



QUARTERLY STATEMENT

As of September 30, 2010
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	Appointed Actuary

OTHER

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

DIRECTORS OR TRUSTEES

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 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)

Lawrence Edmund Daurelle

1. (Printed Name)

President

(Title)

(Signature)

Charles Thomas Denaro

2. (Printed Name)

Secretary

(Title)

(Signature)

Thomas William Burghart

3. (Printed Name)

Treasurer

(Title)

Subscribed and sworn to before me

This 12th day of November, 2010

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

b. If no: 1. State the amendment number

2. Date filed

3. Number of pages attached

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	124,474,687		124,474,687	131,429,975
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 (\$.....327,709), cash equivalents (\$.....0) and short-term investments (\$.....20,399,102).....	20,726,811		20,726,811	8,590,772
6. Contract loans (including \$.....0 premium notes).....	38,457		38,457	23,500
7. Derivatives.....			.0	
8. Other invested assets.....			.0	
9. Receivables for securities.....			.0	
10. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
11. Subtotals, cash and invested assets (Lines 1 to 10).....	145,239,955	.0	145,239,955	140,044,247
12. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
13. Investment income due and accrued.....	1,623,837		1,623,837	1,495,707
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection.....	4,073,610	10,797	4,062,813	4,193,232
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	15,883		15,883	21,529
14.3 Accrued retrospective premiums.....			.0	
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers.....	491,265	250,374	240,891	474,086
15.2 Funds held by or deposited with reinsured companies.....			.0	
15.3 Other amounts receivable under reinsurance contracts.....			.0	
16. Amounts receivable relating to uninsured plans.....			.0	
17.1 Current federal and foreign income tax recoverable and interest thereon.....	1,225,853		1,225,853	
17.2 Net deferred tax asset.....	3,157,241	2,241,390	915,851	781,008
18. Guaranty funds receivable or on deposit.....			.0	
19. Electronic data processing equipment and software.....	19,485	19,485	.0	
20. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
21. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
22. Receivables from parent, subsidiaries and affiliates.....	2,599,550		2,599,550	698,590
23. Health care (\$.....0) and other amounts receivable.....			.0	
24. Aggregate write-ins for other than invested assets.....	164,561	164,561	.0	.0
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 through 24).....	158,611,240	2,686,607	155,924,633	147,708,399
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
27. Total (Lines 25 and 26).....	158,611,240	2,686,607	155,924,633	147,708,399

DETAILS OF WRITE-INS

1001 .....			.0	
1002 .....			.0	
1003 .....			.0	
1098. Summary of remaining write-ins for Line 10 from overflow page.....	.0	.0	.0	.0
1099. Totals (Lines 1001 thru 1003 plus 1098) (Line 10 above).....	.0	.0	.0	.0
2401. Prepaid pension costs and other expenses and suspense debits.....	164,561	164,561	.0	
2402 .....			.0	
2403 .....			.0	
2498. Summary of remaining write-ins for Line 24 from overflow page.....	.0	.0	.0	.0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	164,561	164,561	.0	.0

Statement as of September 30, 2010 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 \$.....9,930,925 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	9,930,925	9,552,469
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	54,563,138	51,213,558
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve).....	937,920	1,014,446
4. Contract claims:		
4.1 Life.....	2,868,167	3,633,201
4.2 Accident and health.....	19,996,985	18,096,219
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 \$.....4,899 accident and health premiums.....	5,171	3,568
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 \$.....0 assumed and \$.....36,760 ceded.....	36,760	18,424
9.4 Interest Maintenance Reserve.....	997,855	879,930
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.....	992,074	1,163,940
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.....	1,090,924	84,793
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		594,632
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....	33,929	59,380
18. Amounts held for agents' account, including \$.....137,541 agents' credit balances.....	137,541	70,941
19. Remittances and items not allocated.....	949,051	1,305,606
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:		
24.01 Asset valuation reserve.....		
24.02 Reinsurance in unauthorized companies.....		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers.....	46,037	
24.04 Payable to parent, subsidiaries and affiliates.....		26,019
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.....		169,568
24.10 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	2,890,352	3,061,569
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	95,476,829	90,948,263
27. From Separate Accounts statement.....		
28. Total liabilities (Lines 26 and 27).....	95,476,829	90,948,263
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.....	310,071	286,734
35. Unassigned funds (surplus).....	52,387,975	48,723,644
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).....	58,447,804	54,760,136
38. Totals of Lines 29, 30 and 37.....	60,447,804	56,760,136
39. Totals of Lines 28 and 38.....	155,924,633	147,708,399

DETAILS OF WRITE-INS

2501. Retained asset program liability to claimants and miscellaneous accounts payable.....	2,652,075	2,823,292
2502. Minimum pension liability adjustment.....	238,277	238,277
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).....	2,890,352	3,061,569
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401. Change in accounting method - SSAP 10R.....	310,071	286,734
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).....	310,071	286,734

SUMMARY OF OPERATIONS

	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.....	39,791,641	43,802,233	58,107,459
2. Considerations for supplementary contracts with life contingencies.....			
3. Net investment income.....	4,578,158	4,688,789	6,232,452
4. Amortization of Interest Maintenance Reserve (IMR).....	87,659	41,857	57,005
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....			
6. Commissions and expense allowances on reinsurance ceded.....	14,535	44,786	59,542
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).....	44,471,993	48,577,665	64,456,458
10. Death benefits.....	6,187,195	10,325,077	13,292,610
11. Matured endowments (excluding guaranteed annual pure endowments).....			
12. Annuity benefits.....	17,891	19,844	27,325
13. Disability benefits and benefits under accident and health contracts.....	18,418,585	15,553,350	19,359,098
14. Coupons, guaranteed annual pure endowments and similar benefits.....			
15. Surrender benefits and withdrawals for life contracts.....		391	1,475
16. Group conversions.....			
17. Interest and adjustments on contract or deposit-type contract funds.....	148,477	108,334	255,879
18. Payments on supplementary contracts with life contingencies.....			
19. Increase in aggregate reserves for life and accident and health contracts.....	3,728,036	3,350,125	4,409,109
20. Totals (Lines 10 to 19).....	28,500,184	29,357,121	37,345,496
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	4,136,602	4,105,112	5,305,050
22. Commissions and expense allowances on reinsurance assumed.....	9,307	10,371	13,823
23. General insurance expenses.....	5,470,524	5,217,452	7,294,238
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	1,701,637	1,551,020	2,005,520
25. Increase in loading on deferred and uncollected premiums.....	(125,555)	26,973	136,253
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).....	39,692,699	40,268,049	52,100,380
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	4,779,294	8,309,616	12,356,078
30. Dividends to policyholders.....			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	4,779,294	8,309,616	12,356,078
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	840,519	2,145,959	3,239,706
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).....	3,938,775	6,163,657	9,116,372
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....(110,699) (excluding taxes of \$.....110,699 transferred to the IMR).....	(104,888)	(2,945,793)	(3,059,490)
35. Net income (Line 33 plus Line 34).....	3,833,887	3,217,864	6,056,882
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year.....	56,760,136	48,500,665	48,500,666
37. Net income (Line 35).....	3,833,887	3,217,864	6,056,882
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....3,003.....	5,574	1,077,973	1,301,612
39. Change in net unrealized foreign exchange capital gain (loss).....			
40. Change in net deferred income tax.....	7,464	789,319	1,030,856
41. Change in nonadmitted assets.....	(182,594)	(313,669)	(201,407)
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.....			
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	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)
53. Aggregate write-ins for gains and losses in surplus.....	23,337	0	396,816
54. Net change in capital and surplus (Lines 37 through 53).....	3,687,668	4,446,198	8,259,470
55. Capital and surplus as of statement date (Lines 36 + 54).....	60,447,804	52,946,863	56,760,136

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. Change in accounting method - SSAP 10R.....	23,337		286,734
5302. Minimum pension liability adjustment.....			110,082
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).....	23,337	0	396,816

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	40,054,864	42,348,651	56,570,918
2. Net investment income.....	4,219,780	4,595,476	5,773,575
3. Miscellaneous income.....	14,535	44,786	59,542
4. Total (Lines 1 through 3).....	44,289,179	46,988,913	62,404,035
5. Benefit and loss related payments.....	23,632,279	23,971,191	30,776,253
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	10,431,678	11,232,565	14,248,290
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	2,661,004	2,152,907	3,458,288
10. Total (Lines 5 through 9).....	36,724,961	37,356,663	48,482,831
11. Net cash from operations (Line 4 minus Line 10).....	7,564,218	9,632,250	13,921,204
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	14,778,513	13,412,004	15,315,020
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).....	14,778,513	13,412,004	15,315,020
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	7,482,242	19,662,268	22,510,878
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	169,568	(160,000)	(169,568)
13.7 Total investments acquired (Lines 13.1 to 13.6).....	7,651,810	19,502,268	22,341,310
14. Net increase (decrease) in contract loans and premium notes.....	14,957	3,001	4,756
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	7,111,746	(6,093,265)	(7,031,046)
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.....	(127,215)	36,231	68,384
16.5 Dividends to stockholders.....		500,000	500,000
16.6 Other cash provided (applied).....	(2,412,710)	467,610	(223,557)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(2,539,925)	3,841	(655,173)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	12,136,039	3,542,826	6,234,985
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	8,590,772	2,355,787	2,355,787
19.2 End of period (Line 18 plus Line 19.1).....	20,726,811	5,898,613	8,590,772

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.....	36,691	34,624	87,169
3. Ordinary individual annuities.....			
4. Credit life (group and individual).....			
5. Group life insurance.....	17,923,885	17,255,323	23,128,789
6. Group annuities.....			
7. A&H - group.....	27,648,950	28,626,293	37,694,716
8. A&H - credit (group and individual).....			
9. A&H - other.....	4,521	4,226	5,216
10. Aggregate of all other lines of business.....	.0	.0	.0
11. Subtotal.....	45,614,047	45,920,466	60,915,890
12. Deposit-type contracts.....			
13. Total.....	45,614,047	45,920,466	60,915,890

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, 2010 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

(2) Prepayment assumptions for multi-class mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with the current interest rate environment. The prospective adjustment method is used to value all securities.

(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:

Impairment Date	CUSIP	Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value
03/31/2010	12544KAW3	\$ 27,958	\$ 10,410	\$ (17,517)	\$ 10,410	\$ 9,497
03/31/2010	41161PNE9	30,380	23,618	(6,653)	23,618	19,378
03/31/2010	76111XA78	16,475	11,020	(5,455)	11,020	9,694
06/30/2010	02150JAV4	573,793	480,811	(78,663)	480,811	397,008
06/30/2010	12544KAW3	10,410	-	(5,997)	-	488
06/30/2010	41161PNE9	23,618	12,196	(68)	12,196	10,592
06/30/2010	76111XA78	11,020	5,043	(2,420)	5,043	4,295
06/30/2010	863579Y69	689,991	582,889	(80,800)	582,889	497,180
09/30/2010	41161PNE9	10,592	1,695	(4,860)	1,695	547
09/30/2010	12668AZW8	1,698,503	1,705,761	(10,518)	1,705,761	1,484,956
09/30/2010	76111XA78	5,043	-	(1,073)	-	-
		<u>\$ 3,097,783</u>	<u>\$ 2,833,443</u>	<u>\$ (214,024)</u>	<u>\$ 2,833,443</u>	<u>\$ 2,433,635</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>\$4,095</u>	<u>(\$89)</u>	<u>\$2,801</u>	<u>(\$424)</u>	<u>\$6,896</u>	<u>(\$513)</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

No significant change.

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, 2010, the Company owned subprime residential mortgage-backed securities with a cost, book/adjusted carrying value and fair value of \$788,694, \$884,562 and \$1,035,455, respectively. Additionally, the Company had subprime exposure through other investments with a cost, book/adjusted carrying value and fair value of \$460,461, \$460,461 and \$642,083 respectively.

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.

Statement as of September 30, 2010 of the **First Reliance Standard Life Insurance Company**
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

1	States, Etc.	Active Status	Direct Business Only						
			Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts	
			2 Life Insurance Premiums	3 Annuity Considerations					
1.	Alabama.....	AL	N					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	18,068,705		27,764,537		45,833,242	
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.....	CN	N					0	
58.	Aggregate Other Alien.....	OT	XXX	0	0	0	0	0	0
59.	Subtotal.....	(a).....	3	18,068,705	0	27,764,537	0	45,833,242	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		18,068,705	0	27,764,537	0	45,833,242	0
96.	Plus Reinsurance Assumed.....	XXX				54,462		54,462	
97.	Totals (All Business).....	XXX		18,068,705	0	27,818,999	0	45,887,704	0
98.	Less Reinsurance Ceded.....	XXX		770,987		1,340,920		2,111,907	
99.	Totals (All Business) less Reinsurance Ceded.....	XXX		17,297,718	0	26,478,079	0	43,775,797	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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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