0

## EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1		2		3		4		5		6	
Valuation Standard		Total		Industrial		Ordinary		Credit (Group and Individual)		Group	
<b>Life Insurance:</b>											
0100001.	AE	3.00%	NLP	701,786			701,786				
0100002.	AE	3.50%	NLP	4,096,794			4,096,794				
0100003.	AE	3.50%	CRVM	138,984		138,984					
0100004.	AM MEN	3.50%	NLP	20,769			20,769				
0100005.	41 CSO	2.50%	NLP	5,171,019			5,171,019				
0100006.	41 CSO	3.00%	NLP	1,128,618			1,128,618				
0100007.	41 CSO	3.00%	CRVM	225			225				
0100008.	58 CET	2.25%	NLP	25,889			25,889				
0100009.	58 CET	2.75%	NLP	18,078			18,078				
0100010.	58 CET	3.00%	NLP	221,683			221,683				
0100011.	58 CET	3.50%	NLP	731,860			731,860				
0100012.	58 CET	3.75%	NLP	3,109			3,109				
0100013.	58 CET	4.00%	NLP	48,137			48,137				
0100014.	58 CET	4.25%	NLP	77,374			77,374				
0100015.	58 CET	4.50%	NLP	12,496			12,496				
0100016.	58 CSO	2.25%	NLP	1,614,154			1,614,154				
0100017.	58 CSO	2.25%	CRVM	795,044			795,044				
0100018.	58 CSO	2.75%	NLP	74,971			74,971				
0100019.	58 CSO	3.00%	NLP	4,217,795			4,217,795				
0100020.	58 CSO	3.00%	CRVM	6,536,869			6,536,869				
0100021.	58 CSO	3.50%	NLP	419,348			419,348				
0100022.	58 CSO	3.50%	CRVM	8,607,786			8,607,786				
0100023.	58 CSO	3.75%	NLP	997			997				
0100024.	58 CSO	3.75%	CRVM	11,126			11,126				
0100025.	58 CSO	4.00%	NLP	299,546			299,546				
0100026.	58 CSO	4.00%	CRVM	5,963,220			5,963,220				
0100027.	58 CSO	4.25%	NLP	160,531			160,531				
0100028.	58 CSO	4.25%	CRVM	7,380,085			7,380,085				
0100029.	58 CSO	4.50%	NLP	53,641			53,641				
0100030.	58 CSO	4.50%	CRVM	9,573,538			9,573,538				
0100031.	58 CSO	5.50%	CRVM	3,422,348			3,422,348				
0100032.	80 CET	4.00%	NLP	7,352			7,352				
0100033.	80 CET	4.50%	NLP	101,859			101,859				
0100034.	80 CET	5.50%	NLP	36,615			36,615				
0100035.	80 CET	6.00%	NLP	3,101			3,101				
0100036.	80 CSO	3.00%	CRVM	13,340			13,340				
0100037.	80 CSO	4.00%	NLP	289,210			38,388			250,822	
0100038.	80 CSO	4.00%	CRVM	2,791,020			2,791,020				
0100039.	80 CSO	4.50%	NLP	1,613,454			43,260			1,570,194	
0100040.	80 CSO	4.50%	CRVM	2,328,352			2,328,352				
0100041.	80 CSO	5.00%	CRVM	792,039			792,039				
0100042.	80 CSO	5.00%	NLP	2,986			2,986				
0100043.	80 CSO	5.50%	CRVM	11,644,321			11,644,321				
0100044.	80 CSO	5.50%	NLP	22,546			22,546				
0100045.	80 CSO	6.00%	CRVM	2,779,189			2,779,189				
0100046.	80 CSO	6.25%	CRVM	4,756			4,756				
0100047.	80 CSO	6.50%	CRVM	282,994			282,994				
0100048.	2001 CSO	4.00%	CRVM(NB)	18,384			18,384				
0100049.	2001 CSO	4.50%	NLP (NB)	1,058,084						1,058,084	
0100050.	UNEARNED PREMIUM			2,965,491			1,212,000			1,753,491	
0100051.	STD IND	3.00%	NLP	53,197		53,197					
0100052.	STD IND	3.50%	NLP	420,805		420,805					
0100053.	SUB STD IND	3.50%	NLP	17,258		17,258					
0100054.	41 STD IND	3.00%	NLP	1,530,366		1,530,366					
0100055.	41 STD IND	3.50%	NLP	21,755		21,755					
0100056.	41 SUB STD IND	3.00%	NLP	297,709		297,709					
0100057.	61 CSI	3.00%	NLP	763,044		763,044					
0100058.	61 CSI	3.00%	CRVM	80,195		80,195					
0100059.	1960 BASIC GROUP TABLE 6%			3,782,482						3,782,482	
0199997.	Totals (Gross)			95,249,724		3,323,313	83,511,338		0	8,415,073	
0199998.	Reinsurance ceded			81,743,588		3,323,313	78,420,275				
0199999.	Totals (Net)			13,506,136		0	5,091,063		0	8,415,073	
<b>Annuities (excluding supplementary contracts with life contingencies):</b>											
0200001.	AMERICAN ANNUITANTS	4.00%	IMM	394		XXX	394		XXX		
0200002.	PROGRESSIVE ANNUITANT	3.50%	IMM	2,979		XXX	2,979		XXX		
0200003.	37 SA	3.50%	IMM	1,174,818		XXX	1,174,818		XXX		
0200004.	A - 1949	3.50%	DEF	264,451		XXX	264,451		XXX		
0200005.	71 IAM	4.00%	DEF	1,808,692		XXX	1,808,692		XXX		
0200006.	71 IAM	4.50%	DEF(NB)	34,076,480		XXX	34,076,480		XXX		
0200007.	71 IAM	5.50%	DEF	119,993,390		XXX	119,993,390		XXX		
0200008.	71 IAM	8.25%	DEF	12,262,514		XXX	1,831,181		XXX	10,431,333	
0200009.	71 IAM	9.25%	DEF	6,874,970		XXX	6,874,970		XXX		
0200010.	71 IAM	5.25%	IMM	1,955,886		XXX	1,955,886		XXX		
0200011.	71 IAM	5.50%	IMM	13,309,381		XXX	13,309,381		XXX		
0200012.	71 IAM	6.00%	IMM(NB)	32,334,649		XXX	32,334,649		XXX		
0200013.	71 IAM	6.75%	IMM	2,359		XXX	2,359		XXX		
0200014.	71 IAM	7.00%	IMM	26,183		XXX	26,183		XXX		
0200015.	71 IAM	7.50%	IMM	2,315,365		XXX	2,315,365		XXX		
0200016.	A-2000	4.00%	DEF	9,210,459		XXX	9,210,459		XXX		
0200017.	A-2000	4.50%	DEF(NB)	26,416,188		XXX	17,383,090		XXX	9,033,098	
0200018.	A-2000	4.75%	DEF(NB)	207,761,148		XXX	146,707,318		XXX	61,053,830	
0200019.	A-2000	5.00%	DEF(NB)	409,793,038		XXX	254,929,762		XXX	154,863,276	
0200020.	A-2000	5.25%	DEF(NB)	46,130,391		XXX	29,443,987		XXX	16,686,404	
0200021.	A-2000	5.50%	DEF(NB)	209,806,788		XXX	128,008,853		XXX	81,797,935	
0200022.	A-2000	5.75%	DEF	18,179,998		XXX	6,325,729		XXX	11,854,269	
0200023.	A-2000	6.00%	DEF	68,003,268		XXX	38,724,468		XXX	29,278,800	
0200024.	A-2000	6.25%	DEF	19,649,682		XXX	10,552,176		XXX	9,097,506	
0200025.	83 IAM	5.00%	DEF	13,337,140		XXX	13,218,921		XXX	118,219	
0200026.	83 IAM	5.25%	DEF	18,190,689		XXX	16,346,126		XXX	1,844,563	
0200027.	83 IAM	5.50%	DEF	9,129,605		XXX	8,729,079		XXX	400,526	
0200028.	83 IAM	5.75%	DEF	14,603,318		XXX	11,506,273		XXX	3,097,045	
0200029.	83 IAM	6.00%	DEF	15,379,132		XXX	10,961,044		XXX	4,418,088	
0200030.	83 IAM	6.25%	DEF	8,387,095		XXX	4,458,374		XXX	3,928,721	
0200031.	83 IAM	6.50%	DEF	10,031,698		XXX	8,641,446		XXX	1,390,252	
0200032.	83 IAM	6.75%	DEF	5,649,534		XXX	3,136,924		XXX	2,512,610	
0200033.	83 IAM	7.00%	DEF	270,734		XXX	195,414		XXX	75,320	
0200034.	83 IAM	7.25%	DEF	16,357,803		XXX	16,357,803		XXX		

## EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200035. 83 IAM 8.00% DEF.....	2,995,159	XXX	2,389,787	XXX	605,372
0200036. 83 IAM 8.50% DEF.....	10,240,910	XXX	10,240,910	XXX	
0200037. 83 IAM 8.75% DEF.....	1,057,308	XXX	1,057,308	XXX	
0200038. 83 IAM 10.00% DEF.....	326,562	XXX	326,562	XXX	
0200039. 83 GAM 5.25% DEF.....	1,208,948	XXX			1,208,948
0200040. 83 GAM 5.75% DEF.....	489,658	XXX			489,658
0200041. 83 GAM 6.00% DEF.....	4,715,781	XXX			4,715,781
0200042. 83 GAM 6.25% DEF.....	1,534,562	XXX			1,534,562
0200043. 83 GAM 6.50% DEF.....	2,440,996	XXX			2,440,996
0200044. 83 GAM 6.75% DEF.....	515,239	XXX			515,239
0200045. 83 GAM 7.00% DEF.....	199,996	XXX			199,996
0200046. 83 GAM 7.25% DEF.....	4,454,786	XXX			4,454,786
0200047. 83 GAM 7.50% DEF.....	6,170,850	XXX			6,170,850
0200048. 83 GAM 7.75% DEF.....	402,970	XXX			402,970
0200049. 83 GAM 8.00% DEF.....	1,579,771	XXX			1,579,771
0200050. 83 GAM 8.25% DEF.....	1,286,632	XXX			1,286,632
0200051. 83 GAM 8.75% DEF.....	99,533	XXX			99,533
0200052. 83 GAM 6.75% IMM.....	98,839	XXX			98,839
0200053. 83 GAM 7.00% IMM.....	428,063	XXX			428,063
0200054. 83 GAM 7.75% IMM.....	34,035	XXX			34,035
0200055. 83 GAM 8.00% IMM.....	642,297	XXX			642,297
0200056. 83 GAM 8.25% IMM.....	2,018,908	XXX			2,018,908
0200057. 83 GAM 8.75% IMM.....	26,951	XXX			26,951
0200058. 83 GAM 9.25% IMM.....	113,630	XXX			113,630
0200059. 83 GAM 11.00% IMM.....	207,823	XXX			207,823
0200060. 83 GAM 11.25% IMM.....	3,571	XXX			3,571
0299997. Totals (Gross).....	1,395,983,997	XXX	964,822,991	XXX	431,161,006
0299998. Reinsurance ceded.....	18,545,216	XXX	18,545,216	XXX	
0299999. Totals (Net).....	1,377,438,781	XXX	946,277,775	XXX	431,161,006
<b>Supplementary Contracts with Life Contingencies:</b>					
0300001. 37 S.A. 2.25%.....	4,442		4,442		
0300002. 37 S.A. 2.50%.....	5,813		5,813		
0300003. 83 IAM 4.50%.....	21,286		21,286		
0300004. 83 IAM 5.25%.....	1,401,086		1,401,086		
0300005. 83 IAM 5.50%.....	1,887,694		1,887,694		
0300006. 83 IAM 6.00%.....	1,807,874		1,807,874		
0300007. 83 IAM 6.25%.....	552,018		552,018		
0300008. 83 IAM 6.50%.....	1,032,552		1,032,552		
0300009. 83 IAM 6.75%.....	1,295,801		1,295,801		
0300010. 83 IAM 7.00%.....	906,358		906,358		
0300011. 83 IAM 7.25%.....	571,516		571,516		
0300012. 83 IAM 7.50%.....	808,022		808,022		
0300013. 83 IAM 7.75%.....	562,917		562,917		
0300014. 83 IAM 8.25%.....	1,687,318		1,687,318		
0300015. 83 IAM 8.75%.....	143,343		143,343		
0300016. A-2000 3.00%.....	108,712		108,712		
0399997. Totals (Gross).....	12,796,752	0	12,796,752	0	0
0399999. Totals (Net).....	12,796,752	0	12,796,752	0	0
<b>Accidental Death Benefits:</b>					
0400001. 1959 ADB WITH 58 CSO 3.00%.....	101,003		101,003		
0499997. Totals (Gross).....	101,003	0	101,003	0	0
0499998. Reinsurance ceded.....	101,003		101,003		
0499999. Totals (Net).....	0	0	0	0	0
<b>Disability - Active Lives:</b>					
0500001. 1952 DISABILITY STUDY WITH 58 CSO 3.00%.....	163,544		163,544		
0599997. Totals (Gross).....	163,544	0	163,544	0	0
0599998. Reinsurance ceded.....	163,135		163,135		
0599999. Totals (Net).....	409	0	409	0	0
<b>Disability - Disabled Lives:</b>					
0600001. 1952 DISABILITY STUDY WITH 58 CSO 3.00%.....	810,125		810,125		
0600002. GROUP.....	11,683,566				11,683,566
0600003. 70 INTERCOMPANY DISA 3.00%.....	118,134,073				118,134,073
0600004. 2005 GROUP TERM LIFE WAIVER RESERVE TABLE 4.00%.....	2,199,786				2,199,786
0699997. Totals (Gross).....	132,827,550	0	810,125	0	132,017,425
0699998. Reinsurance ceded.....	20,665,066		781,810		19,883,256
0699999. Totals (Net).....	112,162,484	0	28,315	0	112,134,169
<b>Miscellaneous Reserves:</b>					
0700001. Immediate Claim Payment.....	1,024,958		1,024,958		
0700002. Special Class extra.....	8,424		8,424		
0700003. For excess of valuation net premiums over corresponding gross premiums on resp.....	1,133,784		1,133,784		
0700004. For non-deduction of deferred fractional premiums or return of premiums at the d.....	265,803		265,803		
0700005. For surrender values in excess of reserves otherwise required and carried in this.....	3,166,679		3,166,679		
0799997. Totals (Gross).....	5,599,648	0	5,599,648	0	0
0799998. Reinsurance ceded.....	5,508,720		5,508,720		
0799999. Totals (Net).....	90,928	0	90,928	0	0
9999999. Totals (Net) - Page 3, Line 1.....	1,515,995,490	0	964,285,242	0	551,710,248

## EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes  No   
 1.2 If not, state which kind is issued.....  
 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes  No   
 2.2 If not, state which kind is issued..... NON-PARTICIPATING  
 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes  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? If so, state: Yes  No   
 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 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   
 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   
 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: \$.....  
 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:  
  
 7.3 State the amount of reserves established for this business: \$.....  
 7.4 Identify where the reserves are reported in the blank.

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

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

NONE

**EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS**

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
<b>ACTIVE LIFE RESERVE</b>									
1. Unearned premium reserves.....	6,035,539	6,035,539							
2. Additional contract reserves (a).....	.0								
3. Additional actuarial reserves - Asset/Liability analysis.....	.0								
4. Reserve for future contingent benefits.....	.0								
5. Reserve for rate credits.....	.0								
6. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Totals (Gross).....	6,035,539	6,035,539	.0	.0	.0	.0	.0	.0	.0
8. Reinsurance ceded.....	42,690	42,690							
9. Totals (Net).....	5,992,849	5,992,849	.0	.0	.0	.0	.0	.0	.0
<b>CLAIM RESERVE</b>									
10. Present value of amounts not yet due on claims.....	812,934,235	812,934,235							
11. Additional actuarial reserves - Asset/Liability analysis.....	.0								
12. Reserve for future contingent benefits.....	.0								
13. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Totals (Gross).....	812,934,235	812,934,235	.0	.0	.0	.0	.0	.0	.0
15. Reinsurance ceded.....	74,159,758	74,159,758							
16. Totals (Net).....	738,774,477	738,774,477	.0	.0	.0	.0	.0	.0	.0
17. TOTALS (Net).....	744,767,326	744,767,326	.0	.0	.0	.0	.0	.0	.0
18. TABULAR FUND INTEREST.....	36,145,859	36,145,859							

**DETAILS OF WRITE-INS**

0601.....									
0602.....									
0603.....									
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1301.....									
1302.....									
1303.....									
1398. Summary of remaining write-ins for Line 13 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1399. Totals (Lines 1301 thru 1303 + 1398) (Line 13 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0

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

**EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS**

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	130,599,685			29,482,943		101,116,742
2. Deposits received during the year.....	13,855,149			13,855,149		
3. Investment earnings credited to the account.....	7,469,491			3,646,033		3,823,458
4. Other net change in reserves.....	.0					
5. Fees and other charges assessed.....	.0					
6. Surrender charges.....	.0					
7. Net surrender or withdrawal payments.....	48,908,856			10,032,569		38,876,287
8. Other net transfers to or (from) Separate Accounts.....	.0					
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8).....	103,015,469	.0	.0	36,951,556	.0	66,063,913
10. Reinsurance balance at the beginning of the year.....	610,656			610,656		
11. Net change in reinsurance assumed.....	67,976			67,976		
12. Net change in reinsurance ceded.....	.0					
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	678,632	.0	.0	678,632	.0	.0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	103,694,101	.0	.0	37,630,188	.0	66,063,913

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

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct.....	0										
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	543,850						543,850				
2.12 Reinsurance assumed.....	0										
2.13 Reinsurance ceded.....	50,000						50,000				
2.14 Net.....	493,850	0	(b) 0	(b) 0	0	(b) 0	(b) 493,850	0	0	0	0
2.2 Other:											
2.21 Direct.....	287,961,825		1,243,809				16,319,165		270,398,851		
2.22 Reinsurance assumed.....	133,240,746								133,240,746		
2.23 Reinsurance ceded.....	30,530,257		422,793				1,356,598		28,750,866		
2.24 Net.....	390,672,314	0	(b) 821,016	(b) 0	0	(b) 0	(b) 14,962,567	0	(b) 374,888,731	(b) 0	(b) 0
3. Incurred but unreported:											
3.1 Direct.....	56,695,056		371,646				36,035,597		20,287,813		
3.2 Reinsurance assumed.....	41,158,602								41,158,602		
3.3 Reinsurance ceded.....	1,409,049		337,500						1,071,549		
3.4 Net.....	96,444,609	0	(b) 34,146	(b) 0	0	(b) 0	(b) 36,035,597	0	(b) 60,374,866	(b) 0	(b) 0
4. Totals:											
4.1 Direct.....	345,200,731	0	1,615,455	0	0	0	52,898,612	0	290,686,664	0	0
4.2 Reinsurance assumed.....	174,399,348	0	0	0	0	0	0	0	174,399,348	0	0
4.3 Reinsurance ceded.....	31,989,306	0	760,293	0	0	0	1,406,598	0	29,822,415	0	0
4.4 Net.....	487,610,773	(a) 0	(a) 855,162	0	0	0	(a) 51,492,014	0	435,263,597	0	0

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

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....112,134,169, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....0, Credit (Group and Individual) Accident and Health \$.....738,774,477 and Other Accident and Health \$.....0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

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

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct.....	730,949,849		6,857,545	28,314,235	1,561,339		283,249,885	8,025,664	402,802,516		138,665
1.2 Reinsurance assumed.....	30,755,027		344,882	37,124	180,447			355,944	29,836,630		
1.3 Reinsurance ceded.....	117,021,295		5,854,817		16,177		31,193,839		79,956,462		
1.4 Net..... (d)	644,683,581	0	1,347,610	28,351,359	1,725,609	0	252,056,046	8,381,608	352,682,684	0	138,665
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	345,200,731		1,615,455				52,898,612		290,686,664		
2.2 Reinsurance assumed.....	174,399,348								174,399,348		
2.3 Reinsurance ceded.....	31,989,306		760,293				1,406,598		29,822,415		
2.4 Net.....	487,610,773	0	855,162	0	0	0	51,492,014	0	435,263,597	0	0
3. Amounts recoverable from reinsurers December 31, current year.....	5,471,515		274,159				1,650,313		3,547,043		
4. Liability December 31, prior year:											
4.1 Direct.....	343,042,382		1,133,174				64,778,959		277,130,249		
4.2 Reinsurance assumed.....	152,365,492								152,365,492		
4.3 Reinsurance ceded.....	36,271,041		744,214				1,748,000		33,778,827		
4.4 Net.....	459,136,833	0	388,960	0	0	0	63,030,959	0	395,716,914	0	0
5. Amounts recoverable from reinsurers December 31, prior year.....	5,881,130		401,823				1,872,147		3,607,160		
6. Incurred benefits:											
6.1 Direct.....	733,108,198	0	7,339,826	28,314,235	1,561,339	0	271,369,538	8,025,664	416,358,931	0	138,665
6.2 Reinsurance assumed.....	52,788,883	0	344,882	37,124	180,447	0	0	355,944	51,870,486	0	0
6.3 Reinsurance ceded.....	112,329,945	0	5,743,232	0	16,177	0	30,630,603	0	75,939,933	0	0
6.4 Net.....	673,567,136	0	1,941,476	28,351,359	1,725,609	0	240,738,935	8,381,608	392,289,484	0	138,665

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

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....369,307 in Line 1.1, \$.....0 in Line 1.4, \$.....369,307 in Line 6.1 and \$.....0 in line 6.4.

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

(d) Includes \$.....3,942 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).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	6,423		(6,423)
3.2 Other than first liens.....	1,102,608	188,189	(914,419)
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....	499	499	.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Other invested assets (Schedule BA).....	1,927,444		(1,927,444)
8. Receivables for securities.....	39,691	474,587	434,896
9. Aggregate write-ins for invested assets.....	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	3,076,665	663,275	(2,413,390)
11. Title plants (for Title insurers only).....			.0
12. Investment income due and accrued.....			.0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection.....	984,112	406,604	(577,508)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
13.3 Accrued retrospective premiums.....			.0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers.....			.0
14.2 Funds held by or deposited with reinsured companies.....			.0
14.3 Other amounts receivable under reinsurance contracts.....			.0
15. Amounts receivable relating to uninsured plans.....			.0
16.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
16.2 Net deferred tax asset.....	71,240,128	65,002,281	(6,237,847)
17. Guaranty funds receivable or on deposit.....			.0
18. Electronic data processing equipment and software.....	3,821,617	3,116,773	(704,844)
19. Furniture and equipment, including health care delivery assets.....	4,487,682	3,498,427	(989,255)
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
21. Receivables from parent, subsidiaries and affiliates.....	956,620	15,189	(941,431)
22. Health care and other amounts receivable.....			.0
23. Aggregate write-ins for other than invested assets.....	3,997,180	3,916,213	(80,967)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	88,564,004	76,618,762	(11,945,242)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
26. TOTALS (Lines 24 and 25).....	88,564,004	76,618,762	(11,945,242)

**DETAILS OF WRITE-INS**

0901.....			.0
0902.....			.0
0903.....			.0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0
2301. Prepaid pension costs and other expenses and suspense debits.....	3,716,549	3,520,937	(195,612)
2302. Other assets nonadmitted.....	280,631	395,276	114,645
2303.....			.0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	3,997,180	3,916,213	(80,967)

**Annual Statement for the year 2009 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The accompanying financial statements of Reliance Standard Life Insurance Company (the "Company") have been prepared in conformity with statutory accounting practices ("SAP") as set forth in the National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures* manuals and the NAIC *Annual Statement Instructions* manuals and with accounting practices prescribed by the State of Illinois.

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

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. SAP also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy

Ordinary life insurance premiums are recognized as income over the premium-paying period of the related policies. Group life and accident and health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Considerations for annuity and supplementary contracts with mortality or morbidity risk are recognized as revenue when received. Funds received from deposit-type contracts, which include funding agreements, annuity and supplementary contracts without mortality or morbidity risk, are recorded as an addition to policy reserves and are not recognized as revenue. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method, except for those in reserve class six, which are stated at the lower of amortized cost or market value.
- (3) Common stocks are stated at market value, except common stocks of affiliated companies which are valued as stated in item (7) of this Note 1(C) and Note 10 below.
- (4) Preferred stocks are stated at cost, except for those in reserve classes four through six which are stated at the lower of cost or market value.
- (5) Mortgage loans on real estate are stated at amortized cost using the interest method.
- (6) Single class and multi-class mortgage-backed and asset-backed securities are stated at amortized cost using the interest method; significant changes in estimated cash flows from the original purchase assumptions are accounted for using the prospective method.
- (7) The Company owns 100% of the common stock of First Reliance Standard Life Insurance Company ("FRSLIC"). The Company's carrying value of the stock is equal to the statutory capital and surplus of FRSLIC.
- (8) The Company has certain ownership interests in limited partnerships and limited liability companies. The Company carries these interests based on the underlying audited GAAP equity of the investee.
- (9) Derivative instruments are valued consistently with the hedged assets. The statement value of derivative instruments which hedge assets carried at amortized cost is the cost of the derivative instrument. The statement value of derivative instruments which hedge assets carried at market is the market value of the derivative instrument.
- (10) Not applicable.
- (11) Unpaid claims and related expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) Not applicable.

The amounts reported in this statement that pertain to the entire business of the Company include, as appropriate, the activity of the Company's separate account business.

The Company elected to use rounding in the preparation of this statement.

**Annual Statement for the year 2009 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

A. In September 2009, the NAIC adopted Statement of Statutory Accounting Principles No. 43—Revised, "Loan-Backed and Structured Securities", ("SSAP 43R"). SSAP 43R provides guidance on accounting for structured securities and beneficial interest with the primary impact related to other-than-temporary-impairments. As a result of adopting this statement, the Company recognized an increase to surplus of \$7,596,617. See Note 5 below.

In November 2009, the NAIC adopted SSAP 10R, "Income Taxes – Revised, A Temporary replacement of SSAP No. 10". SSAP 10R provides guidance on accounting for current and deferred income taxes. As a result of adopting this statement, the Company recognized an increase to surplus of \$6,959,896. See Note 9 below.

3. BUSINESS COMBINATIONS AND GOODWILL Not applicable.

4. DISCONTINUED OPERATIONS Not applicable.

5. INVESTMENTS

A. Mortgage Loans

- (1) During 2009, the Company acquired one commercial mortgage loan with a maximum and minimum lending rate of 12.0%.
- (2) Not applicable.
- (3) The maximum percentage of any one loan to the value of security at the time of the loan was 80.0%.
- (4) At December 31, 2009, The Company held no mortgages with interest more than 180 days past due. At December 31, 2008, interest due on mortgages with interest more than 180 days past totaled \$570,812.
- (5-12) Not applicable.

B-C. Not applicable.

D. Loan-Backed Securities

- (1) Not applicable.
- (2) Prepayment assumptions for single class and multi-class mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with the current interest rate environment. The prospective adjustment method is used to value all securities.
- (3) Not applicable.
- (4), (5) The Company did not experience any other-than-temporary impairments based on the Company's intent to sell or inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis. Other-than-temporary impairments classified on the basis that the present value of cash flows expected to be collected is less than the amortized cost basis of the security are presented in the table below:

CUSIP	Book/Adjusted	Present	Recognized	Book/Adjusted	Fair
	Carrying			Value	
	Value	Value	OTTI	Value	Value
	Before	of		After	
	Current Period	Projected		OTTI	
	OTTI	Cash Flows			
058931BT2	\$1,376,801	\$134,851	(\$1,238,583)	\$134,851	\$120,777
059511BC8	2,639,786	476,167	(2,163,619)	476,167	366,571
12544ABT1	115,565	56,687	(58,737)	56,687	52,645
12544TAW4	175,180	46,779	(128,055)	46,779	40,836
12566RAM3	356,440	180,903	(174,714)	180,903	174,169
12566RAN1	110,751	43,247	(67,344)	43,247	43,247
12666RAK6	98,049	76,007	(22,042)	76,007	46,974
12668ZAB1	3,407,185	2,502,429	(717,357)	2,502,429	2,333,791
1266943P1	109,288	9,603	(33,066)	9,603	9,270
126694J66	41,129	2,140	(29,633)	2,140	2,121
126694PA0	249,216	215,398	(32,927)	215,398	215,398
126694PB8	170,792	78,423	(92,009)	78,423	73,421
12669GYG0	493,444	154,248	(337,346)	154,248	143,476
1266MAF5	181,730	14,102	(57,110)	14,102	12,843
12670BAC3	2,776,894	2,141,845	(531,868)	2,141,845	2,141,845
17307G4L9	15,864,067	12,500,468	(86,090)	12,500,468	9,655,06
17307GPK8	23,685	14,781	(8,904)	14,781	12,944

**Annual Statement for the year 2009 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

CUSIP	Book/Adjusted Carrying Value Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Book/Adjusted Carrying Value After OTTI	Fair Value
22544QAT6	507,444	108,413	(399,032)	108,413	51,470
32052KAJ4	87,521	33,943	(53,533)	33,943	30,469
32052LAU7	2,200,560	396,695	(1,801,256)	396,695	339,677
362334KZ6	165,559	7,476	(95,396)	7,476	7,040
36242DK44	121,134	27,685	(60,521)	27,685	25,097
36246LAT8	1,861,532	248,657	(1,612,875)	248,657	195,726
466247WW9	1,932,238	246,631	(1,683,860)	246,631	204,120
466247ZJ5	219,190	15,748	(115,313)	15,748	14,897
46628BCE8	606,623	69,647	(536,817)	69,647	63,895
46629DBV6	88,282	2,796	(36,092)	2,796	2,678
46631BAU9	534,029	59,344	(474,684)	59,344	30,632
525221EB9	912,343	865,748	(46,595)	865,748	674,941
59023NBA5	195,355	29,690	(165,666)	29,690	29,690
61750YAB5	5,299,101	4,985,789	(313,313)	4,985,789	3,881,311
749581AY0	233,749	-	(77,907)	-	-
760985XZ9	1,118,282	909,320	(218,056)	909,320	381,717
76110WZW9	648,492	68,158	(506,018)	68,158	57,104
76111XA78	115,299	41,188	(74,111)	41,188	36,126
762009BZ0	25,876	-	(18,111)	-	-
774262AF6	3,000,000	445,822	(2,600,755)	445,822	243,170
863576CX0	1,811,129	243,499	(1,567,630)	234,499	210,340
87222EAC2	3,848,806	3,473,694	(375,111)	3,473,694	3,354,958
92922FF52	233,148	10,997	(204,846)	10,997	10,458
92922FQ92	1,991,931	1,382,456	(608,989)	1,382,456	569,436
933634AT4	1,445,926	137,922	(1,307,187)	137,922	133,666
933637AQ3	122,791	50,305	(72,474)	50,305	44,481
94981UAN9	594,321	165,565	(428,195)	165,565	112,526
94983SBB7	574,572	100,978	(473,595)	100,978	97,751
94983SBC5	222,620	7,205	(143,154)	7,205	6,890
94984HAW5	296,540	100,069	(195,769)	100,069	92,972
94984RAF0	90,082	9,596	(47,611)	9,596	9,596
94984SAN1	987,820	200,625	(787,085)	200,625	186,422
03072SQY4	1,358,100	870,555	(487,545)	870,555	294,623
04542BNA6	3,128,817	321,758	(2,807,059)	321,758	273,715
05948KTR0	998,909	307,692	(691,217)	307,692	248,318
05948KVG1	1,068,374	321,753	(746,621)	321,753	288,728
05950GBT9	123,202	52,105	(71,097)	52,105	52,105
059513EG2	262,599	230,554	(32,046)	230,554	87,594
059513EJ6	49,847	28,269	(21,578)	28,269	25,188
17307G4H8	1,045,187	951,294	(93,893)	951,294	951,294
22544QAS8	463,477	97,189	(366,288)	97,189	62,330
225458PJ1	574,011	324,704	(249,306)	324,704	324,704
32051GRM9	768,074	726,335	(41,740)	726,335	455,721
45660NYA7	351,181	174,619	(176,562)	174,619	123,902
466247UE1	548,618	271,352	(277,266)	271,352	156,119
46628UAG3	192,315	188,311	(4,004)	188,311	132,754
46632MAG5	1,554,406	383,026	(1,171,379)	383,026	312,209
46632MCL2	1,363,496	437,708	(925,787)	437,708	437,708
76116LDQ4	1,440,776	59,181	(1,381,595)	59,181	48,701
86359AQS5	4,208,079	4,113,100	(94,979)	4,113,100	4,113,100
92925DAN3	55,120	11,207	(43,913)	11,207	10,641
929766T52	472,490	105,231	(367,259)	105,231	59,169
929766T78	618,478	94,716	(523,762)	94,716	48,945
94981FAR3	212,247	32,402	(179,845)	32,402	30,262
94982CAP3	298,166	27,761	(270,405)	27,761	24,526
02148BAC8	7,476,348	7,074,039	(402,309)	6,983,283	5,636,487
02151CKB1	1,726,741	1,680,954	(45,787)	1,680,954	1,113,932
07387QAM2	5,966,247	5,067,475	(898,772)	410,828	357,589
100756AE5	4,680,291	2,985,587	(1,694,704)	2,985,587	3,051,909
126683AC5	2,499,565	1,495,858	(1,003,707)	1,358,103	1,549,457
12668VAC3	1,045,461	775,706	(269,755)	736,653	726,388
12668VAF6	4,918,351	3,985,626	(932,725)	3,773,085	3,822,003
23242MAA9	290,631	254,566	(36,064)	214,069	209,267
	<u>\$110,041,901</u>	<u>\$66,544,372</u>	<u>(\$39,189,930)</u>	<u>\$61,367,122</u>	<u>\$51,574,036</u>

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(6) The gross unrealized losses and fair value of loan backed securities aggregated by the length of time the individual securities have been in a continuous temporarily impaired position, are as follows:

<u>Less Than 12 Months</u>		<u>More than 12 Months</u>		<u>Total</u>	
<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>
(dollars in thousands)					
\$249,673	(\$12,201)	\$369,706	(\$166,498)	\$619,379	(\$178,699)

(7) Declines in the fair value of investments that are considered in the judgment of management to be other than temporary are reported as realized losses. Management evaluates, among other things, the financial position and prospects of the issuer, conditions in the issuer's industry and geographical area, liquidity of the investment, changes in the amount or timing of expected future cash flows from the investment and recent changes in the credit ratings of the issuer by a ratings agency to determine if and when a decline in the fair value of an investment below amortized cost is other than temporary. The length of time and extent to which the fair value of the investment is lower than its amortized cost, the Company's ability and intent to retain the investment to allow for anticipated recovery in the investment's fair value and whether the Company has made a decision to sell the investment are other factors also considered.

E. Not applicable.

F. The Company had real estate held for sale with a book value of \$12,290,561 and \$3,052,936 at December 31, 2009 and 2008, respectively. During 2009, the Company recognized other than temporary impairment losses of \$4,649,764 due to declines in the fair value below the book value of these properties.

G. Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES Not applicable.

7. INVESTMENT INCOME Not applicable.

8. DERIVATIVE INSTRUMENTS

An option is an agreement that gives the buyer the right to buy (call option) or sell (put option) a financial instrument at a specified price within a specified time period. The buyer of an option pays a premium to the seller on the settlement date. This premium is the buyer's only cash requirement and represents the maximum amount at risk. The seller (or writer) of an option receives a premium from the buyer on the settlement date. The seller settles changes in the market value daily in cash. The Company is exposed to counterparty risk with respect to any over-the-counter options and minimizes this risk by requiring collateral from counterparties in an amount equal to any unrealized gains. During 2009, realized and unrealized gains and losses related to options were not material.

9. INCOME TAXES

A. The Components of the net deferred tax asset (liability) are as follows:

(1)

	<u>December 31, 2009</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
Total gross admitted and nonadmitted deferred tax assets ("DTAs")	\$ 49,477,117	\$ 54,484,933	\$ 103,962,050
Statutory valuation allowance	-	-	-
Total admitted and nonadmitted DTAs	49,477,117	54,484,933	103,962,050
Total deferred tax liabilities ("DTLs")	(13,932,031)	-	(13,931,031)
Net admitted and nonadmitted DTAs before admissibility test	\$ 35,546,086	\$ 54,484,933	\$ 90,031,019
Admitted pursuant to ¶10.a.	\$ 11,830,995	\$ -	\$ 11,830,995
¶10.b.i.	-	-	-
¶10.b.ii.	50,785,178	-	50,785,178
Admitted pursuant to ¶10.b.(lesser of i. or ii.)	-	-	-
Admitted pursuant to ¶10.c.	13,931,031	-	13,931,031
Admitted pursuant to ¶10.e.i.	6,959,896	-	6,959,896
¶10.e.ii.a.	-	-	-
¶10.e.ii.b.	76,177,767	-	76,177,767
Additional admitted pursuant to ¶10.e.ii (lesser of a. or b.)	-	-	-
Additional admitted pursuant to ¶10.e.iii.	-	-	-
Admitted DTAs	\$ 32,721,922	\$ -	\$ 32,721,922
DTLs	(13,931,031)	-	(13,931,031)
Net admitted DTAs	\$ 18,790,891	\$ -	\$ 18,790,891
Nonadmitted DTAs	\$ 16,755,195	\$ 54,484,933	\$ 71,240,128

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	December 31, 2008		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
Total gross admitted and nonadmitted DTAs	\$51,171,537	\$32,826,991	\$83,998,528
Statutory valuation allowance	-	-	-
Total admitted and nonadmitted DTAs	<u>51,171,537</u>	<u>32,826,991</u>	<u>83,998,528</u>
Total DTLs	<u>(9,757,035)</u>	<u>-</u>	<u>(9,757,035)</u>
Net admitted and nonadmitted DTAs before admissibility test	<u>\$41,414,502</u>	<u>\$32,826,991</u>	<u>\$74,241,493</u>
Admitted pursuant to ¶10.a.	\$ 9,239,212	\$ -	\$ 9,239,212
¶10.b.i.	-	-	-
¶10.b.ii.	42,515,710	-	42,515,710
Admitted pursuant to ¶10.b.(lesser of i. or ii.)	-	-	-
Admitted pursuant to ¶10.c.	9,757,035	-	9,757,035
Admitted pursuant to ¶10.e.i.	N/A	N/A	N/A
¶10.e.ii.a.	N/A	N/A	N/A
¶10.e.ii.b.	N/A	N/A	N/A
Additional admitted pursuant to ¶10.e.ii (lesser of a. or b.)	N/A	N/A	N/A
Additional admitted pursuant to ¶10.e.iii.	N/A	N/A	N/A
Admitted DTAs	\$18,996,247	\$ -	\$18,996,247
DTLs	<u>(9,757,035)</u>	<u>-</u>	<u>(9,757,035)</u>
	<u>\$ 9,239,212</u>	<u>\$ -</u>	<u>\$ 9,239,212</u>
Nonadmitted DTAs	<u>\$32,175,290</u>	<u>\$32,826,991</u>	<u>\$65,002,281</u>

- (2) The Company has elected to admit DTAs pursuant to paragraph 10.e. Such election was not available in 2008.
- (3) The Company recorded an increase in admitted DTAs as the result of its election to employ the provisions of paragraph 10.e. as follows:

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
Total gross admitted and nonadmitted DTAs	\$ (1,694,420)	\$21,657,942	\$19,963,522
Statutory valuation allowance	-	-	-
Total admitted and nonadmitted DTAs	<u>(1,694,420)</u>	<u>21,657,942</u>	<u>19,963,522</u>
Total DTLs	<u>(4,173,996)</u>	<u>-</u>	<u>(4,173,996)</u>
Net admitted and nonadmitted DTAs before admissibility test	<u>\$ (5,868,416)</u>	<u>\$21,657,942</u>	<u>\$15,789,526</u>
Admitted pursuant to ¶10.a.	\$ 2,591,783	\$ -	\$ 2,591,783
¶10.b.i.	-	-	-
¶10.b.ii.	-	-	-
Admitted pursuant to ¶10.b.(lesser of i. or ii.)	-	-	-
Admitted pursuant to ¶10.c.	4,173,996	-	4,173,996
Admitted pursuant to ¶10.e.i.	6,959,896	-	6,959,896
¶10.e.ii.a.	-	-	-
¶10.e.ii.b.	-	-	-
Additional admitted pursuant to ¶10.e.ii (lesser of a. or b.)	-	-	-
Additional admitted pursuant to ¶10.e.iii.	-	-	-
Admitted DTAs	\$ 13,725,675	\$ -	\$13,725,675
DTLs	<u>(4,173,996)</u>	<u>-</u>	<u>(4,713,996)</u>
	<u>\$ 9,551,679</u>	<u>\$ -</u>	<u>\$ 9,551,679</u>
Nonadmitted DTAs	<u>\$(15,420,095)</u>	<u>\$21,657,942</u>	<u>\$ 6,237,847</u>

- (4) Description
- |               | 'With ¶s 10.a.-c. | 'With ¶s 10.e. | Difference |
|---------------|-------------------|----------------|------------|
| Admitted DTAs | 25,762,027        | 32,721,922     | 6,959,896  |

B. Not applicable.

**Annual Statement for the year 2009 of the Reliance Standard Life Insurance Company**  
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- C. All of the Company's current and deferred income tax expense is due to federal income taxes as opposed to foreign income taxes. The tax effects of temporary differences that give rise to the DTAs and DTLs are as follows:

	December 31, 2009	December 31, 2008	Total Change	Ordinary/ Capital
DTAs:				
Discounting of reserves	\$16,817,461	\$15,539,420	\$ 1,278,041	Ordinary
Realized capital losses attributable to bond impairments	32,967,119	18,062,683	13,904,436	Capital
Unrealized capital losses	14,543,246	12,687,475	1,855,771	Capital
Deferred acquisition costs	13,684,688	11,587,049	2,097,639	Ordinary
Employee benefit plans	5,193,960	5,769,239	(575,279)	Ordinary
Partnerships/LLCs	4,611,329	7,114,200	(2,502,871)	Ordinary
Fixed assets	4,103,299	5,624,598	(1,521,300)	Ordinary
Other	<u>13,040,948</u>	<u>7,613,864</u>	<u>5,427,084</u>	Ordinary
Total DTAs	103,962,050	83,998,528	19,963,522	
Nonadmitted DTAs	<u>(71,240,128)</u>	<u>(65,002,281)</u>	<u>(6,237,847)</u>	
Admitted DTAs	<u>32,721,922</u>	<u>18,996,247</u>	<u>13,725,675</u>	
DTLs:				
Accrual of bond discount	11,250,636	5,344,947	5,905,689	Ordinary
Other	<u>2,680,396</u>	<u>4,412,088</u>	<u>(1,731,692)</u>	Ordinary
Total DTLs	<u>13,931,031</u>	<u>9,757,035</u>	<u>4,173,996</u>	
Net admitted DTAs	<u>\$18,790,891</u>	<u>\$ 9,239,212</u>	<u>\$ 9,551,679</u>	

The change in the net deferred income tax expense for the year ended December 31, 2009 is comprised of the following:

	December 31, 2009	December 31, 2008	Increase (Decrease)
Total DTAs	\$ 103,962,050	\$ 83,998,528	\$ 19,963,523
Total DTLs	<u>(13,931,031)</u>	<u>(9,757,035)</u>	<u>(4,173,996)</u>
	<u>\$ 90,031,019</u>	<u>\$ 74,241,493</u>	15,789,526
Net deferred income tax benefit attributable to the change in unrealized capital gains			(5,634,871)
Net deferred income tax expense attributable to net realized investment gains transferred to IMR and other adjustments			<u>9,344,272</u>
			<u>\$ 19,498,927</u>
Net deferred income tax benefit attributable to realized capital losses			\$ 37,561,640
Net deferred income tax expense attributable to net gain from operations			<u>(18,062,713)</u>
			<u>\$ 19,498,927</u>

- D. Income tax expense for the year ended December 31, 2009 is reconciled to the amount computed by applying the statutory federal income tax rate to net gain from operations before income tax expense as follows:

Federal income tax expense at statutory rate	\$ 46,048,417	35.00 %
Tax exempt interest	(590,647)	(0.45)%
Dividends received deduction	(287,657)	(0.22)%
Amortization of interest maintenance reserve	(633,368)	(0.48)%
Other	<u>(144,340)</u>	<u>(0.11)%</u>
	<u>\$ 44,392,405</u>	<u>33.74 %</u>
Income tax expense incurred	\$ 26,329,692	20.01 %
Net deferred income tax expense attributable to net gain from operations	<u>18,062,713</u>	<u>13.73 %</u>
	<u>\$ 44,392,405</u>	<u>33.74 %</u>

- E. The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

Year Incurred	Amount of Tax		
	Ordinary	Capital	Total
2009	\$26,329,692	\$ -	\$26,329,692
2008	39,347,896	-	39,347,896
2007	47,545,524	1,860,149	49,405,673

- F. (1) The Company consolidates its federal income tax return with the return of its ultimate parent, Delphi Financial Group, Inc. ("DFG"). DFG and all of its direct and indirect subsidiaries are members of the consolidated tax group. See Schedule Y, Part 1 for a list of the principal members of the consolidated tax group.
- (2) The method of allocation between the companies is subject to a written tax allocation agreement approved by the Company's Board of Directors. The agreement requires the Company to accrue federal taxes based on the amount of tax it would have paid or received if it had filed on a separate return basis with the Internal Revenue Service. Intercompany tax balances are settled within 15 days after filing a tax return or receipt of a refund. If the amount of federal income taxes paid by the Company to DFG exceeds the amount of federal income taxes paid by DFG to the Internal Revenue Service, the excess of the amount paid will be placed in an escrow account. Escrow assets may be released to DFG from the escrow account when the permissible period for loss carrybacks has elapsed.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- A-C. The outstanding shares of the Company's preferred stock are owned by DFG, Reliance Standard Life Insurance Company of Texas ("RSL-Texas"), the Company's direct parent and Safety National Casualty Corporation ("SNCC"), a subsidiary of DFG. During 2009, the Company paid cash dividends on its cumulative preferred stock issued to DFG, RSL-Texas and SNCC totaling \$1,600,000, \$400,000 and \$1,200,000 respectively. The Company received common stock dividend cash payments totaling \$500,000 from FRSLIC during 2009.

On June 29, 2009, the Company received a contribution to its surplus from its parent, Reliance Standard Life Insurance Company of Texas ("RSL-Texas"), in the amount of \$10,000,000 in cash. On September 30, 2009, the Company received a contribution to its surplus from RSL-Texas, in the amount of \$40,000,000 in cash.

As of December 31, 2009, the Company owned 2,000,000 shares of the common stock of DFG. The amount deducted from the market value of this common stock in accordance with the SVO manual was \$16,721,735.

On December 9, 2009, the Company sold securities with a statement value of \$45,776,614 to SNCC for proceeds of \$49,998,905, including accrued interest of \$90,127.

From time to time, the Company has obtained advances from its parent, RSL-Texas, for purposes of financing mortgage-related investments. To fund these advances, RSL-Texas obtained advances from the Federal Home Loan Bank of Dallas ("FHLB Dallas"). The terms of the Company's advances from RSL-Texas are identical to the terms of RSL-Texas' advances from the FHLB Dallas. At each year ended December 31, 2009 and 2008, the Company had an outstanding borrowing from RSL-Texas which totaled \$55,342,146 including accrued interest of \$342,146. During 2009, the Company did not obtain any additional advances from RSL-Texas. The Company paid interest totaling \$4,105,750 during 2009 on the advance from RSL-Texas. See Note 11 for additional information regarding the Company's borrowings.

- D. The Company does not have any material receivables or payables with affiliates other than the items disclosed in Note 10A-C, Note 11B and Schedule D, Part 1.
- E. There are no guarantees or undertakings for the benefit of any affiliate, which result in a material contingent exposure to the Company's assets.
- F. Pursuant to an investment consulting agreement, the Company pays to Rosenkranz Asset Managers, L.L.C. certain fixed fees associated with the formulation of the business and investment strategies of the Company. These fees amounted to \$5,920,305 in 2009. All other contracts and cost-sharing arrangements are based on generally accepted accounting principles.
- G. All of the outstanding common shares of the Company are owned by RSL-Texas, a life insurance company domiciled in Texas. The outstanding shares of the Company's preferred stock are owned by SNCC (250,000 shares), a property and casualty insurance company domiciled in Missouri, the parent company of RSL-Texas, DFG (200,000 shares) and RSL-Texas (50,000 shares).
- H-L. Not applicable.

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11. DEBT

- A. Not applicable.
- B. From time to time, the Company has obtained advances from its parent, RSL-Texas, for purposes of financing mortgage-related investments. To fund these advances, RSL-Texas obtained advances from the FHLB Dallas. The terms of the Company's advances from RSL-Texas are identical to the terms of RSL-Texas' advances from the FHLB Dallas. At December 31, 2009, the Company has one borrowing outstanding from RSL-Texas, which totaled \$55,342,146 including accrued interest of \$342,146 and is included in the liability for borrowed money caption on the balance sheet. Interest paid during 2009 was \$4,105,750. The principal amount of the borrowing outstanding at December 31, 2009 is \$55,000,000 and matures in 2020. The interest rate on the borrowing is 7.47%. This borrowing is collateralized by mortgage-related securities owned by the Company. The statement value and market value of the securities held as collateral totaled \$55,102,834 and \$57,875,754 respectively, at December 31, 2009.

During 1993 and 1994, the Company obtained advances from the Federal Home Loan Bank of Pittsburgh ("FHLB Pittsburgh") in order to finance mortgage-backed securities. The last outstanding advance was repaid in 2004. The Company currently does not have an agreement to borrow funds from FHLB Pittsburgh. As part of the agreement with the FHLB Pittsburgh, the Company purchased shares of FHLB Pittsburgh Capital Stock. The Company owns shares of FHLB Pittsburgh Capital Stock with a book/adjusted carrying value of \$3,899,200 as of December 31, 2009 and 2008, respectively. These shares are listed on Schedule D –Part 2 – Section 2 as restricted as to sale.

The Company does not have any reverse repurchase agreements outstanding at December 31, 2009.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

A. Defined Benefit Plans

During 2009 and prior, the Company sponsored a qualified non-contributory defined benefit pension plan covering substantially all employees age 21 or over with more than one year of service with the Company or its affiliates. The Company funds pension costs in accordance with the requirements of ERISA. Effective December 31, 2009, the plan was frozen and will not accept new participants after that date. Existing participants in the plan will not accrue any additional benefits under the plan.

The Company also sponsors a supplemental executive retirement plan. The plan provides certain key employees with the opportunity for additional postemployment income, which would otherwise have been limited under the pension plan. The plan is a nonqualified tax-deferred retirement plan and is not funded.

In addition to pension benefits, the Company provides certain health care and life insurance benefits ("postretirement benefits") for retired employees. The health care plan is non-contributory for current retirees and those employees who attained age 55 with ten years of service by December 31, 1992. Cost sharing features include deductibles and co-payment provisions. Other employees will be eligible for a dollar denominated postretirement health plan. Life insurance benefits are generally set at a fixed percentage of policy face value based on the employee's age. Employees hired after December 31, 1992 are not eligible for any postretirement benefits. The Company funds postretirement benefit payments as claims are incurred or as premium payments are due to the insurer.

The assets, benefit obligations, periodic costs and minimum pension liability adjustment related to these plans are not material to the Company's financial position or results of operations.

B. Defined Contribution Plans

The Company sponsors a qualified tax-deferred retirement savings plan for employees of the Company or its affiliates, who are at least 21 years old. In addition, the Company sponsors a nonqualified tax-deferred savings plan for certain key employees. The Company has created this plan as an additional tax-deferred savings option for highly compensated employees whose compensation exceeds the limit on the tax-deferred savings plan or whose contributions to the deferred savings plan are limited to ensure the plan's compliance with a nondiscrimination test. During 2009 and prior, the Company made matching contributions of fifty cents for every dollar the employee contributes under the combined plans, up to 4% of the employee's before-tax contributions. The Company's contributions to the plans were not material. Effective January 2010, the Company began contributing the equivalent of 3% of eligible compensation for every employee in the plan, in replacement of the matching contribution.

C-F. Not applicable.

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

- A. The Company has 2,000,000 shares of common stock authorized with a \$4.50 per share par value of which 1,334,025 shares are issued and outstanding. The Company also has 600,000 shares of preferred stock authorized with a \$100 per share par value of which 500,000 shares are issued and outstanding.

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- B. Dividends on the Company's preferred stock are cumulative at a rate of \$8 per share, payable semi-annually. The redemption price is \$100 per share.
- C. The maximum amount of dividends, which can be paid by Illinois insurance companies to shareholders in any twelve-month period without prior approval of the Director of Insurance, is subject to restrictions related to prior year statutory surplus and net income. Surplus at December 31, 2009 was \$539,563,458 and net loss was (\$29,061,105). The maximum total of dividends available for payout in 2009 without prior approval totaled \$53,956,346. Dividends paid in cash during 2009 totaled \$3,200,000. On December 31, 2009, the Company declared a dividend in property consisting of 2,000,000 shares of DFG common stock having an aggregate market value, as of December 31, 2009 totaling \$44,740,000, payable to RSL-Texas. The payment date of this dividend is January 15, 2010.
- D. Within the limitations described in Note 13C above, there are no restrictions placed on the portion of Company profits that may be paid as dividends to shareholders.
- E. The Company does not have any material restrictions on unassigned surplus.
- F. Not applicable.
- G. The Company does not hold any common stock for special purposes.
- H. During 2009, the Company recognized an increase of \$6,959,896 in special surplus funds from its adoption of SSAP 10R. See Note 9 above.
- I. The portion of unassigned surplus represented by cumulative net unrealized gains totaled \$8,709,031 at December 31, 2009.
- J. The Company has issued the following surplus notes:

<u>Date Issued</u>	<u>Interest Rate</u>	<u>Par Value (Face Amount of Notes)</u>	<u>Carrying Value of Notes</u>	<u>Principal and/or Interest Paid Current Year</u>	<u>Total Principal and/or Interest Paid</u>	<u>Unapproved Principal and/or Interest</u>	<u>Date of Maturity</u>
12/30/08	7.00%	\$20,000,000	\$20,645,556	\$766,111	\$766,111	\$645,556	01/15/2035
06/29/09	6.25%	15,000,000	15,484,375	-	-	484,375	01/15/2035
06/29/09	6.25%	<u>10,000,000</u>	<u>10,315,972</u>	<u>-</u>	<u>-</u>	<u>315,972</u>	01/15/2035
Total		<u>\$45,000,000</u>	<u>\$46,445,903</u>	<u>\$766,111</u>	<u>\$766,111</u>	<u>\$1,445,903</u>	

Each of these surplus notes has the following repayment conditions and restrictions: any payment of principal or interest may be made only with the prior written approval of the Director of the Department of Insurance of the State of Illinois, with the approval of the Company's Board of Directors and only out of the Company's surplus in excess of the minimum amount required under Illinois law. The Company's obligations under these surplus notes are subordinate to all claims of policyholders and general creditors of the Company, other than any future holders of surplus notes of the Company or of indebtedness which is expressly subordinated to such obligations.

- K-L. Not applicable.
- M. On January 22, 2009, the Company paid an ordinary dividend to stockholders on its preferred stock totaling \$1,200,000. On July 1, 2009, the Company paid an ordinary dividend to stockholders on its preferred stock totaling \$2,000,000. On December 31, 2009, the Company declared an ordinary dividend in property consisting of 2,000,000 shares of DFG common stock having an aggregate market value, as of December 31, 2009 of \$44,740,000, payable to its parent, RSL-Texas.

**14. CONTINGENCIES**

- A-B. Not applicable.
- C. The Company has no material gain contingencies.
- D. During 2009, the company made no payments related to extra-contractual obligations or bad faith claims stemming from lawsuits.
- E. A putative class action, Moore v. Reliance Standard Life Insurance Company, was filed in the United States District Court for the Northern District of Mississippi in July 2008 against the Company. The action challenges the Company's ability to pay certain insurance policy benefits through a mechanism commonly known in the insurance industry as a retained asset account and contains related claims of breach of fiduciary duty and prohibited transactions under the federal Employee Retirement Income Security Act of 1975. While this action is in its preliminary stage, the Company believes that it has substantial defenses to this action. Although it is not possible to predict the outcome of any litigation matter with certainty, the Company does not believe that the ultimate resolution of this action will have a material adverse effect on its financial condition.

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In addition to this action, in the course of its business, the Company is a party to other litigation and proceedings, primarily involving its insurance operations. In some cases, these proceedings entail claims against the Company for punitive damages and similar types of relief. The ultimate disposition of such pending litigation and proceedings is not expected to have a material adverse effect on the Company's results of operations, liquidity or financial condition.

15. LEASES

A. (1) The Company leases office space and office equipment under noncancelable operating lease agreements that expire through December 2015. The office space lease agreements contain escalation clauses considered ordinary for these types of agreements. The amount of the rent escalation is not material. Rental expense for 2009 and 2008 was approximately \$13,939,000 and \$12,644,000 respectively.

(2) The minimum aggregate rental commitments for operating leases are as follows:

Year Ending December 31,	
(1) 2010	\$ 16,036,542
(2) 2011	14,801,631
(3) 2012	12,491,418
(4) 2013	9,825,264
(5) 2014	4,037,563
(6) 2015 and thereafter	<u>3,894,767</u>
(7) Total	<u>\$ 61,087,185</u>

B. The Company does not have any material sales-leaseback transactions.

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 EXTINGUISHMENT OF LIABILITIES Not applicable.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS Not applicable.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MGA'S AND TPA'S  
 All third party administrators ("TPA's") combined generated premiums that totaled less than 5% of surplus. The Company does not have any managing general agents ("MGA's").

20. OTHER ITEMS

A-B. Not applicable.

C. Assets with a book/adjusted carrying value of \$14,705,536 and \$14,713,892 at December 31, 2009 and 2008, respectively, were on deposit with government authorities or trustees as required by law. Assets with a book/adjusted carrying value of \$55,102,834 and \$60,147,583 at December 31, 2009 and 2008, respectively, were pledged as collateral for advances from RSL-Texas. See Note 11.

D-F. Not applicable.

G. The Company generally characterizes its subprime mortgage underlying mortgage loans to borrowers with weighted average Fair Issac & Co., Inc. (FICO) credit scores below 650. Additionally, the weighted-average loan-to-value ratios (LTVs) of these loans are generally above 80.0%. As of December 31, 2009, the Company owned subprime residential mortgage-backed securities with a cost, book/adjusted carrying value and fair value of \$58,667,036, \$55,558,228 and \$52,755,573, respectively.

Additionally, the Company had exposure to subprime loans through other investments with a cost, book/adjusted carrying value and fair value of \$60,898,339, \$53,987,921 and \$55,492,560 respectively. During 2009, the Company recognized \$2,015,582 of other-than-temporary impairment losses on its subprime investments.

Annual Statement for the year 2009 of the Reliance Standard Life Insurance Company  
NOTES TO FINANCIAL STATEMENTS

21. EVENTS SUBSEQUENT

There are no known events subsequent to the close of the books or accounts for this statement that may have a material effect on the condition of the Company.

22. REINSURANCE

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? Yes ( ) No (X) If yes, give full details.
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person 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 company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes ( ) No (X) If yes, give full details.

Section 3 - Ceded Reinsurance Report - Part B

- (1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ 0
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in-force or which had existing reserves established by the company as of the effective date of the agreement? Yes (X) No ( ) If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$ 0

B. Uncollectible Reinsurance Not applicable.

C. Commutation of Reinsurance Reflected in Income and Expense

During 2009, the Company reported in its operations (\$41,672) of claims incurred as a result of the commutation of a reinsurance agreement with Swiss Re Life and Health America.

23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

Not applicable.

24. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Not applicable.

25. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable.

26. STRUCTURED SETTLEMENTS

Not applicable.

27. HEALTH CARE RECEIVABLES

Not applicable.

**Annual Statement for the year 2009 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

28. PARTICIPATING POLICIES

For the year ended December 31, 2009, premiums under ordinary life participating policies were \$50,522 or 0.004% of total direct premiums earned. Participating policies are 100% reinsured. Accordingly, the Company does not account for or administer policyholder dividends.

29. PREMIUM DEFICIENCY RESERVES

At December 31, 2009, the Company did not have any premium deficiency reserves.

30. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

- A. The Company waives deduction of deferred fractional premiums upon death of insureds and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of legally computed reserves.
- B. Extra premiums are charged for substandard lives plus the gross premium for the true age. Mean reserves are determined by computing the regular mean reserve for the plan at the true age and holding in addition one half of the extra premium charge for the year.
- C. As of December 31, 2009, the Company has \$46,975,554 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by Illinois. Reserves to cover the above insurance totaled \$1,133,784 at December 31, 2009 and are reported in Exhibit 5, miscellaneous reserves line 0799993.
- D. The Tabular Interest (Page 7, Line 4), the Tabular Less Actual Reserve Released (Page 7, Line 5) and the Tabular Cost (Page 7, Line 9) have been determined by the formula as described in the instructions for Page 7.
- E. Investment earnings on funds not involving life contingencies (Page 15, Line 3) have been calculated as the balancing item in the reconciliation. It has been checked for reasonableness.
- F. Not applicable.

31. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS

	(1) <u>Amount</u>	(2) <u>% of Total</u>
A. Subject to discretionary withdrawal:		
(1) With market value adjustment	\$ 579,717,342	38 %
(2) At book value less current surrender charge of 5% or more	106,648,557	7
(3) At market value	<u>-</u>	<u>-</u>
(4) Total with adjustment or at market value	686,365,899	45
(5) At book value without adjustment (minimal or no charge or adjustment)	610,780,424	40
B. Not subject to discretionary withdrawal	<u>215,328,527</u>	<u>15</u>
C. Total (gross)	1,512,474,850	<u>100 %</u>
D. Reinsurance ceded	<u>(18,545,216)</u>	
E. Total (net)* (C) - (D)	<u>\$1,493,929,634</u>	
* Reconciliation of total annuity actuarial reserves and deposit fund liabilities		
F. Life & Accident & Health Annual Statement:		
(1) Exhibit 5, Annuities Section, Totals (net)	\$ 1,377,438,781	
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Totals (net)	12,796,752	
(3) Exhibit of Deposit-Type Contracts, Line 14, Column 1	<u>103,694,101</u>	
(4) Subtotal	1,493,929,634	
Separate Accounts Annual Statement	<u>-</u>	
(12) Combined Total	<u>\$1,493,929,634</u>	

**Annual Statement for the year 2009 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

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32. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2009 were as follows:

<u>TYPE</u>	<u>GROSS</u>	<u>NET OF LOADING</u>
Ordinary Renewal	\$ 662,350	\$ 562,998
Group Life	<u>22,887,062</u>	<u>20,198,731</u>
Total	<u>\$23,549,412</u>	<u>\$20,761,729</u>

33. SEPARATE ACCOUNTS

A. General Nature and Characteristics of Separate Account Business:

The separate account was established for the purpose of funding variable life insurance contracts issued by the Company. Assets in the separate account are comprised of an investment in a limited liability company whose interests are available for purchase only by separate accounts of the Company, or its affiliates, which fund variable life insurance contracts. Such investment is carried based on the underlying audited GAAP equity of the limited liability company.

The Company collected no premiums, considerations or deposits for separate account business during 2009. Premiums paid to reinsurers on all life insurance amounts in excess of the Company's risk retention were \$375,492. Reserves for nonguaranteed separate account assets valued at market value and subject to discretionary withdrawal were \$113,040,150 at December 31, 2009.

B. Reconciliation of Net Transfers To (From) Separate Accounts

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement:		
(a) Transfers to Separate Accounts (Page 4, Line 1.4)		\$ (379,711)
(b) Transfers to Separate Accounts (Page 4, Line 10)		-
(c) Net transfers to Separate Accounts (a) - (b)		<u>(379,711)</u>
(2) Reconciling Adjustments:		
(a) Investment loss allocated to contributed surplus		-
(b) Premiums paid to reinsurer		<u>375,492</u>
(3) Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) (Page 4, Line 26)		<u>\$ (4,219)</u>

34. LOSS/CLAIM ADJUSTMENT EXPENSES

- A. The balance in the liability for unpaid accident and health claims adjustment expenses as of December 31, 2009 and 2008 was \$26,013,333 and \$24,730,853 respectively.
- B. The Company incurred \$9,276,406 of claim adjustment expenses in the current year, of which \$3,999,497 was attributable to insured or covered events of the current year. The Company did not increase or decrease the provision for insured events of prior years.
- C. The Company paid \$7,993,926 of claim adjustment expenses in the current years, of which \$3,446,559 was attributable to insured or covered events of the current year and \$4,547,367 was attributable to insured or covered events of the prior years.
- D. The Company did not consider anticipated subrogation in its determination of the liability for unpaid claims and claim adjustment expenses.

Annual Statement for the year 2009 of the **Reliance Standard Life Insurance Company**  
**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 2009	2 2008	3 2007	4 2006	5 2005
<b>Life Insurance in Force (Exhibit of Life Insurance)</b>					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....	345,709	363,682	382,055	407,748	435,066
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	235,760	256,558	278,356	298,030	320,275
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....	143,373,364	153,082,178	147,867,694	134,684,557	121,663,687
5. Industrial (Line 21, Col. 2).....	4,731	4,908	5,053	5,223	5,402
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	143,959,564	153,707,326	148,533,158	135,395,558	122,424,430
<b>New Business Issued (Exhibit of Life Insurance)</b>					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	5,966	4,894	3,181	4,210	5,377
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....	28,133,017	26,585,833	28,436,664	29,836,355	30,173,401
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	28,138,983	26,590,727	28,439,845	29,840,565	30,178,778
<b>Premium Income - Lines of Business (Exhibit 1-Part 1)</b>					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	647,058	938,927	276,330	801,672	796,531
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....	187,390,709	147,646,416	66,188,069	58,214,821	65,512,992
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....	355,670,261	380,688,868	341,462,572	292,262,811	259,784,802
17.2 Group annuities (Line 20.4, Col. 7).....	65,477,573	99,541,437	41,475,765	32,971,728	30,085,632
18.1 A&H - group (Line 20.4, Col. 8).....	603,526,879	604,754,520	546,122,718	479,827,624	406,296,617
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....	157,832	169,461	147,990	132,833	128,620
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	1,212,870,312	1,233,739,629	995,673,444	864,211,489	762,605,194
<b>Balance Sheet (Pages 2 and 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3)....	3,707,820,845	3,411,462,823	3,099,399,458	2,798,693,378	2,489,852,805
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	3,166,811,395	2,906,707,410	2,659,125,290	2,408,661,989	2,144,966,491
23. Aggregate life reserves (Page 3, Line 1).....	1,515,995,491	1,358,998,034	1,074,612,684	1,102,790,669	1,119,499,842
24. Aggregate A&H reserves (Page 3, Line 2).....	744,767,326	698,110,255	624,389,331	541,367,089	452,266,538
25. Deposit-type contract funds (Page 3, Line 3).....	103,694,102	131,210,341	132,153,250	129,777,603	23,867,080
26. Asset valuation reserve (Page 3, Line 24.1).....	19,420,012	21,604,978	52,709,761	44,366,183	33,758,216
27. Capital (Page 3, Lines 29 & 30).....	56,003,113	56,003,113	36,003,113	36,003,113	36,003,113
28. Surplus (Page 3, Line 37).....	485,006,248	455,714,716	421,544,893	380,249,753	333,095,767
<b>Cash Flow (Page 5)</b>					
29. Net Cash from operations (Line 11).....	310,750,945	447,834,904	204,214,227	190,630,931	199,306,564
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital.....	560,429,373	533,322,807	510,774,909	461,059,796	403,262,063
31. Authorized control level risk-based capital.....	84,706,112	98,929,306	91,171,821	78,825,143	69,849,024
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 10, Col. 3) x 100.0</b>					
32. Bonds (Line 1).....	83.7	81.7	78.3	79.3	89.1
33. Stocks (Lines 2.1 and 2.2).....	3.0	3.3	2.9	2.1	1.7
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....	1.9	3.6	4.7	5.3	5.2
35. Real estate (Line 4.1, 4.2 and 4.3).....	0.1	0.4	0.1		
36. Cash, cash equivalents and short-term investments (Line 5).....	7.2	8.7	5.3	9.8	1.0
37. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
38. Other invested assets (Line 7).....	3.5	2.2	8.7	3.5	2.5
39. Receivables for securities (Line 8).....	0.5	0.1	0.1	0.0	0.5
40. Aggregate write-ins for invested assets (Line 9).....	0.0				0.1
41. Cash, cash equivalents and invested assets (Line 10).....	100.0	100.0	100.0	100.0	100.0

Annual Statement for the year 2009 of the **Reliance Standard Life Insurance Company**  
**FIVE-YEAR HISTORICAL DATA**

(continued)

	1 2009	2 2008	3 2007	4 2006	5 2005
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Sch. D Summary, Line 12 Col. 1).....			860,255	5,860,255	5,860,255
43. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1).....					
44. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1).....	84,778,401	71,154,667	44,397,990	37,324,276	32,345,335
45. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....	13,523,335	18,010,814	65,161,372	50,495,597	27,423,843
48. Total of above Lines 42 to 47.....	98,301,736	89,165,481	110,419,617	93,680,128	65,629,433
<b>Total Nonadmitted and Admitted Assets</b>					
49. Total nonadmitted assets (Page 2, Line 26, Col. 2).....	88,564,004	76,618,762	46,048,436	28,148,957	20,588,821
50. Total admitted assets (Page 2, Line 26, Col. 3).....	3,821,310,131	3,508,998,178	3,240,629,252	2,939,388,901	2,613,493,208
<b>Investment Data</b>					
51. Net investment income (Exhibit of Net Investment Income).....	190,405,199	175,296,581	168,432,478	137,922,732	132,980,800
52. Realized capital gains (losses).....	(132,948,130)	(58,844,404)	787,545	1,452,263	5,511,126
53. Unrealized capital gains (losses).....	10,584,425	(56,717,354)	(706,298)	16,816,991	7,280,139
54. Total of above Lines 51, 52 and 53.....	68,041,494	59,734,823	168,513,725	156,191,986	145,772,065
<b>Benefits and Reserve Increase (Page 6)</b>					
55. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....	392,100,502	408,056,795	412,156,848	350,050,506	292,549,750
56. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	392,428,149	381,671,825	351,389,783	291,281,864	251,452,756
57. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	460,475	296,898	139,356	220,594	425,590
58. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	46,657,071	73,720,924	83,022,242	89,100,551	69,467,434
59. Dividends to policyholders (Line 30, Col. 1).....					
<b>Operating Percentages</b>					
60. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	20.4	19.3	21.2	21.2	22.0
61. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	6.2	5.6	6.2	6.4	7.8
62. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	73.2	75.6	80.3	79.5	79.5
63. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....	0.5	0.4	0.4	0.5	0.6
64. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	27.1	26.2	25.4	25.0	26.7
<b>A&amp;H Claim Reserve Adequacy</b>					
65. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	1,022,316,680	886,849,061	776,118,172	634,699,780	528,656,308
66. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	1,088,120,542	952,266,184	805,670,701	663,185,052	556,429,505
67. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	131,665	233,054	136,983		
68. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....					
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
69. Industrial life (Col. 2).....					
70. Ordinary - life (Col. 3).....	(580,632)	299,721	(259,046)	252,969	(770,538)
71. Ordinary - individual annuities (Col. 4).....	13,232,788	15,784,039	10,564,149	7,994,620	9,003,061
72. Ordinary - supplementary contracts (Col. 5).....	(1,762,472)	(1,834,719)	(1,694,890)	(1,422,283)	(1,399,427)
73. Credit life (Col. 6).....					
74. Group life (Col. 7).....	29,014,216	23,276,817	21,529,113	18,685,449	20,920,046
75. Group annuities (Col. 8).....	5,326,666	3,815,753	5,625,395	2,574,495	5,047,246
76. A&H - group (Col. 9).....	63,163,537	36,326,245	17,716,958	17,114,578	13,891,410
77. A&H - credit (Col. 10).....					
78. A&H - other (Col. 11).....	15,295	(41,260)	5,895	(11,395)	37,560
79. Aggregate of all other lines of business (Col. 12).....	(3,172,184)	616,437	1,268,013	(458,832)	
80. Total (Col. 1).....	105,237,214	78,243,033	54,755,587	44,729,601	46,729,360

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

Yes [ ] No [X]

If no, please explain:

Not applicable.

**SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT**

	Total		Group Accident and Health		Credit Accident and Health (Group and Individual)		Collectively Renewable		Other Individual Contracts									
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other	
									9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %
<b>PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS</b>																		
1. Premiums written.....	603,695,967	XXX	603,538,135	XXX		XXX		XXX		XXX		XXX		XXX	157,832	XXX		XXX
2. Premiums earned.....	603,398,489	XXX	603,240,657	XXX		XXX		XXX		XXX		XXX		XXX	157,832	XXX		XXX
3. Incurred claims.....	438,798,999	72.7	438,660,334	72.7		0.0		0.0		0.0		0.0		0.0	138,665	87.9		0.0
4. Cost containment expenses.....	2,930,515	0.5	2,930,515	0.5		0.0		0.0		0.0		0.0		0.0		0.0		0.0
5. Incurred claims and cost containment expenses (Lines 3 and 4).....	441,729,514	73.2	441,590,849	73.2		0.0		0.0		0.0		0.0		0.0	138,665	87.9		0.0
6. Increase in contract reserves.....	0	0.0	0	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
7. Commissions (a).....	59,987,778	9.9	59,987,733	9.9		0.0		0.0		0.0		0.0		0.0	45	0.0		0.0
8. Other general insurance expenses.....	87,895,606	14.6	87,895,606	14.6		0.0		0.0		0.0		0.0		0.0		0.0		0.0
9. Taxes, licenses and fees.....	15,505,075	2.6	15,505,075	2.6		0.0		0.0		0.0		0.0		0.0		0.0		0.0
10. Total other expenses incurred.....	163,388,459	27.1	163,388,414	27.1		0.0		0.0		0.0		0.0		0.0	45	0.0		0.0
11. Aggregate write-ins for deductions.....	860,765	0.1	860,765	0.1		0.0		0.0		0.0		0.0		0.0	0	0.0		0.0
12. Gain from underwriting before dividends or refunds.....	(2,580,249)	(0.4)	(2,599,371)	(0.4)		0.0		0.0		0.0		0.0		0.0	19,122	12.1		0.0
13. Dividends or refunds.....	0	0.0	0	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
14. Gain from underwriting after dividends or refunds.....	(2,580,249)	(0.4)	(2,599,371)	(0.4)		0.0		0.0		0.0		0.0		0.0	19,122	12.1		0.0
<b>DETAILS OF WRITE-INS</b>																		
1101. Increase in loading.....	557,621	0.1	557,621	0.1		0.0		0.0		0.0		0.0		0.0		0.0		0.0
1102. Interest on policy funds.....	303,144	0.1	303,144	0.1		0.0		0.0		0.0		0.0		0.0		0.0		0.0
1103. ....		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0.0	0	0.0		0.0		0.0		0.0		0.0		0.0	0	0.0		0.0
1199. Total (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	860,765	0.1	860,765	0.1		0.0		0.0		0.0		0.0		0.0	0	0.0		0.0

(a) Includes \$.....0 reported as 'Contract, membership and other fees retained by agents.'

**SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT (continued)**

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
<b>PART 2 - RESERVES AND LIABILITIES</b>									
A. Premium Reserves:									
1. Unearned premiums.....	5,992,849	5,992,849							
2. Advance premiums.....	149,305	149,248						57	
3. Reserve for rate credits.....	0								
4. Total premium reserves, current year.....	6,142,154	6,142,097	0	0	0	0	0	57	0
5. Total premium reserves, prior year.....	5,844,676	5,844,619						57	
6. Increase in total premium reserves.....	297,478	297,478	0	0	0	0	0	0	0
B. Contract Reserves:									
1. Additional reserves (a).....	0								
2. Reserve for future contingent benefits.....	0								
3. Total contract reserves, current year.....	0	0	0	0	0	0	0	0	0
4. Total contract reserves, prior year.....	0								
5. Increase in contract reserves.....	0	0	0	0	0	0	0	0	0
C. Claim Reserves and Liabilities:									
1. Total current year.....	1,174,038,075	1,174,038,075							
2. Total prior year.....	1,088,120,542	1,088,120,542							
3. Increase.....	85,917,533	85,917,533	0	0	0	0	0	0	0

**PART 3 - TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES**

38

1. Claims Paid During the Year:									
1.1 On claims incurred prior to current year.....	211,581,023	211,449,358						131,665	
1.2 On claims incurred during current year.....	141,300,443	141,293,443						7,000	
2. Claim Reserves and Liabilities, December 31, Current Year:									
2.1 On claims incurred prior to current year.....	810,867,322	810,867,322							
2.2 On claims incurred during current year.....	363,170,753	363,170,753							
3. Test:									
3.1 Lines 1.1 and 2.1.....	1,022,448,345	1,022,316,680	0	0	0	0	0	131,665	0
3.2 Claim reserves and liabilities, December 31, prior year.....	1,088,120,542	1,088,120,542							
3.3 Line 3.1 minus Line 3.2.....	(65,672,197)	(65,803,862)	0	0	0	0	0	131,665	0

**PART 4 - REINSURANCE**

A. Reinsurance Assumed:									
1. Premiums written.....	55,875,511	55,875,511							
2. Premiums earned.....	55,875,511	55,875,511							
3. Incurred claims.....	51,870,486	51,870,486							
4. Commissions.....	617,578	617,578							
B. Reinsurance Ceded:									
1. Premiums written.....	61,848,639	61,848,639							
2. Premiums earned.....	61,830,253	61,830,253							
3. Incurred claims.....	64,439,000	64,439,000							
4. Commissions.....	2,718,958	2,718,958							

(a) Includes \$.....0 premium deficiency reserve.

Annual Statement for the year 2009 of the **Reliance Standard Life Insurance Company**  
**SCHEDULE H - PART 5 - HEALTH CLAIMS**

	1 Medical	2 Dental	3 Other	4 Total
<b>A. Direct:</b>				
1. Incurred claims.....		51,399,170	399,968,343	451,367,513
2. Beginning claim reserves and liabilities.....		4,297,842	1,050,896,726	1,055,194,568
3. Ending claim reserves and liabilities.....		5,182,076	1,098,438,824	1,103,620,900
4. Claims paid.....	0	50,514,936	352,426,245	402,941,181
<b>B. Assumed Reinsurance:</b>				
5. Incurred claims.....		529,763	51,340,723	51,870,486
6. Beginning claim reserves and liabilities.....		85,571	152,279,921	152,365,492
7. Ending claim reserves and liabilities.....		84,839	174,314,509	174,399,348
8. Claims paid.....	0	530,495	29,306,135	29,836,630
<b>C. Ceded Reinsurance:</b>				
9. Incurred claims.....		37,627,746	26,811,255	64,439,001
10. Beginning claim reserves and liabilities.....		3,128,947	119,917,731	123,046,678
11. Ending claim reserves and liabilities.....		3,766,415	103,762,802	107,529,217
12. Claims paid.....	0	36,990,278	42,966,184	79,956,462
<b>D. Net:</b>				
13. Incurred claims.....	0	14,301,187	424,497,811	438,798,998
14. Beginning claim reserves and liabilities.....	0	1,254,466	1,083,258,916	1,084,513,382
15. Ending claim reserves and liabilities.....	0	1,500,500	1,168,990,531	1,170,491,031
16. Claims paid.....	0	14,055,153	338,766,196	352,821,349
<b>E. Net Incurred Claims and Cost Containment Expenses:</b>				
17. Incurred claims and cost containment expenses.....		14,301,187	427,428,326	441,729,513
18. Beginning reserves and liabilities.....		1,254,466	1,083,395,916	1,084,650,382
19. Ending reserves and liabilities.....		1,500,500	1,169,112,531	1,170,613,031
20. Paid claims and cost containment expenses.....	0	14,055,153	341,711,711	355,766,864

# SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only					7 Deposit-Type Contracts
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	
		2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama.....AL	L	11,232,943	29,755	15,914,728		27,177,426	
2. Alaska.....AK	L	389,720	887,811	598,394		1,875,925	
3. Arizona.....AZ	L	3,379,690	4,617,114	5,660,282		13,657,086	
4. Arkansas.....AR	L	1,854,939	981,721	5,017,134		7,853,794	
5. California.....CA	L	55,909,700	18,609,802	83,562,094		158,081,596	
6. Colorado.....CO	L	3,125,711	4,874,589	6,386,151		14,386,451	
7. Connecticut.....CT	L	4,245,058	12,876,225	4,890,691		22,011,974	
8. Delaware.....DE	L	4,071,106	1,147,946	4,893,127		10,112,179	
9. District of Columbia.....DC	L	2,398,095	1,193	3,566,585		5,965,873	
10. Florida.....FL	L	26,264,780	19,143,029	36,757,669		82,165,478	
11. Georgia.....GA	L	21,615,050	3,948,703	30,124,623		55,688,376	
12. Hawaii.....HI	L	32,301	817,897	233,409		1,083,607	
13. Idaho.....ID	L	91,959	670,782	1,100,372		1,863,113	
14. Illinois.....IL	L	26,464,595	4,121,226	34,376,157		64,961,978	
15. Indiana.....IN	L	4,911,449	3,475,064	10,264,646		18,651,159	
16. Iowa.....IA	L	3,790,756	3,056,629	5,135,058		11,982,443	
17. Kansas.....KS	L	4,269,762	1,569,719	4,942,189		10,781,670	
18. Kentucky.....KY	L	4,111,963	1,673,230	6,868,375		12,653,568	
19. Louisiana.....LA	L	9,504,577	2,294,740	16,716,027		28,515,344	
20. Maine.....ME	L	288,690	1,732,387	1,104,400		3,125,477	
21. Maryland.....MD	L	9,234,571	1,782,246	12,517,109		23,533,926	
22. Massachusetts.....MA	L	11,827,201	13,701,643	20,855,254		46,384,098	
23. Michigan.....MI	L	10,440,297	12,586,904	17,320,330		40,347,531	
24. Minnesota.....MN	L	3,820,500	3,106,362	9,273,833		16,200,695	
25. Mississippi.....MS	L	1,224,570	537,024	2,142,488		3,904,082	
26. Missouri.....MO	L	7,753,108	2,586,254	15,974,374		26,313,736	
27. Montana.....MT	L	182,495	410	502,120		685,025	
28. Nebraska.....NE	L	1,040,220	398,735	2,048,870		3,487,825	
29. Nevada.....NV	L	1,854,730	1,288,551	5,772,243		8,915,524	
30. New Hampshire.....NH	L	903,775	1,776,259	1,678,304		4,358,338	
31. New Jersey.....NJ	L	14,615,864	24,143,928	26,675,519		65,435,311	
32. New Mexico.....NM	L	1,030,588	1,919	1,984,926		3,017,433	
33. New York.....NY	Q	149,400	3,992,326	885,963		5,027,689	
34. North Carolina.....NC	L	17,636,552	7,269,846	29,762,947		54,669,345	
35. North Dakota.....ND	L	138,236	272,851	260,132		671,219	
36. Ohio.....OH	L	8,934,456	13,932,162	20,527,538		43,394,156	
37. Oklahoma.....OK	L	4,336,879	754,631	4,318,802		9,410,312	
38. Oregon.....OR	L	3,047,455	1,885,272	5,364,731		10,297,458	
39. Pennsylvania.....PA	L	20,198,510	23,508,046	27,376,113		71,082,669	
40. Rhode Island.....RI	L	420,091	2,555,732	698,614		3,674,437	
41. South Carolina.....SC	L	2,666,695	2,836,817	7,413,018		12,916,530	
42. South Dakota.....SD	L	215,608	280,762	379,926		876,296	
43. Tennessee.....TN	L	17,967,649	3,824,413	26,959,712		48,751,774	
44. Texas.....TX	L	35,462,296	8,965,164	42,012,302		86,439,762	
45. Utah.....UT	L	5,142,674	552,266	5,313,900		11,008,840	
46. Vermont.....VT	L	274,331	587,210	664,278		1,525,819	
47. Virginia.....VA	L	12,334,859	4,856,246	21,423,520		38,614,625	
48. Washington.....WA	L	4,549,356	7,609,908	6,365,469		18,524,733	
49. West Virginia.....WV	L	630,558	391,855	1,009,478		2,031,891	
50. Wisconsin.....WI	L	6,370,271	16,990,333	8,705,657		32,066,261	
51. Wyoming.....WY	L	159,941	228,583	456,307		844,831	
52. American Samoa.....AS	N					0	
53. Guam.....GU	L					0	
54. Puerto Rico.....PR	L	2,370				2,370	
55. US Virgin Islands.....VI	L	58,482		248		58,730	
56. Northern Mariana Islands.....MP	N					0	
57. Canada.....CN	N	3,834		79,112		82,946	
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Subtotal.....(a).....53		392,581,266	249,734,220	604,835,248	0	1,247,150,734	0
90. Reporting entity contributions for employee benefit plans.....XXX						0	
91. Dividends or refunds applied to purchase paid-up additions and annuities.....XXX		40,798				40,798	
92. Dividends or refunds applied to shorten endowment or premium paying period.....XXX						0	
93. Premium or annuity considerations waived under disability or other contract provisions.....XXX		140,017				140,017	
94. Aggregate other amounts not allocable by State.....XXX		0	0	0	0	0	0
95. Totals (Direct Business).....XXX		392,762,081	249,734,220	604,835,248	0	1,247,331,549	0
96. Plus reinsurance assumed.....XXX		268,224	3,964,366	59,842,773		64,075,363	7,623
97. Totals (All Business).....XXX		393,030,305	253,698,586	664,678,021	0	1,311,406,912	7,623
98. Less reinsurance ceded.....XXX		39,233,545	830,302	62,179,972		102,243,819	
99. Totals (All Business) less reinsurance ceded.....XXX		353,796,760	252,868,284	(b).....602,498,049	0	1,209,163,093	7,623

### DETAILS OF WRITE-INS

5801.....XXX						0	
5802.....XXX						0	
5803.....XXX						0	
5898. Summ. of remaining write-ins for line 58 from overflow page.....XXX		0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....XXX		0	0	0	0	0	0
9401.....XXX						0	
9402.....XXX						0	
9403.....XXX						0	
9498. Summ. of remaining write-ins for line 94 from overflow page.....XXX		0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....XXX		0	0	0	0	0	0

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

Ordinary life and individual accident and health premiums and annuity considerations are allocated to the last residence of each insured as shown by the Company's records. Group life and accident and health premiums are allocated to the state in which the employer's place of business is located.

(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, Line 1. Indicate which: Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9, and 10

**SCHEDULE T - PART 2****INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.		Direct Business Only				5	6
		1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)		
1.	Alabama.....	AL	11,232,943	29,755	12,165,859		23,428,557
2.	Alaska.....	AK	389,720	887,811	476,208		1,753,739
3.	Arizona.....	AZ	3,379,690	4,617,114	4,798,576		12,795,380
4.	Arkansas.....	AR	1,854,939	981,721	3,867,295		6,703,955
5.	California.....	CA	55,909,700	18,609,802	66,851,909		141,371,411
6.	Colorado.....	CO	3,125,711	4,874,589	4,854,428		12,854,728
7.	Connecticut.....	CT	4,245,058	12,876,225	3,934,511		21,055,794
8.	Delaware.....	DE	4,071,106	1,147,946	3,848,117		9,067,169
9.	District of Columbia.....	DC	2,398,095	1,193	3,333,584		5,732,872
10.	Florida.....	FL	26,264,780	19,143,029	24,245,969		69,653,778
11.	Georgia.....	GA	21,615,050	3,948,703	23,933,013		49,496,766
12.	Hawaii.....	HI	32,301	817,897	233,354		1,083,552
13.	Idaho.....	ID	91,959	670,782	1,009,837		1,772,578
14.	Illinois.....	IL	26,464,595	4,121,226	28,494,314		59,080,135
15.	Indiana.....	IN	4,911,449	3,475,064	8,176,548		16,563,061
16.	Iowa.....	IA	3,790,756	3,056,629	4,433,791		11,281,176
17.	Kansas.....	KS	4,269,762	1,569,719	4,272,311		10,111,792
18.	Kentucky.....	KY	4,111,963	1,673,230	5,941,534		11,726,727
19.	Louisiana.....	LA	9,504,577	2,294,740	13,496,781		25,296,098
20.	Maine.....	ME	288,690	1,732,387	896,037		2,917,114
21.	Maryland.....	MD	9,234,571	1,782,246	11,073,861		22,090,678
22.	Massachusetts.....	MA	11,827,201	13,701,643	19,808,543		45,337,387
23.	Michigan.....	MI	10,440,297	12,586,904	13,156,264		36,183,465
24.	Minnesota.....	MN	3,820,500	3,106,362	5,235,764		12,162,626
25.	Mississippi.....	MS	1,224,570	537,024	1,406,766		3,168,360
26.	Missouri.....	MO	7,753,108	2,586,254	11,941,544		22,280,906
27.	Montana.....	MT	182,495	410	230,606		413,511
28.	Nebraska.....	NE	1,040,220	398,735	1,207,719		2,646,674
29.	Nevada.....	NV	1,854,730	1,288,551	4,334,562		7,477,843
30.	New Hampshire.....	NH	903,775	1,776,259	1,581,654		4,261,688
31.	New Jersey.....	NJ	14,615,864	24,143,928	25,559,010		64,318,802
32.	New Mexico.....	NM	1,030,588	1,919	1,707,868		2,740,375
33.	New York.....	NY	149,400	3,992,326	66,922		4,208,648
34.	North Carolina.....	NC	17,636,552	7,269,846	16,093,112		40,999,510
35.	North Dakota.....	ND	138,236	272,851	171,057		582,144
36.	Ohio.....	OH	8,934,456	13,932,162	16,116,003		38,982,621
37.	Oklahoma.....	OK	4,336,879	754,631	3,761,437		8,852,947
38.	Oregon.....	OR	3,047,455	1,885,272	3,147,024		8,079,751
39.	Pennsylvania.....	PA	20,198,510	23,508,046	23,786,950		67,493,506
40.	Rhode Island.....	RI	420,091	2,555,732	471,607		3,447,430
41.	South Carolina.....	SC	2,666,695	2,836,817	4,922,781		10,426,293
42.	South Dakota.....	SD	215,608	280,762	372,001		868,371
43.	Tennessee.....	TN	17,967,649	3,824,413	23,830,367		45,622,429
44.	Texas.....	TX	35,462,296	8,965,164	31,160,041		75,587,501
45.	Utah.....	UT	5,142,674	552,266	3,073,689		8,768,629
46.	Vermont.....	VT	274,331	587,210	606,814		1,468,355
47.	Virginia.....	VA	12,334,859	4,856,246	17,613,947		34,805,052
48.	Washington.....	WA	4,549,356	7,609,908	5,069,897		17,229,161
49.	West Virginia.....	WV	630,558	391,855	580,934		1,603,347
50.	Wisconsin.....	WI	6,370,271	16,990,333	7,235,818		30,596,422
51.	Wyoming.....	WY	159,941	228,583	300,488		689,012
52.	American Samoa.....	AS					0
53.	Guam.....	GU					0
54.	Puerto Rico.....	PR	2,370				2,370
55.	US Virgin Islands.....	VI	58,482				58,482
56.	Northern Mariana Islands.....	MP					0
57.	Canada.....	CN	3,834		(33,618)		(29,784)
58.	Aggregate Other Alien.....	OT					0
59.	Totals.....		392,581,266	249,734,220	474,855,407	0	1,117,170,893

Annual Statement for the year 2009 of the **Reliance Standard Life Insurance Company**  
**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities.....	62,277,563	1.7	62,277,563	1.7
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....	18,624,030	0.5	18,624,030	0.5
1.22 Issued by U.S. government sponsored agencies.....	25,086,112	0.7	25,086,112	0.7
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities).....	29,193,707	0.8	29,193,707	0.8
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....	6,543,723	0.2	6,543,723	0.2
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....	34,106,676	1.0	34,106,676	1.0
1.43 Revenue and assessment obligations.....	183,235,174	5.1	183,235,174	5.1
1.44 Industrial development and similar obligations.....		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA.....	18,437,714	0.5	18,437,714	0.5
1.512 Issued or guaranteed by FNMA and FHLMC.....	227,575,681	6.4	227,575,681	6.4
1.513 All other.....	54,421,762	1.5	54,421,762	1.5
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA.....	364,348,556	10.2	364,348,556	10.2
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521.....		0.0		0.0
1.523 All other.....	818,786,984	22.9	818,786,984	22.9
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities).....	736,764,539	20.6	736,764,539	20.6
2.2 Unaffiliated non-U.S. securities (including Canada).....	393,788,660	11.0	393,788,660	11.0
2.3 Affiliated securities.....	19,323,676	0.5	19,323,676	0.5
3. Equity interests:				
3.1 Investments in mutual funds.....	4,723,748	0.1	4,723,748	0.1
3.2 Preferred stocks:				
3.21 Affiliated.....		0.0		0.0
3.22 Unaffiliated.....	13,545,761	0.4	13,545,761	0.4
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....	28,018,265	0.8	28,018,265	0.8
3.32 Unaffiliated.....	1,708,855	0.0	1,708,855	0.0
3.4 Other equity securities:				
3.41 Affiliated.....	56,760,136	1.6	56,760,136	1.6
3.42 Unaffiliated.....	3,910,527	0.1	3,910,527	0.1
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....		0.0		0.0
3.52 Unaffiliated.....		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development.....		0.0		0.0
4.2 Agricultural.....		0.0		0.0
4.3 Single family residential properties.....		0.0		0.0
4.4 Multifamily residential properties.....		0.0		0.0
4.5 Commercial loans.....	70,649,335	2.0	69,540,304	1.9
4.6 Mezzanine real estate loans.....		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company.....		0.0		0.0
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt).....	500	0.0		0.0
5.3 Property held for sale (including \$.....3,052,934 property acquired in satisfaction of debt).....	3,052,934	0.1	3,052,934	0.1
6. Contract loans.....	202,652	0.0	202,652	0.0
7. Receivables for securities.....	17,732,002	0.5	17,692,311	0.5
8. Cash, cash equivalents and short-term investments.....	257,257,145	7.2	257,257,145	7.2
9. Other invested assets.....	130,295,858	3.6	128,368,415	3.6
10. Total invested assets.....	3,580,372,276	100.0	3,577,295,611	100.0