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ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018
OF THE CONDITION AND AFFAIRS OF THE

MULTINATIONAL LIFE INSURANCE COMPANY

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

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

Country of Domicile US

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

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

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

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

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

Internet Website Address www.multinationallife.com

Statutory Statement Contact Luis Forteza
(Name)
787-758-8080 x-2349
(Area Code) (Telephone Number) (Extension)

luis.forteza@multinationalpr.com
(E-Mail Address)
787-758-5258
(Fax Number)

OFFICERS

Carlos Iguina (Executive President)
Yadira Mercado (Senior VP Finance and Treasurer)
Tobias Enrique Carrero-Valentiner (Executive Vice President)
Rafael Andres Carrero-Valentiner (Chief Executive Financial Advisor)

OTHER OFFICERS

Javier Ortiz (Senior Vice President Sales)
Yolanda Marquez (Vice President Accounting)
Maria Nelly Collazo (Vice President Group Underwriting)
Raymond Perez (Vice President Claims)
Victor Acosta (Vice President Underwriting)
Cesar Alvarez (Vice President Reinsurance)
Luis Forteza (Manager - Finance & Accounting)

DIRECTORS OR TRUSTEES

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

State of Puerto Rico
County of USA } SS

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

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

Subscribed and sworn to before me this
28 day of May, 2019

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

ASSETS

		Current Year			Prior Year
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1.	Bonds (Schedule D)	88,157,217		88,157,217	86,440,704
2.	Stocks (Schedule D):				
	2.1 Preferred stocks				
	2.2 Common stocks	136,191		136,191	91,333
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	1,902,357		1,902,357	1,269,457
	3.2 Other than first liens				
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)	8,890,493		8,890,493	8,941,775
	4.2 Properties held for the production of income (less $ .... encumbrances)	382,500		382,500	395,250
	4.3 Properties held for sale (less $ .... encumbrances)				
5.	Cash ($ ...... 7,461,886 , Schedule E-Part 1), cash equivalents ($ .... , Schedule E-Part 2) and short-term investments ($ .... , Schedule DA)	7,461,886		7,461,886	6,031,714
6.	Contract loans (including $ .... premium notes)	1,841,222	41,201	1,800,021	1,905,098
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities				
10.	Securities lending reinvested collateral assets (Schedule DL)				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	108,771,866	41,201	108,730,665	105,075,331
13.	Title plants less $ .... charged off (for Title insurers only)				
14.	Investment income due and accrued	749,784		749,784	791,150
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	5,369,339	3,312,233	2,057,106	2,229,093
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)	3,535,409		3,535,409	3,700,371
	15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ ....)				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	1,957,760		1,957,760	1,691,009
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts	3,788	3,788		
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software	70,022		70,022	46,622
21.	Furniture and equipment, including health care delivery assets ($ ....)	137,727	137,727		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	3,900,414		3,900,414	1,201,556
24.	Health care ($ ....) and other amounts receivable				
25.	Aggregate write-ins for other-than-invested assets	691,416	481,508	209,908	297,328
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	125,187,525	3,976,457	121,211,068	115,032,460
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	125,187,525	3,976,457	121,211,068	115,032,460

DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses - Miscellaneous	251,946	251,946		
2502. Accounts Receivable - Miscellaneous	375,529	165,621	209,908	297,328
2503. Deferred Expenses - Miscellaneous	47,527	47,527		
2598. Summary of remaining write-ins for Line 25 from overflow page	16,414	16,414		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	691,416	481,508	209,908	297,328

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts $ 65,784,498 (Exhibit 5, Line 9999999) less $ .... included in Line 6.3 (including $ .... Modco Reserve)	65,784,498	68,018,362
2. Aggregate reserve for accident and health contracts (including $ .... Modco Reserve)	19,001,606	16,123,498
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including $ .... Modco Reserve)	723,516	515,725
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	1,409,572	1,138,653
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	1,707,079	1,389,673
5. Policyholders' dividends $ .... and coupons $ .... due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including $ .... Modco)		
6.2 Dividends not yet apportioned (including $ .... Modco)		
6.3 Coupons and similar benefits (including $ .... Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less $ .... discount; including $ .... accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)		
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of $ .... accident and health experience rating refunds of which $ .... is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including $ .... assumed and $ 1,515,302 ceded	1,515,302	1,327,380
9.4 Interest Maintenance Reserve (IMR, Line 6)	514,431	595,917
10. Commissions to agents due or accrued-life and annuity contracts $ .... accident and health $ .... and deposit-type contract funds $	476,269	244,468
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	836,912	902,899
13. Transfers to Separate Accounts due or accrued (net) (including $ .... accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	530,782	545,302
15.1 Current federal and foreign income taxes, including $ .... on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income	64,922	71,342
17. Amounts withheld or retained by company as agent or trustee	246,380	203,348
18. Amounts held for agents' account, including $ 2,424,440 agents' credit balances	2,424,440	2,593,136
19. Remittances and items not allocated	629,572	233,311
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money $ .... and interest thereon $		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	1,731,657	1,572,324
24.02 Reinsurance in unauthorized and certified ($ ....) companies		
24.03 Funds held under reinsurance treaties with unauthorized and certified ($ ....) reinsurers		
24.04 Payable to parent, subsidiaries and affiliates		
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities	2,005,175	
24.10 Payable for securities lending		
24.11 Capital notes $ .... and interest thereon $		
25. Aggregate write-ins for liabilities	65,211	106,477
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	99,667,324	95,581,815
27. From Separate Accounts statement		
28. Total liabilities (Lines 26 and 27)	99,667,324	95,581,815
29. Common capital stock	2,502,910	2,502,910
30. Preferred capital stock	2,238,810	2,238,810
31. Aggregate write-ins for other-than-special surplus funds		
32. Surplus notes	5,000,000	5,000,000
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	16,622,090	16,622,090
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	(4,820,066)	(6,913,165)
36. Less treasury stock, at cost:		
36.1 .... shares common (value included in Line 29 $ ....)		
36.2 .... shares preferred (value included in Line 30 $ ....)		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including $ .... in Separate Accounts Statement)	16,802,024	14,708,925
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	21,543,744	19,450,645
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	121,211,068	115,032,460
DETAILS OF WRITE-INS		
2501. Others Accounts Payable	546	960
2502. Accounts Payable - Miscellaneous	64,665	105,517
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	65,211	106,477
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1 less Col. 11)	31,221,061	31,786,837
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	2,951,705	3,054,421
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	81,680	103,474
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)		
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	2,855,974	2,661,029
9. Totals (Lines 1 to 8.3)	37,110,420	37,605,761
10. Death benefits	9,608,615	6,169,014
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	295,453	311,065
13. Disability benefits and benefits under accident and health contracts	5,965,154	5,281,966
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	2,452,777	3,124,859
16. Group conversions		14,518
17. Interest and adjustments on contract or deposit-type contract funds	270	206
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	151,905	995,651
20. Totals (Lines 10 to 19)	18,474,174	15,897,279
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	4,834,382	7,127,237
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	9,935,432	10,271,351
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	1,036,369	1,058,754
25. Increase in loading on deferred and uncollected premiums	(2,360)	2,073
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions		
28. Totals (Lines 20 to 27)	34,277,997	34,356,694
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	2,832,423	3,249,067
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	2,832,423	3,249,067
32. Federal and foreign income taxes incurred (excluding tax on capital gains)		
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	2,832,423	3,249,067
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ ....(227) (excluding taxes of $ ....34 transferred to the IMR)	232,655	(512,586)
35. Net Income (Line 33 plus Line 34)	3,065,078	2,736,481
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	19,450,645	17,278,660
37. Net income (Line 35)	3,065,078	2,736,481
38. Change in net unrealized capital gains (losses) less capital gains tax of $	742,709	(511,891)
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax		
41. Change in nonadmitted assets	(84,460)	998,880
42. Change in liability for reinsurance in unauthorized and certified companies		
43. Change in reserve on account of change in valuation basis (increase) or decrease		
44. Change in asset valuation reserve	(159,335)	202,209
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts statement		
48. Change in surplus notes		
49. Cumulative effects of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders	(1,470,893)	(1,253,694)
53. Aggregate write-ins for gains and losses in surplus		
54. Net change in capital and surplus for the year (Lines 37 through 53)	2,093,099	2,171,985
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	21,543,744	19,450,645
DETAILS OF WRITE-INS		
08.301. Other Income	2,855,974	2,661,029
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	2,855,974	2,661,029
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
5301. Prior year adjustment		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)		

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	31,512,536	32,387,772
2. Net investment income	3,272,726	3,423,612
3. Miscellaneous income	2,855,974	2,661,029
4. Total (Lines 1 through 3)	37,641,236	38,472,413
5. Benefit and loss related payments	17,320,434	15,390,331
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	15,654,889	18,236,328
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $ ....tax on capital gains (losses)		
10. Total (Lines 5 through 9)	32,975,323	33,626,659
11. Net cash from operations (Line 4 minus Line 10)	4,665,913	4,845,754
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	7,687,871	7,644,361
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalants and short-term investments		
12.7 Miscellaneous proceeds	2,154,216	1,223
12.8 Total investment proceeds (Lines 12.1 to 12.7)	9,842,087	7,645,584
13. Cost of investments acquired (long-term only):		
13.1 Bonds	8,722,661	10,843,438
13.2 Stocks		351
13.3 Mortgage loans	670,000	
13.4 Real estate	85,009	(7,447)
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	9,477,670	10,836,342
14. Net increase (decrease) in contract loans and premium notes	(93,500)	(224,478)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	457,917	(2,966,280)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	207,791	(75,884)
16.5 Dividends to stockholders	1,470,893	1,253,694
16.6 Other cash provided (applied)	(2,430,557)	(385,477)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(3,693,659)	(1,715,055)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,430,171	164,419
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	6,031,714	5,867,295
19.2 End of year (Line 18 plus Line 19.1)	7,461,885	6,031,714

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

20.001		
20.002		
20.003		
20.004		
20.005		
20.006		
20.007		
20.008		
20.009		
20.010		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	31,221,061		13,532,820	487,713		314,992	4,465,630		4,340,691	64,960	8,014,255	
2. Considerations for supplementary contracts with life contingencies												
3. Net investment income	2,951,705		1,670,678	321,841		4,165	71,823		62,052	853	820,293	
4. Amortization of Interest Maintenance Reserve (IMR)	81,680		46,231	8,906		115	1,988		1,717	24	22,699	
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded												
7. Reserve adjustments on reinsurance ceded												
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts												
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income	2,855,974		62,522	1,872		1,209	170,671		18,147	249	2,601,304	
9. Totals (Line 1 to Line 8.3)	37,110,420		15,312,251	820,332		320,481	4,710,112		4,422,607	66,086	11,458,551	
10. Death benefits	9,608,615		7,286,017			110,729	2,211,869					
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits	295,453			295,453								
13. Disability benefits and benefits under accident and health contracts	5,965,154								1,604,957	86	4,360,111	
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts	2,452,777		2,088,331	364,446								
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds	270		226								44	
18. Payments on supplementary contracts with life contingencies												
19. Increase in aggregate reserves for life and accident and health contracts	151,905		(2,283,053)	257,873		(892)					2,177,977	
20. Totals (Line 10 to Line 19)	18,474,174		7,091,521	917,772		109,837	2,211,869		1,604,957	86	6,538,132	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	4,834,382		2,885,788	92		115,284	820,808		815,178	18,952	178,280	
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses	9,935,432		3,477,401	99,354		198,709	695,480		1,092,898	99,354	4,272,236	
24. Insurance taxes, licenses and fees, excluding federal income taxes	1,036,369		283,938	8,113		16,225	56,788		314,354	8,113	348,838	
25. Increase in loading on deferred and uncollected premiums	(2,360)		(826)	(24)		(47)	(165)		(260)	(23)	(1,015)	
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions												
28. Totals (Line 20 to Line 27)	34,277,997		13,737,822	1,025,307		440,008	3,784,780		3,827,127	126,482	11,336,471	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	2,832,423		1,574,429	(204,975)		(119,527)	925,332		595,480	(60,396)	122,080	
30. Dividends to policyholders												
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	2,832,423		1,574,429	(204,975)		(119,527)	925,332		595,480	(60,396)	122,080	
32. Federal income taxes incurred (excluding tax on capital gains)												
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	2,832,423		1,574,429	(204,975)		(119,527)	925,332		595,480	(60,396)	122,080	
DETAILS OF WRITE-INS												
08.301. Other Income	2,855,974		62,522	1,872		1,209	170,671		18,147	249	2,601,304	
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)	2,855,974		62,522	1,872		1,209	170,671		18,147	249	2,601,304	
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)												

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1	2	Ordinary			6	Group	
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	68,018,362		56,644,179	11,372,552		1,631		
2. Tabular net premiums or considerations	11,414,407		10,906,788	486,307		21,312		
3. Present value of disability claims incurred	1,385,464		1,385,464		XXX			
4. Tabular interest	2,904,345		2,438,241	465,630		474		
5. Tabular less actual reserve released								
6. Increase in reserve on account of change in valuation basis								
6.1 Change in excess of VM-20 deterministic/stochastic reserve over net premium reserve		XXX		XXX	XXX	XXX	XXX	XXX
7. Other increases (net)								
8. Totals (Lines 1 to 7)	83,722,578		71,374,672	12,324,489		23,417		
9. Tabular cost	7,365,689		7,365,689		XXX			
10. Reserves released by death	722,268		722,268	,XXX	XXX			XXX
11. Reserves released by other terminations (net)	7,856,611		6,932,078	901,855		22,678		
12. Annuity, supplementary contract, and disability payments involving life contingencies	1,993,512		1,993,512					
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Lines 9 to 13)	17,938,080		17,013,547	901,855		22,678		
15. Reserve December 31, current year	65,784,498		54,361,125	11,422,634		739		

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 119,540	118,053
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 3,043,239	3,003,459
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	1,686	1,587
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c) 75,479	75,479
4.	Real estate	(d)	
5.	Contract loans	150,354	152,793
6.	Cash, cash equivalents and short-term investments	(e) 143,274	158,464
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	109,204	109,204
10.	Total gross investment income	3,642,776	3,619,039
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) 293,981
14.	Depreciation on real estate and other invested assets		(i) 149,041
15.	Aggregate write-ins for deductions from investment income		224,312
16.	Total deductions (Lines 11 through 15)		667,334
17.	Net investment income (Line 10 minus Line 16)		2,951,705
	DETAILS OF WRITE-INS		
0901.	RENT	109,204	109,204
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	109,204	109,204
1501.	OTHER INVESTMENT FEES		224,312
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		224,312

(a) Includes $ 75,009 accrual of discount less $ 323,984 amortization of premium and less $ 55,510 paid for accrued interest on purchases.
(b) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued dividends on purchases.
(c) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.
(d) Includes $ .... for company's occupancy of its own buildings; and excludes $ .... interest on encumbrances.
(e) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.
(f) Includes $ .... accrual of discount less $ .... amortization of premium.
(g) Includes $ .... investment expenses and $ .... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ .... interest on surplus notes and $ .... interest on capital notes.
(i) Includes $ .... depreciation on real estate and $ .... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	232,847		232,847	698,251	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)				44,458	
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)	(193)		(193)		
10.	Total capital gains (losses)	232,654		232,654	742,709	
	DETAILS OF WRITE-INS					
0901.	AMORTIZATON OF IMR	(81,679)		(81,679)		
0902.	CHANGE IN IMR RESERVE	81,486		81,486		
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	(193)		(193)		

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

	1	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	Credit Life (Group and Individual)	6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected	83,489					36,132		47,357			
2. Deferred and accrued	304,521		304,521								
3. Deferred, accrued and uncollected:											
3.1 Direct	388,010		304,521			36,132		47,357			
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net (Line 1 + Line 2)	388,010		304,521			36,132		47,357			
4. Advance											
5. Line 3.4-Line 4	388,010		304,521			36,132		47,357			
6. Collected during year:											
6.1 Direct	10,198,870		2,580,730	(781)		1,474,364		239,148	27	5,905,382	
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	26,375		26,293							82	
6.4 Net	10,172,495		2,554,437	(781)		1,474,364		239,148	27	5,905,300	
7. Line 5 + Line 6.4	10,560,505		2,858,958	(781)		1,510,496		286,505	27	5,905,300	
8. Prior year (uncollected plus deferred and accrued minus advance)	311,993		250,339					61,654			
9. First year premiums and considerations:											
9.1 Direct	10,274,887		2,634,912	(781)		1,510,496		224,851	27	5,905,382	
9.2 Reinsurance assumed											
9.3 Reinsurance ceded	26,375		26,293							82	
9.4 Net (Line 7 - Line 8)	10,248,512		2,608,619	(781)		1,510,496		224,851	27	5,905,300	
SINGLE											
10. Single premiums and considerations:											
10.1 Direct											
10.2 Reinsurance assumed											
10.3 Reinsurance ceded											
10.4 Net											
RENEWAL											
11. Uncollected	2,102,694		581,160			310,142		339,756		871,636	
12. Deferred and accrued	3,244,254		3,244,254								
13. Deferred, accrued and uncollected:											
13.1 Direct	5,346,948		3,825,414			310,142		339,756		871,636	
13.2 Reinsurance assumed											
13.3 Reinsurance ceded											
13.4 Net (Line 11 + Line 12)	5,346,948		3,825,414			310,142		339,756		871,636	
14. Advance											
15. Line 13.4 - Line 14	5,346,948		3,825,414			310,142		339,756		871,636	
16. Collected during year:											
16.1 Direct	46,983,372		13,782,883	488,494	343,525	3,907,484		4,584,836	83,955	23,792,195	
16.2 Reinsurance assumed											
16.3 Reinsurance ceded	25,680,521		2,730,126			1,006,800		387,329		21,556,266	
16.4 Net	21,302,851		11,052,757	488,494	343,525	2,900,684		4,197,507	83,955	2,235,929	
17. Line 15 + Line 16.4	26,649,799		14,878,171	488,494	343,525	3,210,826		4,537,263	83,955	3,107,565	
18. Prior year (uncollected plus deferred and accrued minus advance)	5,677,250		3,953,970		28,533	255,692		421,423	19,022	998,610	
19. Renewal premiums and considerations:											
19.1 Direct	46,653,070		13,654,327	488,494	314,992	3,961,934		4,503,169	64,933	23,665,221	
19.2 Reinsurance assumed											
19.3 Reinsurance ceded	25,680,521		2,730,126			1,006,800		387,329		21,556,266	
19.4 Net (Line 17 - Line 18)	20,972,549		10,924,201	488,494	314,992	2,955,134		4,115,840	64,933	2,108,955	
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	56,927,957		16,289,239	487,713	314,992	5,472,430		4,728,020	64,960	29,570,603	
20.2 Reinsurance assumed											
20.3 Reinsurance ceded	25,706,896		2,756,419			1,006,800		387,329		21,556,348	
20.4 Net (Lines 9.4 + 10.4 + 19.4)	31,221,061		13,532,820	487,713	314,992	4,465,630		4,340,691	64,960	8,014,255	

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

	1	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	Credit Life (Group and Individual)	6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums											
22. All other											
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded											
23.2 Reinsurance assumed											
23.3 Net ceded less assumed											
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed											
24.3 Net ceded less assumed											
25. Renewal:											
25.1 Reinsurance ceded											
25.2 Reinsurance assumed											
25.3 Net ceded less assumed											
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)											
26.2 Reinsurance assumed (Page 6, Line 22)											
26.3 Net ceded less assumed											
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	(2,324,206)		1,882,145	60		177,204		90,774	90	(4,474,479)	
28. Single	5,396,025							724,404	18,862	4,652,759	
29. Renewal	1,762,563		1,003,643	32	115,284	643,604					
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	4,834,382		2,885,788	92	115,284	820,808		815,178	18,952	178,280	

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6
	1	Accident and Health		4		
	Life	2 Cost Containment	3 All Other	All Other Lines of Business	Investment	Total
1. Rent	238,870		291,953			530,823
2. Salaries and wages	1,744,286		2,131,904			3,876,190
3.11 Contributions for benefit plans for employees	29,393		35,924			65,317
3.12 Contributions for benefit plans for agents	100,472		122,799			223,271
3.21 Payments to employees under non-funded benefit plans						
3.22 Payments to agents under non-funded benefit plans						
3.31 Other employee welfare	222,841		272,362			495,203
3.32 Other agent welfare	65,179		79,662			144,841
4.1 Legal fees and expenses	264,701		323,523			588,224
4.2 Medical examination fees	109,175		133,437			242,612
4.3 Inspection report fees	45		55			100
4.4 Fees of public accountants and consulting actuaries	168,210		205,590			373,800
4.5 Expense of investigation and settlement of policy claims	8,732		10,674			19,406
5.1 Traveling expenses	172,504		210,838			383,342
5.2 Advertising	196,971		240,742			437,713
5.3 Postage, express, telegraph and telephone	150,786		184,295			335,081
5.4 Printing and stationery	55,240		67,516			122,756
5.5 Cost or depreciation of furniture and equipment	21,358		26,104			47,462
5.6 Rental of equipment	248,468		303,683			552,151
5.7 Cost or depreciation of EDP equipment and software	18,213		22,260			40,473
6.1 Books and periodicals	18,248		22,303			40,551
6.2 Bureau and association fees						
6.3 Insurance, except on real estate	67,905		82,995			150,900
6.4 Miscellaneous losses						
6.5 Collection and bank service charges	254,180		310,664			564,844
6.6 Sundry general expenses	7,298		8,919			16,217
6.7 Group service and administration fees						
6.8 Reimbursements by uninsured plans						
7.1 Agency expense allowance						
7.2 Agents' balances charged off (less $ ....recovered)						
7.3 Agency conferences other than local meetings						
9.1 Real estate expenses						
9.2 Investment expenses not included elsewhere						
9.3 Aggregate write-ins for expenses	307,870		376,285			684,155
10. General expenses incurred	4,470,945		5,464,487			(a) 9,935,432
11. General expenses unpaid December 31, prior year	406,304		496,595			902,899
12. General expenses unpaid December 31, current year	376,611		460,301			836,912
13. Amounts receivable relating to uninsured plans, prior year						
14. Amounts receivable relating to uninsured plans, current year						
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	4,500,639		5,500,781			10,001,420
DETAILS OF WRITE-INS						
09.301. Computer Services	137,445		167,989			305,434
09.302. Directors Fees	10,193		12,458			22,651
09.303. Professional Services	160,232		195,838			356,070
09.398. Summary of remaining write-ins for Line 9.3 from overflow page						
09.399. Totals (Line 09.301 through Line 09.303 plus Line 09.398) (Line 9.3 above)	307,870		376,285			684,155

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

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

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business	Investment	Total
1. Real estate taxes	22,275	27,224			49,499
2. State insurance department licenses and fees	37,286	45,571			82,857
3. State taxes on premiums	123,381	375,915			499,296
4. Other state taxes, including $ ....for employee benefits	23,197	28,352			51,549
5. U.S. Social Security taxes	129,907	158,776			288,683
6. All other taxes	29,018	35,467			64,485
7. Taxes, licenses and fees incurred	365,064	671,305			1,036,369
8. Taxes, licenses and fees unpaid December 31, prior year	245,385	299,917			545,302
9. Taxes, licenses and fees unpaid December 31, current year	238,852	291,930			530,782
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	371,597	679,292			1,050,889

EXHIBIT 4 - DIVIDENDS OR REFUNDS

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

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
(Gross) - Life Insurance					
1980 CSO 3.5% CRVM	7,435,749		7,435,749		
1890 CSO 4-4.5% CRVM	44,918,081		44,918,081		
2001 CSO S&U 4.5%	13,196		13,196		
2001 CSO 3.5% CRVM	3,395,247		3,395,247		
GROUP & IND. BASED ON MORTALITY TABLES - 80 CSO 4.5%	740			740	
0199997 - TOTALS (Gross) - Life Insurance	55,763,013		55,762,273	740	
0199998 - Reinsurance ceded - Life Insurance	3,055,723		3,055,723		
0199999 - TOTALS (Net) - Life Insurance	52,707,290		52,706,550	740	
(Gross) - Annuities (excluding supplementary contracts with life contingencies)					
BASED ON CRVM FOR IRA CONTRACTS	11,371,436		11,371,436		
PREMIUMS BASIC ACCUMULATED AT 5% INTEREST - GAR	51,198		51,198		
0299997 - TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies)	11,422,634		11,422,634		
0299999 - TOTALS (Net) - Annuities (excluding supplementary contracts with life contingencies)	11,422,634		11,422,634		
(Gross) - Accidental Death Benefits					
1959 ADB 3% NET LEVEL	269,109		269,109		
0499997 - TOTALS (Gross) - Accidental Death Benefits	269,109		269,109		
0499999 - TOTALS (Net) - Accidental Death Benefits	269,109		269,109		
(Gross) - Disability - Active Lives					
1985 CIDA & 1980 CSO 3% NL	211,213		211,213		
1985 CIDA & 1980 CSO 3%	414,653		414,653		
0599997 - TOTALS (Gross) - Disability - Active Lives	625,866		625,866		
0599998 - Reinsurance ceded - Disability - Active Lives	86,413		86,413		
0599999 - TOTALS (Net) - Disability - Active Lives	539,453		539,453		
(Gross) - Disability - Disabled Lives					
1952 SOA 3%	33,150		33,150		
1985 CIDC 3%	1,738,294		1,738,294		
0699997 - TOTALS (Gross) - Disability - Disabled Lives	1,771,444		1,771,444		
0699998 - Reinsurance ceded - Disability - Disabled Lives	925,432		925,432		
0699999 - TOTALS (Net) - Disability - Disabled Lives	846,012		846,012		
9999999 - TOTALS (Net) - Page 3, Line 1	65,784,498		65,783,758	740	

EXHIBIT 5 - INTERROGATORIES

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

1.2 If not, state which kind is issued.

. . . .

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

2.2 If not, state which kind is issued.

. . . .

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

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

4.1 Amount of insurance? $ . . . .

4.2 Amount of reserve? $ . . . .

4.3 Basis of reserve:

. . . .

4.4 Basis of regular assessments:

. . . .

4.5 Basis of special assessments:

. . . .

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

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

. . . .

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

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

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

Attach statement of methods employed in their valuation.

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

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

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

. . . .

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

7.4 Identify where the reserves are reported in the blank.

. . . .

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

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

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

8.3 Identify where the reserves are reported in the blank:

. . . .

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

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

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

9.3 Identify where the reserves are reported in the blank:

. . . .

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

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

NONE

EXHIBIT 6 - AGGREGATES RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non-Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	20,190	20,190							
2. Additional contract reserves (a)	17,030,548					17,030,548			
3. Additional actuarial reserves - Asset/Liability analysis	533,546					533,546			
4. Reserve for future contingent benefits									
5. Reserve for rate credits									
6. Aggregate write-ins for reserves									
7. Totals (Gross)	17,584,284	20,190				17,564,094			
8. Reinsurance ceded	9,984					9,984			
9. Totals (Net)	17,574,300	20,190				17,554,110			
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	4,003,411	3,841,680	243			161,488			
11. Additional actuarial reserves - Asset/Liability analysis									
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. Totals (Gross)	4,003,411	3,841,680	243			161,488			
15. Reinsurance ceded	2,576,105	2,468,847				107,258			
16. Totals (Net)	1,427,306	1,372,833	243			54,230			
17. TOTAL (Net)	19,001,606	1,393,023	243			17,608,340			
18. TABULAR FUND INTEREST									
DETAILS OF WRITE-INS									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page									
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)									
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page									
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)									

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

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	515,725			515,725		
2. Deposits received during the year						
3. Investment earnings credited to the account						
4. Other net change in reserves						
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	(207,791)			(207,791)		
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8)	723,516			723,516		
10. Reinsurance balance at the beginning of the year						
11. Net change in reinsurance assumed						
12. Net change in reinsurance ceded						
13. Reinsurance balance at the end of the year (Lines 10+11-12)						
14. Net balance at the end of current year after reinsurance (Lines 9+13)	723,516			723,516		

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct	6,181,991		1,129,044				555,300		3,054,097		1,443,550
1.2 Reinsurance assumed											
1.3 Reinsurance ceded	3,306,322		301,500				85,000		2,810,564		109,258
1.4 Net	2,875,669		827,544				470,300		243,533		1,334,292
2. In course of settlement:											
2.1 Resisted 2.11 Direct											
2.12 Reinsurance assumed											
2.13 Reinsurance ceded											
2.14 Net			(b)	(b)		(b)	(b)				
2.2 Other 2.21 Direct											
2.22 Reinsurance assumed											
2.23 Reinsurance ceded											
2.24 Net			(b)	(b)		(b)	(b)		(b)	(b)	(b)
3. Incurred but unreported:											
3.1 Direct	321,460		114,131			325	8,747		53,212	1,004	144,041
3.2 Reinsurance assumed											
3.3 Reinsurance ceded	80,478		10,313				1,162		42,500		26,503
3.4 Net	240,982		(b) 103,818	(b)		(b) 325	(b) 7,585		(b) 10,712	(b) 1,004	(b) 117,538
4. TOTALS 4.1 Direct	6,503,451		1,243,175			325	564,047		3,107,309	1,004	1,587,591
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	3,386,800		311,813				86,162		2,853,064		135,761
4.4 Net	3,116,651	(a)	(a) 931,362			325	(a) 477,885		254,245	1,004	1,451,830

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

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

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

	1	2	Ordinary			6	Group		Accident and Health		
	Total	Industrial Life (a)	3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	28,470,056		9,429,355	295,453		113,070	2,562,370		2,140,141		13,929,667
1.2 Reinsurance assumed											
1.3 Reinsurance ceded	12,922,408		2,173,165				252,510		591,015		9,905,718
1.4 Net	(d) 15,547,648		7,256,190	295,453		113,070	2,309,860		1,549,126		4,023,949
2. Liability December 31, current year from Part 1:											
2.1 Direct	6,503,451		1,243,175			325	564,047		3,107,309	1,004	1,587,591
2.2 Reinsurance assumed											
2.3 Reinsurance ceded	3,386,800		311,813				86,162		2,853,064		135,761
2.4 Net	3,116,651		931,362			325	477,885		254,245	1,004	1,451,830
3. Amounts recoverable from reinsurers December 31, current year	1,957,760		605,934				403,262		66,413		882,151
4. Liability December 31, prior year:											
4.1 Direct	6,218,373		964,350			2,666	495,523		3,535,919	918	1,218,997
4.2 Reinsurance assumed											
4.3 Reinsurance ceded	3,690,047		178,750				145,136		3,291,071		75,090
4.4 Net	2,528,326		785,600			2,666	350,387		244,848	918	1,143,907
5. Amounts recoverable from reinsurers December 31, prior year	1,691,009		490,000				177,772		112,847		910,390
6. Incurred Benefits:											
6.1 Direct	28,755,134		9,708,180	295,453		110,729	2,630,894		1,711,531	86	14,298,261
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	12,885,912		2,422,162				419,026		106,574		9,938,150
6.4 Net	15,869,222		7,286,018	295,453		110,729	2,211,868		1,604,957	86	4,360,111

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

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

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

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans	41,201	29,624	(11,577)
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	41,201	29,624	(11,577)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	3,312,233	3,264,399	(47,834)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts	3,788	3,788	
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	137,727	157,984	20,257
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	481,508	436,202	(45,306)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,976,457	3,891,997	(84,460)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	3,976,457	3,891,997	(84,460)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid Expenses - Miscellaneous	251,946	244,933	(7,013)
2502. Accounts Receivable - Miscellaneous	165,621	149,066	(16,555)
2503. Deferred Expenses Miscellaneous	47,527	19,995	(27,532)
2598. Summary of remaining write-ins for Line 25 from overflow page	16,414	22,208	5,794
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	481,508	436,202	(45,306)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices, impact of NAIC /State differences

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

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

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

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

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

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

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

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

The Company's net income, capital and surplus, are the same for NAIC SAP and practices prescribed and permitted by the Commonwealth of Puerto Rico.

B. Use of Estimates in Preparation of the Financial Statements

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

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

Cash and Cash Equivalents — Cash consists of cash on hand and on deposit. The Company consider all instruments purchase with an original maturity of three month or less to be cash equivalents. There are no cash equivalents as of September 30, 2018 and December 2017.

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

Loan-backed securities are subject to prepayment and extension risk. The retrospective method is used to value all loan-backed securities, except for interest only securities, Statements of Statutory Accounting Principles (SSAP) No. 43R, *Loan-backed and Structured Securities* eligible securities or securities where the yield has become negative, which are valued using the prospective method. The Company had no negative yield securities requiring a change from the retrospective to prospective method as of September 30, 2018 and December 2017.

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

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

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

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

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

Real Estate — Real estate investments represent properties occupied by the Company or held for the production of income, and is presented at cost, net of accumulated depreciation or as adjusted by the market value adjustment under permitted practice by the Commissioner. The useful life of real estate was estimated at approximately 40 years. Depreciation expense for the nine months ended on September 30, 2018 and, 2017 amounted to $112,893 and $111,923, respectively.

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

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

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

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

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

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

EDP Equipment — Electronic data processing (EDP) equipment and software is presented at cost net of accumulated depreciation. The aggregate amount of admitted EDP equipment (net of accumulated depreciation0 shall be limited to three percent of the reporting entity's capital and surplus in the most recent statutory statement filed with the domiciliary state commissioner. Depreciation is provided on the straight-line method over the estimated useful life of the equipment. Depreciation expense for the years ended on December 31, 2018 and, 2017 amounted to $40,473 and $84,794, respectively.

Equipment, Furniture and Fixtures — Equipment, furniture and fixtures are classified as non-admitted assets. Depreciation is provided under the straight-line method over the estimated useful life of the assets. Depreciation expense related to equipment, furniture, and fixtures for the years ended on December 31, 2018 and, 2017 amounted to $47462 and $51,037, respectively.

Income Taxes —

The provision for income taxes is computed in accordance with NAIC's Statements of Statutory Accounting Principles (SSAP) No. 101, which represents the Company's estimate of the income taxes incurred in the current period and the change in tax contingencies for the current and all periods, if any. The Company evaluates tax contingencies in accordance with the NAIC's Statements of Statutory Accounting Principles (SSAP) No. 5R, *Liabilities, Contingencies, and Impairment of Assets,* with the following modifications: The term "probable" as used in SSAP No.5R shall be replaced by the term "more likely than not"; it is presumable that the reporting entity will be examined by the relevant taxing authority that has full knowledge of all relevant information; and any estimated tax loss greater than 50% of the tax benefit originally recorded, the tax loss contingency to be recorded shall be equal to 100% of the benefit recognized.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, subject to certain limitations. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Changes in deferred taxes are recognized as a separate of component of unassigned surplus (deficit).

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

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

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

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

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

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

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

Recent Accounting Developments

In April 2017, effective December 31, 2017, the NAIC substantially revised SSAP No. 26R, *Bonds*, to remove SVO-identified instruments from the definition of a bond and provides separate statutory accounting guidance. Incorporates the definition of a "security" in the definition of a bond and defines various instruments noted in the standard. The revision of these SSAP's did not have an effect on the Company's statutory financial statements.

In November 2017, effective January 1, 2018, the NAIC substantially revised SSAP No. 100R, *Fair Value*, to allow net asset value as a practical expedient to fair value, either when specifically named in a SSAP or when specific conditions exist. The revision of these SSAP's did not have an effect on the Company's statutory financial statements.

In April 2016, effective January 1, 2017, the NAIC substantially revised SSAP No.41R, *Surplus Notes,* to change the measurement guidance for holders of surplus notes. The revision of this SSAP did not have an effect on the Company's statutory financial statements.

In June 2016, effective January 1, 2017, the NAIC substantially revised SSAP No. 51R, *Life Contracts,* and SSAP No.54R, *Individual and Group Accident and Health Contract,* to reference the *Valuation Manual* and update the change in valuation basis guidance as part of PBR implementation. This revision supersedes SSAP No. 80. The revision of these SSAP's did not have an effect on the Company's statutory financial statements.

In June 2016, effective January 1, 2017 the NAIC substantially revised SSAP No. 103, *Transfers and Servicing of Financial Assets and Extinguishment of Liabilities,* to incorporate accounting guidance for short sales. This revision supersedes SSAP. No 91R. The revision of this SSAP did not have an effect on the Company's statutory financial statements.

In December 2016, effective December 31, 2017, the NAIC substantially revised SSAP No.2R, *Cash, Cash Equivalents, Drafts, and Short-Term Investments,* to reclassify money market mutual funds to cash equivalents and clarifies that money market mutual funds shall be valued at fair value, allowing net asset value as a practical expedient. The revision of this SSAP did not have an effect on the Company's statutory financial statements.

In December 2016, effective January 1, 2017, the NAIC substantially revised SSAP No. 35R, *Guaranty Fund and Other Assessments*, to require discounting of long-term care guaranty fund assessments and related assets. The revision of these SSAP's did not have an effect on the Company's statutory financial statements.

During the year ended December 31 2018 no new accounting developments have emerged that might have any impact in the accompanying statutory financial statements.

2. Accounting Changes and Corrections of Errors

Not applicable

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

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

The amortized cost, gross unrealized gains and losses, and fair value of investments in debt securities as of December 31, 2018 and December 31, 2017, are as follows:

	12/31/2018			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities, and U.S. government and its agencies and instrumentalities	$ 1,506,316	$ 11,549	$ -	$ 1,517,865
Non-U.S. government				-
States, territories, and possessions and political subdivisions in the U.S.	65,172,967	1,208,398	4,991,813	61,389,552
Corporate bonds	7,601,094	83,119	56,768	7,627,445
Mortgage-backed securities and collaterialized mortgage obligations	18,033,215	95,241	408,688	17,719,768
Total	$ 92,313,592	$ 1,398,307	$ 5,457,269	$ 88,254,630

	12/31/2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities, and U.S. government and its agencies and instrumentalities	$ 1,510,528	$ 36,332	$ -	$ 1,546,860
Non-U.S. government				-
States, territories, and possessions and political subdivisions in the U.S.	62,349,358	1,718,691	5,455,289	58,612,760
Corporate bonds	7,479,403	284,090	1,223	7,762,270
Mortgage-backed securities and collaterialized mortgage obligations	19,956,042	299,536	196,672	20,058,906
Total	$ 91,295,331	$ 2,338,649	$ 5,653,184	$ 87,980,796

The amortized cost and estimated market value of investments as of December 31, 2018 and December 31, 2017, by contractual maturity are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	12/31/2018		12/31/2017	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 4,610,156	$ 4,641,790	$ 5,243,950	$ 5,301,709
Due after one year through five years	14,382,432	14,328,445	14,473,990	14,803,893
Due after five years through ten years	38,858,081	38,845,540	26,737,013	26,746,004
Due after ten years	16,429,708	12,719,086	24,884,337	21,070,284
Mortgage-backed securities and collateralized mortgage obligations	18,033,215	17,719,768	19,956,042	20,058,906
Total	$ 92,313,593	$ 88,254,630	$ 91,295,331	$ 87,980,796

The following table shows the Company's gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of December 31 2018 and December 31 2017:

12/31/2018	Less Than 12 Months		12 Months or More		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
States, territories, and possessions and political subdivisions in the U.S.	$ 3,785,749	$ 55,857	$ 25,188,834	$ 4,935,956	$ 28,974,583	$ 4,991,813
Corporate bonds	3,761,798	54,800	497,735	1,968	4,259,533	56,768
Mortgage-backed securities and collateralized mortgage obligations	6,251,658	$ 110,467	7,163,602	298,221	13,415,260	$ 408,688
Total	$ 13,799,206	$ 221,124	$ 32,850,171	$ 5,236,145	$ 46,649,377	$ 5,457,269

12/31/2017	Less Than 12 Months		12 Months or More		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
States, territories, and possessions and political subdivisions in the U.S.	$ 15,538,195	$ 258,837	$ 9,717,275	$ 5,196,452	$ 25,255,470	$ 5,455,289
Corporate bonds	1,009,165	1,223	-	-	1,009,165	1,223
Mortgage-backed securities and collateralized mortgage obligations	3,341,570	$ 42,843	5,202,374	153,829	$ 8,543,944	$ 196,672
Total	$ 19,888,929	$ 302,903	$ 14,919,650	$ 5,350,281	$ 34,808,579	$ 5,653,184

The Company has $3,024,241 deposited with the Commissioner of Insurance of the Commonwealth of Puerto Rico, in trust for the protection of the Company's policyholders and creditors, as required by respective insurance code.

Since February 2014, the investments rating agencies Moody's, Standard and Poor's and Fitch downgraded the general obligations bonds of the Commonwealth of Puerto Rico and some other instrumentalities. As of December 31, 2018 and December 31, 2017, Multinational Life Insurance Company ("the Company") possessed investments in Puerto Rico (P.R.) obligations and other instrumentalities with an amortized cost in the amount of $7.6 million and market value of $3.7 million and $ 2.8 million, respectively.

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

Multinational Life Insurance Company maintains an Asset Valuation Reserve as of December 31, 2018 and December 31, 2017 in the amount of $1.7 million and $1.6 respectively. As a result of downgrades of Puerto Rico obligations mentioned above such obligations were downgraded by the SVO to classification 6 in 2015, and has been reported at reported at fair value since then. As of December 31, 2018 and December 31, 2017 fair value of such securities amounted to $3.5 million and $2.8 million respectively. Puerto Rico obligations represented 3.62%, and 3.00% of the investment portfolio as of December 31, 2018 and December 31, 2017, respectively.

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

The Act also established a temporary stay on litigation to enforce rights or remedies related to financial liabilities of the Commonwealth, its instrumentalities and municipalities, which was initially scheduled to expire on February 15, 2017 but was extended by the Oversight Board until May 1, 2017. The Act finally established two separate mechanisms to restructure the debts of the Commonwealth, its public corporations and municipalities. The first mechanism permits modifications of financial indebtedness with the consent of a supermajority of affected financial creditors. The second mechanism is a court-supervised debt-adjustment process, which is modeled after Chapter 9 of the U.S. Bankruptcy Code. Pursuant to PROMESA, the Oversight Board required the Commonwealth to submit a fiscal plan in October 2016. The fiscal plan submitted by the Commonwealth projected that, under current policies, consolidated expenditures (including debt service on tax-supported debt) would, in the aggregate, exceed consolidated resources by approximately $58.7 billion from fiscal year 2017 to fiscal year 2026. The plan estimated that, even assuming the successful implementation of the measures set forth therein, there would still be a material cumulative financing gap before the payment of debt service during the ten-year period covered by the fiscal plan in the absence of federal Affordable Care Act funding for the Government's health programs. The Oversight Board rejected the prior Administration's plan in November 2016 and requested that the new Administration of Governor Ricardo Rosselló Nevares deliver a new fiscal plan by January 15, 2017, which was later extended until February 28, 2017. In a letter dated January 18, 2017, the Oversight Board recommended to the Governor a series of measures for inclusion in the fiscal plan, including a $1.0 billion reduction in health care spending by fiscal year 2019, the elimination of budgetary subsidies to municipalities, and important reductions in payroll expenditures and pension and/or pension-related benefits. On February 28, 2017, the Governor of Puerto Rico submitted a 10-year fiscal plan to the Fiscal Oversight Board established by PROMESA, for its review and approval. As part of the proposed plan, the Puerto Rico government intends to make significant changes to the Government Health Plan, including cost reductions of around $300 million over the first two years and $2.5 billion over the plan period. After certain revisions, a final plan was approved by the Board on March 13, 2017, which includes spending reductions of $25.7 billion. The plan implies larger concessions from bondholders since there would be approximately $8 billion available for debt service payments over the next 10 years as compared to around $35 billion that is owed over such period. The plan also proposes certain significant changes to the Commonwealth's healthcare delivery model in order to reduce expenses and the elimination of subsidies to the municipalities. Nevertheless, the plan does not provide details about the proposed changes or the timeline for their implementation.

On May 2, Governor Ricardo Rosselló notified to the Fiscal Oversight Board that the Government of Puerto Rico wished to seek protection under Title III of the PROMESA Act. He stated that after extensive discussions in good faith and the opening of the financial books of the Government of Puerto Rico to the creditors, there had not been sufficient progress in the negotiations, so that Title III of the PROMESA Act would allow for a special court to restructure the public debt of Puerto Rico.

Between June and August 2017 the Oversight Board certified fiscal plans for the Commonwealth and certain of its instrumentalities. However, subsequently in December they requested that the government submit revised fiscal plans, taking into account the impact of the hurricanes Maria and Irma, which impacted Puerto Rico in September 2017. The government has submitted several drafts of such fiscal plans to the Oversight Board, which are currently under its review. The Oversight Board has indicated that they expect to certify the revised plans submitted for the Commonwealth, the Puerto Rico Aqueduct and Sewer Authority, and the Puerto Rico Electric Power Authority by the end of March 2018.

The Company has direct exposure to the Puerto Rico government obligations with a book value in the amount of $3.7 million and $2.8 million as of December 31, 2018 and December 31, 2017 respectively. On the year ended December 31, 2017 other than temporary impairment in the amount of$500,000 was recognized as a result of the maturity of a Government Development Bank bond, which matured during the year but corresponding payment was not received as of year-end. No other than temporary impairment has been assessed yet during year 2018.

On November 29, 2018, the Puerto Rico Fiscal Agency and Financial Advisory Authority("AAFAF", by its Spanish acronym) and the Government Development Bank for Puerto Rico ("GDB") announced the consummation of the qualifying modification (the "Qualifying Modification") for GDB under Title VI of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"). The completion of the Qualifying Modification for GDB marked the first successful use of the collective action procedures under Title VI of PROMESA and the first Puerto Rico debt restructuring transaction closed under PROMESA.

The consummation of this transaction provided combined debt service savings to the majority of Puerto Rico's municipalities of approximately $55 million during the January 1 and July 1, 2019 payments, while also providing GDB's diverse creditor constituency with adequate recoveries given the financial circumstances of the GDB.

The GDB Debt Recovery Authority, a newly formed statutory public trust and governmental instrumentality (the "Issuer"), issued $2,597,754,625 of 7.500% GDB Debt Recovery Authority Bonds (Taxable) due 2040 (the "DRA Bonds") to holders of participating bond claims of GDB, with each holder receiving $550 of DRA Bonds for each $1,000 of participating bond claims of GDB that they previously held. The DRA Bonds were delivered on November 30, 2018.

The Company had a $500,000 GDB bond that had already matured in 2017 and was written-off as of December 31, 2017 accordingly. As a result of the above mentioned debt restructuring transaction the Company received a DRA Bond accounted for at market value of $229,136 as of November 30, 2018, the exchange date. As this bond has not been classified as 6 by the SVO it has been recorded at its amortized cost as of December 31, 2018, which is $186,340, as a result of principal payment received during December 2018.

A. Mortgage Loans, Including mezzanine real estate loans

1. The maximum and minimum lending rates for real estate mortgage loans during 2018 and 2017 were 6% and 5%

2. During 2018 and 2017 the company did not reduce interest rates of outstanding loans

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

4. As of December 31, 2018 and December 31, 2017 the Company did not hold mortgage loans with interest mere than 180 days past due with a recorded investment, excluding accrued interest

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

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

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

8. Average recorded investment in impaired loans – NONE

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

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

11. Allowances for credit losses – NONE

12. There are no impaired loans as of December 31, 2018 and December 31, 2017.

B. Troubled debt restructuring for creditors - None

C. Reverse mortgage - None

D. Loan-backed securities- None

1. Loan backed securities are subject to prepayment and extension risk. The retrospective method is used to value all loan-backed securities, except for interest only securities, SSAP No. 43R, *Loan-backed and Structured Securities* eligible securities or securities where the yield has become negative, which are valued using the prospective method. As of December 310, 2018 and December 31, 2017, the Company had no negative yield securities requiring a change from the retrospective to prospective method. Prepayment assumptions for mortgage-backed securities incorporated in the calculation of their amortized cost are generated using a prepayment model acquired from a vendor. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and the term and age of the underlying collateral (burnout, seasoning). The market value of loan-backed securities was obtained from various independent security dealers. Investment income due and accrued over 90 days past due is recognized as non-admitted and excluded from surplus.

2. No OTTI was recognized on loan backed securities for the year ended on December 31, 2018. On the year ended December 31, 2017 other than temporary impairment in the amount of $500,000 was recognized as a result of the maturity of a Government Development Bank bond, which matured during the year but corresponding payment was not received as of year-end.

	12/31/2018
a. The aggregate amount of unrealized losses:	
1. Less than 12 Months	$ (110,467)
2. 12 Months or Longer	$ (298,221)
b. The aggregate related fair value of securities with unrealized losses	
1. Less than 12 Months	$ 6,251,658
2. 12 Months or Longer	$ 7,163,602

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

F. Real Estate - None

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

H. Restricted Assets - None

I. Working Capital Finance Investment – Not Applicable

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

6. Joint Ventures, Partnerships and Limited Companies

Not applicable.

7. Investment Income

A. Accrued Investment Income

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

B. Amount Nonadmitted

There was no nonadmitted investment income as of December 31, 2018 and 2017 respectively.

8. Derivative Instruments

A. The Company does not have derivative instruments.

9. Income Taxes

Current

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

On June 30, 2013, the Governor of the Commonwealth of Puerto Rico signed into law Puerto Rico's Act No. 40 known as Tax burden Adjustment and Redistribution Act ("Act 40") which introduces substantial changes to the 2011 tax reform. Among the changes introduced by this act was the increase of the AMT tax rate from 20% to 30%

Further, Act 72 of May 29, 2015 made several changes to the alternative minimum tax (AMT) rules, specifically regarding the calculation of the minimum tentative tax. Under this amendments the amount of expenses paid to a related person or home office were subject to a 20% tax as a component of the AMT tax calculation. In a ruling issued by the U.S. District Court- Puerto Rico District (confirmed by the U.S. Court of Appeals for the First Circuit), this provision of the Tax Code was declared invalid under both federal constitutional and statutory law, thus technically repealed.

Also, Act 72-2015 introduced that net operating losses carryforward for AMT purposes are limited for taxable years ending after December 31, 2014, to seventy (70) percent of the alternative minimum taxable income. In addition, net capital losses carryforward was also limited to eighty (80) percent of the capital gains.

Finally, in the case of insurance companies, the rules to file the income tax return for the taxable years commencing after December 31, 2014 were supposed to change and additional instructions were to be provided by the Secretary of the Treasury. For the years ended December 31, 2017 and 2016, no special guidance was provided regarding these new filing rules.

There is no provision for Puerto Rico current income taxes for the years ended on December 31, 2018 and 2017, respectively.

Deferred

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

Premium Tax

In addition to the income tax changes introduced by Act 40, this act established a tax to the insurance companies of 1% on net premiums earned after June 30, 2014. The Office of the Commissioner of Insurance of PR issued Normative Letter CN-2014-170-AF providing guidance for this special tax calculation pursuant to section 7.022 of the Insurance Code. During the years ended December 3, 2018 and, 2017 this tax amounted $314,454 and $307,456 respectively.

Deferred Tax Assets/ Liabilities:

There are no deferred tax assets or liabilities as of December 30, 2018 and 2017.

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

A. Related Party Transactions

The Company leases office space from Multinational Insurance Company under an operating lease agreement. This agreement expired on November 30, 2016 and was a renewal option for a period of five years, which was executed. For the years ended on December 31, 2018 and 2017, a total amount of $233,708 and $235,880 respectively, were recorded as rental expense.

In addition, the Company shares certain expenses with Multinational Insurance Company such as salaries, professional services, occupancy expenses, information technology, and other expenses, which are incurred for the benefit of both companies. For the twelve months ended on December 31, 2018 these charges were as follows:

Amount billed from Multinational Insurance Company	$ 713,874
Amount billed to Multinational Insurance Company	3,023,589
Other expenses net balance	$(2,309,715)

As of December 31, 2018 and December 31, 2017 the company reported net amount due from Multinational Insurance Company in the amount of $555,139 and of $180,149 respectively. The net amount due from/to Multinational Insurance Company do not bear interest and are due on demand.

. During the year 2018 the company has some intercompany transactions with Aseguradora ANCON and ASKA Insurance which are affiliated companies, As of December 31,2018 and 2017, from ASKA Insurance amounts due were $11,492 and $7,832, respectively, and from Aseguradora ANCON $10,000

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

On December 28, 2011 the Company issued 223,881 shares of convertible non-voting preferred stock, with $10 par value at a $67 purchase price, and 4% dividend rate, for a total issuance of $15,000,027. The stock was purchased by an affiliate company. For the year 2015 and thereafter the board of directors approved an increase in the preferred stocks dividend rate to 12%, subject to a maximum of prior calendar year end net income, or 10% of statutory surplus, whichever is lower (in order to be classified as an ordinary dividend as per the Puerto Rico Insurance Code). As a result, dividends paid on preferred stock for the twelve months ended on December 31, 2018 and 2017 amounted to $1,470,893 and $1,253,694 respectively.

On March 23, 2017_the board of directors of the Company approved a line of credit of $1,000,000 to an affiliate, Impulse Finance Corp, a company domiciled in Puerto Rico to operate in the premium financing business under the supervision of the Office of the Commissioner of Financial Institutions. The line of credit was increased to $3,000,000 on December 15, 2017, and to $3,400,000 on March 28, 2018, the loan balance as of December 31, 2018 amounted to $3,300,000.

11. Debt

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

For the twelve months ended on December 31, 2018 and 2007, the Company recorded interest expense on surplus notes issued to unrelated parties amounting to $393,983, and $183,230, respectively. Approval for such payments was received from the Office of the Commissioner of Insurance of Puerto Rico prior to disbursement.

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

Not applicable.

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

(1)– (2)
The Company has 500,000 shares of $10 par value common stock authorized and 250,291 shares issued and outstanding, of which approximately 99% is owned by related parties. The Company has 300,000 shares of $10 par value preferred stock authorized. On December 28, 2011 the Company issued 223,881 shares of convertible non-voting preferred stock, with $10 par value at a $67 purchase price, and 4% dividend rate, for a total issuance of $15,000,027. The stock was purchased by an affiliate company. . For the year 2015 the board of directors approved an increase in the preferred stocks dividend rate to 12%, subject to a maximum of prior calendar year end net income, or 10% of statutory surplus, whichever is lower (in order to be classified as an ordinary dividend as per the Puerto Rico Insurance Code). As a result, dividends paid on preferred stock for the twelve months ended on December 31, 2018 and 2017 amounted to $1,470,893 and $1,253,694 respectively.

(3)– (5)
Under applicable Puerto Rico insurance laws and regulations, the Company is required to maintain minimum capital and surplus of $2,500,000. Dividends can be paid from unassigned surplus without prior approval of the Office of the Commissioner of Insurance of the Commonwealth of Puerto Rico. For the twelve months on December 30, 2018 and 2017, the Company complied with the minimum requirements for capital and surplus.

(6) Not Applicable

(7) Not Applicable

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

(9) Not Applicable

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

		12/31/2018		12/31/2017
a. Unrealized gains (losses) on investment securities	$	742,709	$	(511,891)

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

(11) Surplus Notes

(a) Date issued – March 30, 2005

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

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

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

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

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

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

(h) Unapproved interest and/or principal – None

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

(j) Total interest and/or principal paid on surplus notes - $3,766,676

(k) Subordination terms – N/A

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

(m) The repayment conditions and restrictions:

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

(12) Quasi – Reorganization restatement - Not Applicable

(13) Quasi – Reorganization effective date – Not Applicable

14. Contingencies

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

15. Leases

The Company leases office space from Multinational Insurance Company under an operating lease agreement. This agreement expired on November 30 2016 and was automatically renewed for a period of five years, which was executed. For the year ended on December 31, 2018 and 2017 a total amount of $233,708, and $235,880, respectively, were recorded as rental expense.

a. At January 1, of said year, the minimun aggregate rental commtments are as follows:

Reporting Period Ending		Operating Leases
1.	2019	$ 314,468
2.	2020	$ 308,418
3.	2021	$ 308,418
4.	2022	$ 308,418
5.	2023	$ 308,418
6.	Total	$ 1,548,139

b. Lessor Leases – Not Applicable-

(2) Leveraged Leases

b. The Company's investment in leveraged leases relates to equipment used primarily in the transportation industries. The component of net income from leveraged leases at December 31, 2018 and December 31, 2017 were as shown below:

		2018	2017
1.	Income from leveraged leases before income tax including investment tax credit	$ -	$ -
2.	Less current income tax	$ -	$ -
3.	Net income from leveraged leases	$ -	$ -

c. The components of the investment in leveraged leases at September 30, 2018 and December 31, 2017 were as shown below:

		2018	2017
1.	Lease contracts receivable (net of principal and interest on non-recourse financing)	$ -	$ -
2.	Estimated residual value of leased assets	$ -	$ -
3.	Unearned and deferred income	$ -	$ -
4.	Investment in leveraged leases	$ -	$ -
5.	Deferred income taxes related to leveraged leases	$ -	$ -
6.	Net investment in leveraged leases	$ -	$ -

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

Not applicable.

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

Not Applicable.

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

Not Applicable.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

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

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

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

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Perpetual Preferred Stock				
Industrial and Misc.	$ -	$ -	$ -	$ -
Parent, Subsidiaries and Affiliates	$ -	$ -	$ -	$ -
Total Perpetual Preferred Stocks	$ -	$ -	$ -	$ -
Bonds				
U.S, Treasury securuties, and U.S. government and agencies and instrumentalities	$ 604,220	$ 2,593,880	$ -	$ 3,198,100
States, territories, and possession and political subdivisions in U.S.	$ -	$ 11,338,933	$ -	$ 11,338,933
Industrial and Misc.	$ -	$ 14,160,101	$ -	$ 14,160,101
Hybrid Securities	$ -	$ 261,962	$ -	$ 261,962
Special Rev./Assess Obligations	$ -	$ 59,295,534	$ -	$ 59,295,534
Parent, Subsidiaries and Affiliates	$ -	$ -	$ -	$ -
Total Bonds	$ 604,220	$ 87,650,410	$ -	$ 88,254,630
Common Stock				
Industrial and Misc.	$ 136,191	$ -	$ -	$ 136,191
Parent, Subsidiaries and Affiliates	$ -	$ -	$ -	$ -
Total Common Stocks	$ 136,191	$ -	$ -	$ 136,191
Derivative assets				
Interest rate contractas	$ -	$ -	$ -	$ -
Foreign exchange contracts	$ -	$ -	$ -	$ -
Credit contracts	$ -	$ -	$ -	$ -
Commodity futures contracts	$ -	$ -	$ -	$ -
Commodity forward contracts	$ -	$ -	$ -	$ -
Total Derivatives	$ -	$ -	$ -	$ -
Separate accounts assets	$ -	$ -	$ -	$ -
Total assets at fair value	$ 740,411	$ 87,650,410	$ -	$ 88,390,821

b. Liabilities at fair value

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

Description	Beginning Balance at 01/01/2018	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Insurances	Sales	Settlements	Ending Balance at 12/31/2018
a. Assets:										
Loan-Backed and Structured Securities (NAIC 3-6)										
Residential Mortgaged- Backed Securities										
Commercial Mortgaged- Backed Securities										
Derivative										
Credit Contracts										
Other Fund Investments										
Hedge Fund High-Yield Debt Securities										
Private Equity										
Common Stock(Industrial & Misc.(Unaffiliated)										-
Preferred Stock(Indistrial & Misc.(Unaffiliated)										-
....										
Total Assets										
b. Liabilities										
....										
....										
....										
Total Liabilities										

NOTES TO FINANCIAL STATEMENTS

C.

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

D. Not Practicable to Estimate Fair Value

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

21. Other Items

Not applicable.

22. Subsequent Events

Not applicable.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

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

Yes ( ) No(X)

If yes, give full details

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

Yes ( ) No(X)

If yes, give full details

Section 2 - Ceded Reinsurance Report - Part A

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

Yes ( ) No(X)

NOTES TO FINANCIAL STATEMENTS

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

Yes ( ) No(X)

Section 3 - Ceded Reinsurance Report - Part B

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

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

Yes ( ) No(X)

B. There was no reserve for possible uncollectible reinsurance as of December 31, 2018, and December 31, 2017 . There was no written off amount for uncollectible reinsurance balances for the twelve months ended December 31, 2018 and 2017, respectively.

C. In January 4, 2017 we entered a Commutation Settlement and Release agreement with HRMP (London Life Reinsurance Company) regarding the following treaty.

Treaty Reference	Description	Treaty Effective Date
NLIC-SG	Group Long Term Disability & Group Short Term Disability Reinsurance Agreement.	01/01/1998

Multinational Insurance Company and HRMP (London Life Reinsurance Company) have agreed to commute claims in accordance with Amendment One to the Group Long Term Reinsurance Agreement with effect from January 1 ,2005. The parties agreed to accept, in full and complete satisfaction of all the past, present and future and future obligations and liabilities the Commutation Amounts for claims dates of disability in the years 2007, 2008 and 2009. HRMP paid MLIC $320,000.00. The parties accepted the Commutation Amount as a full, final and complete settlement of all amounts claimed or due. The commutation amount was paid in January 10, 2017.

Income Statement Items:

Losses Incurred $ - (177,705)

In January 20, 2018 we entered a Commutation Settlement and Release agreement with HRMP (London Life Reinsurance Company) regarding the following treaty.

Treaty Reference	Description	Treaty Effective Date
NLIC-SG	Group Long Term Disability & Group Short Term Disability Reinsurance Agreement.	01/01/1998

Multinational Insurance Company and HRMP (London Life Reinsurance Company) have agreed to commute claims in accordance with Amendment One to the Group Long Term Reinsurance Agreement with effect from June 30, 2018. The parties agreed to accept, in full and complete satisfaction of all the past, present and future and future obligations and liabilities the Commutation Amounts for all claims of disability. HRMP paid MLIC $1,170,747.81. The parties accepted the Commutation Amount as a full, final and complete settlement of all amounts claimed or due. The commutation amount was paid in September 30, 2018.

Income Statement Items:

- Losses Incurred $ - 19,319

Reinsurance Ceded and Assumed

The Company reinsures certain risks assumed in the normal course of business. Reinsurance arrangements are used to limit maximum loss, provide greater diversification of risk, minimize exposure on larger risks, and to meet certain regulatory ratios. The Company cedes all risks in excess of $250,000 on individual life insurance and $75,000 for Group Life insurance. For accident and health, the Company cedes 85% of the risk for all Long-Term Disability (LTD) policies. Presently, the Company is doing business with six reinsurance companies, one of which reinsures exclusively LTD. For the cancer business, the Company ceded 70% of the risk during 2018 and 60% on 2017. For the transplant business, the Company ceded 80% of the risk during 2018 and 2017.

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

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

25. Change in Incurred Losses and Loss Adjustment Expenses

Not applicable.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

Not applicable.

31. Reserves for Life Contracts And Annuity Contracts

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

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

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

Aggregate Reserves for Life Contracts

Valuation Standard	2018	2017	2016	2015
1980 CSO 3.5% CRVM	7,435,749	6,354,739	5,471,132	4,465,237
1980 CSO 4-4.5% CRVM	45,257,606	47,865,524	50,200,831	53,636,846
2001 CSO S&U 4.5%	13,196	14,305	15,413	17,601
GROUP & IND. BASED ON MORTALITY TABLES - 80 CSO 4.5%	740	1,632	738	1,943
-	**52,707,291**	**54,236,200**	**55,688,114**	**58,121,627**
BASED ON CARVM FOR IRA CONTRACTS	11,371,436	11,321,934	11,278,909	11,449,775
BASED ON CARVM FOR IRA CONTRACTS	-	-	-	-
PREMIUMS BASIC ACCUMULATED AT 5% INTEREST - GAR	51,198	50,618	51,555	108,973
TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies)	**11,422,634**	**11,372,552**	**11,330,464**	**11,558,748**
1959 ADB 3% NET LEVEL	269,109	275,284	273,975	283,107
1985 CIDA & 1980 CSO 3% NL	124,800.48	138,593.46	153,132	172,774
1985 CIDA & 1980 CSO 3%	414,653.52	446,466.43	501,257	534,421
TOTALS (Gross) - Disability - Active Lives	**539,454**	**585,060**	**654,389**	**707,195**
1952 SOA 3%	16,575	8,252	16,810	1,590
1985 CIDC 3%	829,436	1,541,015	665,373	1,012,254
-	**846,011**	**1,549,267**	**682,183**	**1,013,844**
TOTALS (Net)	**$ 65,784,499**	**$ 68,018,363**	**$ 68,629,126**	**$ 71,684,522**

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

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

	General Account	Separate Account with Guarantees	Separate Account nonguaranteed	Total
A. Subject to discretionary withdrawal:				
(1) With fair value adjustment				
(2) At book value less current surrender charge of 5% or more	10,280,371			10,280,371
(3) At fair value	-			-
(4) Total with adjustment or at fair value (total of 1 through 3)	10,280,371	-	-	10,280,371
(5) At book value without adjustment (minimal or no charge or adjustment)				
B. Not subject to discretionary withdrawal	1,142,263	-	-	1,142,263
C. Total (gross: direct + assumed)	11,422,634	-	-	11,422,634
D. Reinsurance ceded	-	-	-	-
E. Total (net)* (C) – (D)	11,422,634	-	-	11,422,634
F. Life & Accident & Health Annual Statement:				
1. Exhibit 5, Annuities Section, Total (net)				11,422,634
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section,				
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1				723,516
4. Subtotal				12,146,150
Separate Accounts Annual Statement:				
5. Exhibit 3, Line 0299999, Column 2				-
5a. Exhibit 3, Line 0299999, Column 2 (Reinsurance Adjustment)				-
6. Exhibit 3, Line 0399999, Column 2				-
7. Policyholder dividend and coupon accumulations				-
8. Policyholder premiums				-
9. Guaranteed interest contracts				
10. Other contract deposit funds				-
11. Subtotal				-
12. Combined Total				12,146,150

33. Premium and Annuity Considerations Deferred and Uncollected numbers

A. Deferred and Uncollected life insurance premiums and annuity considerations as of September 30, 2018 were as follows:

Type	Gross	Net of Loading
Ordinary New Business	304,521	303,452
Ordinary Renewal	3,244,254	3,231,957
Total	3,548,775	3,535,409

34. Separate Accounts

Not applicable.

35. Loss/Claim Adjustment Expenses

The balance in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2018 and December 31, 2017 was $8,082 and $5,525, respectively.

The company incurred $75,567 and paid $67,485 of claims adjustment expenses for the twelve month ended on December 31, 2018, of which $7,399 were attributable to incurred or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years.

Estimate of anticipated Salvage and Subrogation's - Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

1.3 State Regulating? Puerto Rico

1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes ( ) No (X)

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
....

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

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

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

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

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

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

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

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

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

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

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

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

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

If yes, complete and file the merger history data file with the NAIC.

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

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

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

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

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

7.2 If yes,

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

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

1 Nationality	2 Type of Entity
Panama	Insurance Company

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
LPG Certified Public Accountants & Business Consultants PMB 516, 1353 Ave. Luis Vigoreaux, Guaynabo, P.R. 00966

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

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

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

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Michael E. Weilant, FSA MAA Miliman 3000 Bayport Drive, Suite 1050, Tampa, FL. 33607

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

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If yes, provide explanation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $
20.12 To stockholders not officers $
20.13 Trustees, supreme or grand (Fraternal only) $

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $
20.22 To stockholders not officers $
20.23 Trustees, supreme or grand (Fraternal only) $

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

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

21.21 Rented from others $
21.22 Borrowed from others $
21.23 Leased from others $
21.24 Other $

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

22.2 If answer is yes:

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

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 3,900,414

INVESTMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Citibank, N.A.	PO Box 70301, San Juan, PR 00936-70301

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

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

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

1 Name of Firm or Individual	2 Affiliation

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

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

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

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

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	$ 88,157,217	$ 88,254,630	$ 97,413
30.2 Preferred stocks	$	$	$
30.3 Totals	$ 88,157,217	$ 88,254,630	$ 97,413

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

32.2 If no, list exceptions:

OTHER

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes ( ) No (X)

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes ( ) No (X)

OTHER

35.1 Amount of payments to Trade associations, service organizations and statistical or Rating Bureaus, if any? $ 40,551

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

1 Name	2 Amount Paid
AM Best Company	$ 19,900
	$
	$
	$

36.1 Amount of payments for legal expenses, if any? $ 588,224

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

1 Name	2 Amount Paid
	$
	$
	$
	$

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

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

1 Name	2 Amount Paid
	$
	$
	$
	$

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

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

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

1.31 Reason for excluding:

....

....

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

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

1.6 Individual policies:

Most current three years:

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

All years prior to most current three years:

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

1.7 Group policies:

Most current three years:

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

All years prior to most current three years:

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	$ 12,425,054	$ 14,819,185
2.2 Premium Denominator	$ 31,221,061	$ 31,786,837
2.3 Premium Ratio (Line 2.1 divided by Line 2.2)	.... 0.398	.... 0.466
2.4 Reserve Numerator	$ 1,726,265	$ 1,414,095
2.5 Reserve Denominator	$ 87,369,209	$ 86,039,146
2.6 Reserve Ratio (Line 2.4 divided by Line 2.5)	.... 0.020	.... 0.016

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

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

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

3.4 State the authority under which Separate Accounts are maintained:

....

....

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

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

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

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

4.2 Net reimbursement of such expenses between reporting entities:

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

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

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

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

6. For stock reporting entities only:

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

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

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

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11.2 If the answer to 11.1 is yes, please provide the following:

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

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

12.1 Direct Premiums Written	$ ....
12.2 Total Incurred Claims	$ ....
12.3 Number of Covered Lives	....

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

13. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes ( ) No (X)

13.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes ( ) No (X)

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.
$000 omitted for amounts of life insurance

	1 2018	2 2017	3 2016	4 2015	5 2014
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Col. 4)					
2. Ordinary-term (Line 21, Column 4, less Line 34, Col. 4)	2,745,479	2,714,988	2,720,812	2,727,281	2,735,297
3. Credit life (Line 21, Col. 6)	69,284	70,355	71,175	72,128	73,412
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	3,468,788	2,889,061	2,023,316	1,346,648	1,129,014
5. Industrial (Line 21, Col. 2)					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)					
7. Total (Line 21, Col. 10)	6,283,551	5,674,404	4,815,303	4,146,057	3,937,723
7.1 Total in force for which VM-20 deterministic/stochastic reserves are calculated			XXX	XXX	XXX
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Col. 2)					
9. Ordinary-term (Line 2, Col. 4, less Line 34, Col. 2)	227,875	329,642	329,761	10,019	304,429
10. Credit life (Line 2, Col. 6)	171	28	7	2	
11. Group (Line 2, Col. 9)	287,566	95,162	375,638	226,948	100,144
12. Industrial (Line 2, Col. 2)					
13. Total (Line 2, Col. 10)	515,612	424,832	705,406	236,969	404,573
Premium Income-Lines of Business (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2)					
15.1 Ordinary life insurance (Line 20.4, Col. 3)	13,532,820	13,359,393	13,911,850	13,263,587	11,510,612
15.2 Ordinary individual annuities (Line 20.4, Col. 4)	487,713	398,947	396,884	604,607	527,381
16. Credit life, (group and individual) (Line 20.4, Col. 5)	314,992	355,829	705,883	1,678,570	1,915,893
17.1 Group life insurance (Line 20.4, Col. 6)	4,465,630	2,863,540	3,221,673	2,843,325	2,112,730
17.2 Group annuities (Line 20.4, Col. 7)					
18.1 A & H-group (Line 20.4, Col. 8)	4,340,691	4,571,996	4,543,838	4,223,443	3,243,643
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9)	64,960	76,043	120,582	209,239	242,658
18.3 A & H-other (Line 20.4, Col. 10)	8,014,255	10,161,090	9,075,093	7,258,526	6,490,486
19. Aggregate of all other lines of business (Line 20.4, Col. 11)					
20. Total	31,221,061	31,786,838	31,975,803	30,081,297	26,043,403
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	121,211,068	115,032,460	112,798,823	112,854,036	122,244,588
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	99,667,324	95,581,815	95,520,161	99,765,406	108,246,760
23. Aggregate life reserves (Page 3, Line 1)	65,784,498	68,018,362	68,629,125	71,684,522	76,488,740
23.1 Excess VM-20 deterministic/stochastic reserve over NPR related to Line 7.1			XXX	XXX	XXX
24. Aggregate A & H reserves (Page 3, Line 2)	19,001,606	16,123,498	14,483,339	13,564,767	11,927,007
25. Deposit-type contract funds (Page 3, Line 3)	723,516	515,725	591,609	685,086	627,725
26. Asset valuation reserve (Page 3, Line 24.01)	1,731,657	1,572,324	1,774,533	1,612,591	1,484,043
27. Capital (Page 3, Line 29 & Line 30)	4,741,720	4,741,720	4,741,720	4,741,720	4,741,720
28. Surplus (Page 3, Line 37)	16,802,024	14,708,925	12,536,942	8,346,910	9,256,108
Cash Flow (Page 5)					
29. Net cash from operations (Line 11)	4,665,913	4,845,754	(1,660,641)	(2,973,698)	(281,046)
Risk-Based Capital Analysis					
30. Total adjusted capital	23,275,401	21,022,969	19,053,195	14,701,221	15,481,871
31. Authorized control level risk-based capital	2,980,502	2,505,533	2,503,403	2,803,784	2,614,413
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No./Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1)	81.1	82.3	81.7	77.5	80.1
33. Stocks (Lines 2.1 and 2.2)	0.1	0.1	0.1	0.1	0.1
34. Mortgage loans on real estate (Lines 3.1 and 3.2)	1.7	1.2	1.3	0.7	0.2
35. Real estate (Lines 4.1, 4.2 and 4.3)	8.5	8.9	9.2	9.1	9.8
36. Cash, cash equivalents and short-term investments (Line 5)	6.9	5.7	5.7	10.5	7.6
37. Contract loans (Line 6)	1.7	1.8	2.1	2.2	2.2
38. Derivatives (Page 2, Line 7)					
39. Other invested assets (Line 8)					
40. Receivables for securities (Line 9)					
41. Securities lending reinvested collateral assets (Line 10)					
42. Aggregate write-ins for invested assets (Line 11)					
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
45. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
46. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)					
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)					
48. Affiliated mortgage loans on real estate					
49. All other affiliated					
50. Total of above Lines 44 to 49					
51. Total investment in parent included in Lines 44 to 49 above					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2)	3,976,457	3,891,997	4,890,877	5,097,544	5,303,058
53. Total admitted assets (Page 2, Line 28, Col. 3)	121,211,068	115,032,460	112,798,823	112,854,036	122,244,588
Investment Data					
54. Net investment income (Exhibit of Net Investment Income)	2,951,705	3,054,421	3,201,845	3,517,214	3,130,818
55. Realized capital gains (losses) (Page 4, Line 34, Column 1)	232,655	(12,586)	(3,376)	(457)	(3,885)
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	742,709	(1,011,891)	719,900	(5,868,108)	(787,855)
57. Total of above Lines 54, 55 and 56	3,927,069	2,029,944	3,918,369	(2,351,351)	2,339,078
Benefits and Reserve Increase (Page 6)					
58. Total contract benefits-life (Lines 10, 11, 12, 13, 14 and 15, Col. 1 minus Lines 10, 11, 12, 13, 14 and 15, Col. 9, 10 and 11)	12,356,845	9,604,938	10,287,204	11,991,019	9,840,689
59. Total contract benefits-A & H (Lines 13 and 14, Col. 9, 10 & 11)	5,965,154	5,281,966	4,964,590	4,460,280	2,941,672
60. Increase in life reserves-other than group and annuities (Line 19, Col. 2 & 3)	(2,283,053)	(653,744)	(2,825,907)	(3,307,098)	(2,540,302)
61. Increase in A & H reserves (Line 19, Col. 9, 10 & 11)	2,177,977	1,682,297	1,454,783	1,649,998	679,575
62. Dividends to policyholders (Line 30, Col. 1)					
Operating Percentages					
63. 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	47.3	54.7	58.9	54.4	69.7
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Column 4, Line 1 and Line 21)] x 100.00	11.4	11.4	11.4	10.0	9.9
65. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	71.2	46.8	42.8	52.1	36.2
66. A & H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)					
67. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)	57.5	64.1	74.6	70.1	95.2
A & H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims-group health (Sch. H, Part 3, Line 3.1, Col. 2)	2,464,048	1,608,444	1,721,699	3,395,276	5,069,870
69. Prior years' claim liability and reserve-group health (Sch. H, Part 3, Line 3.2, Col. 2)	924,458	1,403,629	2,498,717	3,809,142	5,351,426
70. Incurred losses on prior years' claims-health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2)	2,493,825	3,226,912	2,985,089	3,191,658	2,997,332
71. Prior years' claim liability and reserve-health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Column 2)	1,187,240	1,953,386	2,474,712	3,151,066	4,070,823
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2)					
73. Ordinary-life (Col. 3)	1,574,429	1,455,247	4,228,635	3,905,481	1,282,137
74. Ordinary-individual annuities (Col. 4)	(204,975)	(197,381)	(260,435)	(102,536)	(216,890)
75. Ordinary-supplementary contracts (Col. 5)					
76. Credit life (Col. 6)	(119,527)	(148,740)	(83,073)	720,387	728,676
77. Group life (Col. 7)	925,332	392,150	89,354	431,769	(37,811)
78. Group annuities (Col. 8)					
79. A & H-group (Col. 9)	595,480	1,388,380	686,448	634,216	(535,040)
80. A & H-credit (Col. 10)	(60,396)	(62,355)	(31,434)	48,158	70,753
81. A & H-other (Col. 11)	122,080	421,767	(366,023)	169,925	109,366
82. Aggregate of all other lines of business (Col. 12)					
83. Total (Col. 1)	2,832,423	3,249,068	4,263,472	5,807,400	1,401,191

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

EXHIBIT OF LIFE INSURANCE

($000 Omitted for Amounts of Life Insurance)

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance	Number of 7 Policies	Number of 8 Certificates	9 Amount of Insurance	Total Amount of Insurance
1. In force end of prior year			28,124	2,714,988	31,947	70,355	227	158,707	2,889,061	5,674,404
2. Issued during year			2,408	227,875	52	171	24	2,980	287,566	515,612
3. Reinsurance assumed										
4. Revived during year			1,208	133,463						133,463
5. Increased during year (net)				940		20		7,542	511,257	512,217
6. Subtotals, Lines 2 to 5			3,616	362,278	52	191	24	10,522	798,823	1,161,292
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		
8. Aggregate write-ins for increases										
9. Totals (Lines 1 and 6 to 8)			31,740	3,077,266	31,999	70,546	251	169,229	3,687,884	6,835,696
Deductions during year:										
10. Death			171	5,752			XXX	153	2,561	8,313
11. Maturity							XXX			
12. Disability							XXX			
13. Expiry			34	4,915						4,915
14. Surrender			222	20,747						20,747
15. Lapse			2,951	291,833	274	844	21	2,508	123,436	416,113
16. Conversion			33	4,554			XXX	XXX	XXX	4,554
17. Decreased (net)				3,771						3,771
18. Reinsurance										
19. Aggregate write-ins for decreases			2	215		418		4,096	93,099	93,732
20. Totals (Lines 10 to 19)			3,413	331,787	274	1,262	21	6,757	219,096	552,145
21. In force end of year (Line 9 minus Line 20)			28,327	2,745,479	31,725	69,284	230	162,472	3,468,788	6,283,551
22. Reinsurance ceded end of year	XXX		XXX	1,933,817	XXX		XXX	XXX	1,697,952	3,631,769
23. Line 21 minus Line 22	XXX		XXX	811,662	XXX	(a) 69,284	XXX	XXX	1,770,836	2,651,782
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)										
1901. PAID UP			2	215		418		4,096	93,099	93,732
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. Totals (Lines 1901 through 1903 plus 1998) (Line 19 above)			2	215		418		4,096	93,099	93,732

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

EXHIBIT OF LIFE INSURANCE (Continued)

($000 Omitted for Amounts of Life Insurance) (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

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

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
Term Insurance Excluding Extended Term Insurance	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
27. Term policies-decreasing				
28. Term policies-other	2,408	227,875	28,327	2,745,479
29. Other term insurance-decreasing	X X X		X X X	
30. Other term insurance	X X X		X X X	
31. Totals, (Lines 27 to 30)	2,408	227,875	28,327	2,745,479
Reconciliation to Lines 2 and 21:				
32. Term additions	X X X		X X X	
33. Totals, extended term insurance	X X X	X X X		
34. Totals, whole life and endowment				
35. Totals (Lines 31 to 34)	2,408	227,875	28,327	2,745,479

CLASSIFICATION OF AMOUNT OF INSURANCE BY PARTICIPATING STATUS

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary	227,875		2,745,479	
38. Credit Life (Group and Individual)	171		69,284	
39. Group	287,566		3,468,788	
40. Totals (Lines 36 to 39)	515,612		6,283,551	

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1	2	3 umber of Certificates	4 Amount of Insurance
41. Amount of insurance included in Line 2 ceded to oth	NONE		X X X	
42. Number in force end of year if the number under sha counted on a pro-rata basis				X X X
43. Federal Employees' Group Life Insurance included ir				
44. Servicemen's Group Life Insurance included in Line				
45. Group Permanent Insurance included in Line 21				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

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

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

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

(47.1)

(47.2) NONE

POLICIES WITH DISABILITY PROVISIONS

	Industrial		Ordinary		Credit		Group	
Disability Provision	1 Number of Policies					6 unt of nce	7 Number of Certificates	8 Amount of Insurance
48. Waiver of Premium		NONE						
49. Disability Income								
50. Extended Benefits								
51. Other								
52. Total								(a)

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

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

SUPPLEMENTARY CONTRACTS

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

NONE

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year		903		
2. Issued during year		6		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Lines 1 to 4)		909		
Deductions during year:				
6. Decreased (net)		11		
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)		11		
9. In force end of year		898		
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	23,458				70,109	
2. Issued during year	668				9,967	
3. Reinsurance assumed						
4. Increased during year (net)	1,014	XXX		XXX		XXX
5. Totals (Lines 1 to 4)	25,140	XXX		XXX	80,076	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)	14,992	XXX		XXX	9,338	XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Lines 6 to 8)	14,992	XXX		XXX	9,338	XXX
10. In force end of year	10,148	(a)		(a)	70,738	(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

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

NONE

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

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS (b)

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Business Only Life Contracts 2 Life Insurance Premiums	 Life Contracts 3 Annuity Considerations	 4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	 5 Other Considerations	 6 Total Columns 2 through 5	 7 Deposit-Type Contracts
1. Alabama AL	N						
2. Alaska AK	N						
3. Arizona AZ	N						
4. Arkansas AR	N						
5. California CA	N						
6. Colorado CO	N						
7. Connecticut CT	N						
8. Delaware DE	N						
9. District of Columbia DC	N						
10. Florida FL	N	1,480				1,480	
11. Georgia GA	N						
12. Hawaii HI	N						
13. Idaho ID	N						
14. Illinois IL	N						
15. Indiana IN	N						
16. Iowa IA	N						
17. Kansas KS	N						
18. Kentucky KY	N						
19. Louisiana LA	N						
20. Maine ME	N						
21. Maryland MD	N						
22. Massachusetts MA	N						
23. Michigan MI	N						
24. Minnesota MN	N						
25. Mississippi MS	N						
26. Missouri MO	N						
27. Montana MT	N						
28. Nebraska NE	N						
29. Nevada NV	N						
30. New Hampshire NH	N						
31. New Jersey NJ	N						
32. New Mexico NM	N						
33. New York NY	N						
34. North Carolina NC	N						
35. North Dakota ND	N						
36. Ohio OH	N						
37. Oklahoma OK	N						
38. Oregon OR	N						
39. Pennsylvania PA	N						
40. Rhode Island RI	N						
41. South Carolina SC	N						
42. South Dakota SD	N						
43. Tennessee TN	N						
44. Texas TX	N						
45. Utah UT	N						
46. Vermont VT	N						
47. Virginia VA	N						
48. Washington WA	N						
49. West Virginia WV	N						
50. Wisconsin WI	N						
51. Wyoming WY	N						
52. American Samoa AS	N	4,227				4,227	
53. Guam GU	N						
54. Puerto Rico PR	L	17,529,330	487,713	34,363,583		52,380,626	
55. U.S. Virgin Islands VI	N						
56. Northern Mariana Islands MP	N						
57. Canada CAN	N						
58. Aggregate Other Alien OT	XXX	4,541,624				4,541,624	
59. Subtotal	XXX	22,076,661	487,713	34,363,583		56,927,957	
90. Reporting entity contributions for employee benefit plans	XXX						
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX						
92. Dividends of refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX						
94. Aggregate other amounts not allocable by State	XXX						
95. Totals (Direct Business)	XXX	22,076,661	487,713	34,363,583		56,927,957	
96. Plus Reinsurance Assumed	XXX						
97. Totals (All Business)	XXX	22,076,661	487,713	34,363,583		56,927,957	
98. Less Reinsurance Ceded	XXX	3,763,219		21,943,677		25,706,896	
99. Totals (All Business) less Reinsurance Ceded	XXX	18,313,442	487,713	(c) 12,419,906		31,221,061	
DETAILS OF WRITE-INS							
58001. ECU	XXX	2,894,004				2,894,004	
58002. PER	XXX	1,341,084				1,341,084	
58003. DOM	XXX	60,294				60,294	
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	246,242				246,242	
58999. Total (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	4,541,624				4,541,624	
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX						
9499. Total (Lines 9401 through 9403 + 9498) (Line 94 above)	XXX						

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

(a) Active Status Counts:

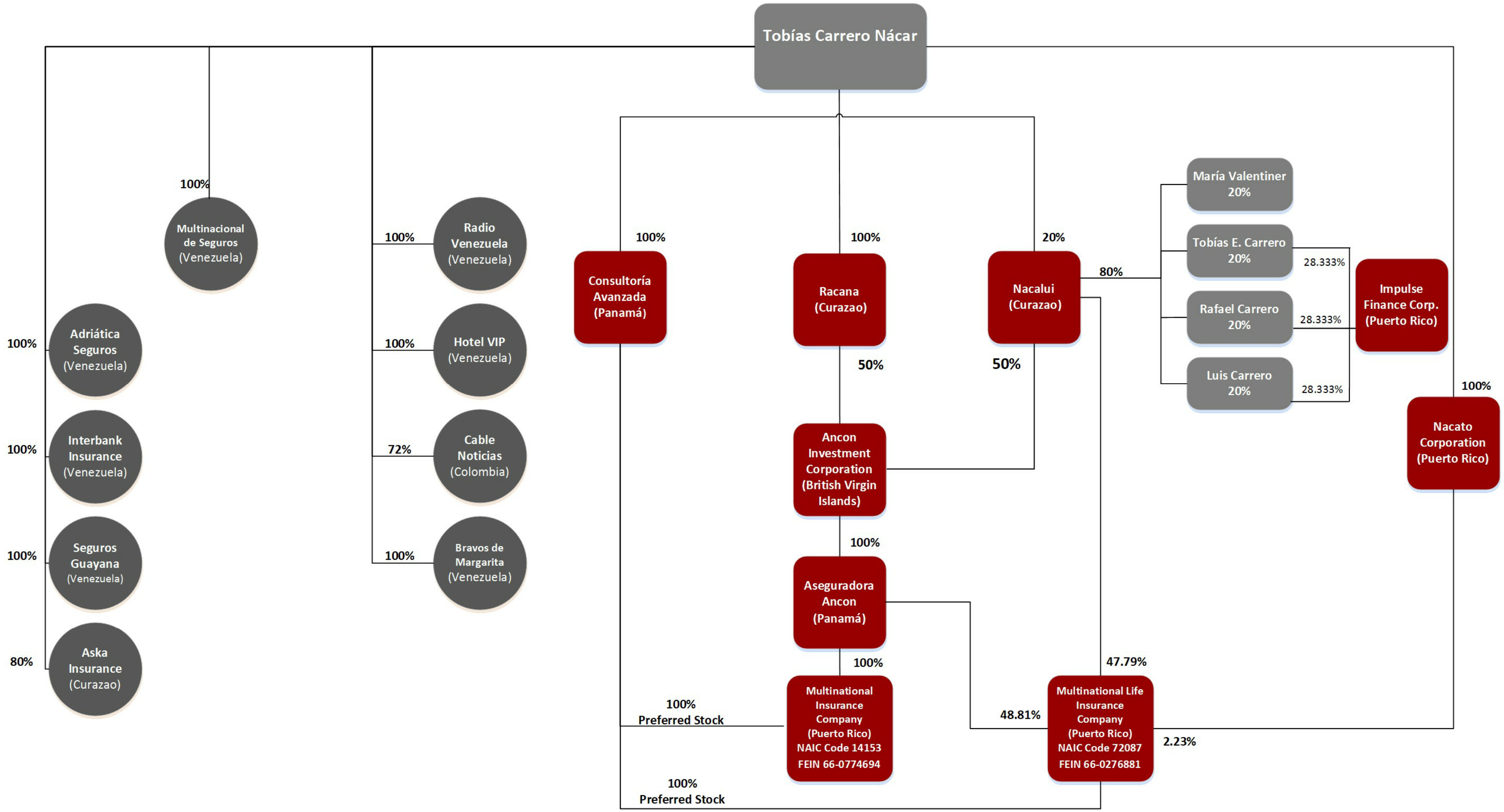
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	1	R - Registered - Non-domiciled RRGs	
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state		Q - Qualified - Qualified or accredited reinsurer	
N - None of the above - Not allowed to write business in the state	56		

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

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

(c) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Column 1, Line 1 indicate which;

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



12/31/2018