



# QUARTERLY STATEMENT

As of September 30, 2009  
of the Condition and Affairs of the

## First Reliance Standard Life Insurance Company

NAIC Group Code.....0074, 0074 (Current Period) (Prior Period)	NAIC Company Code..... 71005	Employer's ID Number..... 13-3176850
Organized under the Laws of New York	State of Domicile or Port of Entry New York	Country of Domicile US
Incorporated/Organized..... June 16, 1983	Commenced Business..... October 1, 1984	
Statutory Home Office	590 Madison Avenue, 29th Floor..... New York ..... NY ..... 10022 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	590 Madison Avenue, 29th Floor..... New York ..... NY ..... 10022 <i>(Street and Number) (City or Town, State and Zip Code)</i>	212-303-8400 <i>(Area Code) (Telephone Number)</i>
Mail Address	590 Madison Avenue, 29th Floor..... New York ..... NY ..... 10022 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	590 Madison Avenue, 29th Floor..... New York ..... NY ..... 10022 <i>(Street and Number) (City or Town, State and Zip Code)</i>	212-303-8400 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	N/A	
Statutory Statement Contact	Paul Van Haren <i>(Name)</i> paul.van.haren@rsli.com <i>(E-Mail Address)</i>	267-256-3664 <i>(Area Code) (Telephone Number) (Extension)</i> 267-256-3522 <i>(Fax Number)</i>

### OFFICERS

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

### OTHER

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

### DIRECTORS OR TRUSTEES

Thomas William Burghart	Lawrence Edmund Daurelle	Steven Andrew Hirsh	Harold Franz Ilg
Bernard Joseph Kilkelly	James Michael Litvack	James Norbert Meehan	Robert Rosenkranz
Nita Ione Savage	Donald Alan Sherman	Robert Michael Smith Jr.	Robert Floyd Wright

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

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

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

Subscribed and sworn to before me

This 13th day of November 2009

a. Is this an original filing? Yes [X] No [ ]

b. If no: 1. State the amendment number

2. Date filed

3. Number of pages attached

COMMONWEALTH OF PENNSYLVANIA  
NOTARIAL SEAL  
DENISE C. BURWELL, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires February 25, 2013

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	130,210,191		130,210,191	124,779,628
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....1,272,045), cash equivalents (\$.....0) and short-term investments (\$.....4,626,568).....	5,898,613		5,898,613	2,355,787
6. Contract loans (including \$.....0 premium notes).....	21,745		21,745	18,744
7. Other invested assets.....			.0	
8. Receivables for securities.....			.0	
9. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	136,130,549	.0	136,130,549	127,154,159
11. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
12. Investment income due and accrued.....	1,557,863		1,557,863	1,366,296
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	4,225,599	.735	4,224,864	2,790,330
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	15,797		15,797	21,555
13.3 Accrued retrospective premiums.....			.0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	544,274		544,274	689,346
14.2 Funds held by or deposited with reinsured companies.....			.0	
14.3 Other amounts receivable under reinsurance contracts.....			.0	
15. Amounts receivable relating to uninsured plans.....			.0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
16.2 Net deferred tax asset.....	2,791,332	2,226,330	565,002	528,124
17. Guaranty funds receivable or on deposit.....			.0	
18. Electronic data processing equipment and software.....			.0	
19. Furniture and equipment, including health care delivery assets (\$.....0).....	24,606	24,606	.0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
21. Receivables from parent, subsidiaries and affiliates.....	43,563		43,563	843,332
22. Health care (\$.....0) and other amounts receivable.....			.0	
23. Aggregate write-ins for other than invested assets.....	364,604	364,604	.0	.0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	145,698,187	2,616,275	143,081,912	133,393,142
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
26. Total (Lines 24 and 25).....	145,698,187	2,616,275	143,081,912	133,393,142

### DETAILS OF WRITE-INS

0901.....			.0	
0902.....			.0	
0903.....			.0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0	.0
2301. Prepaid pension costs and other expenses and suspense debits.....	364,604	364,604	.0	
2302.....			.0	
2303.....			.0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	364,604	364,604	.0	.0

Statement as of September 30, 2009 of the **First Reliance Standard Life Insurance Company**  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....9,395,416 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	9,395,416	8,578,439
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	50,311,627	47,778,479
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve).....	904,356	885,625
4. Contract claims:		
4.1 Life.....	3,988,228	3,655,000
4.2 Accident and health.....	17,751,042	16,189,983
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid.....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....2,875 accident and health premiums.....	3,147	980
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including \$.....0 accident and health experience rating refunds.....		
9.3 Other amounts payable on reinsurance, including \$.....32,857 assumed and \$.....0 ceded.....	32,857	8,935
9.4 Interest Maintenance Reserve.....	892,652	930,177
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....		
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued.....	980,591	822,173
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes.....	(9,001)	55,660
15.1 Current federal and foreign income taxes, including \$.....442 on realized capital gains (losses).....	806,266	813,214
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....	59,889	377,978
18. Amounts held for agents' account, including \$.....141,209 agents' credit balances.....	141,209	147,932
19. Remittances and items not allocated.....	1,428,458	1,116,993
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 \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve.....		
24.2 Reinsurance in unauthorized companies.....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers.....		
24.4 Payable to parent, subsidiaries and affiliates.....	1,614	1,716
24.5 Drafts outstanding.....		
24.6 Liability for amounts held under uninsured plans.....		
24.7 Funds held under coinsurance.....		
24.8 Payable for securities.....	160,000	
24.9 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	3,286,698	3,529,192
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	90,135,049	84,892,476
27. From Separate Accounts statement.....		
28. Total liabilities (Lines 26 and 27).....	90,135,049	84,892,476
29. Common capital stock.....	2,000,000	2,000,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus.....	5,749,758	5,749,758
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	45,197,105	40,750,908
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	50,946,863	46,500,666
38. Totals of Lines 29, 30 and 37.....	52,946,863	48,500,666
39. Totals of Lines 28 and 38.....	143,081,912	133,393,142

**DETAILS OF WRITE-INS**

2501. Retained asset program liability to claimants and miscellaneous accounts payable.....	2,856,114	3,098,608
2502. Minimum pension liability adjustment.....	430,584	430,584
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,286,698	3,529,192
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0

**SUMMARY OF OPERATIONS**

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts.....	43,802,233	46,942,279	61,516,624
2. Considerations for supplementary contracts with life contingencies.....			
3. Net investment income.....	4,688,789	3,956,715	5,471,716
4. Amortization of Interest Maintenance Reserve (IMR).....	41,857	48,227	64,302
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....			
6. Commissions and expense allowances on reinsurance ceded.....	44,786	32,861	45,992
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.....	0	0	0
9. Totals (Lines 1 to 8.3).....	48,577,665	50,980,082	67,098,634
10. Death benefits.....	10,325,077	14,237,719	16,986,594
11. Matured endowments (excluding guaranteed annual pure endowments).....			
12. Annuity benefits.....	19,844	22,013	28,974
13. Disability benefits and benefits under accident and health contracts.....	15,553,350	14,583,984	19,608,781
14. Coupons, guaranteed annual pure endowments and similar benefits.....			
15. Surrender benefits and withdrawals for life contracts.....	391	3,170	7,271
16. Group conversions.....			
17. Interest and adjustments on contract or deposit-type contract funds.....	108,334	183,768	278,636
18. Payments on supplementary contracts with life contingencies.....			
19. Increase in aggregate reserves for life and accident and health contracts.....	3,350,125	1,753,180	1,795,801
20. Totals (Lines 10 to 19).....	29,357,121	30,783,834	38,706,057
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	4,105,112	4,587,605	5,963,320
22. Commissions and expense allowances on reinsurance assumed.....	10,371	17,010	20,168
23. General insurance expenses.....	5,217,452	5,233,934	6,691,182
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	1,551,020	1,480,078	1,945,702
25. Increase in loading on deferred and uncollected premiums.....	26,973	(122,257)	(111,746)
26. Net transfers to or (from) Separate Accounts net of reinsurance.....			
27. Aggregate write-ins for deductions.....	0	0	0
28. Totals (Lines 20 to 27).....	40,268,049	41,980,204	53,214,683
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	8,309,616	8,999,878	13,883,951
30. Dividends to policyholders.....			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	8,309,616	8,999,878	13,883,951
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	2,145,959	2,589,561	4,204,146
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).....	6,163,657	6,410,317	9,679,805
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....(342,683) (excluding taxes of \$.....268 transferred to the IMR).....	(2,945,793)	(348,174)	(376,493)
35. Net income (Line 33 plus Line 34).....	3,217,864	6,062,143	9,303,312
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year.....	48,500,665	44,397,989	44,397,989
37. Net income (Line 35).....	3,217,864	6,062,143	9,303,312
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....(569,980).....	1,077,973		(1,307,186)
39. Change in net unrealized foreign exchange capital gain (loss).....			
40. Change in net deferred income tax.....	789,319	11,803	14,583
41. Change in nonadmitted assets.....	(313,669)	63,725	(671,767)
42. Change in liability for reinsurance in unauthorized companies.....			
43. Change in reserve on account of change in valuation basis, (increase) or decrease.....			
44. Change in asset valuation reserve.....		49,191	517,142
45. Change in treasury stock.....			
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 effect of changes in accounting principles.....	174,711		
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.....	(500,000)	(500,000)	(3,500,000)
53. Aggregate write-ins for gains and losses in surplus.....	0	0	(253,408)
54. Net change in capital and surplus (Lines 37 through 53).....	4,446,198	5,686,862	4,102,676
55. Capital and surplus as of statement date (Lines 36 + 54).....	52,946,863	50,084,851	48,500,665

**DETAILS OF WRITE-INS**

08.301. ....			
08.302. ....			
08.303. ....			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	0	0	0
2701. ....			
2702. ....			
2703. ....			
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0	0
5301. Minimum pension liability adjustment.....			(253,408)
5302. ....			
5303. ....			
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	0	0	(253,408)

**CASH FLOW**

	1 Current Year to Date	2 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	42,348,651	62,353,899
2. Net investment income.....	4,595,476	4,912,360
3. Miscellaneous income.....	44,786	45,992
4. Total (Lines 1 through 3).....	46,988,913	67,312,251
5. Benefit and loss related payments.....	23,971,191	36,709,279
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	11,232,565	14,727,806
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	2,152,907	3,843,568
10. Total (Lines 5 through 9).....	37,356,663	55,280,653
11. Net cash from operations (Line 4 minus Line 10).....	9,632,250	12,031,598
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	13,412,004	10,478,060
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 equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	13,412,004	10,478,060
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	19,662,268	35,112,032
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	(160,000)	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	19,502,268	35,112,032
14. Net increase (decrease) in contract loans and premium notes.....	3,001	(8,025)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(6,093,265)	(24,625,947)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	36,231	44,310
16.5 Dividends to stockholders.....	500,000	3,500,000
16.6 Other cash provided (applied).....	467,610	(566,212)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	3,841	(4,021,902)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	3,542,826	(16,616,251)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	2,355,787	18,972,038
19.2 End of period (Line 18 plus Line 19.1).....	5,898,613	2,355,787

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

20.0001 .....		
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**EXHIBIT 1**

**DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life.....			
2. Ordinary life insurance.....	34,624	25,123	74,851
3. Ordinary individual annuities.....			
4. Credit life (group and individual).....			
5. Group life insurance.....	17,255,323	18,396,691	24,301,270
6. Group annuities.....			
7. A&H - group.....	28,626,293	30,724,561	40,043,017
8. A&H - credit (group and individual).....			
9. A&H - other.....	4,226	4,730	5,138
10. Aggregate of all other lines of business.....	.0	.0	.0
11. Subtotal.....	45,920,466	49,151,105	64,424,276
12. Deposit-type contracts.....			
13. Total.....	45,920,466	49,151,105	64,424,276

**DETAILS OF WRITE-INS**

1001. ....			
1002. ....			
1003. ....			
1098. Summary of remaining write-ins for Line 10 from overflow page.....	.0	.0	.0
1099. Total (Lines 1001 thru 1003 plus 1098) (Line 10 above).....	.0	.0	.0

Statement as of September 30, 2009 of the First Reliance Standard Life Insurance Company  
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

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

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No significant change.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

D. Loan Backed Securities

(4) The Company did not experience any other-than-temporary impairments based on the Company's intent to sell or inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis. Other-than-temporary impairments classified on the basis that the present value of cash flows expected to be collected is less than the amortized cost basis of the security are presented in the table below:

CUSIP	Book/Adj Carrying Value Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Book/Adj. Carrying Value After OTTI	Fair Value
07387QAM2	\$399,050	\$343,730	\$55,320	\$343,730	\$343,548
12544KAW3	78,029	70,577	7,453	70,577	70,577
12668AZW8	1,716,729	1,633,740	82,990	1,633,740	1,633,740
17025JAX1	49,590	40,941	8,648	40,941	40,941
41161PNE9	49,558	37,190	12,368	37,190	37,190
76111XA78	46,120	34,130	11,989	34,130	34,182
	<u>\$2,339,076</u>	<u>\$2,160,308</u>	<u>\$178,768</u>	<u>\$2,160,308</u>	<u>\$2,160,178</u>

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

Less Than 12 Months		More than 12 Months		Total	
(dollars in thousands)					
Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<u>\$1,952</u>	<u>(\$7)</u>	<u>\$9,216</u>	<u>(\$1,771)</u>	<u>\$11,168</u>	<u>(\$1,778)</u>

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

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable.

7. INVESTMENT INCOME

Not applicable.

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

No significant change.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

No significant change.

11. DEBT

Not applicable.

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

No significant change.

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

M. On June 29, 2009, the Company paid an ordinary dividend of \$500,000 on its common stock to its parent, Reliance Standard Life Insurance Company.

14. CONTINGENCIES

No significant change.

15. LEASES

No significant change.

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 PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Not applicable.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MGA'S AND TPA'S

No significant change.

20. OTHER ITEMS

H. The Company generally characterizes its subprime mortgage investments as those having underlying mortgage loans to borrowers with weighted average Fair Issac & Co., Inc. credit scores below 650. Additionally, the weighted-average-loan-to-value ratios of these loans are generally above 80.0%. As of September 30, 2009, the Company owned subprime residential mortgage-backed securities with a cost, book/adjusted carrying value and fair value of \$790,717, \$862,500 and \$721,394, respectively. Additionally, the Company had subprime exposure through other investments with a cost, book/adjusted carrying value and fair value of \$558,711, \$566,604, and \$702,795 respectively. During 2009, the Company recognized \$578,947 of other-than-temporary impairment losses on its subprime investments.

21. EVENTS SUBSEQUENT

Not applicable.

22. REINSURANCE

No significant change.

23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION  
Not applicable.
24. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES  
Not applicable.
25. INTERCOMPANY POOLING ARRANGEMENTS  
Not applicable.
26. STRUCTURED SETTLEMENTS  
Not applicable.
27. HEALTH CARE RECEIVABLES  
Not applicable.
28. PARTICIPATING POLICIES  
Not applicable.
29. PREMIUM DEFICIENCY RESERVES  
Not applicable.
30. RESERVES FOR LIFE CONTRACTS AND DEPOSIT-TYPE CONTRACTS  
No significant change.
31. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT LIABILITIES BY WITHDRAWAL CHARACTERISTICS  
Not applicable.
32. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED  
No significant change.
33. SEPARATE ACCOUNTS  
Not applicable.
34. LOSS/CLAIM ADJUSTMENT EXPENSES  
No significant change.

# First Reliance Standard Life Insurance Company SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1	Direct Business Only						
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Mem- bership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts	
		2 Life Insurance Premiums	3 Annuity Considerations					
1. Alabama.....	AL	N					0	
2. Alaska.....	AK	N					0	
3. Arizona.....	AZ	N					0	
4. Arkansas.....	AR	N					0	
5. California.....	CA	N					0	
6. Colorado.....	CO	N					0	
7. Connecticut.....	CT	N					0	
8. Delaware.....	DE	L					0	
9. District of Columbia.....	DC	L					0	
10. Florida.....	FL	N					0	
11. Georgia.....	GA	N					0	
12. Hawaii.....	HI	N					0	
13. Idaho.....	ID	N					0	
14. Illinois.....	IL	N					0	
15. Indiana.....	IN	N					0	
16. Iowa.....	IA	N					0	
17. Kansas.....	KS	N					0	
18. Kentucky.....	KY	N					0	
19. Louisiana.....	LA	N					0	
20. Maine.....	ME	N					0	
21. Maryland.....	MD	N					0	
22. Massachusetts.....	MA	N					0	
23. Michigan.....	MI	N					0	
24. Minnesota.....	MN	N					0	
25. Mississippi.....	MS	N					0	
26. Missouri.....	MO	N					0	
27. Montana.....	MT	N					0	
28. Nebraska.....	NE	N					0	
29. Nevada.....	NV	N					0	
30. New Hampshire.....	NH	N					0	
31. New Jersey.....	NJ	N					0	
32. New Mexico.....	NM	N					0	
33. New York.....	NY	L	17,224,885		27,277,803		44,502,688	
34. North Carolina.....	NC	N					0	
35. North Dakota.....	ND	N					0	
36. Ohio.....	OH	N					0	
37. Oklahoma.....	OK	N					0	
38. Oregon.....	OR	N					0	
39. Pennsylvania.....	PA	N					0	
40. Rhode Island.....	RI	N					0	
41. South Carolina.....	SC	N					0	
42. South Dakota.....	SD	N					0	
43. Tennessee.....	TN	N					0	
44. Texas.....	TX	N					0	
45. Utah.....	UT	N					0	
46. Vermont.....	VT	N					0	
47. Virginia.....	VA	N					0	
48. Washington.....	WA	N					0	
49. West Virginia.....	WV	N					0	
50. Wisconsin.....	WI	N					0	
51. Wyoming.....	WY	N					0	
52. American Samoa.....	AS	N					0	
53. Guam.....	GU	N					0	
54. Puerto Rico.....	PR	N					0	
55. US Virgin Islands.....	VI	N					0	
56. Northern Mariana Islands.....	MP	N					0	
57. Canada.....	ON	N					0	
58. Aggregate Other Alien.....	OT	XXX	0	0	0		0	0
59. Subtotal.....	(a).....	3	17,224,885	0	27,277,803	0	44,502,688	0
90. Reporting entity contributions for employee benefit plans.....	XXX						0	
91. Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX						0	
92. Dividends or refunds applied to shorten endowment or premium paying period.....	XXX						0	
93. Premium or annuity considerations waived under disability or other contract provisions.....	XXX						0	
94. Aggregate other amounts not allocable by State.....	XXX		0	0	0	0	0	0
95. Totals (Direct Business).....	XXX		17,224,885	0	27,277,803	0	44,502,688	0
96. Plus Reinsurance Assumed.....	XXX				54,590		54,590	
97. Totals (All Business).....	XXX		17,224,885	0	27,332,393	0	44,557,278	0
98. Less Reinsurance Ceded.....	XXX		821,647		1,386,981		2,208,628	
99. Totals (All Business) less Reinsurance Ceded.....	XXX		16,403,238	0	25,945,412	0	42,348,650	0

**DETAILS OF WRITE-INS**

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

(a) Insert the number of L responses except for Canada and Other Alien.