



# ANNUAL STATEMENT

For the Year Ended December 31, 2008  
of the Condition and Affairs of the

## Reliance Standard Life Insurance Company

NAIC Group Code.....0074, 0074 (Current Period) (Prior Period)	NAIC Company Code..... 68381	Employer's ID Number..... 36-0883760
Organized under the Laws of Illinois Incorporated/Organized..... April 2, 1907	State of Domicile or Port of Entry Illinois Commenced Business..... April 15, 1907	Country of Domicile US
Statutory Home Office	111 South Wacker Drive, Suite 4400..... Chicago ..... IL ..... 60606-4410 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	2001 Market Street, Suite 1500..... Philadelphia ..... PA ..... 19103 <i>(Street and Number) (City or Town, State and Zip Code)</i>	267-256-3500 <i>(Area Code) (Telephone Number)</i>
Mail Address	2001 Market Street, Suite 1500..... Philadelphia ..... PA ..... 19103 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	2001 Market Street, Suite 1500..... Philadelphia ..... PA ..... 19103 <i>(Street and Number) (City or Town, State and Zip Code)</i>	267-256-3500 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.rsls.com	
Statutory Statement Contact	Paul Van Haren <i>(Name)</i> paul.van.haren@rsls.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
Chad William Coulter	Senior Vice President
Daniel Joseph Falkenstein	Senior Vice President
Danny Ronald Green	Senior Vice President
Warren Mark Cohen	Senior Vice President
Charles Thomas Denaro	Vice President
Christopher Anthony Fazzini	Executive Vice President
Debra Glazer Staples	Senior Vice President

### DIRECTORS OR TRUSTEES

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

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

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

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

Subscribed and sworn to before me  
This 26th day of February, 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  
NICOLE FULMORE, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires November 9, 2011

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,695,105,660		2,695,105,660	2,345,839,701
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	22,851,323		22,851,323	24,208,329
2.2 Common stocks.....	85,125,383		85,125,383	61,678,145
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	108,709,950		108,709,950	131,315,777
3.2 Other than first liens.....	10,021,469	188,189	9,833,280	10,361,967
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	499	499	0	
4.3 Properties held for sale (less \$.....0 encumbrances).....	12,290,561		12,290,561	2,482,634
5. Cash (\$.....(11,036,262), Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....299,438,345, Sch. DA).....	288,402,083		288,402,083	158,654,394
6. Contract loans (including \$.....0 premium notes).....	150,912		150,912	146,842
7. Other invested assets (Schedule BA).....	72,631,181		72,631,181	259,550,287
8. Receivables for securities.....	4,651,395	474,587	4,176,808	2,283,310
9. Aggregate write-ins for invested assets.....	7,178	0	7,178	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	3,299,947,594	663,275	3,299,284,319	2,996,521,386
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	29,005,103		29,005,103	29,326,740
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	58,103,553	406,604	57,696,949	56,448,209
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	250,193		250,193	186,042
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	4,913,716		4,913,716	5,506,684
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....	5,748,809		5,748,809	3,313,683
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	4,186,780		4,186,780	
16.2 Net deferred tax asset.....	74,241,493	65,002,281	9,239,212	7,017,539
17. Guaranty funds receivable or on deposit.....	121,836		121,836	104,311
18. Electronic data processing equipment and software.....	4,131,378	3,116,773	1,014,605	974,864
19. Furniture and equipment, including health care delivery assets (\$.....0).....	3,498,427	3,498,427	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	16,490	15,189	1,301	
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	3,916,213	3,916,213	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	3,488,081,585	76,618,762	3,411,462,823	3,099,399,458
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	97,535,355		97,535,355	141,229,794
26. TOTALS (Lines 24 and 25).....	3,585,616,940	76,618,762	3,508,998,178	3,240,629,252

**DETAILS OF WRITE-INS**

0901. Purchased Options.....	7,178		7,178	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	7,178	0	7,178	0
2301. Prepaid pension costs and other expenses and suspense debits.....	3,520,937	3,520,937	0	
2302. Other assets nonadmitted.....	395,276	395,276	0	
2303.....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	3,916,213	3,916,213	0	0

Annual Statement for the year 2008 of the **Reliance Standard Life Insurance Company**  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....1,358,998,034 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	1,358,998,034	1,074,612,684
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$.....0 Modco Reserve).....	698,110,255	624,389,331
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	131,210,341	132,153,250
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	63,419,919	59,750,088
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	395,716,914	331,068,248
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....138,049 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	144,600	141,470
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 \$.....7,938,293 assumed and \$.....527,688 ceded.....	8,465,981	3,391,888
9.4 Interest Maintenance Reserve (IMR, Line 6).....	12,136,586	15,596,987
10. Commissions to agents due or accrued - life and annuity contracts \$.....56,662, accident and health \$.....0 and deposit-type contract funds \$.....0.....	56,662	56,662
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	28,936,274	29,606,474
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....	(122,348)	(173,477)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	3,988,126	3,754,805
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		20,094,498
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....	4,425,408	3,699,956
18. Amounts held for agents' account, including \$.....1,818,868 agents' credit balances.....	1,818,868	1,822,114
19. Remittances and items not allocated.....	32,872,750	27,071,143
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....55,000,000 and interest thereon \$.....342,146.....	55,342,146	55,342,146
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR Line 16, Col. 7).....	21,604,978	52,709,761
24.2 Reinsurance in unauthorized companies.....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers.....	89,227	3,080,914
24.4 Payable to parent, subsidiaries and affiliates.....	880,334	1,174,338
24.5 Drafts outstanding.....		
24.6 Liability for amounts held under uninsured plans.....		
24.7 Funds held under coinsurance.....		
24.8 Payable for securities.....	3,577,561	21,128,092
24.9 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	85,034,794	198,653,918
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	2,906,707,410	2,659,125,290
27. From Separate Accounts Statement.....	90,572,939	123,955,956
28. Total liabilities (Line 26 and 27).....	2,997,280,349	2,783,081,246
29. Common capital stock.....	6,003,113	6,003,113
30. Preferred capital stock.....	50,000,000	30,000,000
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....	20,000,000	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	60,724,189	33,701,297
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	374,990,527	387,843,596
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 \$.....6,962,416 in Separate Accounts Statement).....	455,714,716	421,544,893
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	511,717,829	457,548,006
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3).....	3,508,998,178	3,240,629,252

**DETAILS OF WRITE-INS**

2501. Retained assets program liability to claimants and other miscellaneous liabilities.....	73,177,330	68,586,874
2502. Minimum pension liability adjustment.....	11,857,464	624,151
2503. Payable for security transactions not yet settled.....		129,442,893
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	85,034,794	198,653,918
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

Annual Statement for the year 2008 of the **Reliance Standard Life Insurance Company**  
**SUMMARY OF OPERATIONS**

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11).....	1,233,739,630	995,673,445
2. Considerations for supplementary contracts with life contingencies.....	522,154	602,922
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	175,296,581	168,432,478
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	1,663,112	1,706,454
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).....	4,660,282	3,892,533
7. Reserve adjustments on reinsurance ceded.....	.....	.....
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....	1,828,293	2,091,273
8.2 Charges and fees for deposit-type contracts.....	.....	.....
8.3 Aggregate write-ins for miscellaneous income.....	1,917,927	3,812,357
9. Totals (Lines 1 to 8.3).....	1,419,627,979	1,176,211,462
10. Death benefits.....	267,157,129	231,889,345
11. Matured endowments (excluding guaranteed annual pure endowments).....	3,000	.....
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....	24,729,455	26,216,832
13. Disability benefits and benefits under accident and health contracts.....	381,675,767	351,392,679
14. Coupons, guaranteed annual pure endowments and similar benefits.....	.....	.....
15. Surrender benefits and withdrawals for life contracts.....	116,163,269	154,047,775
16. Group conversions.....	.....	.....
17. Interest and adjustments on contract or deposit-type contract funds.....	13,235,221	13,825,510
18. Payments on supplementary contracts with life contingencies.....	1,805,396	1,884,158
19. Increase in aggregate reserves for life and accident and health contracts.....	358,106,274	54,844,257
20. Totals (Lines 10 to 19).....	1,162,875,511	834,100,556
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	109,369,727	94,021,471
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....	1,937,611	1,449,015
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4).....	131,756,935	119,762,105
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	28,516,737	24,744,948
25. Increase in loading on deferred and uncollected premiums.....	(130,723)	652,416
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	(3,068)	(2,648)
27. Aggregate write-ins for deductions.....	(135,397,716)	0
28. Totals (Lines 20 to 27).....	1,298,925,014	1,074,727,863
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	120,702,965	101,483,599
30. Dividends to policyholders.....	.....	.....
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	120,702,965	101,483,599
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	42,459,932	46,728,012
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).....	78,243,033	54,755,587
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....(1,121,155) excluding taxes of \$.....(967,771) transferred to the IMR).....	(54,958,191)	(462,628)
35. Net income (Line 33 plus Line 34).....	23,284,842	54,292,959
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	457,548,006	416,252,866
37. Net income (Line 35).....	23,284,842	54,292,959
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....(10,926,051).....	(45,791,312)	1,668,327
39. Change in net unrealized foreign exchange capital gain (loss).....	(886,114)	(144,131)
40. Change in net deferred income tax.....	19,556,911	14,385,891
41. Change in nonadmitted assets.....	(30,570,325)	(17,899,475)
42. Change in liability for reinsurance in unauthorized companies.....	.....	.....
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4).....	.....	.....
44. Change in asset valuation reserve.....	31,104,783	(8,343,578)
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.....	10,311,422	8,947,639
47. Other changes in surplus in Separate Accounts Statement.....	(10,311,422)	(8,947,639)
48. Change in surplus notes.....	20,000,000	.....
49. Cumulative effect of changes in accounting principles.....	.....	.....
50. Capital changes:		
50.1 Paid in.....	20,000,000	.....
50.2 Transferred from surplus (Stock Dividend).....	.....	.....
50.3 Transferred to surplus.....	.....	.....
51. Surplus adjustment:		
51.1 Paid in.....	27,022,892	.....
51.2 Transferred to capital (Stock Dividend).....	.....	.....
51.3 Transferred from capital.....	.....	.....
51.4 Change in surplus as a result of reinsurance.....	.....	(498,555)
52. Dividends to stockholders.....	(2,400,000)	(2,400,000)
53. Aggregate write-ins for gains and losses in surplus.....	(7,151,854)	233,702
54. Net change in capital and surplus for the year (Lines 37 through 53).....	54,169,823	41,295,140
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	511,717,829	457,548,006

**DETAILS OF WRITE-INS**

08.301. Miscellaneous income.....	1,917,927	3,812,357
08.302. ....	.....	.....
08.303. ....	.....	.....
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	1,917,927	3,812,357
2701. Reserve adjustments on reinsurance assumed.....	(135,397,716)	.....
2702. ....	.....	.....
2703. ....	.....	.....
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	(135,397,716)	0
5301. Minimum pension liability adjustment.....	(7,151,854)	233,702
5302. ....	.....	.....
5303. ....	.....	.....
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	(7,151,854)	233,702

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	1,233,082,746	999,781,165
2. Net investment income.....	134,337,891	163,060,126
3. Miscellaneous income.....	8,457,694	9,293,751
4. Total (Lines 1 through 3).....	1,375,878,331	1,172,135,042
5. Benefit and loss related payments.....	727,230,700	696,433,538
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	(3,006)	(2,631)
7. Commissions, expenses paid and aggregate write-ins for deductions.....	138,163,449	240,427,590
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	62,652,284	31,062,318
10. Total (Lines 5 through 9).....	928,043,427	967,920,815
11. Net cash from operations (Line 4 minus Line 10).....	447,834,904	204,214,227
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	452,274,970	574,133,827
12.2 Stocks.....	2,558,824	8,847,485
12.3 Mortgage loans.....	37,363,785	99,510,874
12.4 Real estate.....	151,168	
12.5 Other invested assets.....	219,036,455	41,976,949
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(33,868)	(61)
12.7 Miscellaneous proceeds.....	26,946,224	9,316,602
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	738,297,558	733,785,676
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	867,833,500	794,955,790
13.2 Stocks.....	24,153,250	31,327,740
13.3 Mortgage loans.....	27,472,440	99,790,312
13.4 Real estate.....	21,966	
13.5 Other invested assets.....	47,268,247	197,722,107
13.6 Miscellaneous applications.....	21,367,323	(3,659,116)
13.7 Total investments acquired (Lines 13.1 to 13.6).....	988,116,726	1,120,136,833
14. Net increase (decrease) in contract loans and premium notes.....	4,070	80,495
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(249,823,238)	(386,431,652)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	20,000,000	
16.2 Capital and paid in surplus, less treasury stock.....	47,022,892	
16.3 Borrowed funds.....	(4,105,750)	(4,105,750)
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(10,537,395)	(8,321,355)
16.5 Dividends to stockholders.....	2,400,000	2,400,000
16.6 Other cash provided (applied).....	(118,243,724)	93,768,751
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(68,263,977)	78,941,646
<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).....	129,747,689	(103,275,779)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	158,654,394	261,930,173
19.2 End of year (Line 18 plus Line 19.1).....	288,402,083	158,654,394
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Real estate acquired in satisfaction of debt.....	9,937,124	2,482,634

**ANALYSIS OF OPERATION BY LINES OF BUSINESS**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	1,233,739,630		938,927	147,646,416			380,688,868	99,541,437	604,754,521		169,461	
2. Considerations for supplementary contracts with life contingencies.....	522,154				522,154							
3. Net investment income.....	175,296,581		347,824	64,259,615	2,877,611		11,575,359	26,793,899	63,539,649			5,902,624
4. Amortization of Interest Maintenance Reserve (IMR).....	1,663,112		3,415	630,902	28,252		113,647	263,063	623,833			
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	4,660,282		239,521	1,663					4,419,098			
7. Reserve adjustments on reinsurance ceded.....	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	1,828,293		1,828,293									
8.2 Charges and fees for deposit-type contracts.....	0											
8.3 Aggregate write-ins for miscellaneous income.....	1,917,927	0	0	0	0	0	0	0	1,917,927	0	0	0
9. Totals (Lines 1 to 8.3).....	1,419,627,979	0	3,357,980	212,538,596	3,428,017	0	392,377,874	126,598,399	675,255,028	0	169,461	5,902,624
10. Death benefits.....	267,157,129		1,312,065				265,845,064					
11. Matured endowments (excluding guaranteed annual pure endowments).....	3,000		3,000									
12. Annuity benefits.....	24,729,455			17,797,513				6,931,942				
13. Disability benefits and benefits under accident and health contracts.....	381,675,767		3,942						381,438,771		233,054	
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	116,163,269		48,558	78,397,518				37,717,193				
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	13,235,221		(5,367)	1,643,821	4,658,088		1,899,924	11,051	76,290			4,951,414
18. Payments on supplementary contracts with life contingencies.....	1,805,396				1,805,396							
19. Increase in aggregate reserves for life and accident and health contracts.....	358,106,274		296,898	200,161,386	(456,447)		5,541,204	78,842,309	73,720,924			
20. Totals (Lines 10 to 19).....	1,162,875,511	0	1,659,096	298,000,238	6,007,037	0	273,286,192	123,502,495	455,235,985	0	233,054	4,951,414
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	109,369,727		245,360	8,556,082			34,214,321	5,638,666	60,715,224		74	
22. Commissions and expense allowances on reinsurance assumed.....	1,937,611			1,005,230				52,445	879,936			
23. General insurance expenses.....	131,756,935		953,215	4,764,836	252,091		37,720,512	1,845,203	86,221,078			
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	28,516,737		14,997	958,047			11,009,777		16,533,916			
25. Increase in loading on deferred and uncollected premiums.....	(130,723)		26,205				(84,737)		(72,191)			
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	(3,068)		(3,068)									
27. Aggregate write-ins for deductions.....	(135,397,716)	0	0	(124,344,687)	0	0	0	(11,053,029)	0	0	0	0
28. Totals (Lines 20 to 27).....	1,298,925,014	0	2,895,805	188,939,746	6,259,128	0	356,146,065	119,985,780	619,513,948	0	233,128	4,951,414
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	120,702,965	0	462,175	23,598,850	(2,831,111)	0	36,231,809	6,612,619	55,741,080	0	(63,667)	951,210
30. Dividends to policyholders.....	0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	120,702,965	0	462,175	23,598,850	(2,831,111)	0	36,231,809	6,612,619	55,741,080	0	(63,667)	951,210
32. Federal income taxes incurred (excluding tax on capital gains).....	42,459,932		162,454	7,814,811	(996,392)		12,954,992	2,796,866	19,414,835		(22,407)	334,773
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).....	78,243,033	0	299,721	15,784,039	(1,834,719)	0	23,276,817	3,815,753	36,326,245	0	(41,260)	616,437
<b>DETAILS OF WRITE-INS</b>												
08.301. Miscellaneous income.....	1,917,927								1,917,927			
08.302. ....	0											
08.303. ....	0											
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	1,917,927	0	0	0	0	0	0	0	1,917,927	0	0	0
2701. Reserve adjustments on reinsurance assumed.....	(135,397,716)			(124,344,687)				(11,053,029)				
2702. ....	0											
2703. ....	0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	(135,397,716)	0	0	(124,344,687)	0	0	0	(11,053,029)	0	0	0	0

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

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

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
<b>Involving Life or Disability Contingencies (Reserves)</b>								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year.....	1,074,612,683		4,453,343	638,782,190	12,823,019		104,020,474	314,533,657
2. Tabular net premiums or considerations.....	578,744,763		276,330	147,646,416	522,154		330,758,426	99,541,437
3. Present value of disability claims incurred.....	4,651,365				XXX		4,651,365	
4. Tabular interest.....	63,225,174		179,055	41,875,458	910,574		96,348	20,163,739
5. Tabular less actual reserve released.....	(5,577,678)			28,455,937	(83,779)			(33,949,836)
6. Increase in reserve on account of change in valuation basis.....	0							
7. Other increases (net).....	0							
8. Totals (Lines 1 to 7).....	1,715,656,307	0	4,908,728	856,760,001	14,171,968	0	439,526,613	400,288,997
9. Tabular cost.....	328,610,213		(159,426)		XXX		328,769,639	
10. Reserves released by death.....	322,178		262,413	XXX	XXX		59,765	XXX
11. Reserves released by other terminations (net).....	1,187,088		51,558				1,135,530	
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	26,538,793		3,942	17,797,513	1,805,396			6,931,942
13. Net transfers to or (from) Separate Accounts.....	0							
14. Total deductions (Lines 9 to 13).....	356,658,272	0	158,487	17,797,513	1,805,396	0	329,964,934	6,931,942
15. Reserve December 31, current year.....	1,358,998,035	0	4,750,241	838,962,488	12,366,572	0	109,561,679	393,357,055

Annual Statement for the year 2008 of the **Reliance Standard Life Insurance Company**  
**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....6,713,133	.....4,508,056
1.1 Bonds exempt from U.S. tax.....	(a).....(162,631)	.....85,339
1.2 Other bonds (unaffiliated).....	(a).....153,662,195	.....157,160,203
1.3 Bonds of affiliates.....	(a).....2,622,137	.....1,747,741
2.1 Preferred stocks (unaffiliated).....	(b).....1,981,312	.....1,871,167
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....334,586	.....463,321
2.21 Common stocks of affiliates.....	.....3,500,000	.....3,500,000
3. Mortgage loans.....	(c).....12,018,147	.....11,462,796
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....9,016	.....9,016
6. Cash, cash equivalents and short-term investments.....	(e).....5,371,782	.....4,920,329
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....18,109,816	.....18,109,816
9. Aggregate write-ins for investment income.....	.....400,336	.....400,336
10. Total gross investment income.....	.....204,559,829	.....204,238,120
11. Investment expenses.....		(g).....24,607,218
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....228,571
13. Interest expense.....		(h).....4,105,750
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....28,941,539
17. Net investment income (Line 10 minus Line 16).....		.....175,296,581

**DETAILS OF WRITE-INS**

0901. Miscellaneous Income.....	.....400,336	.....400,336
0902. ....		
0903. ....		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....400,336	.....400,336
1501. ....		
1502. ....		
1503. ....		
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....0

- (a) Includes \$.....18,605,495 accrual of discount less \$.....2,501,691 amortization of premium and less \$.....4,854,631 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....1,385,703 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....1,050,915 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....43,315 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....402,028	.....	.....402,028	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(6,676,561)	.....(47,152,557)	.....(53,829,118)	.....(28,117,778)	.....(851,458)
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....26,828	.....	.....26,828	.....(2,248,052)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....4,102,677	.....
3. Mortgage loans.....	.....	.....(5,354,180)	.....(5,354,180)	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....2,451	.....(33,868)	.....(31,417)	.....	.....(34,656)
7. Derivative instruments.....	.....	.....(38,610)	.....(38,610)	.....(223,937)	.....
8. Other invested assets.....	.....	.....	.....0	.....(27,635,097)	.....
9. Aggregate write-ins for capital gains (losses).....	.....(19,935)	.....0	.....(19,935)	.....(2,595,167)	.....0
10. Total capital gains (losses).....	.....(6,265,189)	.....(52,579,215)	.....(58,844,404)	.....(56,717,354)	.....(886,114)

**DETAILS OF WRITE-INS**

0901. Receivables.....	.....(19,935)	.....	.....(19,935)	.....	.....
0902. Separate Accounts.....	.....	.....	.....0	.....(2,595,167)	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....(19,935)	.....0	.....(19,935)	.....(2,595,167)	.....0

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

	1		2		3 Ordinary		4	5	6 Group		7		8 Accident and Health		9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance			Annuities	Group	Credit (Group & Individual)	Other	Aggregate of All Other Lines of Business				
<b>FIRST YEAR (other than single)</b>																	
1. Uncollected.....	0																
2. Deferred and accrued.....	0																
3. Deferred, accrued and uncollected:																	
3.1 Direct.....	0																
3.2 Reinsurance assumed.....	0																
3.3 Reinsurance ceded.....	0																
3.4 Net (Line 1 + Line 2).....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Advance.....	0																
5. Line 3.4 - Line 4.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Collected during year:																	
6.1 Direct.....	19,106,596		289,232	8,098,089						10,719,275							
6.2 Reinsurance assumed.....	0																
6.3 Reinsurance ceded.....	113,701		113,701														
6.4 Net.....	18,992,895	0	175,531	8,098,089	0	0	0	0	0	10,719,275	0	0	0	0	0	0	0
7. Line 5 + Line 6.4.....	18,992,895	0	175,531	8,098,089	0	0	0	0	0	10,719,275	0	0	0	0	0	0	0
8. Prior year (uncollected + deferred and accrued - advance).....	0																
9. First year premiums and considerations:																	
9.1 Direct.....	19,106,596		289,232	8,098,089						10,719,275							
9.2 Reinsurance assumed.....	0																
9.3 Reinsurance ceded.....	113,701		113,701														
9.4 Net (Line 7 - Line 8).....	18,992,895	0	175,531	8,098,089	0	0	0	0	0	10,719,275	0	0	0	0	0	0	0
<b>SINGLE</b>																	
10. Single premiums and considerations:																	
10.1 Direct.....	226,108,619			137,753,117						88,355,502							
10.2 Reinsurance assumed.....	0																
10.3 Reinsurance ceded.....	0																
10.4 Net.....	226,108,619	0	0	137,753,117	0	0	0	0	0	88,355,502	0	0	0	0	0	0	0
<b>RENEWAL</b>																	
11. Uncollected.....	64,197,958		135,056						20,396,752		43,663,975				2,175		
12. Deferred and accrued.....	294,345		294,345														
13. Deferred, accrued and uncollected:																	
13.1 Direct.....	57,587,475		1,991,582						21,767,291		33,826,427				2,175		
13.2 Reinsurance assumed.....	13,285,539		92,193								13,193,346						
13.3 Reinsurance ceded.....	6,380,711		1,654,374						1,370,539		3,355,798						
13.4 Net (Line 11 + Line 12).....	64,492,303	0	429,401	0	0	0	0	0	20,396,752	0	43,663,975	0	0	2,175	0	0	0
14. Advance.....	144,600		6,551								137,992			57			
15. Line 13.4 - Line 14.....	64,347,703	0	422,850	0	0	0	0	0	20,396,752	0	43,525,983	0	0	2,118	0	0	0
16. Collected during year:																	
16.1 Direct.....	1,013,675,304		6,489,468	1,703,499					398,809,943	106,770	606,396,163				169,461		
16.2 Reinsurance assumed.....	54,229,974		282,458	1,124,519						359,890	52,463,107						
16.3 Reinsurance ceded.....	80,446,201		6,181,708	1,032,808					18,117,055		55,114,630						
16.4 Net.....	987,459,077	0	590,218	1,795,210	0	0	0	0	380,692,888	466,660	603,744,640	0	0	169,461	0	0	0
17. Line 15 + Line 16.4.....	1,051,806,780	0	1,013,068	1,795,210	0	0	0	0	401,089,640	466,660	647,270,623	0	0	171,579	0	0	0
18. Prior year (uncollected + deferred and accrued - advance).....	63,168,665		249,672						20,400,772		42,516,103			2,118			
19. Renewal premiums and considerations:																	
19.1 Direct.....	1,013,892,548		6,469,250	1,703,499					398,120,467	106,770	607,323,101				169,461		
19.2 Reinsurance assumed.....	53,731,106		276,070	1,124,519						359,890	51,970,627						
19.3 Reinsurance ceded.....	78,985,539		5,981,924	1,032,808					17,431,599		54,539,208						
19.4 Net (Line 17 - Line 18).....	988,638,115	0	763,396	1,795,210	0	0	0	0	380,688,868	466,660	604,754,520	0	0	169,461	0	0	0
<b>TOTAL</b>																	
20. Total premiums and annuity considerations:																	
20.1 Direct.....	1,259,107,763	0	6,758,482	147,554,705	0	0	0	0	398,120,467	99,181,547	607,323,101	0	0	169,461	0	0	0
20.2 Reinsurance assumed.....	53,731,106	0	276,070	1,124,519	0	0	0	0		359,890	51,970,627	0	0		0	0	0
20.3 Reinsurance ceded.....	79,099,240	0	6,095,625	1,032,808	0	0	0	0	17,431,599	0	54,539,208	0	0		0	0	0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	1,233,739,629	0	938,927	147,646,416	0	0	0	0	380,688,868	99,541,437	604,754,520	0	0	169,461	0	0	0

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

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 Group	9 Accident and Health		11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities		9 Credit (Group & Individual)	10 Other	
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21. To pay renewal premiums.....	0										
22. All other.....	44,004		44,004								
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded.....	205,521		203,887	1,634							
23.2 Reinsurance assumed.....	508,000			508,000							
23.3 Net ceded less assumed.....	(302,479)	0	203,887	(506,366)	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded.....	0										
24.2 Reinsurance assumed.....	497,230			497,230							
24.3 Net ceded less assumed.....	(497,230)	0	0	(497,230)	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded.....	4,454,761		35,634	30				4,419,097			
25.2 Reinsurance assumed.....	932,381							52,445	879,936		
25.3 Net ceded less assumed.....	3,522,380	0	35,634	30	0	0	(52,445)	3,539,161	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	4,660,282	0	239,521	1,664	0	0	0	4,419,097	0	0	0
26.2 Reinsurance assumed (Page 6, Line 22).....	1,937,611	0	0	1,005,230	0	0	52,445	879,936	0	0	0
26.3 Net ceded less assumed.....	2,722,671	0	239,521	(1,003,566)	0	0	(52,445)	3,539,161	0	0	0
<b>COMMISSIONS INCURRED (direct business only)</b>											
27. First year (other than single).....	1,316,880		209,644	1,107,236							
28. Single.....	7,268,354			7,268,354							
29. Renewal.....	100,784,493		35,716	180,492		34,214,321	5,638,667	60,715,223		74	
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	109,369,727	0	245,360	8,556,082	0	34,214,321	5,638,667	60,715,223	0	74	0

Annual Statement for the year 2008 of the **Reliance Standard Life Insurance Company**  
**EXHIBIT 2 - GENERAL EXPENSES**

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		3 Cost Containment	3 All Other			
1. Rent.....	2,294,525		4,162,564		3,614,482	10,071,571
2. Salaries and wages.....	26,184,757	1,441,514	47,967,901		13,131,793	88,725,965
3.11 Contributions for benefit plans for employees.....	2,848,291	156,803	5,217,789		882,244	9,105,127
3.12 Contributions for benefit plans for agents.....						0
3.21 Payments to employees under non-funded benefit plans.....						0
3.22 Payments to agents under non-funded benefit plans.....						0
3.31 Other employee welfare.....	665,772	36,652	1,219,628		516,960	2,439,012
3.32 Other agent welfare.....						0
4.1 Legal fees and expenses.....	(20,712)		(17,020)		171,456	133,724
4.2 Medical examination fees.....	473,607		4,233			477,840
4.3 Inspection report fees.....	7,789		30,572			38,361
4.4 Fees of public accountants and consulting actuaries.....	345,373		512,163		242,742	1,100,278
4.5 Expense of investigation and settlement of policy claims.....	226,293	758,698	1,584,660			2,569,651
5.1 Traveling expenses.....	1,547,577	34,929	3,492,633		959,061	6,034,200
5.2 Advertising.....	516,488		763,984		491	1,280,963
5.3 Postage, express, telegraph and telephone.....	1,076,629	5,530	1,580,066		298,813	2,961,038
5.4 Printing and stationery.....	490,468	1,052	804,403		194,786	1,490,709
5.5 Cost or depreciation of furniture and equipment.....	732,647		1,013,284		875,562	2,621,493
5.6 Rental of equipment.....	3,490,650		4,299,944		655,544	8,446,138
5.7 Cost or depreciation of EDP equipment and software.....	241,496		411,197			652,693
6.1 Books and periodicals.....	37,675	3,612	35,632		14,522	91,441
6.2 Bureau and association fees.....	116,687	816	123,287		24,952	265,742
6.3 Insurance, except on real estate.....	227,764		227,765		289,937	745,466
6.4 Miscellaneous losses.....	9,895		11,225		57	21,177
6.5 Collection and bank service charges.....	39,347		41,205		227,088	307,640
6.6 Sundry general expenses.....	(21,212)		108,929		230,647	318,364
6.7 Group service and administration fees.....	747,252		5,555,198			6,302,450
6.8 Reimbursements by uninsured plans.....						0
7.1 Agency expense allowance.....						0
7.2 Agents' balances charged off (less \$.....0 recovered).....						0
7.3 Agency conferences other than local meetings.....	566,473		1,014,466			1,580,939
9.1 Real estate expenses.....						0
9.2 Investment expenses not included elsewhere.....						0
9.3 Aggregate write-ins for expenses.....	2,690,326	(37,137)	3,652,899	0	2,276,081	8,582,169
10. General expenses Incurred.....	45,535,857	2,402,469	83,818,607	0	24,607,218	(a) 156,364,151
11. General expenses unpaid December 31, prior year.....	8,297,136	257,600	11,893,549	350,702	8,807,487	29,606,474
12. General expenses unpaid December 31, current year.....	8,986,824	137,000	13,468,193		6,344,257	28,936,274
13. Amounts receivable relating to uninsured plans, prior year.....						0
14. Amounts receivable relating to uninsured plans, current year.....						0
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14).....	44,846,169	2,523,069	82,243,963	350,702	27,070,448	157,034,351

**DETAILS OF WRITE-INS**

09.301. Computer services.....	2,365,852	4,654	2,550,437		737,959	5,658,902
09.302. Other Consulting.....	324,474	(41,791)	1,102,462		1,538,122	2,923,267
09.303.....						0
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	0	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	2,690,326	(37,137)	3,652,899	0	2,276,081	8,582,169

(a) Includes management fees of \$.....5,382,091 to affiliates and \$.....0 to non-affiliates.

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes.....					0
2. State insurance department licenses and fees.....	1,046,016	1,303,077			2,349,093
3. State taxes on premiums.....	7,459,294	10,684,176			18,143,470
4. Other state taxes, including \$.....0 for employee benefits.....	1,508,921	1,855,299		16,593	3,380,813
5. U.S. Social Security taxes.....	1,934,184	2,649,731		211,978	4,795,893
6. All other taxes.....	34,405	41,633			76,038
7. Taxes, licenses and fees incurred.....	11,982,820	16,533,916	0	228,571	28,745,307
8. Taxes, licenses and fees unpaid December 31, prior year.....	1,403,088	2,348,778		2,925	3,754,791
9. Taxes, licenses and fees unpaid December 31, current year.....	1,573,391	2,403,225		10,657	3,987,273
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	11,812,517	16,479,469	0	220,839	28,512,825

**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.....	44,004	
4. Applied to provide paid-up annuities.....		
5. Total Lines 1 through 4.....	44,004	0
6. Paid-in cash.....	7,858	
7. Left on deposit.....		
8. Aggregate write-ins for dividend or refund options.....	(51,862)	0
9. Total Lines 5 through 8.....	0	0
10. Amount due and unpaid.....		
11. Provision for dividends or refunds payable in the following calendar year.....		
12. Terminal dividends.....		
13. Provision for deferred dividend contracts.....		
14. Amount provisionally held for deferred dividend contracts not included in Line 13.....		
15. Total Lines 10 through 14.....	0	0
16. Total from prior year.....		
17. Total dividends or refunds (Lines 9 + 15 - 16).....	0	0

**DETAILS OF WRITE-INS**

0801. Dividends - reinsurance ceded.....	(51,862)	
0802.....		
0803.....		
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0
0899. Totals (Line 0801 thru 0803 plus 0898) (Line 8 above).....	(51,862)	0

## EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1		2	3	4	5	6
Valuation Standard		Total	Industrial	Ordinary	Credit (Group and Individual)	Group
<b>Life Insurance:</b>						
0100001.	AE 3.00% NLP	778,699		778,699		
0100002.	AE 3.50% NLP	4,410,964		4,410,964		
0100003.	AE 3.50% CRVM	108,591	108,591			
0100004.	AM MEN 3.50% NLP	23,013		23,013		
0100005.	41 CSO 2.50% NLP	5,451,016		5,451,016		
0100006.	41 CSO 3.00% NLP	1,188,905		1,188,905		
0100007.	41 CSO 3.00% CRVM	241		241		
0100008.	58 CET 2.25% NLP	25,584		25,584		
0100009.	58 CET 2.75% NLP	18,142		18,142		
0100010.	58 CET 3.00% NLP	241,109		241,109		
0100011.	58 CET 3.50% NLP	730,867		730,867		
0100012.	58 CET 3.75% NLP	3,405		3,405		
0100013.	58 CET 4.00% NLP	50,284		50,284		
0100014.	58 CET 4.25% NLP	80,228		80,228		
0100015.	58 CET 4.50% NLP	14,629		14,629		
0100016.	58 CSO 2.25% NLP	1,680,140		1,680,140		
0100017.	58 CSO 2.25% CRVM	826,124		826,124		
0100018.	58 CSO 2.75% NLP	80,688		80,688		
0100019.	58 CSO 3.00% NLP	4,193,310		4,193,310		
0100020.	58 CSO 3.00% CRVM	6,904,388		6,904,388		
0100021.	58 CSO 3.50% NLP	411,007		411,007		
0100022.	58 CSO 3.50% CRVM	8,854,246		8,854,246		
0100023.	58 CSO 3.75% NLP	979		979		
0100024.	58 CSO 3.75% CRVM	10,020		10,020		
0100025.	58 CSO 4.00% NLP	282,155		282,155		
0100026.	58 CSO 4.00% CRVM	6,186,166		6,186,166		
0100027.	58 CSO 4.25% NLP	154,547		154,547		
0100028.	58 CSO 4.25% CRVM	7,394,799		7,394,799		
0100029.	58 CSO 4.50% NLP	64,042		64,042		
0100030.	58 CSO 4.50% CRVM	9,677,828		9,677,828		
0100031.	58 CSO 5.50% CRVM	3,440,843		3,440,843		
0100032.	80 CET 4.00% NLP	6,204		6,204		
0100033.	80 CET 4.50% NLP	119,700		119,700		
0100034.	80 CET 5.50% NLP	29,440		29,440		
0100035.	80 CET 6.00% NLP	3,032		3,032		
0100036.	80 CSO 3.00% CRVM	24,020		24,020		
0100037.	80 CSO 4.00% NLP	238,576		238,576		201,134
0100038.	80 CSO 4.00% CRVM	2,799,817		2,799,817		
0100039.	80 CSO 4.50% NLP	1,561,882		1,561,882		1,519,939
0100040.	80 CSO 4.50% CRVM	2,057,442		2,057,442		
0100041.	80 CSO 5.00% CRVM	757,753		757,753		
0100042.	80 CSO 5.00% NLP	2,878		2,878		
0100043.	80 CSO 5.50% CRVM	11,980,238		11,980,238		
0100044.	80 CSO 5.50% NLP	18,324		18,324		
0100045.	80 CSO 6.00% CRVM	2,747,235		2,747,235		
0100046.	80 CSO 6.25% CRVM	4,358		4,358		
0100047.	80 CSO 6.50% CRVM	296,187		296,187		
0100048.	UNEARNED PREMIUM	3,198,319		1,182,000		2,016,319
0100049.	STD IND 3.00% NLP	41,564	41,564			
0100050.	STD IND 3.50% NLP	328,784	328,784			
0100051.	SUB STD IND 3.50% NLP	13,484	13,484			
0100052.	41 STD IND 3.00% NLP	1,195,705	1,195,705			
0100053.	41 STD IND 3.50% NLP	21,622	21,622			
0100054.	41 SUB STD IND 3.00% NLP	232,606		232,606		
0100055.	61 CSI 3.00% NLP	596,181	596,181			
0100056.	61 CSI 3.00% CRVM	62,658	62,658			
0100057.	1960 BASIC GROUP TABLE 6%	3,765,386				3,765,386
0199997.	Totals (Gross)	95,390,354	2,601,195	85,286,381	0	7,502,778
0199998.	Reinsurance ceded	83,244,901	2,601,195	80,643,706		
0199999.	Totals (Net)	12,145,453	0	4,642,675	0	7,502,778
<b>Annuities (excluding supplementary contracts with life contingencies):</b>						
0200001.	AMERICAN ANNUITANTS 4.00% IMM	293	XXX	293	XXX	
0200002.	PROGRESSIVE ANNUITANT 3.50% DEF	113,485	XXX	113,485	XXX	
0200003.	PROGRESSIVE ANNUITANT 3.50% IMM	3,829	XXX	3,829	XXX	
0200004.	37 SA 3.50% IMM	1,422,899	XXX	1,422,899	XXX	
0200005.	A - 1949 3.50% DEF	254,728	XXX	254,728	XXX	
0200006.	71 IAM 4.00% DEF	1,867,280	XXX	1,867,280	XXX	
0200007.	71 IAM 4.50% DEF(NB)	34,212,636	XXX	34,212,636	XXX	
0200008.	71 IAM 5.50% DEF	128,028,662	XXX	128,028,662	XXX	
0200009.	71 IAM 8.25% DEF	1,999,252	XXX	1,999,252	XXX	
0200010.	71 IAM 9.25% DEF	7,050,795	XXX	7,050,795	XXX	
0200011.	71 IAM 5.25% IMM	3,366,128	XXX	3,366,128	XXX	
0200012.	71 IAM 5.50% IMM(NB)	18,776,998	XXX	18,776,998	XXX	
0200013.	71 IAM 6.00% IMM	1,457,714	XXX	1,457,714	XXX	
0200014.	71 IAM 7.00% IMM	45,005	XXX	45,005	XXX	
0200015.	71 IAM 7.50% IMM	3,665,791	XXX	3,665,791	XXX	
0200016.	A-2000 4.00% DEF(NB)	8,333,949	XXX	8,333,949	XXX	
0200017.	A-2000 4.50% DEF(NB)	27,116,060	XXX	18,012,715	XXX	9,103,345
0200018.	A-2000 4.75% DEF(NB)	216,343,658	XXX	153,420,332	XXX	62,923,326
0200019.	A-2000 5.00% DEF(NB)	357,636,962	XXX	204,860,935	XXX	152,776,027
0200020.	A-2000 5.25% DEF	34,658,488	XXX	26,024,376	XXX	8,634,112
0200021.	A-2000 5.50% DEF	94,223,786	XXX	58,317,849	XXX	35,905,937
0200022.	A-2000 5.75% DEF	19,177,690	XXX	6,775,248	XXX	12,402,442
0200023.	A-2000 6.00% DEF	91,547,179	XXX	51,315,389	XXX	40,231,790
0200024.	A-2000 6.25% DEF	22,934,904	XXX	12,015,702	XXX	10,919,202
0200025.	83 IAM 5.00% DEF	14,702,517	XXX	14,595,790	XXX	106,727
0200026.	83 IAM 5.25% DEF	19,778,348	XXX	18,027,195	XXX	1,751,153
0200027.	83 IAM 5.50% DEF	9,679,671	XXX	8,960,464	XXX	719,207
0200028.	83 IAM 5.75% DEF	15,271,797	XXX	12,113,494	XXX	3,158,303
0200029.	83 IAM 6.00% DEF	17,985,997	XXX	12,701,394	XXX	5,284,603
0200030.	83 IAM 6.25% DEF	9,050,773	XXX	4,566,742	XXX	4,484,031
0200031.	83 IAM 6.50% DEF	10,401,201	XXX	8,953,065	XXX	1,448,136
0200032.	83 IAM 6.75% DEF	6,378,985	XXX	3,494,794	XXX	2,884,191
0200033.	83 IAM 7.00% DEF	384,658	XXX	243,392	XXX	141,266
0200034.	83 IAM 7.25% DEF	18,200,797	XXX	18,200,797	XXX	
0200035.	83 IAM 8.00% DEF	2,965,659	XXX	2,506,527	XXX	459,132
0200036.	83 IAM 8.25% DEF	8,879,725	XXX		XXX	8,879,725

## EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200037. 83 IAM 8.50% DEF.....	10,605,110	XXX	10,605,110	XXX	
0200038. 83 IAM 8.75% DEF.....	1,117,134	XXX	1,117,134	XXX	
0200039. 83 IAM 10.00% DEF.....	328,877	XXX	328,877	XXX	
0200040. 83 GAM 5.25% DEF.....	1,139,000	XXX		XXX	1,139,000
0200041. 83 GAM 5.75% DEF.....	487,600	XXX		XXX	487,600
0200042. 83 GAM 6.00% DEF.....	4,680,300	XXX		XXX	4,680,300
0200043. 83 GAM 6.25% DEF.....	1,535,000	XXX		XXX	1,535,000
0200044. 83 GAM 6.50% DEF.....	2,353,000	XXX		XXX	2,353,000
0200045. 83 GAM 6.75% DEF.....	993,100	XXX		XXX	993,100
0200046. 83 GAM 7.25% DEF.....	4,674,700	XXX		XXX	4,674,700
0200047. 83 GAM 7.50% DEF.....	6,455,100	XXX		XXX	6,455,100
0200048. 83 GAM 7.75% DEF.....	484,100	XXX		XXX	484,100
0200049. 83 GAM 8.00% DEF.....	2,032,700	XXX		XXX	2,032,700
0200050. 83 GAM 8.25% DEF.....	1,656,100	XXX		XXX	1,656,100
0200051. 83 GAM 8.75% DEF.....	121,900	XXX		XXX	121,900
0200052. 83 GAM 6.75% IMM.....	105,400	XXX		XXX	105,400
0200053. 83 GAM 7.00% IMM.....	479,100	XXX		XXX	479,100
0200054. 83 GAM 7.75% IMM.....	37,400	XXX		XXX	37,400
0200055. 83 GAM 8.00% IMM.....	919,000	XXX		XXX	919,000
0200056. 83 GAM 8.25% IMM.....	2,514,000	XXX		XXX	2,514,000
0200057. 83 GAM 8.75% IMM.....	70,900	XXX		XXX	70,900
0200058. 83 GAM 9.25% IMM.....	140,800	XXX		XXX	140,800
0200059. 83 GAM 11.00% IMM.....	255,300	XXX		XXX	255,300
0200060. 83 GAM 11.25% IMM.....	9,900	XXX		XXX	9,900
0299997. Totals (Gross).....	1,251,113,820	XXX	857,756,765	XXX	393,357,055
0299998. Reinsurance ceded.....	18,794,277	XXX	18,794,277	XXX	
0299999. Totals (Net).....	1,232,319,543	XXX	838,962,488	XXX	393,357,055
<b>Supplementary Contracts with Life Contingencies:</b>					
0300001. 37 SA 2.25%.....	5,315		5,315		
0300002. 37 SA 2.50%.....	6,090		6,090		
0300003. 83 IAM 4.50%.....	14,874		14,874		
0300004. 83 IAM 5.25%.....	1,480,370		1,480,370		
0300005. 83 IAM 5.50%.....	1,970,020		1,970,020		
0300006. 83 IAM 6.00%.....	860,093		860,093		
0300007. 83 IAM 6.25%.....	614,533		614,533		
0300008. 83 IAM 6.50%.....	1,114,397		1,114,397		
0300009. 83 IAM 6.75%.....	1,396,621		1,396,621		
0300010. 83 IAM 7.00%.....	957,828		957,828		
0300011. 83 IAM 7.25%.....	620,172		620,172		
0300012. 83 IAM 7.50%.....	853,322		853,322		
0300013. 83 IAM 7.75%.....	612,808		612,808		
0300014. 83 IAM 8.25%.....	1,661,174		1,661,174		
0300015. 83 IAM 8.75%.....	198,955		198,955		
0399997. Totals (Gross).....	12,366,572	0	12,366,572	0	0
0399999. Totals (Net).....	12,366,572	0	12,366,572	0	0
<b>Accidental Death Benefits:</b>					
0400001. 1959 ADB WITH 58 CSO 3.00%.....	102,933		102,933		
0499997. Totals (Gross).....	102,933	0	102,933	0	0
0499998. Reinsurance ceded.....	102,933		102,933		
0499999. Totals (Net).....	0	0	0	0	0
<b>Disability - Active Lives:</b>					
0500001. 1952 DISABILITY STUDY WITH 58 CSO 3.00%.....	171,314		171,314		
0599997. Totals (Gross).....	171,314	0	171,314	0	0
0599998. Reinsurance ceded.....	170,913		170,913		
0599999. Totals (Net).....	401	0	401	0	0
<b>Disability - Disabled Lives:</b>					
0600001. 1952 DISABILITY STUDY WITH 58 CSO 3.00%.....	822,878		822,878		
0600002. GROUP.....	11,295,146				11,295,146
0600003. 70 INTERCOMPANY DISA 3.00%.....	108,775,249				108,775,249
0699997. Totals (Gross).....	120,893,273	0	822,878	0	120,070,395
0699998. Reinsurance ceded.....	18,805,138		793,644		18,011,494
0699999. Totals (Net).....	102,088,135	0	29,234	0	102,058,901
<b>Miscellaneous Reserves:</b>					
0700001. Immediate Claim Payment.....	1,041,013		1,041,013		
0700002. Special Class extra.....	9,182		9,182		
0700003. For excess of valuation net premiums over corresponding gross premiums on respective policies.....	1,201,562		1,201,562		
0700004. For non-deduction of deferred fractional premiums or return of premiums at the death of the insured.....	270,174		270,174		
0700005. For surrender values in excess of reserves otherwise required and carried in this exhibit.....	3,364,729		3,364,729		
0799997. Totals (Gross).....	5,886,660	0	5,886,660	0	0
0799998. Reinsurance ceded.....	5,808,729		5,808,729		
0799999. Totals (Net).....	77,931	0	77,931	0	0
9999999. Totals (Net) - Page 3, Line 1.....	1,358,998,035	0	856,079,301	0	502,918,734

**EXHIBIT 5 - INTERROGATORIES**

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes  No
- 1.2 If not, state which kind is issued.....
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes  No
- 2.2 If not, state which kind is issued..... NON-PARTICIPATING
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes  No   
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
  
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? If so, state: Yes  No 
  - 4.1 Amount of insurance: \$.....
  - 4.2 Amount of reserve: \$.....
  - 4.3 Basis of reserve:
  - 4.4 Basis of regular assessments:
  - 4.5 Basis of special assessments:
  - 4.6 Assessments collected during year: \$.....
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.
  
- 6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes  No 
  - 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$.....
  - 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$.....  
Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes  No 
  - 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: \$.....
  - 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount: \$.....
  - 7.3 State the amount of reserves established for this business: \$.....
  - 7.4 Identify where the reserves are reported in the blank.

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

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

NONE

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

	1	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
<b>ACTIVE LIFE RESERVE</b>									
1. Unearned premium reserves.....	5,772,526	5,772,526							
2. Additional contract reserves (a).....	.0								
3. Additional actuarial reserves - Asset/Liability analysis.....	.0								
4. Reserve for future contingent benefits.....	.0								
5. Reserve for rate credits.....	.0								
6. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Totals (Gross).....	5,772,526	5,772,526	.0	.0	.0	.0	.0	.0	.0
8. Reinsurance ceded.....	65,899	65,899							
9. Totals (Net).....	5,706,627	5,706,627	.0	.0	.0	.0	.0	.0	.0
<b>CLAIM RESERVE</b>									
10. Present value of amounts not yet due on claims.....	778,064,319	778,064,319							
11. Additional actuarial reserves - Asset/Liability analysis.....	.0								
12. Reserve for future contingent benefits.....	.0								
13. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Totals (Gross).....	778,064,319	778,064,319	.0	.0	.0	.0	.0	.0	.0
15. Reinsurance ceded.....	85,660,691	85,660,691							
16. Totals (Net).....	692,403,628	692,403,628	.0	.0	.0	.0	.0	.0	.0
17. TOTALS (Net).....	698,110,255	698,110,255	.0	.0	.0	.0	.0	.0	.0
18. TABULAR FUND INTEREST.....	31,646,177	31,646,177							

**DETAILS OF WRITE-INS**

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

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

**EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS**

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	131,756,457			30,579,482		101,176,975
2. Deposits received during the year.....	5,360,185			5,360,185		
3. Investment earnings credited to the account.....	9,589,485			4,638,071		4,951,414
4. Other net change in reserves.....	0					
5. Fees and other charges assessed.....	0					
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	16,106,442			11,094,795		5,011,647
8. Other net transfers to or (from) Separate Accounts.....	0					
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8).....	130,599,685	0	0	29,482,943	0	101,116,742
10. Reinsurance balance at the beginning of the year.....	396,793			396,793		
11. Net change in reinsurance assumed.....	213,863			213,863		
12. Net change in reinsurance ceded.....	0					
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	610,656	0	0	610,656	0	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	131,210,341	0	0	30,093,599	0	101,116,742

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

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct.....	0										
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net.....	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	1,188,350						1,188,350				
2.12 Reinsurance assumed.....	0										
2.13 Reinsurance ceded.....	260,000						260,000				
2.14 Net.....	928,350	0	(b) 0	(b) 0	0	(b) 0	(b) 928,350	0	0	0	0
2.2 Other:											
2.21 Direct.....	282,074,461		761,528				26,237,012		255,075,921		
2.22 Reinsurance assumed.....	116,594,296								116,594,296		
2.23 Reinsurance ceded.....	34,548,646		406,714				1,488,000		32,653,932		
2.24 Net.....	364,120,111	0	(b) 354,814	(b) 0	0	(b) 0	(b) 24,749,012	0	(b) 339,016,285	(b) 0	(b) 0
3. Incurred but unreported:											
3.1 Direct.....	59,779,571		371,646				37,353,597		22,054,328		
3.2 Reinsurance assumed.....	35,771,196								35,771,196		
3.3 Reinsurance ceded.....	1,462,395		337,500						1,124,895		
3.4 Net.....	94,088,372	0	(b) 34,146	(b) 0	0	(b) 0	(b) 37,353,597	0	(b) 56,700,629	(b) 0	(b) 0
4. Totals:											
4.1 Direct.....	343,042,382	0	1,133,174	0	0	0	64,778,959	0	277,130,249	0	0
4.2 Reinsurance assumed.....	152,365,492	0	0	0	0	0	0	0	152,365,492	0	0
4.3 Reinsurance ceded.....	36,271,041	0	744,214	0	0	0	1,748,000	0	33,778,827	0	0
4.4 Net.....	459,136,833	(a) 0	(a) 388,960	0	0	0	(a) 63,030,959	0	395,716,914	0	0

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

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....102,058,901, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....692,403,628, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

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

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct.....	675,657,995		8,567,964	17,768,598	1,626,002		279,126,636	6,315,975	362,019,766		233,054
1.2 Reinsurance assumed.....	15,503,883		366,637	28,915	192,485			615,967	14,299,879		
1.3 Reinsurance ceded.....	83,735,183		7,505,879		13,091		17,284,331		58,931,882		
1.4 Net.....(d)	607,426,695	0	1,428,722	17,797,513	1,805,396	0	261,842,305	6,931,942	317,387,763	0	233,054
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	343,042,382		1,133,174				64,778,959		277,130,249		
2.2 Reinsurance assumed.....	152,365,492								152,365,492		
2.3 Reinsurance ceded.....	36,271,041		744,214				1,748,000		33,778,827		
2.4 Net.....	459,136,833	0	388,960	0	0	0	63,030,959	0	395,716,914	0	0
3. Amounts recoverable from reinsurers December 31, current year.....	5,881,130		401,823				1,872,147		3,607,160		
4. Liability December 31, prior year:											
4.1 Direct.....	312,802,606		1,167,458				62,120,457		249,514,691		
4.2 Reinsurance assumed.....	119,142,148								119,142,148		
4.3 Reinsurance ceded.....	41,126,418		694,577				2,843,250		37,588,591		
4.4 Net.....	390,818,336	0	472,881	0	0	0	59,277,207	0	331,068,248	0	0
5. Amounts recoverable from reinsurers December 31, prior year.....	5,506,684		376,029				2,121,154		3,009,501		
6. Incurred benefits:											
6.1 Direct.....	705,897,771	0	8,533,680	17,768,598	1,626,002	0	281,785,138	6,315,975	389,635,324	0	233,054
6.2 Reinsurance assumed.....	48,727,227	0	366,637	28,915	192,485	0	0	615,967	47,523,223	0	0
6.3 Reinsurance ceded.....	79,254,252	0	7,581,310	0	13,091	0	15,940,074	0	55,719,777	0	0
6.4 Net.....	675,370,746	0	1,319,007	17,797,513	1,805,396	0	265,845,064	6,931,942	381,438,770	0	233,054

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

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$....309,972 in Line 1.1, \$....3,000 in Line 1.4, \$....309,972 in Line 6.1 and \$....3,000 in line 6.4.

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

(d) Includes \$....3,942 premiums waived under total and permanent disability benefits.

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....		206,210	206,210
3.2 Other than first liens.....	188,189	979,165	790,976
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....	499	499	.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Other invested assets (Schedule BA).....			.0
8. Receivables for securities.....	474,587	126,051	(348,536)
9. Aggregate write-ins for invested assets.....	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	663,275	1,311,925	648,650
11. Title plants (for Title insurers only).....			.0
12. Investment income due and accrued.....			.0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection.....	406,604	550,543	143,939
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
13.3 Accrued retrospective premiums.....			.0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers.....			.0
14.2 Funds held by or deposited with reinsured companies.....			.0
14.3 Other amounts receivable under reinsurance contracts.....			.0
15. Amounts receivable relating to uninsured plans.....			.0
16.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
16.2 Net deferred tax asset.....	65,002,281	32,889,995	(32,112,286)
17. Guaranty funds receivable or on deposit.....			.0
18. Electronic data processing equipment and software.....	3,116,773	3,531,058	414,285
19. Furniture and equipment, including health care delivery assets.....	3,498,427	2,929,404	(569,023)
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
21. Receivables from parent, subsidiaries and affiliates.....	15,189	542,627	527,438
22. Health care and other amounts receivable.....			.0
23. Aggregate write-ins for other than invested assets.....	3,916,213	4,292,884	376,671
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	76,618,762	46,048,436	(30,570,326)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
26. TOTALS (Lines 24 and 25).....	76,618,762	46,048,436	(30,570,326)

**DETAILS OF WRITE-INS**

0901.....			.0
0902.....			.0
0903.....			.0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0
2301. Prepaid pension costs and other expenses and suspense debits.....	3,520,937	2,651,838	(869,099)
2302. Other assets nonadmitted.....	395,276	1,641,046	1,245,770
2303.....			.0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	3,916,213	4,292,884	376,671

**Annual Statement for the year 2008 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

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

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

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

C. Accounting Policy

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

In addition, the Company uses the following accounting policies:

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

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

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

**Annual Statement for the year 2008 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

A. The Company has not made any material changes in its accounting policies during the year ended December 31, 2008. No material errors occurred, or were required to be corrected, in the financial statements for the year ended December 31, 2008.

3. BUSINESS COMBINATIONS AND GOODWILL Not applicable.

4. DISCONTINUED OPERATIONS Not applicable.

5. INVESTMENTS

A. Mortgage Loans

(1) During 2008, the Company acquired commercial mortgages with maximum and minimum lending rates of 12.00% and 4.75%, respectively.

(2) Not applicable.

(3) The maximum percentage of any one loan to the value of security at the time of the loan was 80.0%.

(4) At December 31, 2008, The Company held mortgages with interest more than 180 days past due totaling \$41,530,350 excluding accrued interest. Total interest due on mortgages with interest more than 180 days past due was \$570,812.

At December 31, 2007, interest due on mortgages with interest more than 180 days past totaled \$22,610.

(5-12) Not applicable.

B-C. Not applicable.

D. Loan-Backed Securities

(1) Not applicable.

(2) Prepayment assumptions for single class and multi-class mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal estimates.

(3) Not applicable.

E. Not applicable.

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

7. INVESTMENT INCOME Not applicable.

8. DERIVATIVE INSTRUMENTS

An option is an agreement that gives the buyer the right to buy (call option) or sell (put option) a financial instrument at a specified price within a specified time period. The buyer of an option pays a premium to the seller on the settlement date. This premium is the buyer's only cash requirement and represents the maximum amount at risk. The seller (or writer) of an option receives a premium from the buyer on the settlement date. Changes in the market value are settled daily in cash by the seller. The Company is exposed to counterparty risk with respect to any over-the-counter options and minimizes this risk by requiring collateral from counterparties in an amount equal to any unrealized gains. During 2008, realized and unrealized gains and losses related to options were not material.

9. INCOME TAXES

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

	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
(1) Total admitted and nonadmitted deferred tax assets ("DTAs")	\$ 83,998,528	\$ 47,850,762
(2) Total deferred tax liabilities ("DTLs")	<u>(9,757,035)</u>	<u>(7,943,228)</u>
(3) Net admitted and nonadmitted DTAs	74,241,493	39,907,534
(4) Deduct DTAs nonadmitted	<u>(65,002,281)</u>	<u>(32,889,995)</u>
(5) Net admitted DTAs	<u>\$ 9,239,212</u>	<u>\$ 7,017,539</u>
(6) Increase in nonadmitted DTAs	<u>\$ (32,112,286)</u>	

B. Not applicable.

**Annual Statement for the year 2008 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

C. All of the Company's current and deferred income tax expense is due to federal income taxes as opposed to foreign income taxes. The tax effects of temporary differences that give rise to the DTAs and DTLs are as follows:

	December 31, <u>2008</u>	December 31, <u>2007</u>
DTAs:		
Discounting of reserves	\$ 15,539,420	\$ 13,943,178
Realized capital losses attributable to bond impairments	18,062,683	1,523,782
Unrealized capital losses	12,687,475	1,761,423
Deferred acquisition costs	11,587,049	9,866,049
Employee benefit plans	5,769,239	2,202,752
Interests in limited partnerships and limited liability companies	7,114,200	7,824,402
Fixed assets	5,624,598	4,947,021
Other	<u>7,613,864</u>	<u>5,782,155</u>
Total DTAs	83,998,528	47,850,762
Nonadmitted DTAs	<u>(65,002,281)</u>	<u>(32,889,995)</u>
Admitted DTAs	<u>18,996,247</u>	<u>14,960,767</u>
DTLs:		
Accrual of bond discounts	5,344,947	3,962,314
Other	<u>4,412,088</u>	<u>3,980,914</u>
Total DTLs	<u>9,757,035</u>	<u>7,943,228</u>
Net admitted DTAs	<u>\$ 9,239,212</u>	<u>\$ 7,017,539</u>

The change in the net deferred income tax expense for the year ended December 31, 2008 is comprised of the following:

	December 31, <u>2008</u>	December 31, <u>2007</u>	Increase <u>(Decrease)</u>
Total DTAs	\$ 83,998,528	\$ 47,850,762	\$ 36,147,766
Total DTLs	<u>(9,757,035)</u>	<u>(7,943,228)</u>	<u>(1,813,807)</u>
Net DTAs	<u>\$ 74,241,493</u>	<u>\$ 39,907,534</u>	\$ 34,333,959

Net deferred income tax expense attributable to the change in unrealized capital gains	(10,926,051)
Net deferred income tax expense attributable to realized investment gains transferred to IMR and other adjustments	<u>(2,745,233)</u>
	<u>\$ 20,662,675</u>

Net deferred income tax benefit attributable to realized capital gains	\$ 18,506,617
Net deferred income tax benefit attributable to net gain from operations	2,156,058
	<u>\$ 20,662,675</u>

D. Income tax expense for the year ended December 31, 2008 is reconciled to the amount computed by applying the statutory federal income tax rate to net gain from operations before federal income tax expense as follows:

Federal income tax expense at statutory rate	\$ 42,246,038
IMR amortization	(582,089)
Dividends received deduction	(1,254,002)
Other	<u>(106,073)</u>
	<u>\$ 40,303,874</u>
Income tax expense incurred	\$ 42,459,932
Net deferred income tax benefit attributable to net gain from operations	<u>(2,156,058)</u>
	<u>\$ 40,303,874</u>

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

Year Incurred	Amount of Tax		
	Ordinary	Capital	Total
2008	\$ 42,416,485	\$ -	\$ 42,416,485
2007	47,545,524	1,860,149	49,405,673
2006	26,308,704	4,524,623	30,833,327

F. (1) The Company consolidates its federal income tax return with the return of its ultimate parent, Delphi Financial Group, Inc. ("DFG"). DFG and all of its direct and indirect subsidiaries are members of the consolidated tax group. See Schedule Y, Part 1 for a list of the principal members of the consolidated tax group.

**Annual Statement for the year 2008 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

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- (2) The method of allocation between the companies is subject to a written tax allocation agreement approved by the Board of Directors. The agreement requires the Company to accrue federal income taxes on a separate return basis, with the current credit for losses used in the consolidated return. Any loss not used in the consolidated return is retained by the respective company for possible future use. Intercompany tax balances are settled within 15 days after filing a tax return or receipt of a refund. Settlements involving the Company are in the form of cash or securities eligible as investments pursuant to the Illinois Insurance Code, at market value.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- A-C. The outstanding shares of the Company's preferred stock are owned by DFG, Reliance Standard Life Insurance Company of Texas ("RSL-Texas"), the Company's direct parent and Safety National Casualty Corporation ("SNCC"), a subsidiary of DFG. During 2008, the Company paid cash dividends on its cumulative preferred stock issued to DFG, RSL-Texas and SNCC totaling \$1,600,000, \$400,000 and \$400,000, respectively. The Company received common stock dividend cash payments totaling \$3,500,000 from FRSLIC during 2008.

On December 31, 2008, the Company issued 200,000 of its preferred stock to SNCC in exchange for \$20,000,000 in cash.

As of December 31, 2008, the Company owned 2,000,000 shares of the common stock of DFG. The amount deducted from the market value of this common stock in accordance with the SVO manual was \$14,226,000.

From time to time, the Company has obtained advances from its parent, RSL-Texas, for purposes of financing mortgage-related investments. To fund these advances, RSL-Texas obtained advances from the Federal Home Loan Bank of Dallas ("FHLB Dallas"). The terms of the Company's advances from RSL-Texas are identical to the terms of RSL-Texas' advances from the FHLB Dallas. At each year ended December 31, 2008 and 2007, the Company had an outstanding borrowing from RSL-Texas which totaled \$55,342,146 including accrued interest of \$342,146. During 2008, the Company did not obtain any additional advances from RSL-Texas. The Company paid interest totaling \$4,105,750 during 2008 on the advance from RSL-Texas. See Note 11 for additional information regarding the Company's borrowings.

- D. The Company does not have any material receivables or payables with affiliates other than the items disclosed in Note 10A-C, Note 11B and Schedule D, Part 1.
- E. There are no guarantees or undertakings for the benefit of any affiliate which result in a material contingent exposure to the Company's assets.
- F. Pursuant to an investment consulting agreement, the Company pays to Rosenkranz Asset Managers, L.L.C. certain fixed fees associated with the formulation of the business and investment strategies of the Company. These fees amounted to \$5,382,091 in 2008. All other contracts and cost-sharing arrangements are based on generally accepted accounting principles.
- G. All of the outstanding common shares of the Company are owned by RSL-Texas, a life insurance company domiciled in Texas. The outstanding shares of the Company's preferred stock are owned by SNCC (250,000 shares), a property and casualty insurance company domiciled in Missouri, the parent company of RSL-Texas, DFG (200,000 shares) and RSL-Texas (50,000 shares).
- H-L. Not applicable.

11. DEBT

- A. Not applicable.
- B. From time to time, the Company has obtained advances from its parent, RSL-Texas, for purposes of financing mortgage-related investments. To fund these advances, RSL-Texas obtained advances from the FHLB Dallas. The terms of the Company's advances from RSL-Texas are identical to the terms of RSL-Texas' advances from the FHLB Dallas. At December 31, 2008, the Company has one borrowing outstanding from RSL-Texas, which totaled \$55,342,146 including accrued interest of \$342,146 and is included in the liability for borrowed money caption on the balance sheet. Interest paid during 2008 was \$4,105,750. The principal amount of the borrowing outstanding at December 31, 2008 is \$55,000,000 and matures in 2020. The interest rate on the borrowing is 7.47%. This borrowing is collateralized by mortgage-related securities owned by the Company. The statement value and market value of the securities held as collateral totaled \$60,147,583 and \$61,434,162 respectively, at December 31, 2008.

The Company does not have any reverse repurchase agreements outstanding at December 31, 2008.

**Annual Statement for the year 2008 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

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

A. Defined Benefit Plans

The Company sponsors a qualified non-contributory defined benefit pension plan covering substantially all employees age 21 or over with more than one year of service with the Company or its affiliates. The Company funds pension costs in accordance with the requirements of ERISA.

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

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

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

B. Defined Contribution Plans

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

C-F. Not applicable.

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

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

B. Dividends on the Company's preferred stock are cumulative at a rate of \$8 per share, payable semi-annually. The redemption price is \$100 per share.

C. The maximum amount of dividends which can be paid by Illinois insurance companies to shareholders in any twelve-month period without prior approval of the Director of Insurance is subject to restrictions related to prior year statutory surplus and net income. Surplus at December 31, 2007 was \$457,548,006 and net income was \$54,292,959. The maximum total of dividends available for payout in 2008 without prior approval totaled \$54,292,959. Dividends paid in 2008 totaled \$2,400,000.

D. Within the limitations described in Note 13C above, there are no restrictions placed on the portion of Company profits that may be paid as dividends to shareholders.

E. The Company does not have any material restrictions on unassigned surplus.

F. Not applicable.

G. The Company does not hold any common stock for special purposes.

H. Not applicable.

I. The portion of unassigned surplus represented by cumulative net unrealized losses totaled \$8,445,626 at December 31, 2008.

**Annual Statement for the year 2008 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

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- J. On December 30, 2008, the Company issued a 7% fixed rate surplus note with a face value of \$20,000,000 to DFG in exchange for cash. The note will mature on January 15, 2029. Interest is paid semiannually and will commence on July 15, 2009. The surplus note has the following repayment conditions and restrictions: any payment of principal or interest on the surplus note may be made only with the prior written approval of the Director of the Division of Insurance of the State of Illinois, with the approval of the Company's Board of Directors and only out of the Company's surplus in excess of the minimum amount required under Illinois law. The Company's obligations under the surplus note are subordinate to all claims of policyholders and general creditors of the Company, other than any future holders of surplus notes of the Company or of indebtedness which is expressly subordinated to such obligations.
- L. Not applicable.
- M. On January 18, 2008, the Company paid an ordinary dividend to stockholders on its preferred stock totaling \$1,200,000. On July 11, 2008, the Company paid an ordinary dividend to stockholders on its preferred stock totaling \$1,200,000.

14. CONTINGENCIES

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

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

15. LEASES

- A. (1) The Company leases office space and office equipment under noncancelable operating lease agreements that expire through December 2023. The office space lease agreements contain escalation clauses considered ordinary for these types of agreements. The amount of the rent escalation is not material. Rental expense for 2008 and 2007 was approximately \$12,644,000 and \$11,888,000 respectively.

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

Year Ending December 31,	
(1) 2009	\$ 12,531,590
(2) 2010	12,584,175
(3) 2011	11,416,407
(4) 2012	9,424,775
(5) 2013	8,797,507
(6) 2014 and thereafter	<u>24,854,644</u>
(7) Total	<u>\$ 79,609,098</u>

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

- 16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK Not applicable.
- 17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES Not applicable.
- 18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS Not applicable.

**Annual Statement for the year 2008 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

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

All third party administrators ("TPA's") combined generated premiums which totaled less than 5% of surplus. The Company does not have any managing general agents ("MGA's").

20. OTHER ITEMS

A-B. Not applicable.

C. Assets with a book/adjusted carrying value of \$14,713,892 and \$14,693,979 at December 31, 2008 and 2007, respectively, were on deposit with government authorities or trustees as required by law. Assets with a book/adjusted carrying value of \$60,147,583 and \$57,659,669 at December 31, 2008 and 2007, respectively, were pledged as collateral for advances from RSL-Texas. See Note 11.

D-G. Not applicable.

H. The Company generally characterizes its subprime mortgage underlying mortgage loans to borrowers with weighted average Fair Issac & Co., Inc. (FICO) credit scores below 650. Additionally, the weighted-average loan-to-value ratios (LTVs) of these loans are generally above 80.0%. As of December 31, 2008, the Company owned subprime residential mortgage-backed securities with a cost, book/adjusted carrying value and fair value of \$39,210,308, \$40,222,575 and \$28,571,504, respectively. Additionally, the Company had subprime exposure through other investments with a cost, book/adjusted carrying value and fair value of \$10,071,522, \$2,850,198, and \$2,850,198 respectively. During 2008, the Company recognized \$865,417 of other-than-temporary impairment losses on its subprime investments.

I. During 1993 and 1994, the Company obtained advances from the Federal Home Loan Bank of Pittsburgh ("FHLB Pittsburgh") in order to finance mortgage-backed securities. The last outstanding advance was repaid in 2004. The Company currently does not have an agreement to borrow funds from FHLB Pittsburgh. As part of the agreement with the FHLB Pittsburgh, the Company purchased shares of FHLB Pittsburgh Capital Stock. The Company owns shares of FHLB Pittsburgh Capital Stock with a book/adjusted carrying value of \$3,899,200 as of December 31, 2008 and 2007, respectively. These shares are listed on Schedule D –Part 2 – Section 2 as restricted as to sale.

21. EVENTS SUBSEQUENT

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

22. REINSURANCE

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? Yes ( ) No (X) If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person primarily engaged in the insurance business? Yes ( ) No (X) If yes, give full details.

Section 2 - Ceded Reinsurance Report - Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes ( ) No (X)

(2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes ( ) No(X) If yes, give full details.

Section 3 - Ceded Reinsurance Report - Part B

(1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. Not applicable.

**Annual Statement for the year 2008 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

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(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in-force or which had existing reserves established by the company as of the effective date of the agreement? Yes ( ) No (X) If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? Not applicable.

B. Uncollectible Reinsurance Not applicable.

C. Commutation of Reinsurance Reflected in Income and Expense

During 2008, the Company reported in its operations \$(7,244) of claims incurred as a result of the commutation of a reinsurance agreement with Reliance Insurance Company.

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

For the year ended December 31, 2008, premiums under ordinary life participating policies were \$54,668 or 0.00% of total direct premiums earned. Participating policies are 100% reinsured. Accordingly, the Company does not account for or administer policyholder dividends.

29. PREMIUM DEFICIENCY RESERVES

At December 31, 2008, the Company did not have any premium deficiency reserves.

30. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

A. The Company waives deduction of deferred fractional premiums upon death of insureds and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of legally computed reserves.

B. Extra premiums are charged for substandard lives plus the gross premium for the true age. Mean reserves are determined by computing the regular mean reserve for the plan at the true age and holding in addition one half of the extra premium charge for the year.

C. As of December 31, 2008, the Company has \$49,847,098 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by Illinois. Reserves to cover the above insurance totaled \$1,201,562 at December 31, 2008 and are reported in Exhibit 5, miscellaneous reserves line 0799993.

D. The Tabular Interest (Page 7, Line 4), the Tabular Less Actual Reserve Released (Page 7, Line 5) and the Tabular Cost (Page 7, Line 9) have been determined by the formula as described in the instructions for Page 7.

E. Investment earnings on funds not involving life contingencies (Page 15, Line 3) have been calculated as the balancing item in the reconciliation. It has been checked for reasonableness.

F. Not applicable.

**Annual Statement for the year 2008 of the Reliance Standard Life Insurance Company**  
**NOTES TO FINANCIAL STATEMENTS**

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

	(1) <u>Amount</u>	(2) <u>% of Total</u>
A. Subject to discretionary withdrawal:		
(1) With market value adjustment	\$ 726,009,135	52%
(2) At book value less current surrender charge of 5% or more	82,115,253	6
(3) At market value	<u>0</u>	<u>0</u>
(4) Total with adjustment or at market value	808,124,388	58
(5) At book value without adjustment (minimal or no charge or adjustment)	411,845,032	30
B. Not subject to discretionary withdrawal	<u>174,721,313</u>	<u>12</u>
C. Total (gross)	1,394,690,733	<u>100 %</u>
D. Reinsurance ceded	<u>(18,794,277)</u>	
E. Total (net)* (C) - (D)	<u>\$1,375,896,456</u>	
* Reconciliation of total annuity actuarial reserves and deposit fund liabilities		
F. Life & Accident & Health Annual Statement:		
(1) Exhibit 5, Annuities Section, Totals (net)	\$ 1,232,319,543	
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Totals (net)	12,366,572	
(3) Exhibit of Deposit-Type Contracts, Line 14, Column 1	<u>131,210,341</u>	
(4) Subtotal	1,375,869,456	
Separate Accounts Annual Statement	<u>0</u>	
(12) Combined Total	<u>\$1,375,896,456</u>	

32. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2008 were as follows:

<u>TYPE</u>	<u>GROSS</u>	<u>NET OF LOADING</u>
Ordinary Renewal	\$ 429,401	\$ 364,991
Group Life	<u>20,396,752</u>	<u>17,721,552</u>
Total	<u>\$20,826,153</u>	<u>\$18,086,543</u>

33. SEPARATE ACCOUNTS

A. General Nature and Characteristics of Separate Account Business:

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

The Company collected no premiums, considerations or deposits for separate account business during 2008. Premiums paid to reinsurers on all life insurance amounts in excess of the Company's risk retention were \$337,099. Reserves for nonguaranteed separate account assets valued at market value and subject to discretionary withdrawal were \$90,215,443 at December 31, 2008.

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

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement:		
(a) Transfers to Separate Accounts (Page 4, Line 1.4)		\$ (340,167)
(b) Transfers to Separate Accounts (Page 4, Line 10)		<u>(2,595,164)</u>
(c) Net transfers to Separate Accounts (a) - (b)		2,254,997
(2) Reconciling Adjustments:		
(a) Investment loss allocated to contributed surplus		(2,595,164)
(b) Premiums paid to reinsurer		<u>337,099</u>
(3) Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) (Page 4, Line 26)		<u>\$ (3,068)</u>

34. LOSS/CLAIM ADJUSTMENT EXPENSES

- A. The balance in the liability for unpaid accident and health claims adjustment expenses as of December 31, 2008 and 2007 was \$24,730,853 and \$22,484,559 respectively.
- B. The Company incurred \$9,499,133 of claim adjustment expenses in the current year, of which \$4,078,859 was attributable to insured or covered events of the current year. The Company did not increase or decrease the provision for insured events of prior years.
- C. The Company paid \$7,252,839 of claim adjustment expenses in the current years, of which \$3,114,317 was attributable to insured or covered events of the current year and \$4,138,522 was attributable to insured or covered events of the prior years.
- D. The Company did not consider anticipated subrogation in its determination of the liability for unpaid claims and claim adjustment expenses.

Annual Statement for the year 2008 of the **Reliance Standard Life Insurance Company**  
**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2008	2 2007	3 2006	4 2005	5 2004
<b>Life Insurance in Force (Exhibit of Life Insurance)</b>					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....	363,682	382,055	407,748	435,066	467,657
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	256,558	278,356	298,030	320,275	349,783
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....	153,082,178	147,867,694	134,684,557	121,663,687	111,358,186
5. Industrial (Line 21, Col. 2).....	4,908	5,053	5,223	5,402	5,532
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	153,707,326	148,533,158	135,395,558	122,424,430	112,181,158
<b>New Business Issued (Exhibit of Life Insurance)</b>					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	4,894	3,181	4,210	5,377	7,985
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....	26,585,833	28,436,664	29,836,355	30,173,401	23,184,908
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	26,590,727	28,439,845	29,840,565	30,178,778	23,192,893
<b>Premium Income - Lines of Business (Exhibit 1-Part 1)</b>					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	938,927	276,330	801,672	796,531	676,315
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....	147,646,416	66,188,069	58,214,821	65,512,992	93,250,558
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....	380,688,868	341,462,572	292,262,811	259,784,802	242,949,355
17.2 Group annuities (Line 20.4, Col. 7).....	99,541,437	41,475,765	32,971,728	30,085,632	40,596,189
18.1 A&H - group (Line 20.4, Col. 8).....	604,754,520	546,122,718	479,827,624	406,296,617	307,677,359
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....	169,461	147,990	132,833	128,620	113,152
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	1,233,739,629	995,673,444	864,211,489	762,605,194	685,262,928
<b>Balance Sheet (Pages 2 and 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3).....	3,411,462,823	3,099,399,458	2,798,693,378	2,489,852,805	2,314,346,818
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	2,906,707,410	2,659,125,290	2,408,661,989	2,144,966,491	2,007,285,247
23. Aggregate life reserves (Page 3, Line 1).....	1,358,998,034	1,074,612,684	1,102,790,669	1,119,499,842	1,097,062,587
24. Aggregate A&H reserves (Page 3, Line 2).....	698,110,255	624,389,331	541,367,089	452,266,538	382,799,104
25. Deposit-type contract funds (Page 3, Line 3).....	131,210,341	132,153,250	129,777,603	23,867,080	21,228,842
26. Asset valuation reserve (Page 3, Line 24.1).....	21,604,978	52,709,761	44,366,183	33,758,216	22,739,892
27. Capital (Page 3, Lines 29 & 30).....	56,003,113	36,003,113	36,003,113	36,003,113	36,003,113
28. Surplus (Page 3, Line 37).....	455,714,716	421,544,893	380,249,753	333,095,767	289,396,285
<b>Cash Flow (Page 5)</b>					
29. Net Cash from operations (Line 11).....	447,834,904	204,214,227	190,630,931	199,306,564	181,304,819
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital.....	533,322,807	510,774,909	461,059,796	403,262,063	348,461,702
31. Authorized control level risk-based capital.....	98,929,306	91,171,821	78,825,143	69,849,024	63,375,329
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 10, Col. 3) x 100.0</b>					
32. Bonds (Line 1).....	81.7	78.3	79.3	89.1	88.9
33. Stocks (Lines 2.1 and 2.2).....	3.3	2.9	2.1	1.7	1.7
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....	3.6	4.7	5.3	5.2	3.5
35. Real estate (Line 4.1, 4.2 and 4.3).....	0.4	0.1			0.9
36. Cash, cash equivalents and short-term investments (Line 5).....	8.7	5.3	9.8	1.0	1.7
37. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
38. Other invested assets (Line 7).....	2.2	8.7	3.5	2.5	1.9
39. Receivables for securities (Line 8).....	0.1	0.1	0.0	0.5	1.4
40. Aggregate write-ins for invested assets (Line 9).....	0.0			0.1	0.1
41. Cash, cash equivalents and invested assets (Line 10).....	100.0	100.0	100.0	100.0	100.0

**SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT**

	Total		Group Accident and Health		Credit Accident and Health (Group and Individual)		Collectively Renewable		Other Individual Contracts										
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other		
									9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %	
<b>PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS</b>																			
1. Premiums written.....	604,925,587	XXX	604,756,126	XXX		XXX		XXX		XXX		XXX		XXX		169,461	XXX		XXX
2. Premiums earned.....	602,408,749	XXX	602,239,288	XXX		XXX		XXX		XXX		XXX		XXX		169,461	XXX		XXX
3. Incurred claims.....	452,877,516	75.2	452,644,462	75.2		0.0		0.0		0.0		0.0		0.0		233,054	137.5		0.0
4. Cost containment expenses.....	2,402,469	0.4	2,402,469	0.4		0.0		0.0		0.0		0.0		0.0			0.0		0.0
5. Incurred claims and cost containment expenses (Lines 3 and 4).....	455,279,985	75.6	455,046,931	75.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		233,054	137.5	0	0.0
6. Increase in contract reserves.....	0	0.0		0.0		0.0		0.0		0.0		0.0		0.0			0.0		0.0
7. Commissions (a).....	57,176,136	9.5	57,176,062	9.5		0.0		0.0		0.0		0.0		0.0		74	0.0		0.0
8. Other general insurance expenses.....	83,818,609	13.9	83,818,609	13.9		0.0		0.0		0.0		0.0		0.0			0.0		0.0
9. Taxes, licenses and fees.....	16,533,916	2.7	16,533,916	2.7		0.0		0.0		0.0		0.0		0.0			0.0		0.0
10. Total other expenses incurred.....	157,528,661	26.1	157,528,587	26.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		74	0.0	0	0.0
11. Aggregate write-ins for deductions.....	4,098	0.0	4,098	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		0	0.0	0	0.0
12. Gain from underwriting before dividends or refunds.....	(10,403,995)	(1.7)	(10,340,328)	(1.7)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		(63,667)	(37.6)	0	0.0
13. Dividends or refunds.....	0	0.0		0.0		0.0		0.0		0.0		0.0		0.0			0.0		0.0
14. Gain from underwriting after dividends or refunds.....	(10,403,995)	(1.7)	(10,340,328)	(1.7)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		(63,667)	(37.6)	0	0.0
<b>DETAILS OF WRITE-INS</b>																			
1101. Increase in loading.....	(72,192)	(0.0)	(72,192)	(0.0)		0.0		0.0		0.0		0.0		0.0			0.0		0.0
1102. Interest on policy funds.....	76,290	0.0	76,290	0.0		0.0		0.0		0.0		0.0		0.0			0.0		0.0
1103. ....		0.0		0.0		0.0		0.0		0.0		0.0		0.0			0.0		0.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		0	0.0	0	0.0
1199. Total (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	4,098	0.0	4,098	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		0	0.0	0	0.0

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

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

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
<b>PART 2 - RESERVES AND LIABILITIES</b>									
A. Premium Reserves:									
1. Unearned premiums.....	5,706,627	5,706,627							
2. Advance premiums.....	138,049	137,992						57	
3. Reserve for rate credits.....	0								
4. Total premium reserves, current year.....	5,844,676	5,844,619	0	0	0	0	0	57	0
5. Total premium reserves, prior year.....	3,327,838	3,327,781						57	
6. Increase in total premium reserves.....	2,516,838	2,516,838	0	0	0	0	0	0	0
B. Contract Reserves:									
1. Additional reserves (a).....	0								
2. Reserve for future contingent benefits.....	0								
3. Total contract reserves, current year.....	0	0	0	0	0	0	0	0	0
4. Total contract reserves, prior year.....	0								
5. Increase in contract reserves.....	0	0	0	0	0	0	0	0	0
C. Claim Reserves and Liabilities:									
1. Total current year.....	1,088,120,542	1,088,120,542							
2. Total prior year.....	952,266,184	952,266,184							
3. Increase.....	135,854,358	135,854,358	0	0	0	0	0	0	0

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

38

1. Claims Paid During the Year:									
1.1 On claims incurred prior to current year.....	183,994,896	183,761,842						233,054	
1.2 On claims incurred during current year.....	133,028,262	133,028,262							
2. Claim Reserves and Liabilities, December 31, Current Year:									
2.1 On claims incurred prior to current year.....	703,087,219	703,087,219							
2.2 On claims incurred during current year.....	385,033,323	385,033,323							
3. Test:									
3.1 Lines 1.1 and 2.1.....	887,082,115	886,849,061	0	0	0	0	0	233,054	0
3.2 Claim reserves and liabilities, December 31, prior year.....	952,266,184	952,266,184							
3.3 Line 3.1 minus Line 3.2.....	(65,184,069)	(65,417,123)	0	0	0	0	0	233,054	0

**PART 4 - REINSURANCE**

A. Reinsurance Assumed:									
1. Premiums written.....	51,970,627	51,970,627							
2. Premiums earned.....	51,970,627	51,970,627							
3. Incurred claims.....	47,523,223	47,523,223							
4. Commissions.....	879,936	879,936							
B. Reinsurance Ceded:									
1. Premiums written.....	54,596,156	54,596,156							
2. Premiums earned.....	57,155,555	57,155,555							
3. Incurred claims.....	45,817,760	45,817,760							
4. Commissions.....	4,419,098	4,419,098							

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

Annual Statement for the year 2008 of the **Reliance Standard Life Insurance Company**  
**SCHEDULE H - PART 5 - HEALTH CLAIMS**

	1 Medical	2 Dental	3 Other	4 Total
<b>A. Direct:</b>				
1. Incurred claims.....		40,025,575	411,146,478	451,172,053
2. Beginning claim reserves and liabilities.....		3,555,118	962,720,217	966,275,335
3. Ending claim reserves and liabilities.....		4,297,842	1,050,896,726	1,055,194,568
4. Claims paid.....	0	39,282,851	322,969,969	362,252,820
<b>B. Assumed Reinsurance:</b>				
5. Incurred claims.....		531,394	46,991,829	47,523,223
6. Beginning claim reserves and liabilities.....		86,074	119,056,074	119,142,148
7. Ending claim reserves and liabilities.....		85,571	152,279,921	152,365,492
8. Claims paid.....	0	531,897	13,767,982	14,299,879
<b>C. Ceded Reinsurance:</b>				
9. Incurred claims.....		29,208,682	16,609,078	45,817,760
10. Beginning claim reserves and liabilities.....		2,555,030	133,605,770	136,160,800
11. Ending claim reserves and liabilities.....		3,128,947	119,917,731	123,046,678
12. Claims paid.....	0	28,634,765	30,297,117	58,931,882
<b>D. Net:</b>				
13. Incurred claims.....	0	11,348,287	441,529,229	452,877,516
14. Beginning claim reserves and liabilities.....	0	1,086,162	948,170,521	949,256,683
15. Ending claim reserves and liabilities.....	0	1,254,466	1,083,258,916	1,084,513,382
16. Claims paid.....	0	11,179,983	306,440,834	317,620,817
<b>E. Net Incurred Claims and Cost Containment Expenses:</b>				
17. Incurred claims and cost containment expenses.....		11,348,287	443,931,698	455,279,985
18. Beginning reserves and liabilities.....		1,086,162	948,428,121	949,514,283
19. Ending reserves and liabilities.....		1,254,466	1,083,395,916	1,084,650,382
20. Paid claims and cost containment expenses.....	0	11,179,983	308,963,903	320,143,886

Annual Statement for the year 2008 of the **Reliance Standard Life Insurance Company**  
**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**

Allocated by States and Territories

1	Direct Business Only						
	2	3	4	5	6	7	
							Life Contracts
States, Etc.	Active Status	Life Insurance Premiums	Annuity Considerations				
1. Alabama.....AL	L	11,026,109	212,916	14,390,034		25,629,059	
2. Alaska.....AK	L	242,850	381,283	402,943		1,027,076	
3. Arizona.....AZ	L	1,296,474	4,549,850	3,952,860		9,799,184	
4. Arkansas.....AR	L	1,564,135	468,331	3,670,981		5,703,447	
5. California.....CA	L	60,332,897	19,847,141	91,054,607		171,234,645	
6. Colorado.....CO	L	3,675,030	4,955,059	7,275,742		15,905,831	
7. Connecticut.....CT	L	4,090,719	11,791,570	3,661,129		19,543,418	
8. Delaware.....DE	L	3,902,025	1,774,944	4,637,579		10,314,548	
9. District of Columbia.....DC	L	2,928,038	1,971	4,435,754		7,365,763	
10. Florida.....FL	L	30,142,654	16,862,590	38,651,597		85,656,841	
11. Georgia.....GA	L	22,251,781	2,354,456	34,857,847		59,464,084	
12. Hawaii.....HI	L	88,689	372,804	287,738		749,231	
13. Idaho.....ID	L	113,043	778,548	1,690,254		2,581,845	
14. Illinois.....IL	L	26,278,443	11,640,559	32,412,710		70,331,712	
15. Indiana.....IN	L	6,762,158	7,174,530	10,260,890		24,197,578	
16. Iowa.....IA	L	4,261,961	2,044,865	4,741,450		11,048,276	
17. Kansas.....KS	L	3,390,689	1,362,903	5,814,956		10,568,548	
18. Kentucky.....KY	L	2,512,313	2,096,960	5,536,005		10,145,278	
19. Louisiana.....LA	L	8,307,368	576,272	16,523,881		25,407,521	
20. Maine.....ME	L	287,678	1,092,824	1,027,295		2,407,797	
21. Maryland.....MD	L	9,032,233	94,020	13,300,843		22,427,096	
22. Massachusetts.....MA	L	12,085,581	11,721,421	20,616,119		44,423,121	
23. Michigan.....MI	L	11,482,272	9,945,918	16,996,173		38,424,363	
24. Minnesota.....MN	L	4,068,446	1,085,988	9,621,984		14,776,418	
25. Mississippi.....MS	L	1,918,521	567,492	2,412,062		4,898,075	
26. Missouri.....MO	L	8,321,113	1,116,103	17,991,618		27,428,834	
27. Montana.....MT	L	82,147	1,662	570,570		654,379	
28. Nebraska.....NE	L	934,209	211,731	1,869,445		3,015,385	
29. Nevada.....NV	L	1,794,268	462,634	3,588,570		5,845,472	
30. New Hampshire.....NH	L	1,155,572	1,603,839	1,993,724		4,753,135	
31. New Jersey.....NJ	L	16,151,193	27,670,111	27,722,117		71,543,421	
32. New Mexico.....NM	L	904,883	1,436,126	1,708,276		4,049,285	
33. New York.....NY	Q	218,801	1,873,566	20,205		2,112,572	
34. North Carolina.....NC	L	17,599,025	10,302,075	27,069,362		54,970,462	
35. North Dakota.....ND	L	158,383	1,405,229	292,394		1,856,006	
36. Ohio.....OH	L	10,624,297	7,771,238	19,792,316		38,187,851	
37. Oklahoma.....OK	L	5,271,223	315,736	5,996,046		11,583,005	
38. Oregon.....OR	L	3,076,154	340,595	5,793,730		9,210,479	
39. Pennsylvania.....PA	L	21,146,903	35,479,705	26,771,662		83,398,270	
40. Rhode Island.....RI	L	497,000	1,457,162	575,823		2,529,985	
41. South Carolina.....SC	L	2,974,980	2,122,976	6,220,064		11,318,020	
42. South Dakota.....SD	L	209,686	645,970	334,336		1,189,992	
43. Tennessee.....TN	L	15,338,382	8,354,158	23,805,054		47,497,594	
44. Texas.....TX	L	37,311,421	3,438,359	42,715,150		83,464,930	
45. Utah.....UT	L	2,883,524	53,038	5,111,418		8,047,980	
46. Vermont.....VT	L	281,073	282,891	582,501		1,146,465	
47. Virginia.....VA	L	13,331,699	2,239,883	21,555,657		37,127,239	
48. Washington.....WA	L	4,798,018	3,222,334	6,390,532		14,410,884	
49. West Virginia.....WV	L	604,669	324,926	997,099		1,926,694	
50. Wisconsin.....WI	L	7,484,601	20,749,376	8,448,976		36,682,953	
51. Wyoming.....WY	L	149,198	99,115	305,479		553,792	
52. American Samoa.....AS	N					0	
53. Guam.....GU	L	272	500			772	
54. Puerto Rico.....PR	L	2,909				2,909	
55. US Virgin Islands.....VI	L	55,970		248		56,218	
56. Northern Mariana Islands.....MP	N					0	
57. Canada.....CN	N	1,025		109,818		110,843	
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Subtotal.....(a) 53		405,404,705	246,736,253	606,565,623	0	1,258,706,581	0
90. Reporting entity contributions for employee benefit plans.....XXX						0	
91. Dividends or refunds applied to purchase paid-up additions and annuities.....XXX		44,004				44,004	
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		139,935				139,935	
94. Aggregate other amounts not allocable by State.....XXX		0	0	0	0	0	0
95. Totals (Direct Business).....XXX		405,588,644	246,736,253	606,565,623	0	1,258,890,520	0
96. Plus reinsurance assumed.....XXX		282,458	1,484,409	52,463,107		54,229,974	1,870
97. Totals (All Business).....XXX		405,871,102	248,220,662	659,028,730	0	1,313,120,494	1,870
98. Less reinsurance ceded.....XXX		24,412,463	1,032,808	55,114,630		80,559,901	
99. Totals (All Business) less reinsurance ceded.....XXX		381,458,639	247,187,854	(b) 603,914,100	0	1,232,560,593	1,870

**DETAILS OF WRITE-INS**

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

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

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

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

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

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

Allocated by States and Territories

States, Etc.		Direct Business Only				5	6
		1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)		
1. Alabama.....	AL	11,026,109	212,916	12,792,006			24,031,031
2. Alaska.....	AK	242,850	381,283	359,052			983,185
3. Arizona.....	AZ	1,296,474	4,549,850	3,020,764			8,867,088
4. Arkansas.....	AR	1,564,135	468,331	2,947,477			4,979,943
5. California.....	CA	60,332,897	19,847,141	76,985,876			157,165,914
6. Colorado.....	CO	3,675,030	4,955,059	5,940,408			14,570,497
7. Connecticut.....	CT	4,090,719	11,791,570	3,146,055			19,028,344
8. Delaware.....	DE	3,902,025	1,774,944	3,792,773			9,469,742
9. District of Columbia.....	DC	2,928,038	1,971	4,201,478			7,131,487
10. Florida.....	FL	30,142,654	16,862,590	26,630,476			73,635,720
11. Georgia.....	GA	22,251,781	2,354,456	26,643,741			51,249,978
12. Hawaii.....	HI	88,689	372,804	287,194			748,687
13. Idaho.....	ID	113,043	778,548	1,601,733			2,493,324
14. Illinois.....	IL	26,278,443	11,640,559	27,496,966			65,415,968
15. Indiana.....	IN	6,762,158	7,174,530	8,219,495			22,156,183
16. Iowa.....	IA	4,261,961	2,044,865	4,053,182			10,360,008
17. Kansas.....	KS	3,390,689	1,362,903	5,199,228			9,952,820
18. Kentucky.....	KY	2,512,313	2,096,960	4,776,589			9,385,862
19. Louisiana.....	LA	8,307,368	576,272	13,096,654			21,980,294
20. Maine.....	ME	287,678	1,092,824	937,393			2,317,895
21. Maryland.....	MD	9,032,233	94,020	11,832,650			20,958,903
22. Massachusetts.....	MA	12,085,581	11,721,421	19,596,557			43,403,559
23. Michigan.....	MI	11,482,272	9,945,918	13,893,154			35,321,344
24. Minnesota.....	MN	4,068,446	1,085,988	6,134,552			11,288,986
25. Mississippi.....	MS	1,918,521	567,492	1,864,288			4,350,301
26. Missouri.....	MO	8,321,113	1,116,103	13,503,637			22,940,853
27. Montana.....	MT	82,147	1,662	224,129			307,938
28. Nebraska.....	NE	934,209	211,731	1,321,323			2,467,263
29. Nevada.....	NV	1,794,268	462,634	3,071,363			5,328,265
30. New Hampshire.....	NH	1,155,572	1,603,839	1,927,573			4,686,984
31. New Jersey.....	NJ	16,151,193	27,670,111	26,081,587			69,902,891
32. New Mexico.....	NM	904,883	1,436,126	1,437,956			3,778,965
33. New York.....	NY	218,801	1,873,566	(81,827)			2,010,540
34. North Carolina.....	NC	17,599,025	10,302,075	15,661,057			43,562,157
35. North Dakota.....	ND	158,383	1,405,229	225,803			1,789,415
36. Ohio.....	OH	10,624,297	7,771,238	15,993,204			34,388,739
37. Oklahoma.....	OK	5,271,223	315,736	5,430,808			11,017,767
38. Oregon.....	OR	3,076,154	340,595	4,571,463			7,988,212
39. Pennsylvania.....	PA	21,146,903	35,479,705	24,314,561			80,941,169
40. Rhode Island.....	RI	497,000	1,457,162	404,648			2,358,810
41. South Carolina.....	SC	2,974,980	2,122,976	3,777,696			8,875,652
42. South Dakota.....	SD	209,686	645,970	332,439			1,188,095
43. Tennessee.....	TN	15,338,382	8,354,158	20,278,208			43,970,748
44. Texas.....	TX	37,311,421	3,438,359	33,062,619			73,812,399
45. Utah.....	UT	2,883,524	53,038	2,983,850			5,920,412
46. Vermont.....	VT	281,073	282,891	540,158			1,104,122
47. Virginia.....	VA	13,331,699	2,239,883	18,150,273			33,721,855
48. Washington.....	WA	4,798,018	3,222,334	5,358,587			13,378,939
49. West Virginia.....	WV	604,669	324,926	634,324			1,563,919
50. Wisconsin.....	WI	7,484,601	20,749,376	7,511,406			35,745,383
51. Wyoming.....	WY	149,198	99,115	180,362			428,675
52. American Samoa.....	AS						0
53. Guam.....	GU	272	500				772
54. Puerto Rico.....	PR	2,909					2,909
55. US Virgin Islands.....	VI	55,970					55,970
56. Northern Mariana Islands.....	MP						0
57. Canada.....	CN	1,025					1,025
58. Aggregate Other Alien.....	OT						0
59. Totals.....		405,404,705	246,736,253	492,346,948	0	0	1,144,487,906

