



# ANNUAL STATEMENT

For the Year Ended December 31, 2007  
of the Condition and Affairs of the

## Imerica Life and Health Insurance Company

NAIC Group Code.....0000, (Current Period) (Prior Period) NAIC Company Code..... 63533 Employer's ID Number..... 71-0655804

Organized under the Laws of Arkansas State of Domicile or Port of Entry Arkansas Country of Domicile US

Licensed as Business Type.....Life, Accident & Health Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized..... July 20, 1925 Commenced Business..... August 8, 1925

Statutory Home Office 400 W Capitol Ave, Ste 2000,Attn: Ragenea Hodge..... Little Rock ..... AR ..... 77201  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 304 Inverness Way South, Ste 355..... Englewood ..... CO ..... 80112 303-706-1200  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 304 Inverness Way South, Ste 355..... Englewood ..... CO ..... 80112  
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 304 Inverness Way South, Ste 355..... Englewood ..... CO ..... 80112 303-706-1200  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.imerica.com

Statutory Statement Contact Laura Sandquist James 303-706-1200  
(Name) (Area Code) (Telephone Number) (Extension)  
ljames@imerica.com 303-706-1201  
(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title	Name	Title
1. Robert Stewart Moss	CEO & Secretary	2. John Clinton Herbers	President & Treasurer
3. Laura Sandquist James	CFO	4.	

### OTHER

### DIRECTORS OR TRUSTEES

Eric David Sipf

State of..... Colorado  
County of..... Douglas

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 of the enclosed statement (except for formatting differences due to electronic filing). The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Robert Stewart Moss	(Signature) John Clinton Herbers	(Signature) Laura Sandquist James
1. (Printed Name) CEO & Secretary	2. (Printed Name) President & Treasurer	3. (Printed Name) CFO
(Title)	(Title)	(Title)

Subscribed and sworn to before me  
This 28th day of February, 2008

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

b. If no

1. State the amendment number \_\_\_\_\_
2. Date filed \_\_\_\_\_
3. Number of pages attached \_\_\_\_\_

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,617,242		2,617,242	2,524,331
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.....			0	
3.2 Other than first liens.....			0	
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).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....167,162, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....217,433, Sch. DA).....	384,595		384,595	1,392,370
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets (Schedule BA).....	0		0	0
8. Receivables for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	3,001,837	0	3,001,837	3,916,701
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	64,269		64,269	17,646
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	1,000		1,000	6,463
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	621,517		621,517	15,000
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.....			0	
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....			0	
19. Furniture and equipment, including health care delivery assets (\$.....0).....			0	16,865
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....			0	31,349
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	57,454	57,454	0	3,744
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	3,746,077	57,454	3,688,623	4,007,768
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	3,746,077	57,454	3,688,623	4,007,768

**DETAILS OF WRITE-INS**

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. Lease security deposit.....			0	3,744
2302. Exp. Reimbursement.....	57,454	57,454	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).....	57,454	57,454	0	3,744

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	424,645		424,645	213,280
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	16,986		16,986	11,339
4. Aggregate health policy reserves.....	14,250		14,250	509
5. Aggregate life policy reserves.....			0	10,000
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	12,098		12,098	32,789
9. General expenses due or accrued.....	55,049		55,049	104,080
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....	17,050		17,050	16,383
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	27,327		27,327	
16. Payable for securities.....			0	
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
18. Reinsurance in unauthorized companies.....			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Liability for amounts held under uninsured plans.....			0	
21. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
22. Total liabilities (Lines 1 to 21).....	567,405	0	567,405	388,380
23. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
24. Common capital stock.....	XXX	XXX	1,500,000	1,500,000
25. Preferred capital stock.....	XXX	XXX		
26. Gross paid in and contributed surplus.....	XXX	XXX	37,124,871	36,874,871
27. Surplus notes.....	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
29. Unassigned funds (surplus).....	XXX	XXX	(35,503,653)	(34,755,483)
30. Less treasury stock at cost:				
30.1 .....0.000 shares common (value included in Line 24 \$.....0).....	XXX	XXX		
30.2 .....0.000 shares preferred (value included in Line 25 \$.....0).....	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30).....	XXX	XXX	3,121,218	3,619,388
32. Total liabilities, capital and surplus (Lines 22 and 31).....	XXX	XXX	3,688,623	4,007,768

**DETAILS OF WRITE-INS**

2101. ....			0	
2102. ....			0	
2103. ....			0	
2198. Summary of remaining write-ins for Line 21 from overflow page.....	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above).....	0	0	0	0
2301. ....	XXX	XXX		
2302. ....	XXX	XXX		
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	XXX	XXX	0	0
2801. ....	XXX	XXX		
2802. ....	XXX	XXX		
2803. ....	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page.....	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above).....	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	15,547	20,026
2. Net premium income (including \$.....0 non-health premium income).....	XXX	1,388,734	1,688,840
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	0	15,950
7. Aggregate write-ins for other non-health revenues.....	XXX	23,378	28,186
8. Total revenues (Lines 2 to 7).....	XXX	1,412,112	1,732,976
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....		2,376,592	1,306,996
10. Other professional services.....			
11. Outside referrals.....			
12. Emergency room and out-of-area.....			
13. Prescription drugs.....			
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	0	2,376,592	1,306,996
<b>Less:</b>			
17. Net reinsurance recoveries.....		1,060,099	530,043
18. Total hospital and medical (Lines 16 minus 17).....	0	1,316,493	776,953
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$....49,260 cost containment expenses.....		147,870	146,327
21. General administrative expenses.....		769,406	3,891,108
22. Increase in reserves for life and accident and health contracts including \$....(10,000) increase in reserves for life only).....		3,741	(5,081)
23. Total underwriting deductions (Lines 18 through 22).....	0	2,237,510	4,809,307
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(825,398)	(3,076,331)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		121,668	134,304
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....			
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	121,668	134,304
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
29. Aggregate write-ins for other income or expenses.....	0	0	485,451
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	(703,730)	(2,456,576)
31. Federal and foreign income taxes incurred.....	XXX		
32. Net income (loss) (Lines 30 minus 31).....	XXX	(703,730)	(2,456,576)

**DETAILS OF WRITE-INS**

0601. Application Fees.....	XXX		15,950
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	0	15,950
0701. Miscellaneous Income.....	XXX	23,378	28,186
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX	23,378	28,186
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0
2901. Adjustment of Prior Year Accrual for Reinsurance Payable.....			398,576
2902. Settlement from prior owner.....			86,875
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0	485,451

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	3,619,387	4,647,976
34. Net income or (loss) from Line 32.....	(703,730)	(2,456,576)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....		
39. Change in nonadmitted assets.....	(44,440)	21,987
40. Change in unauthorized reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	250,000	1,406,000
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(498,170)	(1,028,589)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	3,121,217	3,619,387

**DETAILS OF WRITE-INS**

4701. Change in asset valuation reserve.....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	1,374,173	1,276,794
2. Net investment income.....	91,247	148,866
3. Miscellaneous income.....	23,380	44,136
4. Total (Lines 1 through 3).....	1,488,800	1,469,796
5. Benefit and loss related payments.....	1,711,645	694,456
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	947,647	3,590,807
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....		
10. Total (Lines 5 through 9).....	2,659,292	4,285,263
11. Net cash from operations (Line 4 minus Line 10).....	(1,170,492)	(2,815,467)
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	350,000	2,766,760
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	350,000	2,766,760
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	459,114	2,332,041
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	459,114	2,332,041
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14).....	(109,114)	434,719
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	250,000	1,406,000
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	21,831	(6,386)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	271,831	1,399,614
<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).....	(1,007,775)	(981,134)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	1,392,370	2,373,504
19.2 End of year (Line 18 plus Line 19.1).....	384,595	1,392,370

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

20.0001 .....		
---------------	--	--



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....	1,581,949		193,215	1,388,734
2. Medicare supplement.....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal employees health benefits plan.....				.0
6. Title XVIII - Medicare.....				.0
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8).....	1,581,949	.0	193,215	1,388,734
10. Life.....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11).....	1,581,949	.0	193,215	1,388,734

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	2,235,427	2,235,427								
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	523,782	523,782								
1.4 Net.....	1,711,645	1,711,645	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses.....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	424,645	424,645								
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	424,645	424,645	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0									
6. Net healthcare receivables (a).....	0									
7. Amounts recoverable from reinsurers December 31, current year.....	621,517	621,517								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	283,480	283,480								
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	70,200	70,200								
8.4 Net.....	213,280	213,280	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0									
11. Amounts recoverable from reinsurers December 31, prior year.....	15,000	15,000								
12. Incurred benefits:										
12.1 Direct.....	2,376,592	2,376,592	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	1,060,099	1,060,099	0	0	0	0	0	0	0	0
12.4 Net.....	1,316,493	1,316,493	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
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
2. Incurred but unreported:										
2.1 Direct.....	424,645	424,645								
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
2.4 Net.....	424,645	424,645	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	424,645	424,645	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	424,645	424,645	0	0	0	0	0	0	0	0

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid December 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	250,680	854,449	35,565	389,079	286,245	213,280
2. Medicare supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal employees health benefits plan.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	250,680	854,449	35,565	389,079	286,245	213,280
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9 - 10 + 11 + 12).....	250,680	854,449	35,565	389,079	286,245	213,280

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior.....					
2. 2003.....					
3. 2004.....	.XXX				
4. 2005.....	.XXX	.XXX	.95	.144	.144
5. 2006.....	.XXX	.XXX	.XXX	.630	.881
6. 2007.....	.XXX	.XXX	.XXX	.XXX	.854

**SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior.....					
2. 2003.....					
3. 2004.....	.XXX	.8	.8		
4. 2005.....	.XXX	.XXX	.202	.144	.144
5. 2006.....	.XXX	.XXX	.XXX	.843	.879
6. 2007.....	.XXX	.XXX	.XXX	.XXX	1,244

12.GT

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2003.....				.00	.0	.00			.0	.00
2. 2004.....	.12			.00	.0	.00			.0	.00
3. 2005.....	.547	.144	.46	.31.9	.190	.34.7		.190	.190	.34.7
4. 2006.....	1,872	.881	.146	.16.6	1,027	.54.9	.36		1,063	.56.8
5. 2007.....	1,582	.854	.148	.17.3	1,002	.63.3	.389	.17	1,408	.89.0

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior.....					
2. 2003.....					
3. 2004.....	.XXX				
4. 2005.....	.XXX	.XXX	.95	.144	.144
5. 2006.....	.XXX	.XXX	.XXX	.630	.881
6. 2007.....	.XXX	.XXX	.XXX	.XXX	.854

**SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior.....					
2. 2003.....					
3. 2004.....	.XXX	.8	.8		
4. 2005.....	.XXX	.XXX	.202	.144	.144
5. 2006.....	.XXX	.XXX	.XXX	.843	.879
6. 2007.....	.XXX	.XXX	.XXX	.XXX	1,244

12.HM

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2003.....				.00	.0	.00			.0	.00
2. 2004.....	.12			.00	.0	.00			.0	.00
3. 2005.....	.547	.144	.46	.319	.190	.347			.190	.347
4. 2006.....	1,872	.881	.146	.166	1,027	.549	.36		1,063	.568
5. 2007.....	1,582	.854	.148	.173	1,002	.633	.389	.17	1,408	.890

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Dental  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Dental  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Dental  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Fed Emp Health  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Fed Emp Health  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Fed Emp Health  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicaid  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicaid  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicaid  
NONE**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - OTHER**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior.....	<b>NONE</b>				
2. 2003.....					
3. 2004.....					
4. 2005.....					
5. 2006.....					
6. 2007.....					

**SECTION B - INCURRED HEALTH CLAIMS - OTHER**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior.....	<b>NONE</b>				
2. 2003.....					
3. 2004.....					
4. 2005.....					
5. 2006.....					
6. 2007.....					

12.0T

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2003.....				0.0	0.0	0.0			0.0	0.0
2. 2004.....				0.0	0.0	0.0			0.0	0.0
3. 2005.....				0.0	0.0	0.0			0.0	0.0
4. 2006.....				0.0	0.0	0.0			0.0	0.0
5. 2007.....				0.0	0.0	0.0			0.0	0.0

**NONE**

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
<b>POLICY RESERVE</b>									
1. Unearned premium reserves.....	0								
2. Additional policy reserves (a).....	14,250	14,250							
3. Reserve for future contingent benefits.....	0								
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income.....)	0								
5. Aggregate write-ins for other policy reserves.....	0	0	0	0	0	0	0	0	0
6. Totals (gross).....	14,250	14,250	0	0	0	0	0	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	14,250	14,250	0	0	0	0	0	0	0
<b>CLAIM RESERVE</b>									
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	0	0	0	0	0	0	0	0
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>									
0501. ....	0								
0502. ....	0								
0503. ....	0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0	0	0	0	0	0	0
1101. ....	0								
1102. ....	0								
1103. ....	0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0	0	0	0	0	0

13

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

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....			3,744		3,744
2. Salaries, wages and other benefits.....			123,624		123,624
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			220,360		220,360
4. Legal fees and expenses.....			26,731		26,731
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....			7,310		7,310
7. Traveling expenses.....			4,678		4,678
8. Marketing and advertising.....					0
9. Postage, express and telephone.....			2,172		2,172
10. Printing and office supplies.....			2,888		2,888
11. Occupancy, depreciation and amortization.....					0
12. Equipment.....			382		382
13. Cost or depreciation of EDP equipment and software.....					0
14. Outsourced services including EDP, claims, and other services.....	49,260	98,610	222,355		370,225
15. Boards, bureaus and association fees.....			12,374		12,374
16. Insurance, except on real estate.....					0
17. Collection and bank service charges.....			10,272		10,272
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			1,426		1,426
23.2 State premium taxes.....			39,887		39,887
23.3 Regulator authority licenses and fees.....			53,583		53,583
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....			34,128		34,128
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	0	3,491	0	3,491
26. Total expenses incurred (Lines 1 to 25).....	49,260	98,610	769,405	0	(a) 917,275
27. Less expenses unpaid December 31, current year.....		16,986	55,049		72,035
28. Add expenses unpaid December 31, prior year.....		11,339	104,080		115,419
29. Amounts receivable relating to uninsured plans, prior year.....					0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	49,260	92,963	818,436	0	960,659

## DETAILS OF WRITE-INS

2501. Miscellaneous.....			3,491		3,491
2502. ....					0
2503. ....					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	3,491	0	3,491

(a) Includes management fees of \$....299,395 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....57,413	.....106,652
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....	.....
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....15,131	.....15,016
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....72,544	.....121,668
11. Investment expenses.....	.....	(g).....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
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).....	.....	.....0
17. Net investment income (Line 10 minus Line 16).....	.....	.....121,668

**DETAILS OF WRITE-INS**

0901. ....	.....	.....
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).....	.....0	.....0
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 \$.....0 accrual of discount less \$.....16,202 amortization of premium and less \$.....2,488 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 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 \$.....0 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.....	.....	.....	.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....	.....	.....0	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....0	.....0	.....0	.....0	.....0

NONE

**DETAILS OF WRITE-INS**

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

**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.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.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.....			.0
9. Aggregate write-ins for invested assets.....	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	.0	.0	.0
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.....			.0
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.....			.0
17. Guaranty funds receivable or on deposit.....		13,013	13,013
18. Electronic data processing equipment and software.....			.0
19. Furniture and equipment, including health care delivery assets.....			.0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
21. Receivable from parent, subsidiaries and affiliates.....			.0
22. Health care and other amounts receivable.....			.0
23. Aggregate write-ins for other than invested assets.....	57,454	.0	(57,454)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	57,454	13,013	(44,441)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
26. TOTALS (Lines 24 and 25).....	57,454	13,013	(44,441)

**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. Exp. Reimbursement.....	57,454		(57,454)
2302.....			.0
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).....	57,454	.0	(57,454)

## EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....						
2. Provider service organizations.....						
3. Preferred provider organizations.....	1,517	1,345	1,298	1,242	1,179	15,547
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	128	0	0	0	0	0
7. Total.....	1,645	1,345	1,298	1,242	1,179	15,547

### DETAILS OF WRITE-INS

0601. Life Premium.....	128					
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	128	0	0	0	0	0

**NOTES TO FINANCIAL STATEMENTS****1. Summary of Significant Accounting Policies****A. Accounting Practices**

The financial statements of the Imerica Life and Health Insurance Company (the “Company”) are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department (the “Department”).

The Department recognizes only statutory accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Arkansas Insurance Law. The National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures* manual, and has been adopted as a component of prescribed or permitted practices by the state of Arkansas.

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It 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 period. Actual results could differ from those estimates.

**C. Accounting Policy**

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Premiums paid by subscribers prior to the effective date are recorded on the balance sheet at premiums received in advance and are subsequently credited to income as earned during the coverage period. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. All other costs, such as premium taxes and other underwriting expenses, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost using the interest method, which approximates fair value.
2. Bonds not backed by other loans are stated at amortized cost using the interest method, which approximates fair value.
3. Common stocks – Not applicable.
4. Preferred stocks – Not applicable.
5. Mortgage Loans – Not applicable.
6. Loan-backed securities – Not applicable.
7. The Company has no investments in subsidiaries.
8. The Company has no investments in joint ventures, partnerships and limited liability companies.
9. The Company has no derivative instruments.
10. The Company does not anticipate investment income as a factor in premium deficiency calculations.
11. Unpaid claims and claims adjustment expense include management’s best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considers health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Reserves for unpaid claims and claim adjustment expenses are based on assumptions and estimates, and while management believes such estimates are reasonable, 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 liabilities are continually reviewed and changes in estimates are incorporated into current period estimates.
12. The Company has not modified its capitalization policy from the prior period.
13. The Company does not have pharmacy rebates.

**2. Accounting Changes and Corrections of Errors**

There were no correction of errors during the years ended December 31, 2007 and 2006.

**3. Business Combinations and Goodwill**

The Company had no business combinations or goodwill during 2007 or 2006.

**4. Discontinued Operations**

The Company had no discontinued operations during 2007 or 2006.

**5. Investments**

- A. The Company did not have investments in mortgage loans at December 31, 2007 or 2006.
- B. The Company did not have invested assets that were restructured debt at December 31, 2007 or 2006.
- C. The Company did not have investments in reverse mortgages at December 31, 2007 or 2006.
- D. The Company did not have investments in loan-backed securities at December 31, 2007 or 2006.
- E. The Company did not have investments in repurchase agreements at December 31, 2007 or 2006.
- F. The Company did not have investments in real estate at December 31, 2007 or 2006.
- G. The Company did not have investments in low-income housing tax credits at December 31, 2007 or 2006.

**6. Joint Ventures, Partnerships, and Limited Liability Companies**

The Company had no ownership in Joint Ventures as of December 31, 2007 or 2006.

**7. Investment Income**

All investment income due and accrued is included in investment income.

**8. Derivative Instruments**

The Company does not own any derivative instruments.

**NOTES TO FINANCIAL STATEMENTS****9. Income Taxes**

A. The Company's net deferred tax asset account was comprised of the following as of December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Deferred tax assets	\$ 4,025,461	\$ 3,756,003
Valuation allowance	<u>(4,025,461)</u>	<u>(3,756,003)</u>
	<u>\$ -</u>	<u>\$ -</u>

B. The Company has no unrecognized deferred tax liabilities at December 31, 2007 and 2006.

C. The components of current income tax expense are as follows:

	2007	2006
Federal	\$ -	\$ -
Foreign	-	-
Federal Income Tax on net capital gains	\$ -	\$ -
Utilization of capital loss carry-forwards	-	-
Federal income tax incurred	\$ -	\$ -

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31 are as follows:

	December 31, 2007	December 31, 2006
Deferred Tax Assets:		
Tax basis discount on unpaid losses	\$ 0	\$ 0
Accrued deferred compensation	0	0
Other Post Employment Benefits	0	0
Depreciation	0	0
Other		
Total deferred tax assets	0	0
Total deferred tax assets non-admitted	0	0
Admitted deferred tax assets	0	0
Deferred Tax Liabilities:		
Unrealized Capital Gains	0	0
Investment in joint ventures	0	0
Other		
Total deferred tax liabilities	0	0
Net admitted deferred tax asset/(liability)	0	0

The change in net deferred income taxes is comprised of the following at December 31:

	December 31, 2007	December 31, 2006	Change
Total deferred tax assets	\$ 0	\$ 0	\$ 0
Total deferred tax liabilities	0	0	0
Net deferred tax asset (liability)	0	0	0
Tax effect of unrealized gains (losses)	0	0	0
Change in net deferred income tax	0	0	0

D. The Company's income tax expense and change in deferred taxes differs from the amount obtained by applying the federal statutory income tax rate of 35% for the year ended December 31 as follows:

	December 31, 2006	Effective Tax Rate
Provision computed at statutory rate	\$ -	35.0%
Nondeductible expense	\$ -	0.0%
Other	\$ -	0.0%
Total	\$ -	35.0%
Federal and foreign income taxes incurred	\$ -	35.0%
Change in net deferred incomes taxes	\$ -	0.0%
Total statutory incomes taxes	\$ -	35.0%

---

**NOTES TO FINANCIAL STATEMENTS**


---

**E. Operating Loss and Tax Credit Carryforwards**

When available, the Company will utilize its net operating loss carryforwards to offset taxable income under the terms of a tax sharing agreement with Imerica Financial Corporation. At December 31, 2007, the Company had approximately \$10,513,000 of operating loss carry forwards.

The Company has available as of December 31, 2007 unused operating loss carryforwards that may be applied against future taxable income and that expire as follows:

<u>Year of Expiration</u>	<u>Unused Operating Loss Carryforwards</u>
2024	\$ 3,098,855
2025	4,253,926
2026	2,456,576
2027	703,729
	<u>\$ 10,513,086</u>

**F. Consolidated Federal Income Tax Return**

The Company and Imerica Administrative Service Corporation ("IASC") join in the filing of a consolidated federal income tax return. At the present time there is no formal federal income tax allocation agreement. However, it is anticipated that the tax sharing agreement, approved by the appropriate insurance departments, will formalize with the practice of the Company paying or receiving from IASC the amount, if any, by which the group's federal income tax liability was affected by virtue of inclusion of the Company in the consolidated federal return. Effectively, this results in the Company's annual income tax provision being computed, with adjustments, as if the Company filed a separate return.

---

**NOTES TO FINANCIAL STATEMENTS**

---

**10. Information Concerning Parent, Subsidiaries and Affiliates****A. Nature of the relationship**

On February 1, 2007, Imerica Administrative Services Corporation ("IASC"), a Colorado corporation, in connection with its previous stock purchase agreement and its Form A approval of the Arkansas Department of Insurance, completed its purchase of 100% of the outstanding common stock of the Company. The Company is an Arkansas domiciled insurance company and is a wholly-owned subsidiary of Imerica Administrative Services Corporation ("IASC").

**B. Significant transactions for each period**

The Company paid a management fee of \$299,395 in 2007 to IASC in accordance with the Management Services Agreement.

**C. Intercompany Management and Service Arrangements**

The Management Agreement with IASC was entered into on February 1, 2007.

**D. Amounts Due to or from Related Parties**

The Company reported \$0 and \$31,349 as amounts due from to Parent and Affiliates as of December 31, 2007 and 2006, respectively. The Company reported \$27,327 and \$0 as amounts due to Parent and Affiliates as of December 31, 2007 and 2006, respectively. These amounts were settled within 60 days.

**E. Guarantees of Contingencies for Related Parties**

The Company did not enter into any guarantees or undertakings for the benefit of an affiliate which would result in a material contingent exposure of the Company's assets or liabilities.

**F. Management, Service Contracts, Cost Sharing Arrangements**

The Company has entered into an administrative services agreement with Imerica Administrative Services Corporation. Pursuant to this agreement, various administrative, management and support services are provided to the Company. These expenses are paid by the Company in an amount equal to a percent of total revenue as set forth in the administrative services agreement.

**G. Nature of Relationships that Could Affect Operations**

IASC owns all outstanding shares of the Company.

**H. Amount Deducted for Investment in Upstream Company**

The Company does not own shares of upstream entities.

**I. Detail of Investments in Affiliates Greater than 10% if Admitted Assets**

The Company does not have any investments in affiliates.

**J. Write-down for Impairments of Investments in Subsidiaries, Controller of Affiliated Companies**

The Company does not have any investments in affiliates.

**K. Investment in a Foreign Insurance Subsidiary**

The Company does not have any investment in a Foreign Insurance Subsidiary

**L. Investment in a Downstream Noninsurance Holding Company**

The Company does not have any investment in Noninsurance Holding Company

**11. Debt**

- A. As of December 31, 2007, the Company has no capital notes.
- B. As of December 31, 2007, the Company's liability for borrowed money was zero (\$-0-).

**NOTES TO FINANCIAL STATEMENTS****12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

The Company does not employ any employees as all services are provided by IASC.

- |    |  |
|----|--|
| A. | Defined Benefit Plan<br>N/A                              |
| B. | Defined Contribution Plan<br>N/A                         |
| C. | Multi-employer Plans<br>N/A                              |
| D. | Consolidated/Holding Company Plans<br>N/A                |
| E. | Post-employment Benefits and Compensated Absences<br>N/A |
| F. | Impact if Medicare Modernization Act<br>N/A              |

**13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganization**

- 1) As of December 31, 2007 and 2006, the Company had 15,000,000 shares of \$2 per share par value common stock authorized and 750,000 shares issued and outstanding. The Company does not intend to pay dividends on its common stock in the foreseeable future.

During 2007, the Company's parent, Imerica Administrative Services Corporation, made surplus contributions to the Company in the amount of \$250,000. In October 2006, Imerica Administrative Services Corporation, a newly formed entity, made a surplus contribution to the Company in the amount of \$1,266,000 in connection with a stock purchase agreement. Imerica Administrative Services Corporation was established solely to negotiate and acquire 100% of the outstanding stock of the Company, which occurred in February 2007.

During 2006, the Company's former parent, Imerica Financial Corporation, made surplus contributions to the Company in the amount of \$140,000.

The Company is subject to various regulatory requirements, including maintenance of minimum capital and surplus. At December 31, 2007, the Company is in compliance with these requirements established by the Arkansas Insurance Department.

- 2) The Company has no preferred stock outstanding.
- 3) The Company has no dividend restrictions.
- 4) Dividends are paid based on earned surplus, which can not fall below state net worth requirements.
- 5) All unassigned surplus is being held for the stockholder.
- 6) The Company does not have any advances to surplus.
- 7) As of December 31, 2007, no stock was held by the Company for special purposes such as employee stock options or conversion of preferred stock.
- 8) The Company has no special surplus funds.
- 9) The Company has no portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses.
- 10) The Company has no Surplus Notes as of December 31, 2007.
- 11) The Company was not involved in a quasi-reorganization.
- 12) The Company was not involved in a quasi-reorganization.
- 13) The Company has not paid any dividends.

**14. Contingencies**

The Company is not aware of any contingent liabilities as of December 31, 2007.

In the normal course of business, the Company may become involved in litigation from time to time with claimants and others, however, there was no pending litigation at December 31, 2007.

**15. Leases**

The Company does not have any leases.

**16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

The Company has deposits with State Regulatory bodies as disclosed in Schedule E - Part 3.

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

The Company has not been involved in any sale, transfer and servicing of financial assets and extinguishments of liabilities as December 31, 2007.

**18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans**

The Company does not have any gain (loss) from operations for uninsured accident and health plans at this time.

**NOTES TO FINANCIAL STATEMENTS****19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted*	Total Direct Premiums Written/ Produced By
Atlas Health Plans	20-1595318	No	Health	B	\$ 507,000
Healthy America Insurance Agency, Inc.	36-4544842	No	Health	B	\$ 210,000
Consolidated Insured Benefits, Inc.	57-0730088	No	Health	B	\$ 177,000
All other MGA's		No	Health	B	\$ 688,000
Total					\$1,582,000

\* Authority Codes Sample Listing:

C Claims Payment

CA Claims Adjustment

R Reinsurance Ceding

B Binding Authority

P Premium Collection

U Underwriting

**20. Other Items**

- A. The Company had no extraordinary items as of December 31, 2007.
- B. The Company had no troubled debt restructuring as of December 31, 2007.
- C. Assets in the amount of \$2,834,674 and \$2,841,866 at December 31, 2007 and 2006, respectively, were on deposit with government authorities as required by law.
- D. At December 31, 2007 and 2006 the Company had admitted assets of \$1,000 and \$6,473, respectively in premium receivables due from policyholders. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, the potential loss is not material to the Company's financial condition.
- E. The Company has no business interruption insurance recoveries received as of December 31, 2007.
- F. The Company had no state transferable tax credits.
- G. The Company had no deposits admitted under Section 6603 of the Internal Revenue Service Code.
- H. The Company has no hybrid securities.
- I. The Company has no sub prime mortgages.

**21. Events Subsequent**

There were no events occurring subsequent to December 31, 2007 requiring disclosure.

**NOTES TO FINANCIAL STATEMENTS****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 any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

If yes, give full details.

## Section 2 – Ceded Reinsurance Report – Part A

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

Yes ( ) No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate \$ \_\_\_\_\_.

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? \$ \_\_\_\_\_.

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

Yes ( ) No (X)

If yes, give full details.

## Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ 0

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that 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? \$ \_\_\_\_\_

**B. Uncollectible Reinsurance**

The Company has no uncollectible reinsurance at December 31, 2007 and 2006.

**C. Commutation of Ceded Reinsurance**

The Company has not commuted ceded reinsurance during 2007 and 2006.

**23. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

The Company does not have any retrospectively rated contracts or contracts subject to redetermination.

**24. Change in Incurred Losses and Loss Adjustment Expenses**

The estimated cost of claims and claims adjustment expense attributable to insured events of prior years increased by \$72,965 during 2007. This is approximately 32% of unpaid claims and claims adjustment expense of \$224,619 at December 31, 2006. This increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

---

## NOTES TO FINANCIAL STATEMENTS

---

**25. Intercompany Pooling Arrangements**

The Company does not have any intercompany pooling arrangements.

**26. Structured Settlements**

Not applicable.

**27. Health Care Receivables**

The Company does not have any health care receivables as of December 31, 2007.

**28. Participating Policies**

The Company does not have any Participating Policies as of December 31, 2007.

**29. Premium Deficiency Reserves**

The Company does not have any Premium Deficiency Reserves as of December 31, 2007.

**30. Salvage and Subrogation**

The Company took into account estimated salvage and subrogation in its determination of the liability for unpaid claims. There was no impact on the liability recorded at December 31, 2007.

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities.....	2,617,242	87.2	2,617,242	87.2
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....		0.0		0.0
1.22 Issued by U.S. government sponsored agencies.....		0.0		0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....		0.0		0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....		0.0		0.0
1.43 Revenue and assessment obligations.....		0.0		0.0
1.44 Industrial development and similar obligations.....		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA.....		0.0		0.0
1.512 Issued or guaranteed by FNMA and FHLMC.....		0.0		0.0
1.513 All other.....		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA.....		0.0		0.0
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521.....		0.0		0.0
1.523 All other.....		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....		0.0		0.0
2.2 Unaffiliated foreign securities.....		0.0		0.0
2.3 Affiliated securities.....		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds.....		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated.....		0.0		0.0
3.22 Unaffiliated.....		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....		0.0		0.0
3.32 Unaffiliated.....		0.0		0.0
3.4 Other equity securities:				
3.41 Affiliated.....		0.0		0.0
3.42 Unaffiliated.....		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....		0.0		0.0
3.52 Unaffiliated.....		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development.....		0.0		0.0
4.2 Agricultural.....		0.0		0.0
4.3 Single family residential properties.....		0.0		0.0
4.4 Multifamily residential properties.....		0.0		0.0
4.5 Commercial loans.....		0.0		0.0
4.6 Mezzanine real estate loans.....		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company.....		0.0		0.0
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt).....		0.0		0.0
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt).....		0.0		0.0
6. Contract loans.....		0.0		0.0
7. Receivables for securities.....		0.0		0.0
8. Cash, cash equivalents and short-term investments.....	384,595	12.8	384,595	12.8
9. Other invested assets.....		0.0	0	0.0
10. Total invested assets.....	3,001,837	100.0	3,001,837	100.0

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

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

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ X ] No [ ]
- 2.2 If yes, date of change: 02/02/2007
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 08/11/2005
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2004
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/06/2005
- 3.4 By what department or departments? Arkansas Department of Insurance

- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ X ] No [ ]
- 4.12 renewals? Yes [ X ] No [ ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [ X ]
- 4.22 renewals? Yes [ ] No [ X ]

- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Co. Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]
- 6.2 If yes, give full information:
- 

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [ X ]
- 7.2 If yes,
- 7.21 State the percentage of foreign control. .....%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ X ] No [ ]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
FirstBank Holding Company	Lakewood, CO	YES	NO	NO	NO	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Rasco Winter Abston Moore & Associates LLP, 400 W Capitol, Ste 2380, Little Rock, AR 72201

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Thomas M Keller, FSA, MAAA, Senior Partner, Magnum Actuarial Group, LLC, 907 Kells Blue Court, Biltmore Lake, NC 28715

- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [ X ]
- 11.11 Name of real estate holding company \_\_\_\_\_
- 11.12 Number of parcels involved \_\_\_\_\_
- 11.13 Total book/adjusted carrying value \_\_\_\_\_
- 11.2 If yes, provide explanation.
- 

**12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

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

- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

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

13.11 If the response to 13.1 is No, please explain:

---

13.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]

13.21 If the response to 13.2 is Yes, provide information related to amendment(s).

---

13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]

13.31 If the response to 13.3 is yes, provide the nature of any waiver(s).

---

**BOARD OF DIRECTORS**

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [ X ] No [ ]

15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [ X ] No [ ]

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

**FINANCIAL**

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

- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers \$.....0
  - 18.12 To stockholders not officers \$.....0
  - 18.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers \$.....0
  - 18.22 To stockholders not officers \$.....0
  - 18.23 Trustees, supreme or grand (Fraternal only) \$.....0

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

- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others .....
  - 19.22 Borrowed from others .....
  - 19.23 Leased from others .....
  - 19.24 Other .....

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

- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment .....
  - 20.22 Amount paid as expenses .....
  - 20.23 Other amounts paid .....

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

21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. .....

**INVESTMENT**

22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? Yes [ X ] No [ ]

22.2 If no, give full and complete information relating thereto.

---

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1) Yes [ X ] No [ ]

- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Loaned to others \$.....0
  - 23.22 Subject to repurchase agreements \$.....0
  - 23.23 Subject to reverse repurchase agreements \$.....0
  - 23.24 Subject to dollar repurchase agreements \$.....0
  - 23.25 Subject to reverse dollar repurchase agreements \$.....0
  - 23.26 Pledged as collateral \$.....0
  - 23.27 Placed under option agreements \$.....0
  - 23.28 Letter stock or securities restricted as to sale \$.....0
  - 23.29 On deposit with state or other regulatory body \$.....2,834,674
  - 23.291 Other \$.....0

23.3 For category (23.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

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

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

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

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

26. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address

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

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

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [ ] No [X]

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

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

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

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

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj. Carrying Value
27.2999. TOTAL		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds.....	2,617,242	2,630,041	12,799
28.2 Preferred stocks.....			0
28.3 Totals.....	2,617,242	2,630,041	12,799

28.4 Describe the sources or methods utilized in determining the fair values:  
Fair Market Value is based on statements of account received from financial institutions, appointed by each state as custodian under its regulatory requirements for maintaining special bond deposits.

29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

29.2 If no, list exceptions:

\_\_\_\_\_

**OTHER**

30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....12,000

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

1 Name	2 Amount Paid
AHIP	12,000

31.1 Amount of payments for legal expenses, if any? \$.....26,731

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

1 Name	2 Amount Paid
Norman Taplin & Associates	26,331

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0

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

1 Name	2 Amount Paid

**GENERAL INTERROGATORIES (continued)**

**PART 2 - HEALTH INTERROGATORIES**

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only .....
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....
- 1.31 Reason for excluding .....

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .....
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. .....
- 1.6 Individual policies:
  - Most current three years:
    - 1.61 Total premium earned .....
    - 1.62 Total incurred claims .....
    - 1.63 Number of covered lives .....
  - All years prior to most current three years:
    - 1.64 Total premium earned .....
    - 1.65 Total incurred claims .....
    - 1.66 Number of covered lives .....
- 1.7 Group policies:
  - Most current three years:
    - 1.71 Total premium earned .....
    - 1.72 Total incurred claims .....
    - 1.73 Number of covered lives .....
  - All years prior to most current three years:
    - 1.74 Total premium earned .....
    - 1.75 Total incurred claims .....
    - 1.76 Number of covered lives .....

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	1,388,734	1,682,594
2.2 Premium Denominator.....	1,388,734	1,688,840
2.3 Premium Ratio (2.1/2.2).....	100.0	99.6
2.4 Reserve Numerator.....	438,894	213,789
2.5 Reserve Denominator.....	438,895	213,789
2.6 Reserve Ratio (2.4/2.5).....	100.0	100.0

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]
- 3.2 If yes, give particulars: .....

- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No [ ]
- 5.2 If no, explain: .....

- 5.3 Maximum retained risk (see instructions):
  - 5.31 Comprehensive medical \$.....175,000
  - 5.32 Medical only \$.....0
  - 5.33 Medicare supplement \$.....0
  - 5.34 Dental \$.....0
  - 5.35 Other limited benefit plan \$.....0
  - 5.36 Other \$.....10,000

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
 The Company has a service agreement with its third party administrator, which provides for continuation of billing and claim services in the event of insolvency.

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes [X] No [ ]
- 7.2 If no, give details: .....

- 8. Provide the following information regarding participating providers:
  - 8.1 Number of providers at start of reporting year .....0
  - 8.2 Number of providers at end of reporting year .....0

- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [X] No [ ]
- 9.2 If yes, direct premium earned:
  - 9.21 Business with the rate guarantees between 15-36 months \$.....0
  - 9.22 Business with rate guarantees over 36 months \$.....0

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus arrangements in its provider contracts? Yes [ ] No [X]
- 10.2 If yes:
  - 10.21 Maximum amount payable bonuses .....
  - 10.22 Amount actually paid for year bonuses .....
  - 10.23 Maximum amount payable withholds .....
  - 10.24 Amount actually paid for year withholds .....

**GENERAL INTERROGATORIES (continued)**

**PART 2 - HEALTH INTERROGATORIES**

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes [ ] No [X]

11.13 An Individual Practice Association (IPA), or

Yes [ ] No [X]

11.14 A Mixed Model (combination of above)?

Yes [ ] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such net worth.

Arkansas

11.4 If yes, show the amount required.

\$.....600,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation:

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
See Schedule T

## America Life and Health Insurance Company

### FIVE-YEAR HISTORICAL DATA

	1 2007	2 2006	3 2005	4 2004	5 2003
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 26).....	3,688,623	4,007,768	5,382,281	4,429,399	7,373,430
2. Total liabilities (Page 3, Line 22).....	567,405	388,380	734,305	207,701	11,395
3. Statutory surplus.....	500,000	500,000	500,000	500,000	500,000
4. Total capital and surplus (Page 3, Line 31).....	3,121,218	3,619,388	4,647,976	4,221,698	7,362,035
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 8).....	1,412,112	1,732,976	66,425	55,362	
6. Total medical and hospital expenses (Line 18).....	1,316,493	776,953	202,593		
7. Claims adjustment expenses (Line 20).....	147,870	146,327	46,476		
8. Total administrative expenses (Line 21).....	769,406	3,891,108	4,203,674	3,334,029	163,183
9. Net underwriting gain (loss) (Line 24).....	(825,398)	(3,076,331)	(4,401,908)	(3,286,540)	(163,183)
10. Net investment gain (loss) (Line 27).....	121,668	134,304	147,982	178,597	169,864
11. Total other income (Lines 28 plus 29).....		485,451			
12. Net income or (loss) (Line 32).....	(703,730)	(2,456,576)	(4,253,926)	(3,107,943)	4,343
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11).....	(1,170,492)	(2,815,467)	(3,706,954)		
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	3,121,218	3,619,388	4,647,976	4,221,698	7,362,035
15. Authorized control level risk-based capital.....	190,688	262,817	270,542	218,496	6,495
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7).....	1,179	1,645	521	40	
17. Total member months (Column 6, Line 7).....	15,547	20,026	2,733	59	
<b>Operating Percentage (Page 4)</b> <b>(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100</b>					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	94.8	46.0	569.6		
20. Cost containment expenses.....	3.5	3.9	50.5		.XXX
21. Other claims adjustment expenses.....	7.1	4.8	80.2		
22. Total underwriting deductions (Line 23).....	161.1	284.8	12,563.8	30,628.7	
23. Total underwriting gain (loss) (Line 24).....	(59.4)	(182.2)	(12,377.1)	(30,121.3)	
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
24. Total claims incurred for prior years (Line 13 Col. 5).....	286,245	49,530	7,873		
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	213,280	115,783	7,873		
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 25, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 39, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 53, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 7).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States.....	2,617,242	2,630,041	2,634,579	2,608,000
	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	2,617,242	2,630,041	2,634,579	2,608,000
States, Territories and Possessions (Direct and guaranteed)	5. United States.....				
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....				
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	0	0	0	0
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....				
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	0	0	0	0
Public Utilities (Unaffiliated)	17. United States.....				
	18. Canada.....				
	19. Other Countries.....				
	20. Totals.....	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....				
	22. Canada.....				
	23. Other Countries.....				
	24. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals.....				
	26. <b>Total Bonds.....</b>	2,617,242	2,630,041	2,634,579	2,608,000
<b>PREFERRED STOCKS</b>					
Public Utilities (Unaffiliated)	27. United States.....				
	28. Canada.....				
	29. Other Countries.....				
	30. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....				
	32. Canada.....				
	33. Other Countries.....				
	34. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	35. United States.....				
	36. Canada.....				
	37. Other Countries.....				
	38. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals.....				
	40. <b>Total Preferred Stocks.....</b>	0	0	0	0
<b>COMMON STOCKS</b>					
Public Utilities (Unaffiliated)	41. United States.....				
	42. Canada.....				
	43. Other Countries.....				
	44. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....				
	46. Canada.....				
	47. Other Countries.....				
	48. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	49. United States.....				
	50. Canada.....				
	51. Other Countries.....				
	52. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	53. Totals.....				
	54. <b>Total Common Stocks.....</b>	0	0	0	0
	55. <b>Total Stocks.....</b>	0	0	0	0
	56. <b>Total Bonds and Stocks.....</b>	2,617,242	2,630,041	2,634,579	

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year.....	2,524,330	7. Amortization of premium.....	16,202
2. Cost of bonds and stocks acquired, Column 7, Part 3.....	459,114	8. Foreign exchange adjustment:	
3. Accrual of discount.....		8.1 Column 15, Part 1.....	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Section 1.....	
4.1 Columns 12 - 14, Part 1.....		8.3 Column 16, Part 2, Section 2.....	
4.2 Columns 15 - 17, Part 2, Section 1.....		8.4 Column 15, Part 4.....	0
4.3 Column 15, Part 2, Section 2.....		9. Book/adjusted carrying value at end of current period.....	2,617,242
4.4 Columns 11 - 13, Part 4.....	0	10. Total valuation allowance.....	
5. Total gain (loss), Column 19, Part 4.....		11. Subtotal (Lines 9 plus 10).....	2,617,242
6. Deduct consideration for bonds and stocks disposed of, Column 7, Part 4.....	350,000	12. Total nonadmitted amounts.....	
		13. Statement value of bonds and stocks, current year.....	2,617,242

# America Life and Health Insurance Company

## SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1	Direct Business Only							9
		2	3	4	5	6	7	8	
	Is Insurer Licensed? (YES or NO)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama.....AL	YES	5,242						5,242	
2. Alaska.....AK	YES							0	
3. Arizona.....AZ	YES	37,849						37,849	
4. Arkansas.....AR	YES							0	
5. California.....CA	YES							0	
6. Colorado.....CO	YES	553,417						553,417	
7. Connecticut.....CT	NO							0	
8. Delaware.....DE	YES							0	
9. District of Columbia.....DC	YES							0	
10. Florida.....FL	YES							0	
11. Georgia.....GA	YES	132,844						132,844	
12. Hawaii.....HI	YES							0	
13. Idaho.....ID	YES							0	
14. Illinois.....IL	YES	9,411						9,411	
15. Indiana.....IN	YES							0	
16. Iowa.....IA	NO							0	
17. Kansas.....KS	YES							0	
18. Kentucky.....KY	YES							0	
19. Louisiana.....LA	YES							0	
20. Maine.....ME	NO							0	
21. Maryland.....MD	YES							0	
22. Massachusetts.....MA	NO							0	
23. Michigan.....MI	NO							0	
24. Minnesota.....MN	NO							0	
25. Mississippi.....MS	YES							0	
26. Missouri.....MO	YES	10,345						10,345	
27. Montana.....MT	YES							0	
28. Nebraska.....NE	YES							0	
29. Nevada.....NV	YES							0	
30. New Hampshire.....NH	NO							0	
31. New Jersey.....NJ	NO							0	
32. New Mexico.....NM	YES							0	
33. New York.....NY	NO							0	
34. North Carolina.....NC	YES							0	
35. North Dakota.....ND	YES							0	
36. Ohio.....OH	NO							0	
37. Oklahoma.....OK	YES							0	
38. Oregon.....OR	YES							0	
39. Pennsylvania.....PA	NO							0	
40. Rhode Island.....RI	NO							0	
41. South Carolina.....SC	YES	223,139						223,139	
42. South Dakota.....SD	NO							0	
43. Tennessee.....TN	NO							0	
44. Texas.....TX	YES	609,702						609,702	
45. Utah.....UT	YES							0	
46. Vermont.....VT	NO							0	
47. Virginia.....VA	NO							0	
48. Washington.....WA	NO							0	
49. West Virginia.....WV	YES							0	
50. Wisconsin.....WI	NO							0	
51. Wyoming.....WY	YES							0	
52. American Samoa.....AS	NO							0	
53. Guam.....GU	NO							0	
54. Puerto Rico.....PR	NO							0	
55. U.S. Virgin Islands.....VI	NO							0	
56. Northern Mariana Islands.....MP	NO							0	
57. Canada.....CN	NO							0	
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		1,581,949	0	0	0	0	0	1,581,949	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX								0	
61. Total (Direct Business).....(a).....33		1,581,949	0	0	0	0	0	1,581,949	0

**DETAILS OF WRITE-INS**

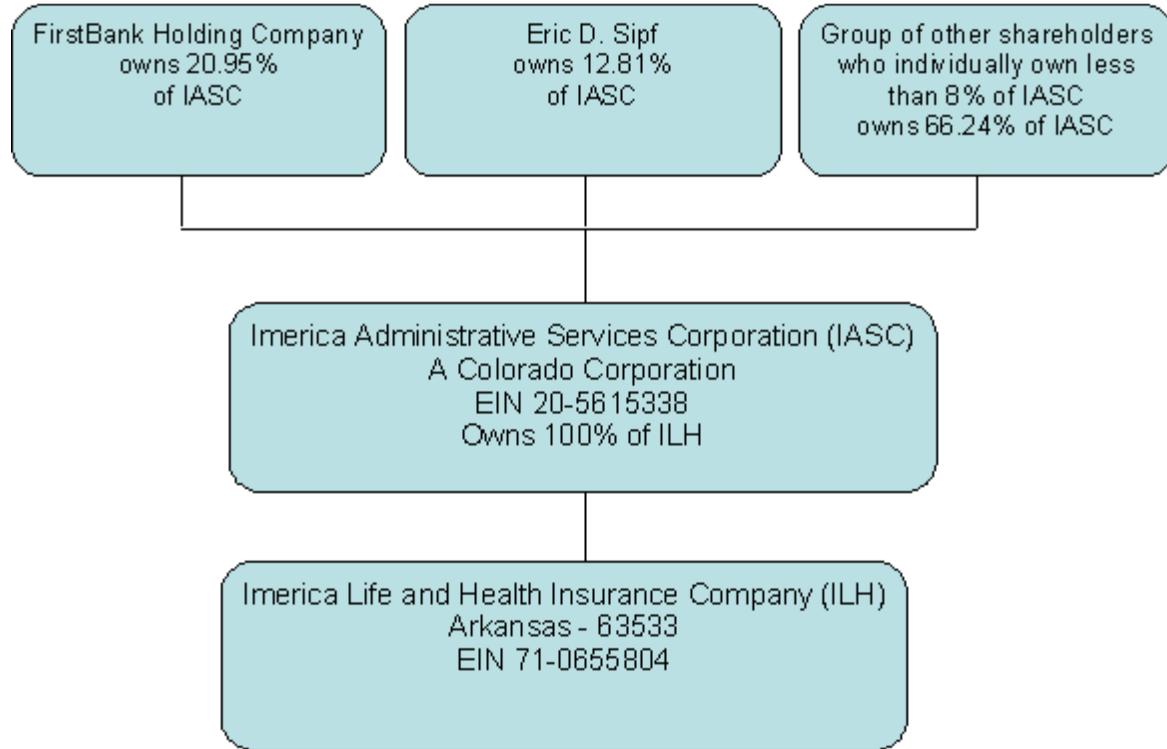
5801.....								0	
5802.....								0	
5803.....								0	
5898. Summary of remaining write-ins for line 58.....		0	0	0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 + 5898) (Line 58 above).....		0	0	0	0	0	0	0	0

**Explanation of basis of allocation by states, premiums by state, etc.**

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

## SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART



## 2007 ALPHABETICAL INDEX

([http://www.naic.org/committees\\_e\\_app\\_blanks.htm](http://www.naic.org/committees_e_app_blanks.htm))

### HEALTH ANNUAL STATEMENT BLANK

Exhibit of Nonadmitted Assets	16	Schedule DB – Part A – Section 1	E16
Analysis of Operations By Lines of Business	7	Schedule DB – Part A – Section 2	E16
Assets	2	Schedule DB – Part A – Section 3	E17
Cash Flow	6	Schedule DB – Part A – Verification Between Years	40
Exhibit 1 – Enrollment By Product Type for Health Business Only	17	Schedule DB – Part B – Section 1	E17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18	Schedule DB – Part B – Section 2	E18
Exhibit 3 – Health Care Receivables	19	Schedule DB – Part B – Section 3	E18
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	20	Schedule DB – Part B – Verification Between Years	40
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	21	Schedule DB – Part C – Section 1	E19
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	22	Schedule DB – Part C – Section 2	E19
Exhibit 7 – Part 1 – Summary of Transactions With Providers	23	Schedule DB – Part C – Section 3	E20
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	23	Schedule DB – Part C – Verification Between Years	41
Exhibit 8 – Furniture, Equipment and Supplies Owned	24	Schedule DB – Part D – Section 1	E20
Exhibit of Capital Gains (Losses)	15	Schedule DB – Part D – Section 2	E21
Exhibit of Net Investment Income	15	Schedule DB – Part D – Section 3	E21
Exhibit of Premiums, Enrollment and Utilization (State Page)	30	Schedule DB – Part D – Verification Between Years	41
Five-Year Historical Data	29	Schedule DB – Part E – Section 1	E22
General Interrogatories	27	Schedule DB – Part E – Verification	41
Jurat Page	1	Schedule DB – Part F – Section 1	42
Liabilities, Capital and Surplus	3	Schedule DB – Part F – Section 2	43
Notes To Financial Statements	25	Schedule E – Part 1 – Cash	E23
Overflow Page For Write-ins	55	Schedule E – Part 2 – Cash Equivalents	E24
Schedule A – Part 1	E01	Schedule E – Part 3 – Special Deposits	E25
Schedule A – Part 2	E02	Schedule S – Part 1 – Section 2	44
Schedule A – Part 3	E03	Schedule S – Part 2	45
Schedule A – Verification Between Years	31	Schedule S – Part 3 – Section 2	46
Schedule B – Part 1	E04	Schedule S – Part 4	47
Schedule B – Part 2	E05	Schedule S – Part 5	48
Schedule B – Verification Between Years	31	Schedule S – Part 6	49
Schedule BA – Part 1	E06	Schedule T – Part 2 – Interstate Compact	51
Schedule BA – Part 2	E07	Schedule T – Premiums and Other Considerations	50
Schedule BA – Verification Between Years	31	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	52
Schedule D – Part 1	E08	Schedule Y - Part 2 – Summary of Insurer's Transactions With Any Affiliates	53
Schedule D – Part 1A – Section 1	33	Statement of Revenue and Expenses	4
Schedule D – Part 1A – Section 2	36	Summary Investment Schedule	26
Schedule D – Part 2 – Section 1	E09	Supplemental Exhibits and Schedules Interrogatories	54
Schedule D – Part 2 – Section 2	E10	Underwriting and Investment Exhibit – Part 1	8
Schedule D – Part 3	E11	Underwriting and Investment Exhibit – Part 2	9
Schedule D – Part 4	E12	Underwriting and Investment Exhibit – Part 2A	10
Schedule D – Part 5	E13	Underwriting and Investment Exhibit – Part 2B	11
Schedule D – Part 6 – Section 1	E14	Underwriting and Investment Exhibit – Part 2C	12
Schedule D – Part 6 – Section 2	E14	Underwriting and Investment Exhibit – Part 2D	13
Schedule D – Summary By Country	32	Underwriting and Investment Exhibit – Part 3	14
Schedule D – Verification Between Years	32		
Schedule DA – Part 1	E15		
Schedule DA – Part 2 – Verification Between Years	39		