



ANNUAL STATEMENT

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

The Lincoln National Life Insurance Company

NAIC Group Code.....0020, 0020 (Current Period) (Prior Period)	NAIC Company Code..... 65676	Employer's ID Number..... 35-0472300
Organized under the Laws of Indiana	State of Domicile or Port of Entry Indiana	Country of Domicile US
Incorporated/Organized..... June 12, 1905	Commenced Business..... September 1, 1905	
Statutory Home Office	1300 South Clinton Street..... Fort Wayne IN 46802 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	1300 South Clinton Street..... Fort Wayne IN 46802 <i>(Street and Number) (City or Town, State and Zip Code)</i>	260-455-2000 <i>(Area Code) (Telephone Number)</i>
Mail Address	100 North Greene Street..... Greensboro NC 27401 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	1300 South Clinton Street..... Fort Wayne IN 46802 <i>(Street and Number) (City or Town, State and Zip Code)</i>	260-455-2000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.lfg.com	
Statutory Statement Contact	Mark Edwin Couch <i>(Name)</i> Mark.Couch@lfg.com <i>(E-Mail Address)</i>	336-691-4025 <i>(Area Code) (Telephone Number) (Extension)</i> 336-691-3875 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. Dennis Robert Glass	President	2. Clara Suzanne Womack	Secretary
3. Rise' Carolyn Marie Taylor	Treasurer	4. Kent Howard Somers	Appointed Actuary

OTHER

Frederick John Crawford	CFO & Executive Vice President	Charles Carmen Cornelio	Executive Vice President
Robert William Dineen	Senior Vice President	David Michael Kittredge	Senior Vice President
Mark Edward Konen	Senior Vice President	Douglas Neil Miller	Senior Vice President
See Yeng Quek	Senior Vice President	Dennis Lee Schoff	Senior Vice President
Michael Scott Smith	Senior Vice President	Michael Joseph Burns	Senior Vice President
Sandra Kay Callahan	Senior Vice President	Charles Phillip Elam II	Senior Vice President
Randal Jay Freitag	Senior Vice President	Marvin Leonard Maynard	Senior Vice President
William Lacy Seawell II	Senior Vice President	Richard Thomas Stange	Senior Vice President
Kenneth Steven Solon #	Senior Vice President		

DIRECTORS

Frederick John Crawford	Dennis Robert Glass	Mark Edward Konen	See Yeng Quek
Keith James Ryan			

State of..... Indiana and Pennsylvania
County of..... Allen and Delaware

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

(Signature) Dennis Robert Glass	(Signature) Clara Suzanne Womack	(Signature) Rise' Carolyn Marie Taylor
1. (Printed Name) President	2. (Printed Name) Secretary	3. (Printed Name) Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 18th day of February, 2009

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

Tina M. Drzewiecki, Notary - State of Indiana, County of Dekalb 12/20/2016

Subscribed and sworn to before me
This _____ day of _____, 2009

Maureen A. Cullen, Notary - State of Pennsylvania, County of Delaware
9/13/2012

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	45,345,429,568		45,345,429,568	47,404,048,325
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	1,570,078,696		1,570,078,696	325,008,285
2.2 Common stocks.....	1,290,777,585		1,290,777,585	1,322,177,204
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	7,027,254,081		7,027,254,081	6,767,298,523
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	47,149,535		47,149,535	49,167,752
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	81,244,294	70	81,244,224	99,119,374
4.3 Properties held for sale (less \$.....0 encumbrances).....	14,882,898		14,882,898	72,881,651
5. Cash (\$.....(197,325,006), Sch. E-Part 1), cash equivalents (\$.....1,406,101,099, Sch. E-Part 2) and short-term investments (\$.....1,062,016,644, Sch. DA).....	2,270,792,737		2,270,792,737	1,018,419,032
6. Contract loans (including \$.....0 premium notes).....	2,392,023,649	560,041	2,391,463,608	2,345,133,903
7. Other invested assets (Schedule BA).....	1,050,473,120	207,659	1,050,265,461	1,064,429,914
8. Receivables for securities.....	67,343,847		67,343,847	3,750,000
9. Aggregate write-ins for invested assets.....	8,911,346	0	8,911,346	140,519,842
10. Subtotals, cash and invested assets (Lines 1 to 9).....	61,166,361,355	767,770	61,165,593,585	60,611,953,805
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	691,325,990	37,820	691,288,170	694,694,714
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	62,967,949	13,290,327	49,677,622	47,944,821
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	119,860,583		119,860,583	122,489,682
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	162,258,041		162,258,041	151,346,989
14.2 Funds held by or deposited with reinsured companies.....	71,679,043		71,679,043	98,074,309
14.3 Other amounts receivable under reinsurance contracts.....	423,204,968		423,204,968	247,929,722
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	122,244,223		122,244,223	
16.2 Net deferred tax asset.....	1,490,257,606	828,145,637	662,111,969	344,146,546
17. Guaranty funds receivable or on deposit.....	3,676,533		3,676,533	5,747,895
18. Electronic data processing equipment and software.....	144,612,561	111,533,215	33,079,346	25,632,569
19. Furniture and equipment, including health care delivery assets (\$.....0).....	61,185,911	61,185,911	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	34,271,666		34,271,666	26,493,143
22. Health care (\$.....0) and other amounts receivable.....	20,597,512		20,597,512	25,310,540
23. Aggregate write-ins for other than invested assets.....	766,933,240	36,743,433	730,189,807	745,947,044
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	65,341,437,181	1,051,704,113	64,289,733,068	63,147,711,779
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	55,560,083,689		55,560,083,689	81,461,860,261
26. TOTALS (Lines 24 and 25).....	120,901,520,870	1,051,704,113	119,849,816,757	144,609,572,040

DETAILS OF WRITE-INS

0901. Derivative instruments.....	4,632,499		4,632,499	118,912,235
0902. Other receivables related to investments.....	4,278,847		4,278,847	21,607,607
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).....	8,911,346	0	8,911,346	140,519,842
2301. Company owned policies and contracts.....	615,342,751		615,342,751	590,557,733
2302. Rabbi trust company owned life insurance cash value.....	99,635,262		99,635,262	139,149,012
2303. Miscellaneous receivables & prepaid items.....	51,955,227	36,743,433	15,211,794	16,240,299
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).....	766,933,240	36,743,433	730,189,807	745,947,044

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....54,299,973,024 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....862,251,342 Modco Reserve).....	54,299,973,024	52,267,911,777
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$.....0 Modco Reserve).....	1,234,495,712	1,215,402,867
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....	1,213,055,159	1,409,345,963
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	267,259,131	231,325,884
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	138,071,233	116,355,456
5. Policyholders' dividends \$.....191,890 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....	191,890	214,995
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....	61,665,546	60,069,466
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....8,455,094 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	15,442,970	13,358,773
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including \$.....374,384 accident and health experience rating refunds.....	45,117,004	49,472,250
9.3 Other amounts payable on reinsurance, including \$.....(15,075,578) assumed and \$.....49,832,883 ceded.....	34,757,305	19,686,863
9.4 Interest Maintenance Reserve (IMR, Line 6).....	72,325,855	167,981,652
10. Commissions to agents due or accrued - life and annuity contracts \$.....66,303,279, accident and health \$.....15,142,161 and deposit-type contract funds \$.....0.....	81,445,440	91,670,305
11. Commissions and expense allowances payable on reinsurance assumed.....	59,599,973	41,465,349
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	310,761,140	377,572,450
13. Transfers to Separate Accounts due or accrued (net) (including \$.....(2,405,541,107) accrued for expense allowances recognized in reserves, net of reinsured allowances).....	(2,322,324,278)	(2,370,016,914)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	30,678,313	45,957,121
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		140,168,936
15.2 Net deferred tax liability.....		
16. Unearned investment income.....	14,655,947	16,202,456
17. Amounts withheld or retained by company as agent or trustee.....	54,642,299	54,080,519
18. Amounts held for agents' account, including \$.....100,027,834 agents' credit balances.....	100,027,834	140,559,595
19. Remittances and items not allocated.....	340,742,782	270,235,168
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....	434,825	478,814
22. Borrowed money \$.....720,000,000 and interest thereon \$.....3,480,224.....	723,480,224	481,254,417
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR Line 16, Col. 7).....	278,533,209	751,288,172
24.2 Reinsurance in unauthorized companies.....	1,543,785	21,419,269
24.3 Funds held under reinsurance treaties with unauthorized reinsurers.....	2,146,259,821	1,789,699,712
24.4 Payable to parent, subsidiaries and affiliates.....	46,471,165	24,871,081
24.5 Drafts outstanding.....		
24.6 Liability for amounts held under uninsured plans.....		
24.7 Funds held under coinsurance.....	147,001,007	140,165,117
24.8 Payable for securities.....	570,131	51,433,641
24.9 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	355,595,270	571,819,557
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	59,752,473,715	58,191,450,711
27. From Separate Accounts Statement.....	55,511,907,857	81,460,246,197
28. Total liabilities (Line 26 and 27).....	115,264,381,572	139,651,696,908
29. Common capital stock.....	25,000,000	25,000,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....	1,300,000,000	1,300,000,000
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	1,818,435,168	1,818,435,168
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	1,442,000,017	1,814,439,964
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....48,175,832 in Separate Accounts Statement).....	4,560,435,185	4,932,875,132
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	4,585,435,185	4,957,875,132
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3).....	119,849,816,757	144,609,572,040

DETAILS OF WRITE-INS

2501. Payable for collateral on loaned securities.....	426,959,546	655,072,551
2502. Leveraged leaseback liability.....	5,713,331	5,713,331
2503. Interest payable on reinsurance funds withheld.....	3,126,033	3,129,981
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(80,203,641)	(92,096,306)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	355,595,270	571,819,557
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0

The Lincoln National Life Insurance Company

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11).....	18,432,091,460	20,339,406,640
2. Considerations for supplementary contracts with life contingencies.....	4,683,667	4,220,379
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	3,406,780,527	3,564,221,941
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	2,435,541	(223,908)
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	.....	.....
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1).....	399,070,719	410,086,965
7. Reserve adjustments on reinsurance ceded.....	(197,937,715)	(455,984,290)
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....	1,180,584,401	1,220,779,168
8.2 Charges and fees for deposit-type contracts.....	.....	.....
8.3 Aggregate write-ins for miscellaneous income.....	485,439,486	463,748,966
9. Totals (Lines 1 to 8.3).....	23,713,148,086	25,546,255,861
10. Death benefits.....	1,318,261,790	1,201,888,713
11. Matured endowments (excluding guaranteed annual pure endowments).....	5,268,487	6,556,473
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....	516,281,712	537,932,335
13. Disability benefits and benefits under accident and health contracts.....	655,432,553	598,856,780
14. Coupons, guaranteed annual pure endowments and similar benefits.....	.....	.....
15. Surrender benefits and withdrawals for life contracts.....	12,476,268,501	14,120,136,186
16. Group conversions.....	387,373	(35,806)
17. Interest and adjustments on contract or deposit-type contract funds.....	123,778,343	131,498,032
18. Payments on supplementary contracts with life contingencies.....	14,096,793	14,541,414
19. Increase in aggregate reserves for life and accident and health contracts.....	1,869,861,251	(7,265,545)
20. Totals (Lines 10 to 19).....	16,979,636,803	16,604,108,582
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	1,683,599,517	1,793,500,427
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....	188,702,437	189,182,819
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4).....	1,108,583,561	1,139,009,070
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	170,930,368	161,415,695
25. Increase in loading on deferred and uncollected premiums.....	(634,582)	(9,632,526)
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	3,269,903,819	4,214,626,813
27. Aggregate write-ins for deductions.....	(56,510,601)	142,726,193
28. Totals (Lines 20 to 27).....	23,344,211,322	24,234,937,073
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	368,936,764	1,311,318,788
30. Dividends to policyholders.....	63,885,398	60,657,216
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	305,051,366	1,250,661,572
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	(200,160,558)	354,755,597
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	505,211,924	895,905,975
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....(86,669,090) excluding taxes of \$.....(53,396,309) transferred to the IMR).....	(650,004,713)	308,901,963
35. Net income (Line 33 plus Line 34).....	(144,792,789)	1,204,807,938
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	4,957,875,132	4,879,761,694
37. Net income (Line 35).....	(144,792,789)	1,204,807,938
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....(166,551,719).....	(309,310,335)	(306,864,858)
39. Change in net unrealized foreign exchange capital gain (loss).....	(5,964,889)	6,536,484
40. Change in net deferred income tax.....	88,990,604	(183,762,248)
41. Change in nonadmitted assets.....	65,628	39,013,500
42. Change in liability for reinsurance in unauthorized companies.....	19,875,484	(2,894,928)
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4).....	53,642,867	49,568,694
44. Change in asset valuation reserve.....	472,754,963	(43,408,041)
45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1).....	.....	.....
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....	(157,050,239)	7,451,208
47. Other changes in surplus in Separate Accounts Statement.....	46,561,768	204,360
48. Change in surplus notes.....	.....	.....
49. Cumulative effect of changes in accounting principles.....	.....	.....
50. Capital changes:		
50.1 Paid in.....	.....	.....
50.2 Transferred from surplus (Stock Dividend).....	.....	.....
50.3 Transferred to surplus.....	.....	.....
51. Surplus adjustment:		
51.1 Paid in.....	.....	1,788,764
51.2 Transferred to capital (Stock Dividend).....	.....	.....
51.3 Transferred from capital.....	.....	.....
51.4 Change in surplus as a result of reinsurance.....	156,017,522	331,642,879
52. Dividends to stockholders.....	(400,000,000)	(1,060,876,224)
53. Aggregate write-ins for gains and losses in surplus.....	(193,230,531)	34,905,910
54. Net change in capital and surplus for the year (Lines 37 through 53).....	(372,439,947)	78,113,438
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	4,585,435,185	4,957,875,132

DETAILS OF WRITE-INS

08.301. Variable account asset management & service fees.....	340,846,094	328,387,604
08.302. Other income.....	61,237,371	58,633,406
08.303. Surrender Charges.....	83,356,021	76,727,956
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	485,439,486	463,748,966
2701. Foreign exchange from operations.....	(421,552)	(401,038)
2702. Reserve adjustment on Reinsurance Assumed.....	(56,089,049)	(7,211,481)
2703. Business sold to affiliate.....	.....	150,338,712
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	(56,510,601)	142,726,193
5301. Corrections of a prior period error.....	(193,230,531)	25,857,226
5302. Change in minimum pension liability.....	.....	9,048,684
5303. ....	.....	.....
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	(193,230,531)	34,905,910

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	18,424,780,388	20,341,911,969
2. Net investment income.....	3,344,290,602	3,560,473,150
3. Miscellaneous income.....	1,867,156,892	1,586,351,759
4. Total (Lines 1 through 3).....	23,636,227,882	25,488,736,878
5. Benefit and loss related payments.....	15,196,847,118	16,464,083,293
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	3,222,211,183	4,638,078,891
7. Commissions, expenses paid and aggregate write-ins for deductions.....	3,371,061,248	3,637,263,641
8. Dividends paid to policyholders.....	62,312,423	62,871,475
9. Federal and foreign income taxes paid (recovered) net of \$.....(86,669,090) tax on capital gains (losses).....	(26,033,859)	281,208,544
10. Total (Lines 5 through 9).....	21,826,398,113	25,083,505,844
11. Net cash from operations (Line 4 minus Line 10).....	1,809,829,769	405,231,033
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	4,556,320,579	7,230,515,522
12.2 Stocks.....	68,804,128	55,166,411
12.3 Mortgage loans.....	515,843,714	993,060,427
12.4 Real estate.....	172,072,238	124,746,413
12.5 Other invested assets.....	245,778,922	139,125,268
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	57,749	54
12.7 Miscellaneous proceeds.....	96,582,377	64,338,830
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	5,655,459,706	8,606,952,925
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	4,740,423,239	6,790,991,762
13.2 Stocks.....	221,663,171	277,845,439
13.3 Mortgage loans.....	775,698,120	1,033,356,006
13.4 Real estate.....	15,328,550	3,263,799
13.5 Other invested assets.....	269,697,413	302,787,636
13.6 Miscellaneous applications.....	114,457,357	3,730,567
13.7 Total investments acquired (Lines 13.1 to 13.6).....	6,137,267,850	8,411,975,208
14. Net increase (decrease) in contract loans and premium notes.....	46,500,439	85,113,046
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(528,308,583)	109,864,671
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		1,788,764
16.3 Borrowed funds.....	240,000,000	(228,251)
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(234,677,007)	(300,567,924)
16.5 Dividends to stockholders.....	400,000,000	769,000,000
16.6 Other cash provided (applied).....	365,529,527	169,427,467
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(29,147,481)	(898,579,944)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	1,252,373,706	(383,484,240)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	1,018,419,031	1,401,903,271
19.2 End of year (Line 18 plus Line 19.1).....	2,270,792,737	1,018,419,031

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

20.0001		
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ANALYSIS OF OPERATION BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	18,432,091,460		2,785,134,446	11,619,494,934			476,524,704	2,533,559,077	1,002,657,383		14,720,916	
2. Considerations for supplementary contracts with life contingencies.....	4,683,667				4,683,667							
3. Net investment income.....	3,406,780,527	2,002,553	1,618,886,145	1,257,045,994	12,758,995		46,343,401	434,235,403	20,920,587		55,963,782	(41,376,333)
4. Amortization of Interest Maintenance Reserve (IMR).....	2,435,541		2,751,474	1,413,447			(213,229)	2,885,176	(56,045)		349,789	(4,695,071)
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	399,070,719		311,489,282	6,108,268		(949,621)	72,079	39,185	119,863	(1,443,884)	16,020,670	67,614,877
7. Reserve adjustments on reinsurance ceded.....	(197,937,715)		(60,875,934)	(78,320,028)		(214,595)		(2,697,420)	(687,244)	(1,477,144)	(53,665,350)	
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	1,180,584,401		312,330,224	827,065,360				41,188,817				
8.2 Charges and fees for deposit-type contracts.....	0											
8.3 Aggregate write-ins for miscellaneous income.....	485,439,486	0	74,844,508	342,428,294	6,488	0	757,283	66,620,950	781,963	0	0	0
9. Totals (Lines 1 to 8.3).....	23,713,148,086	2,002,553	5,044,560,145	13,975,236,269	17,449,150	(1,164,216)	523,484,238	3,075,831,188	1,023,736,507	(2,921,028)	33,389,807	21,543,473
10. Death benefits.....	1,318,261,790	595,830	961,706,279				355,959,681					
11. Matured endowments (excluding guaranteed annual pure endowments).....	5,268,487	184,932	5,083,555									
12. Annuity benefits.....	516,281,712			362,971,196				153,310,516				
13. Disability benefits and benefits under accident and health contracts.....	655,432,553		7,287,474				180,260		631,288,934		16,675,885	
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	12,476,268,501	194,239	1,252,923,635	8,113,387,464	3,985,541		12,982	3,105,763,837			803	
16. Group conversions.....	387,373		(3,346,777)				3,734,150		763		(763)	
17. Interest and adjustments on contract or deposit-type contract funds.....	123,778,343	1,299	106,802,328	10,132,158	8,897,375		5,271,282	(8,293,218)	967,387		(268)	
18. Payments on supplementary contracts with life contingencies.....	14,096,793			14,096,793								
19. Increase in aggregate reserves for life and accident and health contracts.....	1,869,861,251	(633,132)	544,571,897	783,050,531	(3,320,029)		2,798,027	513,690,747	33,623,466		(3,920,256)	
20. Totals (Lines 10 to 19).....	16,979,636,803	343,168	2,875,028,391	9,269,541,349	23,659,680	0	367,956,382	3,764,471,882	665,880,550	0	12,755,401	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	1,683,599,517	2,147	788,498,218	693,060,241			58,508,288	38,104,064	102,985,082		2,441,477	
22. Commissions and expense allowances on reinsurance assumed.....	188,702,437		177,187,416	(404,874)		(949,131)	1,536,961	45,724	106,019	(1,441,175)	12,621,497	
23. General insurance expenses.....	1,108,583,561		364,534,933	361,470,103			55,242,495	148,562,414	110,438,612		174,894	68,160,110
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	170,930,368	5,847	98,358,605	26,829,091			11,762,336	7,044,764	26,417,308		512,417	
25. Increase in loading on deferred and uncollected premiums.....	(634,582)		(632,022)	(433)			(1,434)				(693)	
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	3,269,903,819		610,670,076	3,647,139,447				(987,905,704)			0	
27. Aggregate write-ins for deductions.....	(56,510,601)	0	(54,513,001)	(294,597)	0	(215,085)	0	0	(8,065)	(1,479,853)	0	0
28. Totals (Lines 20 to 27).....	23,344,211,322	351,162	4,859,132,616	13,997,340,327	23,659,680	(1,164,216)	495,005,028	2,970,323,144	905,819,506	(2,921,028)	28,504,993	68,160,110
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	368,936,764	1,651,391	185,427,529	(22,104,058)	(6,210,530)	0	28,479,210	105,508,044	117,917,001	0	4,884,814	(46,616,637)
30. Dividends to policyholders.....	63,885,398		63,824,889	60,509								
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	305,051,366	1,651,391	121,602,640	(22,164,567)	(6,210,530)	0	28,479,210	105,508,044	117,917,001	0	4,884,814	(46,616,637)
32. Federal income taxes incurred (excluding tax on capital gains).....	(200,160,558)	577,987	15,138,126	(206,900,097)	(2,030,313)		9,604,950	68,322,546	41,045,600		1,618,907	(127,538,264)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	505,211,924	1,073,404	106,464,514	184,735,530	(4,180,217)	0	18,874,260	37,185,498	76,871,401	0	3,265,907	80,921,627

DETAILS OF WRITE-INS

08.301. Variable account asset management & service fees.....	340,846,094			280,137,337	6,488			60,702,269				
08.302. Other income.....	61,237,371		41,265,805	15,969,624			757,173	2,462,806	781,963			
08.303. Surrender charges.....	83,356,021		33,578,703	46,321,333			110	3,455,875				
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	485,439,486	0	74,844,508	342,428,294	6,488	0	757,283	66,620,950	781,963	0	0	0
2701. Foreign Exchange from operations.....	(421,552)		(421,552)									
2702. Reserve adjustment on Reinsurance Assumed.....	(56,089,049)		(54,091,449)	(294,597)		(215,085)			(8,065)	(1,479,853)		
2703.	0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	(56,510,601)	0	(54,513,001)	(294,597)	0	(215,085)	0	0	(8,065)	(1,479,853)	0	0

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year.....	52,267,911,777	31,606,463	25,089,607,615	19,931,495,242	97,280,589		266,268,472	6,851,653,396
2. Tabular net premiums or considerations.....	9,144,718,106		2,851,324,782	5,034,251,026	4,542,168		318,396,157	936,203,973
3. Present value of disability claims incurred.....	25,796,985		2,895,177		XXX		22,901,808	
4. Tabular interest.....	2,376,375,712	990,594	1,191,895,813	836,221,134	5,770,294		13,403,871	328,094,006
5. Tabular less actual reserve released.....	29,324,191		2,754,686	13,051,843	221,845		18,882,199	(5,586,382)
6. Increase in reserve on account of change in valuation basis.....	(53,643,367)		(53,642,867)				(500)	
7. Other increases (net).....	(227,099,554)		(483,139,631)	344,840,176	(23,260)		(111,330)	(88,665,509)
8. Totals (Lines 1 to 7).....	63,563,383,850	32,597,057	28,601,695,575	26,159,859,421	107,791,636	0	639,740,677	8,021,699,484
9. Tabular cost.....	1,655,335,467	855,234	1,332,977,598		XXX		321,502,635	
10. Reserves released by death.....	337,648,769	389,321	325,062,403	XXX	XXX		12,197,045	XXX
11. Reserves released by other terminations (net).....	1,209,059,252	379,171	1,189,548,810		57,511		19,073,760	
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	4,088,018,513		5,462,702	3,014,725,043	13,222,991		17,231,801	1,037,375,976
13. Net transfers to or (from) Separate Accounts.....	1,973,348,825		(114,491,401)	2,384,399,749				(296,559,523)
14. Total deductions (Lines 9 to 13).....	9,263,410,826	1,623,726	2,738,560,112	5,399,124,792	13,280,502	0	370,005,241	740,816,453
15. Reserve December 31, current year.....	54,299,973,024	30,973,331	25,863,135,463	20,760,734,629	94,511,134	0	269,735,436	7,280,883,031

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....106,195,020	.....105,445,811
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....2,719,797,636	.....2,692,165,855
1.3 Bonds of affiliates.....	(a).....8,322,133	.....7,201,693
2.1 Preferred stocks (unaffiliated).....	(b).....99,405,155	.....95,855,475
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....2,601,426	.....2,600,482
2.21 Common stocks of affiliates.....	.....41,000,000	.....41,000,000
3. Mortgage loans.....	(c).....465,812,489	.....467,271,304
4. Real estate.....	(d).....30,945,909	.....31,696,015
5. Contract loans.....	.....141,637,590	.....152,368,598
6. Cash, cash equivalents and short-term investments.....	(e).....34,996,415	.....35,995,064
7. Derivative instruments.....	(f).....8,187,484	.....8,043,817
8. Other invested assets.....	.....91,158,163	.....91,427,574
9. Aggregate write-ins for investment income.....	.....9,917,302	.....10,025,176
10. Total gross investment income.....	.....3,759,976,722	.....3,741,096,864
11. Investment expenses.....		(g).....94,341,999
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....5,662,992
13. Interest expense.....		(h).....100,594,641
14. Depreciation on real estate and other invested assets.....		(i).....6,915,029
15. Aggregate write-ins for deductions from investment income.....		.....126,801,676
16. Total deductions (Lines 11 through 15).....		.....334,316,337
17. Net investment income (Line 10 minus Line 16).....		.....3,406,780,527

DETAILS OF WRITE-INS

0901. Miscellaneous income.....	.....9,870,809	.....9,978,683
0902. Interest on policy liens.....	.....46,493	.....46,493
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).....	.....9,917,302	.....10,025,176
1501. Interest paid on funds withheld.....		.....126,801,676
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).....		.....126,801,676

- (a) Includes \$.....121,864,380 accrual of discount less \$.....68,941,231 amortization of premium and less \$.....23,803,972 paid for accrued interest on purchases.
- (b) Includes \$.....205,209 accrual of discount less \$.....2,088,451 amortization of premium and less \$.....2,239 paid for accrued dividends on purchases.
- (c) Includes \$.....455,894 accrual of discount less \$.....231,378 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....14,751,538 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....23 accrual of discount less \$.....2,753 amortization of premium and less \$.....11,969 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 \$.....82,376,333 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....6,915,029 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.....	.....816,624	.....	.....816,624	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(176,737,599)	.....(589,830,103)	.....(766,567,702)	.....(56,117,244)	.....(58,917,225)
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....(1,244,016)	.....(93,736,305)	.....(94,980,321)	.....(1,054,370)	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....323,812	.....(7,792,860)	.....(7,469,048)	.....(24,188,837)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....(142,226,194)	.....
3. Mortgage loans.....	.....(123,364)	.....	.....(123,364)	.....	.....
4. Real estate.....	.....89,126,824	.....(3,354,629)	.....85,772,195	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....57,749	.....	.....57,749	.....	.....
7. Derivative instruments.....	.....(105,671,955)	.....	.....(105,671,955)	.....(160,227,089)	.....
8. Other invested assets.....	.....2,399	.....(22,457)	.....(20,058)	.....(92,048,320)	.....(4,080,404)
9. Aggregate write-ins for capital gains (losses).....	.....(1,048,822)	.....0	.....(1,048,822)	.....0	.....57,032,740
10. Total capital gains (losses).....	.....(194,498,348)	.....(694,736,354)	.....(889,234,702)	.....(475,862,054)	.....(5,964,889)

DETAILS OF WRITE-INS

0901. Foreign exchange - currency fluctuation.....	.....(1,041,787)	.....	.....(1,041,787)	.....	.....57,032,740
0902. Realized loss on prior disposed of BA Assets.....	.....(7,035)	.....	.....(7,035)	.....	.....
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).....	.....(1,048,822)	.....0	.....(1,048,822)	.....0	.....57,032,740

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

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 Accident and Health			11 Aggregate of All Other Lines of Business
			4 Individual Annuities	3 Life Insurance		7 Annuities	6 Life Insurance	9 Credit (Group & Individual)	10 Other		
FIRST YEAR (other than single)											
1. Uncollected.....	700,473		114,881	585,592							
2. Deferred and accrued.....	5,338,603		5,338,603								
3. Deferred, accrued and uncollected:											
3.1 Direct.....	6,039,076		5,453,484	585,592							
3.2 Reinsurance assumed.....	730,912		730,912								
3.3 Reinsurance ceded.....	730,912		730,912								
3.4 Net (Line 1 + Line 2).....	6,039,076	0	5,453,484	585,592	0	0	0	0	0	0	0
4. Advance.....	33,055		33,055								
5. Line 3.4 - Line 4.....	6,006,021	0	5,420,429	585,592	0	0	0	0	0	0	0
6. Collected during year:											
6.1 Direct.....	11,229,454,334		1,346,452,570	9,883,001,764							
6.2 Reinsurance assumed.....	1,175,280		1,154,534	20,746							
6.3 Reinsurance ceded.....	817,601,504		817,404,296	197,208							
6.4 Net.....	10,413,028,110	0	530,202,808	9,882,825,302	0	0	0	0	0	0	0
7. Line 5 + Line 6.4.....	10,419,034,131	0	535,623,237	9,883,410,894	0	0	0	0	0	0	0
8. Prior year (uncollected + deferred and accrued - advance).....	3,621,247		3,408,495	212,752							
9. First year premiums and considerations:											
9.1 Direct.....	11,231,187,225		1,347,812,621	9,883,374,604							
9.2 Reinsurance assumed.....	1,732,958		1,712,212	20,746							
9.3 Reinsurance ceded.....	817,507,300		817,310,092	197,208							
9.4 Net (Line 7 - Line 8).....	10,415,412,884	0	532,214,742	9,883,198,142	0	0	0	0	0	0	0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct.....	1,301,038,249		371,701,658	929,336,591							
10.2 Reinsurance assumed.....	72,176,003		72,122,723	53,280							
10.3 Reinsurance ceded.....	6,706		6,706								
10.4 Net.....	1,373,207,546	0	443,817,675	929,389,871	0	0	0	0	0	0	0
RENEWAL											
11. Uncollected.....	48,198,315		17,272,351	(20,386,629)		16,784,265	7,397	33,043,636		1,477,295	
12. Deferred and accrued.....	77,509,510		80,824,513			(3,551,194)		236,191			
13. Deferred, accrued and uncollected:											
13.1 Direct.....	132,260,445		85,619,836			12,434,357	7,397	33,544,831		654,024	
13.2 Reinsurance assumed.....	453,476,981		444,938,787	8,665	(476,927)	896,860	2,069	895,222	(784,356)	7,996,661	
13.3 Reinsurance ceded.....	460,029,603		432,461,760	20,395,294	(476,927)	98,147	2,069	1,160,226	(784,356)	7,173,390	
13.4 Net (Line 11 + Line 12).....	125,707,825	0	98,096,864	(20,386,629)	0	13,233,071	7,397	33,279,827	0	1,477,295	0
14. Advance.....	15,409,915		3,116,453			3,838,368		8,392,179		62,915	
15. Line 13.4 - Line 14.....	110,297,910	0	94,980,411	(20,386,629)	0	9,394,703	7,397	24,887,648	0	1,414,380	0
16. Collected during year:											
16.1 Direct.....	7,553,133,321		2,425,436,783	1,059,132,400		471,806,376	2,532,670,686	1,011,918,540		52,168,536	
16.2 Reinsurance assumed.....	1,408,702,287		1,364,586,774	959,284	(1,722,724)	7,613,200	1,326,841	81,526	(3,637,420)	39,494,806	
16.3 Reinsurance ceded.....	2,678,443,793		2,340,078,013	251,944,196	(1,722,724)	4,902,187	443,814	7,810,017	(3,637,420)	78,625,710	
16.4 Net.....	6,283,391,815	0	1,449,945,544	808,147,488	0	474,517,389	2,533,553,713	1,004,190,049	0	13,037,632	0
17. Line 15 + Line 16.4.....	6,393,689,725	0	1,544,925,955	787,760,859	0	483,912,092	2,533,561,110	1,029,077,697	0	14,452,012	0
18. Prior year (uncollected + deferred and accrued - advance).....	(249,781,307)		(264,176,074)	(19,146,064)		7,387,388	2,033	26,420,314		(268,904)	
19. Renewal premiums and considerations:											
19.1 Direct.....	7,555,890,414		2,426,616,881	1,059,128,487		474,316,842	2,532,676,050	1,011,349,732		51,802,422	
19.2 Reinsurance assumed.....	1,419,138,960		1,364,586,774	965,536	(1,722,724)	7,281,253	1,214,357	15,532,473	(2,750,079)	34,031,370	
19.3 Reinsurance ceded.....	2,331,558,341		1,982,101,623	253,187,100	(1,722,724)	5,073,392	331,330	24,224,822	(2,750,079)	71,112,877	
19.4 Net (Line 17 - Line 18).....	6,643,471,032	0	1,809,102,029	806,906,923	0	476,524,704	2,533,559,077	1,002,657,383	0	14,720,916	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct.....	20,088,115,888	0	4,146,131,160	11,871,839,682	0	474,316,842	2,532,676,050	1,011,349,732	0	51,802,422	0
20.2 Reinsurance assumed.....	1,493,047,921	0	1,438,421,709	1,039,562	(1,722,724)	7,281,253	1,214,357	15,532,473	(2,750,079)	34,031,370	0
20.3 Reinsurance ceded.....	3,149,072,347	0	2,799,418,421	253,384,308	(1,722,724)	5,073,392	331,330	24,224,822	(2,750,079)	71,112,877	0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	18,432,091,462	0	2,785,134,446	11,619,494,936	0	476,524,704	2,533,559,077	1,002,657,383	0	14,720,916	0

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

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 Group	9 Accident and Health		11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities		9 Credit (Group & Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	9,511,985		9,511,985								
22. All other.....	38,621,431		38,560,915	60,516							
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded.....	130,575,277		130,478,006	86,746						10,525	
23.2 Reinsurance assumed.....	397,797		207,151	153,735						36,911	
23.3 Net ceded less assumed.....	130,177,480	0	130,270,855	(66,989)	0	0	0	0	0	(26,386)	0
24. Single:											
24.1 Reinsurance ceded.....	0										
24.2 Reinsurance assumed.....	1,296			1,296							
24.3 Net ceded less assumed.....	(1,296)	0	0	(1,296)	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded.....	268,495,442		181,011,276	6,021,522	(949,621)	72,079	39,185	119,863	(1,443,884)	16,010,145	67,614,877
25.2 Reinsurance assumed.....	188,303,344		176,980,265	(559,905)	(949,131)	1,536,961	45,724	106,019	(1,441,175)	12,584,586	
25.3 Net ceded less assumed.....	80,192,098	0	4,031,011	6,581,427	(490)	(1,464,882)	(6,539)	13,844	(2,709)	3,425,559	67,614,877
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	399,070,719	0	311,489,282	6,108,268	(949,621)	72,079	39,185	119,863	(1,443,884)	16,020,670	67,614,877
26.2 Reinsurance assumed (Page 6, Line 22).....	188,702,437	0	177,187,416	(404,874)	(949,131)	1,536,961	45,724	106,019	(1,441,175)	12,621,497	0
26.3 Net ceded less assumed.....	210,368,282	0	134,301,866	6,513,142	(490)	(1,464,882)	(6,539)	13,844	(2,709)	3,399,173	67,614,877
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	704,646,195		665,135,893	39,490,603						19,699	
28. Single.....	79,750,097		269,401	79,480,696							
29. Renewal.....	899,203,225	2,147	123,092,924	574,088,942		58,508,288	38,104,064	102,985,082		2,421,778	
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	1,683,599,517	2,147	788,498,218	693,060,241	0	58,508,288	38,104,064	102,985,082	0	2,441,477	0

The Lincoln National Life Insurance Company EXHIBIT 2 - GENERAL EXPENSES

	Insurance					
	1	Accident and Health		4	5	6
		Life	2 Cost Containment				3 All Other	All Other Lines of Business	Investment	Total
1. Rent.....	38,608,805	1,755	4,553,268	1,406,236	265,613	44,835,677
2. Salaries and wages.....	435,672,613	1,760,309	51,968,281	6,238,273	33,172,515	528,811,991
3.11 Contributions for benefit plans for employees.....	66,702,364	145,529	11,918,330	974,449	2,796,993	82,537,665
3.12 Contributions for benefit plans for agents.....	13,705,888	520	63,402	96,141	(8)	13,865,943
3.21 Payments to employees under non-funded benefit plans.....						0
3.22 Payments to agents under non-funded benefit plans.....						0
3.31 Other employee welfare.....	8,034,262	21,418	1,137,335	117,019	429,465	9,739,499
3.32 Other agent welfare.....	15,772,071	1,757	17,753,585	832,469	1,014,547	35,374,429
4.1 Legal fees and expenses.....	6,809,712	410,107	223,656	111,559	1,483,324	9,038,358
4.2 Medical examination fees.....	8,195,894	1,870,617	485,113	100,637	2,866	10,655,127
4.3 Inspection report fees.....	410,300	22	6,347	3,974		420,643
4.4 Fees of public accountants and consulting actuaries.....	35,118,033	110,569	2,193,699	29,972,912	6,944,361	74,339,574
4.5 Expense of investigation and settlement of policy claims.....	(2,820,658)	2,204,270	(13,832)	(6,011)	(970)	(637,201)
5.1 Traveling expenses.....	39,218,495	10,650	3,772,557	749,167	1,332,225	45,083,094
5.2 Advertising.....	20,010,167	1,344	652,730	223,777	347,041	21,235,059
5.3 Postage, express, telegraph and telephone.....	28,490,610	40,417	4,049,257	531,005	280,179	33,391,468
5.4 Printing and stationery.....	32,092,511	76,624	1,198,103	623,850	226,364	34,217,452
5.5 Cost or depreciation of furniture and equipment.....	21,823,768	25,502	909,764	2,124,128	826,290	25,709,452
5.6 Rental of equipment.....	49,476,163	6,217	1,652,434	1,138,403	3,370,707	55,643,924
5.7 Cost or depreciation of EDP equipment and software.....	9,290,395					9,290,395
6.1 Books and periodicals.....	2,451,785	132	79,905	24,899	24,298	2,581,019
6.2 Bureau and association fees.....	3,415,645	417	208,339	37,350	205,304	3,867,055
6.3 Insurance, except on real estate.....	8,609,960	479	669,458	88,508	439,562	9,807,967
6.4 Miscellaneous losses.....	704,824	37	11,545	6,843	1,617	724,866
6.5 Collection and bank service charges.....	3,588,176	202	310,366	37,366	26,075	3,962,185
6.6 Sundry general expenses.....	1,579,768	60,566	(3,471,740)	17,498,921	2,400,075	18,067,590
6.7 Group service and administration fees.....	2,556,452	803	1,543,865	148,355	75	4,249,550
6.8 Reimbursements by uninsured plans.....						0
7.1 Agency expense allowance.....	2,762,440					2,762,440
7.2 Agents' balances charged off (less \$.....0 recovered).....	460,845	24	7,129	4,464		472,462
7.3 Agency conferences other than local meetings.....	13,043,780	691	345,291	128,171	143,140	13,661,073
9.1 Real estate expenses.....	8,064,521	453	143,434	107,128	119	8,315,655
9.2 Investment expenses not included elsewhere.....	10,566,236	555	177,455	102,474	37,889,096	48,735,816
9.3 Aggregate write-ins for expenses.....	45,394,120	4,041	1,308,402	4,737,642	721,126	52,165,331
10. General expenses incurred.....	929,809,945	6,756,027	103,857,478	68,160,109	94,341,999	(a) 1,202,925,558
11. General expenses unpaid December 31, prior year.....	304,832,919			28,934,112	43,805,419	377,572,450
12. General expenses unpaid December 31, current year.....	240,205,054	1,745,337	26,830,312	17,608,332	24,372,104	310,761,139
13. Amounts receivable relating to uninsured plans, prior year.....						0
14. Amounts receivable relating to uninsured plans, current year.....						0
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14).....	994,437,810	5,010,690	77,027,166	79,485,889	113,775,314	1,269,736,869

DETAILS OF WRITE-INS

09.301. Outsourcing.....	21,640,988	1,185	583,521	937,194	365,612	23,528,500
09.302. Temporary help.....	23,753,132	2,856	724,881	3,800,448	355,514	28,636,831
09.303.						0
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	0	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	45,394,120	4,041	1,308,402	4,737,642	721,126	52,165,331

(a) Includes management fees of \$.....53,075,406 to affiliates and \$.....0 to non-affiliates.

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

	Insurance				4	5
	1	2		3		
		Life	Accident and Health				All Other Lines of Business	Investment	Total
1. Real estate taxes.....	5,333,151	637,457				5,970,608
2. State insurance department licenses and fees.....	9,799,155	111,512			280,411	10,191,078
3. State taxes on premiums.....	83,337,041	21,078,140				104,415,181
4. Other state taxes, including \$.....1,522,567 for employee benefits.....	2,281,625	230,971			163,800	2,676,396
5. U.S. Social Security taxes.....	36,492,433	4,860,808			5,216,710	46,569,951
6. All other taxes.....	6,757,234	10,837			2,071	6,770,142
7. Taxes, licenses and fees incurred.....	144,000,639	26,929,725			5,662,992	176,593,356
8. Taxes, licenses and fees unpaid December 31, prior year.....	30,657,173	11,664,608			3,635,340	45,957,121
9. Taxes, licenses and fees unpaid December 31, current year.....	(1,037,841)	31,166,247			549,907	30,678,313
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	175,695,653	7,428,086			8,748,425	191,872,164

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums.....	9,511,985	
2. Applied to shorten the endowment or premium-paying period.....		
3. Applied to provide paid-up additions.....	38,621,431	
4. Applied to provide paid-up annuities.....		
5. Total Lines 1 through 4.....	48,133,416	0
6. Paid-in cash.....	2,600,893	
7. Left on deposit.....	12,575,242	
8. Aggregate write-ins for dividend or refund options.....	0	0
9. Total Lines 5 through 8.....	63,309,551	0
10. Amount due and unpaid.....	191,889	
11. Provision for dividends or refunds payable in the following calendar year.....	61,665,546	
12. Terminal dividends.....		
13. Provision for deferred dividend contracts.....	3,277,431	
14. Amount provisionally held for deferred dividend contracts not included in Line 13.....		
15. Total Lines 10 through 14.....	65,134,866	0
16. Total from prior year.....	64,559,019	
17. Total dividends or refunds (Lines 9 + 15 - 16).....	63,885,398	0

DETAILS OF WRITE-INS

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

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
Life Insurance:					
0100001. 1937 SA (2 yr setback) ALB 4% CRVM.....	1,441,540		1,441,540		
0100002. 1937 SA (2 yr setback) ANB 4% CRVM.....	265,636		265,636		
0100003. 1941 CSO 2.5% CRVM CNF 41-73.....	4,821,022		4,821,022		
0100004. 1941 CSO 2.5% CRVM CRF 48-62.....	3,135,465		3,135,465		
0100005. 1941 CSO 2.5% FPT CRF 52-62.....	9,032,004		9,032,004		
0100006. 1941 CSO 2.5% NJ CRF 48-62.....	21,643,737		21,643,737		
0100007. 1941 CSO 2.5% NLP.....	27,915		27,915		
0100008. 1941 CSO 2.5% NLP CNF 30-80.....	19,034,312		19,034,312		
0100009. 1941 CSO 2.5% NLP CRF 47-62.....	40,490,030		40,490,030		
0100010. 1941 CSO 3% CRVM.....	7,698,060		7,698,060		
0100011. 1941 CSO 3% CRVM CNF 60-67.....	2,316,184		2,316,184		
0100012. 1941 CSO 3% CRVM CRF 58-67.....	16,948,586		16,948,586		
0100013. 1941 CSO 3% NLP.....	82,125		82,125		
0100014. 1941 CSO 3% NLP CNF 48-62.....	23,580,353		23,580,353		
0100015. 1941 CSSI 3% NLP CNF 48-78.....	2,936,387	2,936,387			
0100016. 1941 CSO 3% NLP CRF 48-67.....	63,355,299		63,355,299		
0100017. 1941 CSO ANB 2.25% NLP CNF 47-58.....	8,273,493		8,273,493		
0100018. 1941 CSO ANB 2.5% CRVM CRF 48-61.....	917,917		917,917		
0100019. 1941 CSO ANB 2.5% NLP CNF 36-65.....	19,087,956		19,087,956		
0100020. 1941 CSO ANB 2.5% NLP CRF 49-61.....	377,792		377,792		
0100021. 1941 CSO ANB 2.75% NLP CNF 54-57.....	2,632,940		2,632,940		
0100022. 1941 CSO ANB 2.75%-2.25% CRVM CNF 72.....	8,270		8,270		
0100023. 1941 CSO ANB 3% CRVM CRF 48-64.....	11,767,485		11,767,485		
0100024. 1941 CSO ANB 3% NLP CNF 57-62.....	17,566,914		17,566,914		
0100025. 1941 CSO ANB 3% NLP CRF 48-78.....	1,292,696		1,292,696		
0100026. 1941 CSO 130% ANB 3% NLP CRF 57.....	2,305		2,305		
0100027. 1941 CSO ANB 3.25% NLP CRF 54-57.....	182,480		182,480		
0100028. 1941 CSO ANB 3.5% NLP.....	3,916,179		3,916,179		
0100029. 1941 CSO ANB 3.5% NLP CRF 58-63.....	404,520		404,520		
0100030. 1941 SSI 130% ANB 3% NLP CNF 48-67.....	73,764	73,764			
0100031. 1941 SI 130% ANB 3% NLP CNF 48-70.....	240,945	240,945			
0100032. 1941 SI ANB 3% NLP CNF 48-73.....	11,847,182	11,847,182			
0100033. 1958 CET 4% NLP CNF 86-94.....	5,508		5,508		
0100034. 1958 CET ALB 3.5%.....	45,202			45,202	
0100035. 1958 CET ALB 3.5% CRVM.....	243,361			243,361	
0100036. 1958 CET ANB 2% NLP CRF 65-80.....	14,063		14,063		
0100037. 1958 CET ANB 3% NLP CNF 73-84.....	317,493	317,493			
0100038. 1958 CET ANB 3% NLP CRF 62-87.....	36,334		36,334		
0100039. 1958 CET ANB 3.5% MOD CRF 57-81.....	11,941		11,941		
0100040. 1958 CET ANB 3.5% NLP CRF 63-99.....	3,089,902		3,089,902		
0100041. 1958 CET ANB 4% NLP CRF 78-88.....	362,370		362,370		
0100042. 1958 CET ANB 4.5% NLP CNF 83-84.....	3,927	3,927			
0100043. 1958 CET ANB 4.5% NLP CRF 85.....	2,393		2,393		
0100044. 1958 CET ANB 5.5% NLP CRF 80-83.....	6,653		6,653		
0100045. 1958 CSO 2.5% CRVM.....	293,784		293,784		
0100046. 1958 CSO 2.5% CRVM CNF 62-78.....	353,120		353,120		
0100047. 1958 CSO 2.5% MOD CNF 61-80.....	174,049		174,049		
0100048. 1958 CSO 2.5% NJ CNF 88.....	90,551		90,551		
0100049. 1958 CSO 2.5% NJ CRF 62-79.....	83,763,020		83,763,020		
0100050. 1958 CSO 2.5% NLP CNF 53-93.....	122,496,209		122,496,209		
0100051. 1958 CSO 2.5% NLP CRF 62-87.....	27,867,043		27,867,043		
0100052. 1958 CSO 3% CRVM.....	6,499,101		6,499,101		
0100053. 1958 CSO 3% CRVM CNF 62-85.....	97,495,991		97,495,991		
0100054. 1958 CSO 3% MOD CNF 70-80.....	215,126		215,126		
0100055. 1958 CSO 3% NJ CRF 60-86.....	24,041,295		24,041,295		
0100056. 1958 CSO 3% NLP 62-88.....	18,435,345		42,040		18,393,305
0100057. 1958 CSO 3% NLP ISL 96.....	64,191		64,191		
0100058. 1958 CSO 3% NLP CNF 53-06.....	131,874,194		131,874,194		
0100059. 1958 CSO 3% NLP CRF 62-89.....	4,845,800		4,654,188		191,612
0100060. 1958 CSO 3.27% CRVM.....	829,903				829,903
0100061. 1958 CSO 3.5% CRVM.....	4,818,788		4,607,961		210,827
0100062. 1958 CSO 3.5% CRVM CNF 64-87.....	5,505,922		5,505,922		
0100063. 1958 CSO 3.5% CRVM CRF 73-89.....	19,238		19,238		
0100064. 1958 CSO 3.5% NJ CRF 65-69.....	1,067,191		1,067,191		
0100065. 1958 CSO 3.5% NLP 64-82.....	859,090		2,510		856,580
0100066. 1958 CSO 3.5% NLP CNF 62-02.....	51,139,829		48,739,430		2,400,399
0100067. 1958 CSO 3.5% NLP CRF 63-97.....	3,450,209		3,450,209		
0100068. 1958 CSO 3.5%-2.5% CRVM CNF 77-80.....	1,921,474		1,921,474		
0100069. 1958 CSO 3.5%-2.5% NJ CNF 77-87.....	59,717		59,717		
0100070. 1958 CSO 3.5%-2.5% NJ CRF 77-83.....	15,921,163		15,921,163		
0100071. 1958 CSO 3.5%-2.5% NLP CNF 77-83.....	1,748,105		1,748,105		
0100072. 1958 CSO 4% ISL.....	687,099		687,099		
0100073. 1958 CSO 4% CRVM.....	4,901,590		4,439,343		462,247
0100074. 1958 CSO 4% CRVM CNF 69-88.....	4,907,794		4,907,794		
0100075. 1958 CSO 4% CRVM CRF 75-83.....	4,763,635		4,763,635		
0100076. 1958 CSO 4% NJ CNF 77-89.....	103,223		103,223		
0100077. 1958 CSO 4% NJ CRF 76-89.....	25,437,247		25,437,247		
0100078. 1958 CSO 4% NLP 77-88.....	697,577		363,695		333,882
0100079. 1958 CSO 4% NLP CNF 77-08 NB.....	14,440,403		14,440,403		
0100080. 1958 CSO 4% NLP CRF 75-88.....	671,177		671,177		
0100081. 1958 CSO 4.5% CRVM 79-88.....	31,350,993		29,903,417		1,447,576
0100082. 1958 CSO 4.5% CRVM CNF 71-07.....	129,286,140		129,286,140		
0100083. 1958 CSO 4.5% CRVM CNF ISL 81-92.....	64,299,798		64,299,798		
0100084. 1958 CSO 4.5% CRVM CRF 80-05.....	5,332,525		5,332,525		
0100085. 1958 CSO 4.5% MOD CNF 80-87.....	267,173		267,173		
0100086. 1958 CSO 4.5% NLP 80-88.....	788,528		259,043		529,485
0100087. 1958 CSO 4.5% NLP ISL 96.....	122		122		
0100088. 1958 CSO 4.5% NLP CNF 61-08 NB.....	86,912,556		86,808,581		103,975
0100089. 1958 CSO 4.5% NLP CRF 80-05.....	262,147		262,147		
0100090. 1958 CSO 5% CRVM CRF 93-94.....	222,100		222,100		
0100091. 1958 CSO 5% NLP CRF 94.....	112		112		
0100092. 1958 CSO 5.5% CRVM CRF 87-92.....	1,624,740		1,624,740		
0100093. 1958 CSO 5.5% NLP CNF 79-95.....	396,323		396,323		
0100094. 1958 CSO 5.5% NLP CRF 87-92.....	11,797		11,797		
0100095. 1958 CSO 6% CRVM CRF 83-86.....	6,764,336		6,764,336		
0100096. 1958 CSO 6% NLP CRF 83-86.....	36,802		36,802		
0100097. 1958 CSO ALB 3.5% CRVM.....	5,469,959		5,469,484	475	

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0100098. 1958 CSO ALB 3.5% CRVM CRF 63-74.....	1,963,909		1,963,909		
0100099. 1958 CSO ALB 4% CRVM.....	5,768,377		5,768,377		
0100100. 1958 CSO ALB 4% CRVM CNF ISL 83-92.....	232,603,221		232,603,221		
0100101. 1958 CSO ALB 4% CRVM CRF 75-79.....	1,740,554		1,740,554		
0100102. 1958 CSO ALB 4% CV CNF ISL 81-02.....	313,300,269		313,300,269		
0100103. 1958 CSO ALB 4% MOD IDB ISL 81-88.....	17,860,576		17,860,576		
0100104. 1958 CSO ALB 4.5% CRVM.....	11,381,112		11,381,112		
0100105. 1958 CSO ALB 4.5% CRVM CNF 79-88.....	271,597		271,597		
0100106. 1958 CSO ALB 4.5% CRVM CRF 80-82.....	821,734		821,734		
0100107. 1958 CSO ALB 4.5% NLP.....	34,692		34,692		
0100108. 1958 CSO ALB 4.5% NLP CRF 81-82.....	18,677		18,677		
0100109. 1958 CSO ALB 5.5% CRVM CRF 87-88.....	4,137		4,137		
0100110. 1958 CSO ALB 6% CRVM CRF 83-86.....	106,349		106,349		
0100111. 1958 CSO ALB 6% NLP CRF 83.....	19,307		19,307		
0100112. 1958 CSO ANB 2% CRVM CRF 65-83.....	361,286		361,286		
0100113. 1958 CSO ANB 2% NJ CRF 61-84.....	8,799,549		8,799,549		
0100114. 1958 CSO ANB 2% NLP CRF 61-84.....	6,035,542		6,035,542		
0100115. 1958 CSO ANB 2.25% CRVM CRF 74-82.....	11,742		11,742		
0100116. 1958 CSO ANB 2.25% NLP CNF 62-78.....	25,479,197		25,479,197		
0100117. 1958 CSO ANB 2.5% CRVM CNF 69-84.....	6,030,162		6,030,162		
0100118. 1958 CSO ANB 2.5% NLP CNF 48-68.....	31,639		31,639		
0100119. 1958 CSO ANB 2.5% NLP CRF 65-75.....	83,181		83,181		
0100120. 1958 CSO ANB 2.75% NLP CRF 64-69.....	90,197		90,197		
0100121. 1958 CSO ANB 2.75%-2.25% CRVM CNF 68-79.....	29,506,002		29,506,002		
0100122. 1958 CSO ANB 3% CRVM CNF 70-78.....	762,178		762,178		
0100123. 1958 CSO ANB 3% CRVM CRF 61-97.....	7,596,224		7,596,224		
0100124. 1958 CSO ANB 3% MOD CRF 63.....	39,148		39,148		
0100125. 1958 CSO ANB 3% NJ CRF 66-84.....	3,011,012		3,011,012		
0100126. 1958 CSO ANB 3% NLP CNF 60-82.....	30,263,186	850,163	29,413,023		
0100127. 1958 CSO ANB 3% NLP CRF 61-08 NB.....	840,434		840,434		
0100128. 1958 CSO ANB 3%-2.5% CRVM CNF 68-76.....	25,770		25,770		
0100129. 1958 CSO ANB 3.25% CRVM CNF 68-80.....	1,207,227		1,207,227		
0100130. 1958 CSO ANB 3.25% NLP CNF 66-68.....	1,378,297		1,378,297		
0100131. 1958 CSO ANB 3.5% CRVM.....	66,102		66,102		
0100132. 1958 CSO ANB 3.5% CRVM CNF 70-87.....	41,985,232		41,985,232		
0100133. 1958 CSO ANB 3.5% CRVM CRF 63-02.....	7,208,503		7,208,503		
0100134. 1958 CSO ANB 3.5% MOD CRF 41-87.....	14,314,669		14,314,669		
0100135. 1958 CSO ANB 3.5% NJ CRF 68-98.....	6,095,816		6,095,816		
0100136. 1958 CSO ANB 3.5% NLP CNF 50-59.....	1,046	1,046			
0100137. 1958 CSO ANB 3.5% NLP CRF 63-01.....	20,794,998		20,794,998		
0100138. 1958 CSO ANB 3.5%-3% CRVM CNF 67-98.....	29,084,382		29,084,382		
0100139. 1958 CSO ANB 3.5%-3.25% CRVM CNF 68-78.....	3,046,615		3,046,615		
0100140. 1958 CSO ANB 4% CNF ISL 81-91.....	342,804,374		342,804,374		
0100141. 1958 CSO ANB 4% CRVM.....	233,390		233,390		
0100142. 1958 CSO ANB 4% CRVM CNF 69-86.....	22,408,457		22,408,457		
0100143. 1958 CSO ANB 4% CRVM CRF 77-90.....	3,087,046		3,087,046		
0100144. 1958 CSO ANB 4% NJ CRF 70-94.....	3,211,312		3,211,312		
0100145. 1958 CSO ANB 4% NLP CNF 37-83.....	123,313	237	123,076		
0100146. 1958 CSO ANB 4% NLP CRF 77-08 NB.....	11,117,140		11,117,140		
0100147. 1958 CSO ANB 4.5% CRVM.....	1,298,021		1,298,021		
0100148. 1958 CSO ANB 4.5% CRVM CNF 80-86.....	41,698,866		41,698,866		
0100149. 1958 CSO ANB 4.5% CRVM CNF ISL 81-86.....	36,375,972		36,375,972		
0100150. 1958 CSO ANB 4.5% CRVM CRF 80-88.....	4,599,678		4,599,678		
0100151. 1958 CSO ANB 4.5% CRVM CRF ISL 82-01.....	26,454,952		26,454,952		
0100152. 1958 CSO ANB 4.5% NLP CNF 83-95.....	8,887	8,785	102		
0100153. 1958 CSO ANB 4.5% NLP CRF 80-87.....	44,235		44,235		
0100154. 1958 CSO ANB 5.5% CRVM CNF ISL 83-89.....	89,510,520		89,510,520		
0100155. 1958 CSO ANB 5.5% CRVM CRF 83-99.....	136,606		136,606		
0100156. 1958 CSO ANB 5.5% CRVM CRF ISL 87-89.....	45,313,056		45,313,056		
0100157. 1958 CSO ANB 5.5% NLP CRF 81-89.....	104,319		104,319		
0100158. 1958 CSO ANB 6% CRVM CNF ISL 83-86.....	341,536,434		341,536,434		
0100159. 1958 CSO ANB 6% CRVM CRF ISL 83-86.....	103,347,991		103,347,991		
0100160. 1960 CSG 4%.....	115,697				115,697
0100161. 1961 CSI ANB 3% NLP CNF 56-79.....	4,521,959	4,521,959			
0100162. 1961 CIET ANB 3% NLP CNF 68-79.....	725,835	725,835			
0100163. 1980 CET ANB 4% NLP CRF 87-95.....	40,533		40,533		
0100164. 1980 CET ANB 4.5% CRVM CRF ISL 95-05.....	505,361		505,361		
0100165. 1980 CET ANB 5% CRVM CRF ISL 93-94.....	578,879		578,879		
0100166. 1980 CET ANB 5.5% CRVM CRF ISL 87-92.....	823,601		823,601		
0100167. 1980 CET ANB 6% CRVM CRF ISL 83-86.....	166,718		166,718		
0100168. 1980 CSO 3% NLP CNF 79.....	391		391		
0100169. 1980 CSO 3% NLP CRF 66-81.....	1,499		1,499		
0100170. 1980 CSO 3.5% NLP CNF 81-03.....	8,593,872		8,593,872		
0100171. 1980 CSO 3.5% NLP CRF 77-82.....	7,908		7,908		
0100172. 1980 CSO 130% 4%.....	53,547,980				53,547,980
0100173. 1980 CSO 4%.....	305,834		22,751		283,083
0100174. 1980 CSO 4% CRVM 91-08 NB.....	3,648,202				3,648,202
0100175. 1980 CSO 4% CRVM ISL 96-08 NB.....	343,443		343,443		
0100176. 1980 CSO 4% CRVM CNF 89-02.....	10,476,144		10,476,144		
0100177. 1980 CSO 4% CRVM CNF ISL 06-08 NB.....	7,988,914		7,988,914		
0100178. 1980 CSO 4% CRVM CRF 75-79.....	585		585		
0100179. 1980 CSO 4% NLP.....	206,850		206,850		
0100180. 1980 CSO 4% NLP CNF 84-08 NB.....	6,349,958		6,349,958		
0100181. 1980 CSO 4.5%.....	13,558,707				13,558,707
0100182. 1980 CSO 4.5% CNF 06-07.....	2,500,153		2,500,153		
0100183. 1980 CSO 4.5% CRVM.....	2,429,163		2,429,163		
0100184. 1980 CSO 4.5% CRVM ISL 95-06.....	44,620,813		44,620,813		
0100185. 1980 CSO 4.5% CRVM CNF 91-08.....	71,143,347		71,143,347		
0100186. 1980 CSO 4.5% CRVM CNF ISL 85-05.....	1,050,436,161		1,050,436,161		
0100187. 1980 CSO 4.5% CRVM CRF 80-95.....	1,099		1,099		
0100188. 1980 CSO 4.5% NLP 89-08 NB.....	686,679		539,180		147,499
0100189. 1980 CSO 4.5% NLP ISL 96.....	4,209,202		4,209,202		
0100190. 1980 CSO 4.5% NLP CNF 84-06.....	45,611,841		45,611,841		
0100191. 1980 CSO 5% CRVM.....	3,042,845		3,042,845		
0100192. 1980 CSO 5% CRVM CNF 82-96.....	11,332,592		11,332,592		
0100193. 1980 CSO 5% CRVM CNF ISL 88-94.....	553,174,842		553,174,842		
0100194. 1980 CSO 5% CRVM CRF 93-94.....	218,316		218,316		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0100195. 1980 CSO 5% NLP.....	31,849		31,849		
0100196. 1980 CSO 5% NLP CNF 88-02.....	20,025,666		20,025,666		
0100197. 1980 CSO 5.25% CRVM CNF 82-94.....	13,647,500		13,647,500		
0100198. 1980 CSO 5.25% NLP CNF 82-94.....	6,460,477		6,460,477		
0100199. 1980 CSO 130% 5.5%.....	35,490,585				35,490,585
0100200. 1980 CSO 5.5% CNF 06.....	5,623		5,623		
0100201. 1980 CSO 5.5% CRVM.....	3,018,793		3,018,793		
0100202. 1980 CSO 5.5% CRVM ISL 96.....	1,030,500		1,030,500		
0100203. 1980 CSO 5.5% CRVM CNF 89-08.....	219,997,599		219,997,599		
0100204. 1980 CSO 5.5% CRVM CNF ISL 87-92.....	356,557,609		356,557,609		
0100205. 1980 CSO 5.5% CRVM CRF 89-92.....	666,535		666,535		
0100206. 1980 CSO 5.5% NLP.....	56,171		56,171		
0100207. 1980 CSO 5.5% NLP CNF 62-08 NB.....	27,188,070		27,188,070		
0100208. 1980 CSO 6%.....	2,432,132				2,432,132
0100209. 1980 CSO 6% CRVM CNF ISL 84-86.....	23,833,518		23,833,518		
0100210. 1980 CSO 6% NLP CNF 84-95.....	1,111,777		1,111,777		
0100211. 1980 CSO 6.5% NLP CNF 87-98.....	5,049,057		5,049,057		
0100212. 1980 CSO ALB 3.5% CRVM CRF 74-88.....	873		873		
0100213. 1980 CSO ALB 4% CRVM CNF 92-08 NB.....	816,007,202		816,007,202		
0100214. 1980 CSO ALB 4% CRVM CNF ISL 88-08 NB.....	721,975,907		721,975,907		
0100215. 1980 CSO ALB 4% CRVM CRF 75-79.....	49,556		49,556		
0100216. 1980 CSO ALB 4% IN CNF ISL 88-05.....	497,141,810		497,141,810		
0100217. 1980 CSO ALB 4% MOD IDB ISL 92-97.....	13,785,678		13,785,678		
0100218. 1980 CSO ALB 4% NLP CNF 89-95.....	55,561		55,561		
0100219. 1980 CSO ALB 4.5% CRVM.....	1,976,036,513		1,976,036,513		
0100220. 1980 CSO ALB 4.5% CRVM CNF 83-06.....	14,921,465		14,921,465		
0100221. 1980 CSO 125% ALB 4.5% CRVM CNF ISL 88-08 NB.....	7,955,850		7,955,850		
0100222. 1980 CSO 115% ALB 4.5% CRVM CNF ISL 89-97.....	3,075,555		3,075,555		
0100223. 1980 CSO ALB 4.5% CRVM CNF ISL 97-05.....	537,638,381		537,638,381		
0100224. 1980 CSO ALB 4.5% CRVM CRF 80-99.....	6,247,013		6,247,013		
0100225. 1980 CSO ALB 4.5% NLP.....	12,503		12,503		
0100226. 1980 CSO ALB 4.5% NLP CNF 83-06.....	2,145,095		2,145,095		
0100227. 1980 CSO ALB 4.5% NLP CRF 97-99.....	7,347		7,347		
0100228. 1980 CSO ALB 5% CRVM.....	35,814,430		35,814,430		
0100229. 1980 CSO ALB 5% CRVM CNF ISL 93.....	1,119		1,119		
0100230. 1980 CSO ALB 5% CRVM CRF 93-94.....	117,135		117,135		
0100231. 1980 CSO ALB 5% MOD IDB ISL 88-97.....	36,069,690		36,069,690		
0100232. 1980 CSO ALB 5% NLP CNF 89-95.....	298,425		298,425		
0100233. 1980 CSO ALB 5.5% CRVM.....	107,615,190		107,615,190		
0100234. 1980 CSO ALB 5.5% CRVM CNF ISL 87-92.....	2,528,781		2,528,781		
0100235. 1980 CSO ALB 5.5% CRVM CRF 87-92.....	37,272		37,272		
0100236. 1980 CSO ALB 5.5% NLP CNF 90-95.....	855,641		855,641		
0100237. 1980 CSO ALB 6% CRVM.....	47,380,961		47,380,961		
0100238. 1980 CSO ALB 6% CRVM CNF ISL 83-86.....	1,262,016		1,262,016		
0100239. 1980 CSO ALB 6% CRVM CRF 83-86.....	19,686		19,686		
0100240. 1980 CSO ANB 3% IN CNF ISL 03-05.....	45,575,544		45,575,544		
0100241. 1980 CSO ANB 3.5% CRVM CRF 63-74.....	1,401,306		1,401,306		
0100242. 1980 CSO ANB 4% CNF ISL 87-05.....	48,648,004		48,648,004		
0100243. 1980 CSO ANB 4% CRVM CNF 96-08 NB.....	8,208,919		8,208,919		
0100244. 1980 CSO ANB 4% CRVM CNF ISL 86-08 NB.....	2,476,692,397		2,476,692,397		
0100245. 1980 CSO ANB 4% CRVM CRF 75-08 NB.....	114,027,078		114,027,078		
0100246. 1980 CSO ANB 4% CRVM CRF ISL 83-07.....	681,042		681,042		
0100247. 1980 CSO ANB 4% IN CNF ISL 98-05.....	1,446,071,538		1,446,071,538		
0100248. 1980 CSO ANB 4% NLP CNF ISL 92-97.....	8,351,532		8,351,532		
0100249. 1980 CSO ANB 4% NLP CRF 88-95.....	5,144,763		5,144,763		
0100250. 1980 CSO ANB 4.25% IN CNF ISL 99-03.....	2,334,092,378		2,334,092,378		
0100251. 1980 CSO ANB 4.5% CRVM.....	1,163,765,332		1,163,765,332		
0100252. 1980 CSO ANB 4.5% CRVM CNF 81-08 NB.....	184,764,103		184,764,103		
0100253. 1980 CSO ANB 4.5% CRVM CNF ISL 82-08 NB.....	5,402,294,491		5,402,294,491		1,588
0100254. 1980 CSO ANB 4.5% CRVM CRF 80-05.....	502,097,514		502,097,514		
0100255. 1980 CSO ANB 4.5% CRVM CRF ISL 95-05.....	413,775,127		413,775,127		
0100256. 1980 CSO ANB 4.5% IN CNF ISL 98.....	75,357,441		75,357,441		
0100257. 1980 CSO ANB 4.5% NLP CNF 63-98.....	1,629,440		1,629,440		
0100258. 1980 CSO ANB 4.5% NLP CRF 95-99.....	2,501,569		2,501,569		
0100259. 1980 CSO ANB 5% CRVM.....	20,523,009		20,523,009		
0100260. 1980 CSO ANB 5% CRVM CNF 93-94.....	6,232,854		6,232,854		
0100261. 1980 CSO ANB 5% CRVM CNF ISL 86-94.....	291,583,667		291,583,667		607,514
0100262. 1980 CSO ANB 5% CRVM CRF 93-95.....	2,790,059		2,790,059		
0100263. 1980 CSO ANB 5% CRVM CRF ISL 93-94.....	381,746,194		381,746,194		
0100264. 1980 CSO ANB 5% NLP CRF 83-05.....	7,772		7,772		
0100265. 1980 CSO ANB 5.5% CRVM.....	33,104,448		33,104,448		
0100266. 1980 CSO ANB 5.5% CRVM CNF 75-92.....	61,653,246		61,653,246		
0100267. 1980 CSO ANB 5.5% CRVM CNF ISL 85-92.....	1,133,161,159		1,133,161,159		
0100268. 1980 CSO ANB 5.5% CRVM CRF 84-92.....	2,324,653		2,324,653		
0100269. 1980 CSO ANB 5.5% CRVM CRF ISL 87-92.....	1,406,560,281		1,406,560,281		
0100270. 1980 CSO ANB 5.5% NLP CNF ISL 87-91.....	50,478,952		50,478,952		
0100271. 1980 CSO ANB 5.5% NLP CRF 69-01.....	276,759		276,759		
0100272. 1980 CSO ANB 6% CRVM.....	12,595,378		12,595,378		
0100273. 1980 CSO ANB 6% CRVM CNF 84-87.....	489,753,588		489,753,588		
0100274. 1980 CSO ANB 6% CRVM CNF ISL 83-86.....	348,300,589		348,300,589		
0100275. 1980 CSO ANB 6% CRVM CRF 83-86.....	1,016,094		1,016,094		
0100276. 1980 CSO ANB 6% CRVM CRF ISL 83-86.....	258,972,994		258,972,994		
0100277. AE 2.5% NLP CRF 43-44.....	3,394		3,394		
0100278. AE 3% CRVM CNF 41-46.....	4,402		4,402		
0100279. AE 3% FPT CRF 44-47.....	63,829		63,829		
0100280. AE 3% ILL CRF 42-44.....	27,334		27,334		
0100281. AE 3% MOD CNF 40-46.....	358,529		358,529		
0100282. AE 3% NLP.....	313,143		313,143		
0100283. AE 3% NLP CNF 27-66.....	2,036,422		2,036,422		
0100284. AE 3% NLP CRF 29-50.....	6,474,403		6,474,403		
0100285. 2001 CSO 3.5% CRVM.....	3,243,480			3,243,480	
0100286. AE 3.5% ILL CNF 30-41.....	362,193		362,193		
0100287. AE 3.5% ILL CRF 24-48.....	1,594,435		1,594,435		
0100288. AE 3.5% NJ CRF 31-47.....	310,972		310,972		
0100289. AE 3.5% NLP.....	118,637		118,637		
0100290. AE 3.5% NLP CNF 25-95.....	12,767,658		12,767,658		
0100291. AE 3.5% NLP CRF 16-97.....	8,745,443		8,745,443		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0100292. 2001 CSO 4%.....	4,144,978				4,144,978
0100293. AE 4% ILL CNF 33-40.....	10,190		10,190		
0100294. AE 4% NLP CNF 29-57.....	82		82		
0100295. 2001 CSO 4.5%.....	449,111				449,111
0100296. 2001 CSO 4.5% CRVM.....	3,291,542			3,291,542	
0100297. 2001 CSO ALB 4% CRVM.....	3,031,134		3,031,134		
0100298. 2001 CSO ALB 4% CRVM CNF 05-08 NB.....	603,853,154		603,853,154		
0100299. AE ANB 3% NLP CNF 37-47.....	2,647,215		2,647,215		
0100300. AE ANB 3.5% NLP.....	44,843		44,843		
0100301. AE ANB 3.5% NLP CNF 26-48.....	977,883		977,883		
0100302. 2001 CSO ANB 4% CRVM.....	1,256,148		1,256,148		
0100303. 2001 CSO ANB 4% CRVM CNF 06-08 NB.....	51,948,343		51,948,343		
0100304. 2001 CSO ANB 4% CRVM CNF ISL 06-08 NB.....	1,848,821,009		1,848,821,009		
0100305. 2001 CSO ANB 4% CRVM CRF 06-08 NB.....	972,498		972,498		
0100306. 2001 CSO ANB 4.5% CRVM CNF 05.....	3,553,371		3,553,371		
0100307. 2001 CSO ANB 4.5% CRVM CNF ISL 04-05.....	22,371,100		22,371,100		
0100308. 2001 CSO ANB 4.5% CRVM CRF 05.....	438,113		438,113		
0100309. AM 3% NJ CRF 41-47.....	2,783,267		2,783,267		
0100310. AM 3% NLP CRF 41-47.....	1,870,630		1,870,630		
0100311. AM 3.5% ILL CRF 29-41.....	230,352		230,352		
0100312. AM 3.5% NLP CRF 28-41.....	395,442		395,442		
0100313. AM ANB 2.5% NLP CNF 43-52.....	2,137,923		2,137,923		
0100314. HST 3% ILL CRF 47-52.....	20,883		20,883		
0100315. HST 3% NLP CRF 43-51.....	10,238		10,238		
0100316. SI ANB 3.5% NLP CNF 12-66.....	7,974,012	7,974,012			
0100317. UNEARNED PREMIUM 45-08.....	1,676,113		214,712	10,377	1,451,024
0100318. UNEARNED PREMIUM ISL 82-00.....	364,635		364,517		118
0100319. UNEARNED PREMIUM 4.5%.....	812,208		812,208		
0100320. SSI ANB 3.5% NLP CNF 15-65.....	1,466,597	1,466,597			
0100321. MISCELLANEOUS TABLES 31-06.....	552,544		552,544		
0199997. Totals (Gross).....	31,986,751,485	30,968,332	31,807,310,707	6,834,437	141,638,009
0199998. Reinsurance ceded.....	7,312,520,567		7,216,593,589	6,834,437	89,092,541
0199999. Totals (Net).....	24,674,230,918	30,968,332	24,590,717,118	0	52,545,468
Annuities (excluding supplementary contracts with life contingencies):					
0200001. 1937 SA 3.5% 46-61.....	21,045	XXX	21,045	XXX	
0200002. 1937 SA 4% 33-45.....	9,469	XXX	9,469	XXX	
0200003. 1937 SA ANB 2.5% NLP CRF IMM FI 72-83.....	24,996	XXX	24,996	XXX	
0200004. 1937 SA ANB 3% NLP CRF IMM FI 76-79.....	21,987	XXX		XXX	21,987
0200005. 1937 SA ANB 3.5% NLP CRF IMM FI 70-87.....	96,127	XXX	27,018	XXX	69,109
0200006. 1937 SA ANB 3.5% NLP CRF IMM&DEF 57-62.....	6,475	XXX		XXX	6,475
0200007. 1937 SA SB1 ANB 3.5% NLP CRF IMM&DEF 59-64.....	62,593	XXX		XXX	62,593
0200008. 1949 ANN 3.5% 63-74.....	170,239	XXX	170,239	XXX	
0200009. 1949 ANN (30 yr proj.) ANB 3% CRVM CRF DEF FI 68-78.....	157,643	XXX	157,643	XXX	
0200010. 1949 ANN proj. ANB 3.5% NLP CRF IMM FI 64-88.....	497,466	XXX	497,466	XXX	
0200011. 1949 ANN (30 yr proj.) ANB 3.5% NLP CRF IMM FI 87-93.....	11,803	XXX	11,803	XXX	
0200012. 1951 GAM 3.5%.....	1,662,737	XXX		XXX	1,662,737
0200013. 1951 GAM ANB 3.5% NLP CRF IMM FI 67-78.....	31,155	XXX	10,866	XXX	20,289
0200014. 1951 GAM ANB 3.5% NLP CRF IMM&DEF 66-73.....	195,418	XXX		XXX	195,418
0200015. 1951 PRO60 ANB 3.5% NLP CRF IMM&DEF 66-73.....	68,233	XXX		XXX	68,233
0200016. 1951 SB1 ANB 3.5% NLP CRF IMM&DEF 67-72.....	97,424	XXX		XXX	97,424
0200017. 1952 DISABILITY STUDY 1958 CSO ANB 4% CRF DEF FI 08 NB.....	155,000	XXX	155,000	XXX	
0200018. 1955 MOD AMER ANN ANB 3% CRVM CRF DEF FI 40-77.....	80,565	XXX	80,565	XXX	
0200019. 1955 MOD AMER ANN ANB 3% NLP CRF IMM FI 42-72.....	113,179	XXX	113,179	XXX	
0200020. 1955 MOD AMER ANN ANB 3% SPIA IMM FI 45-77.....	47,594	XXX	47,594	XXX	
0200021. 1955 MOD AMER ANN ANB 3.5% NLP CRF IMM FI 67-78.....	74,533	XXX	74,533	XXX	
0200022. 1971 GAM ANB 3.5% NLP CRF IMM&DEF 74.....	40,438	XXX		XXX	40,438
0200023. 1971 GAM ANB 6% NLP CRF IMM FI 80-96.....	389,575	XXX		XXX	389,575
0200024. 1971 GAM ANB 6% NLP CRF IMM&DEF 75-79.....	1,236,395	XXX		XXX	1,236,395
0200025. 1971 GAM ANB 7.5% NLP CRF IMM&DEF 80-84.....	1,972,681	XXX		XXX	1,972,681
0200026. 1971 GAM ANB 7.75% NLP CRF IMM&DEF 83.....	209,415	XXX		XXX	209,415
0200027. 1971 GAM ANB 8% NLP CRF IMM FI 86.....	1,930,328	XXX		XXX	1,930,328
0200028. 1971 GAM ANB 8.75% NLP CRF IMM&DEF 82.....	685,233	XXX		XXX	685,233
0200029. 1971 GAM ANB 9% NLP CRF IMM FI 85-87.....	90,742	XXX		XXX	90,742
0200030. 1971 GAM ANB 9.5% NLP CRF IMM FI 87.....	4,712	XXX		XXX	4,712
0200031. 1971 GAM ANB 9.75% NLP CRF IMM&DEF 83-84.....	1,709,691	XXX		XXX	1,709,691
0200032. 1971 GAM ANB 10.75% NLP CRF IMM&DEF 83-84.....	677,837	XXX		XXX	677,837
0200033. 1971 GAM ANB 11.25% NLP CRF IMM&DEF 82-84.....	13,217,934	XXX		XXX	13,217,934
0200034. 1971 GAM ANB 12.5% NLP CRF IMM&DEF 82.....	314,799	XXX		XXX	314,799
0200035. 1971 GAM ANB 13.25% NLP CRF IMM&DEF 82.....	2,889,620	XXX		XXX	2,889,620
0200036. 1971 IAM 4.5%.....	5,202,936	XXX	5,202,936	XXX	
0200037. 1971 IAM 7.75%.....	2,085,628	XXX	2,085,628	XXX	
0200038. 1971 IAM ANB 3% NLP CRF IMM FI 96.....	10,013	XXX	10,013	XXX	
0200039. 1971 IAM ANB 3.5% CARVM CRF DEF FI 61-74.....	17,152,604	XXX	17,152,604	XXX	
0200040. 1971 IAM ANB 4% CARVM CRF DEF FI 75-79.....	33,466,081	XXX	33,466,081	XXX	
0200041. 1971 IAM ANB 4.5% CARVM CRF DEF FI 80-82.....	22,402,242	XXX	22,402,242	XXX	
0200042. 1971 IAM ANB 5% NLP CRF IMM FI 78-83.....	67,682	XXX	67,682	XXX	
0200043. 1971 IAM ANB 5.25% CARVM CRF DEF FI 98-99.....	788,931	XXX	788,931	XXX	
0200044. 1971 IAM ANB 5.5% CARVM CRF DEF FI 94-97.....	24,736,601	XXX	24,736,601	XXX	
0200045. 1971 IAM ANB 5.5% NLP CRF IMM FI 88-94 NB.....	155,585	XXX	155,585	XXX	
0200046. 1971 IAM ANB 5.75% CARVM CRF DEF FI 93-00.....	9,914,761	XXX	9,914,761	XXX	
0200047. 1971 IAM ANB 6% CARVM CRF DEF FI 95.....	12,440,189	XXX	12,440,189	XXX	
0200048. 1971 IAM ANB 6% NLP CRF IMM FI 76-91.....	3,020,014	XXX	2,634,725	XXX	385,289
0200049. 1971 IAM ANB 6.25% CARVM CRF DEF FI 92.....	11,148,883	XXX	11,148,883	XXX	
0200050. 1971 IAM ANB 6.25% NLP CRF IMM FI 88-98.....	60,014	XXX	60,014	XXX	
0200051. 1971 IAM ANB 6.5% CARVM CRF DEF FI 87-90.....	22,154,529	XXX	22,154,529	XXX	
0200052. 1971 IAM ANB 6.75% CARVM CRF DEF FI 91.....	18,507,181	XXX	18,507,181	XXX	
0200053. 1971 IAM ANB 6.75% NLP CRF IMM FI 96.....	7,710	XXX	7,710	XXX	
0200054. 1971 IAM ANB 7% CARVM CRF DEF FI 88-89.....	20,766,474	XXX	20,766,474	XXX	
0200055. 1971 IAM ANB 7.25% CARVM CRF DEF FI 86.....	11,892,617	XXX	11,892,617	XXX	
0200056. 1971 IAM ANB 7.5% NLP CRF IMM FI 80-89.....	51,852,308	XXX	51,852,308	XXX	
0200057. 1971 IAM ANB 7.75% NLP CRF IMM FI 92 NB.....	13,505	XXX	13,505	XXX	
0200058. 1971 IAM ANB 8% NLP CRF IMM FI 87.....	211,729	XXX	211,729	XXX	
0200059. 1971 IAM ANB 8.25% NLP CRF IMM FI 90.....	7,662	XXX	7,662	XXX	
0200060. 1971 IAM ANB 8.5% CARVM CRF DEF FI 84-85.....	28,824,730	XXX	28,824,730	XXX	
0200061. 1971 IAM ANB 8.75% CARVM CRF DEF FI 83.....	13,121,001	XXX	13,121,001	XXX	
0200062. 1971 IAM ANB 8.75% NLP CRF IMM FI 88.....	46,634	XXX	46,634	XXX	
0200063. 1971 IAM ANB 9.5% NLP CRF IMM FI 85.....	9,933,688	XXX	9,933,688	XXX	

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0200064. 1971 IAM ANB 9.75% NLP CRF IMM FI 83-84.....	9,492,449	XXX	9,492,449	XXX	
0200065. 1971 IAM ANB 10.5% NLP CRF IMM FI 85.....	2,348,242	XXX	2,348,242	XXX	
0200066. 1971 IAM ANB 10.75% NLP CRF IMM FI 83-84.....	4,421,087	XXX	4,421,087	XXX	
0200067. 1971 IAM ANB 11% NLP CRF IMM FI 84-85.....	31,421,453	XXX	31,421,453	XXX	
0200068. 1971 IAM ANB 11.25% NLP CRF IMM FI 83-84.....	29,821,258	XXX	29,821,258	XXX	
0200069. 1971 IAM ANB 12% NLP CRF IMM FI 82.....	863,881	XXX	863,881	XXX	
0200070. 1983A 5%.....	11,318	XXX	11,318	XXX	
0200071. 1983A 5.25%.....	167,031	XXX	167,031	XXX	
0200072. 1983A 5.5%.....	6,282,624	XXX	6,282,624	XXX	
0200073. 1983A 5.75%.....	63,370	XXX	63,370	XXX	
0200074. 1983A 6%.....	54,397	XXX	54,397	XXX	
0200075. 1983A 6.25%.....	52,042	XXX	52,042	XXX	
0200076. 1983A 6.5%.....	11,026	XXX	11,026	XXX	
0200077. 1983A 6.75%.....	15,497	XXX	15,497	XXX	
0200078. 1983A 7.75%.....	1,017,074	XXX	1,017,074	XXX	
0200079. 1983A ANB 3% NLP CRF IMM FI 86-93.....	423,503	XXX	423,503	XXX	
0200080. 1983A ANB 3% SPIA IMM FI 87.....	4,508	XXX	4,508	XXX	
0200081. 1983A ANB 3.75% NLP CRF IMM FI 93-94.....	1,222,134	XXX	1,222,134	XXX	
0200082. 1983A ANB 4% CARVM CRF DEF FI 75-79.....	4,071,729	XXX	4,027,417	XXX	44,312
0200083. 1983A ANB 4% NLP CRF IMM FI 94.....	789,352	XXX	789,352	XXX	
0200084. 1983A ANB 4.25% NLP CRF IMM FI 92-98.....	2,314,629	XXX	2,314,629	XXX	
0200085. 1983A ANB 4.5% CARVM CRF DEF FI 80-82.....	8,785,944	XXX	6,178,136	XXX	2,607,808
0200086. 1983A ANB 4.5% NLP CRF IMM FI 85-03.....	2,420,394	XXX	2,420,394	XXX	
0200087. 1983A ANB 4.75% NLP CRF IMM FI 95-99.....	1,163,692	XXX	1,163,692	XXX	
0200088. 1983A ANB 5% CARVM CRF DEF FI 98.....	10,382,330	XXX	10,382,330	XXX	
0200089. 1983A ANB 5% NLP CRF IMM FI 86-97.....	5,129,262	XXX	5,129,262	XXX	
0200090. 1983A ANB 5% SPIA IMM FI 86.....	1,635	XXX	1,635	XXX	
0200091. 1983A ANB 5.15% NLP CRF IMM FI 93.....	3,615,486	XXX	3,615,486	XXX	
0200092. 1983A ANB 5.25% CARVM CRF DEF FI 94-98.....	41,556,811	XXX	41,377,376	XXX	179,435
0200093. 1983A ANB 5.25% NLP CRF IMM FI 92-97.....	4,697,053	XXX	4,697,053	XXX	
0200094. 1983A ANB 5.5% CARVM DEF NFI 94-97.....	437,920	XXX	437,920	XXX	
0200095. 1983A ANB 5.5% CARVM CRF DEF FI 89-97.....	325,460,502	XXX	318,418,533	XXX	7,041,969
0200096. 1983A ANB 5.5% NLP CRF IMM FI 92-98.....	8,346,850	XXX	8,334,813	XXX	12,037
0200097. 1983A ANB 5.75% CARVM DEF NFI 93.....	31,545	XXX	31,545	XXX	
0200098. 1983A ANB 5.75% CARVM CRF DEF FI 88-00.....	125,234,603	XXX	113,319,687	XXX	11,914,916
0200099. 1983A ANB 5.75% NLP CRF IMM FI 92-97.....	12,472,687	XXX	12,472,687	XXX	
0200100. 1983A ANB 6% CARVM DEF NFI 95.....	472,255	XXX	472,255	XXX	
0200101. 1983A ANB 6% CARVM CRF DEF FI 92-97.....	144,917,696	XXX	141,603,041	XXX	3,314,655
0200102. 1983A ANB 6% NLP CRF IMM FI 87-02.....	94,955,796	XXX	93,792,287	XXX	1,163,509
0200103. 1983A ANB 6.15% NLP CRF IMM FI 93.....	10,392,312	XXX	10,392,312	XXX	
0200104. 1983A ANB 6.25% CARVM CRF DEF FI 89-92.....	92,092,242	XXX	91,090,336	XXX	1,001,906
0200105. 1983A ANB 6.25% NLP CRF IMM FI 88-97.....	34,514,777	XXX	34,514,777	XXX	
0200106. 1983A ANB 6.5% CARVM CRF DEF FI 87-90.....	107,213,500	XXX	103,672,039	XXX	3,541,461
0200107. 1983A ANB 6.5% NLP CRF IMM FI 86-02.....	26,627,294	XXX	26,575,936	XXX	51,358
0200108. 1983A ANB 6.65% NLP CRF IMM FI 93.....	8,794,290	XXX	8,794,290	XXX	
0200109. 1983A ANB 6.75% CARVM CRF DEF FI 91.....	89,714,265	XXX	86,453,152	XXX	3,261,113
0200110. 1983A ANB 6.75% NLP CRF IMM FI 92-00.....	19,505,899	XXX	19,505,899	XXX	
0200111. 1983A ANB 6.9% NLP CRF IMM FI 93.....	21,278,164	XXX	21,278,164	XXX	
0200112. 1983A ANB 7% CARVM CRF DEF FI 88-89.....	106,133,213	XXX	103,281,909	XXX	2,851,304
0200113. 1983A ANB 7% NLP CRF IMM FI 92-95.....	3,528,824	XXX	3,528,824	XXX	
0200114. 1983A ANB 7.25% CARVM CRF DEF FI 86.....	19,751,941	XXX	17,971,755	XXX	1,780,186
0200115. 1983A ANB 7.25% NLP CRF IMM FI 86-95.....	40,593,377	XXX	40,593,377	XXX	
0200116. 1983A ANB 7.5% NLP CRF IMM FI 89-92.....	36,903,293	XXX	36,903,293	XXX	
0200117. 1983A ANB 7.75% NLP CRF IMM FI 87-92.....	56,789,236	XXX	56,789,236	XXX	
0200118. 1983A ANB 7.75% SPIA IMM FI 92.....	2,815	XXX	2,815	XXX	
0200119. 1983A ANB 8% NLP CRF IMM FI 86-91.....	65,118,776	XXX	65,118,776	XXX	
0200120. 1983A ANB 8.25% CARVM CRF DEF FI 75-98.....	56,939,416	XXX	56,939,416	XXX	
0200121. 1983A ANB 8.25% NLP CRF IMM FI 86-91.....	87,558,753	XXX	87,558,753	XXX	
0200122. 1983A ANB 8.25% SPIA IMM FI 90.....	8,991	XXX	8,991	XXX	
0200123. 1983A ANB 8.5% CARVM CRF DEF FI 84-85.....	29,181,621	XXX	24,233,141	XXX	4,948,480
0200124. 1983A ANB 8.5% NLP CRF IMM FI 76-97.....	33,149,255	XXX	29,074,441	XXX	4,074,814
0200125. 1983A ANB 8.75% CARVM CRF DEF FI 83.....	8,711,207	XXX	4,991,162	XXX	3,720,045
0200126. 1983A ANB 8.75% NLP CRF IMM FI 86-89.....	152,876,148	XXX	152,847,216	XXX	28,932
0200127. 1983A ANB 9% NLP CRF IMM FI 86.....	1,531,322	XXX	1,531,322	XXX	
0200128. 1983A ANB 9.25% NLP CRF IMM FI 86.....	33,916,707	XXX	33,916,707	XXX	
0200129. 1983A ANB 10% NLP CRF IMM FI 85.....	113,595	XXX	113,595	XXX	
0200130. 1983A ANB 10.5% NLP CRF IMM FI 85.....	862,025	XXX	862,025	XXX	
0200131. 1983A ANB 10.75% NLP CRF IMM FI 85.....	282,243	XXX	282,243	XXX	
0200132. 1983A ANB 11% NLP CRF IMM FI 85.....	1,967,335	XXX	1,967,335	XXX	
0200133. 1983 GAM ANB 4.75% NLP CRF IMM&DEF 94-96.....	877,586	XXX		XXX	877,586
0200134. 1983 GAM ANB 5% NLP CRF IMM&DEF 93-96.....	12,193,154	XXX		XXX	12,193,154
0200135. 1983 GAM ANB 5.25% NLP CRF IMM&DEF 92-93.....	8,427,261	XXX		XXX	8,427,261
0200136. 1983 GAM ANB 5.5% NLP CRF IMM&DEF 94-95.....	3,240,082	XXX		XXX	3,240,082
0200137. 1983 GAM ANB 5.75% NLP CRF IMM&DEF 92-95.....	19,718,909	XXX		XXX	19,718,909
0200138. 1983 GAM ANB 6% NLP CRF IMM&DEF 87-97.....	252,828,333	XXX		XXX	252,828,333
0200139. 1983 GAM ANB 6.25% NLP CRF IMM&DEF 88-93.....	245,309,143	XXX		XXX	245,309,143
0200140. 1983 GAM ANB 6.5% NLP CRF IMM&DEF 86-96.....	118,532,996	XXX		XXX	118,532,996
0200141. 1983 GAM ANB 6.75% NLP CRF IMM&DEF 92-97.....	28,176,995	XXX		XXX	28,176,995
0200142. 1983 GAM ANB 7% NLP CRF IMM&DEF 93-95.....	9,683,337	XXX		XXX	9,683,337
0200143. 1983 GAM ANB 7.25% NLP CRF IMM&DEF 87-95.....	140,438,808	XXX		XXX	140,438,808
0200144. 1983 GAM ANB 7.5% NLP CRF IMM&DEF 85-92.....	217,521,403	XXX		XXX	217,521,403
0200145. 1983 GAM ANB 7.75% NLP CRF IMM&DEF 87-92.....	95,641,278	XXX		XXX	95,641,278
0200146. 1983 GAM ANB 8% NLP CRF IMM&DEF 86-91.....	91,094,192	XXX		XXX	91,094,192
0200147. 1983 GAM ANB 8.25% NLP CRF IMM&DEF 89-91.....	103,889,590	XXX		XXX	103,889,590
0200148. 1983 GAM ANB 8.5% NLP CRF IMM&DEF 88.....	23,498,610	XXX		XXX	23,498,610
0200149. 1983 GAM ANB 8.75% NLP CRF IMM&DEF 86-89.....	117,805,023	XXX		XXX	117,805,023
0200150. 1983 GAM ANB 9.25% NLP CRF IMM&DEF 86.....	27,387,217	XXX		XXX	27,387,217
0200151. 1983 GAM ANB 9.5% NLP CRF IMM&DEF 85.....	27,731,012	XXX		XXX	27,731,012
0200152. 1983 GAM ANB 10.5% NLP CRF IMM&DEF 85.....	7,302,395	XXX		XXX	7,302,395
0200153. 1983 GAM ANB 11% NLP CRF IMM&DEF 85.....	31,382,066	XXX		XXX	31,382,066
0200154. 1994 GAR ANB 4.75% NLP CRF IMM&DEF 86.....	5,177	XXX		XXX	5,177
0200155. 1994 GAR ANB 5% NLP CRF IMM&DEF 05.....	40,548	XXX		XXX	40,548
0200156. 1994 GAR ANB 5.25% NLP CRF IMM&DEF 05-06.....	9,608,265	XXX		XXX	9,608,265
0200157. 1994 GAR ANB 5.5% NLP CRF IMM&DEF 04-08 NB.....	6,692,636	XXX		XXX	6,692,636
0200158. 1994 GAR ANB 5.75% NLP CRF IMM&DEF 98.....	15,941	XXX		XXX	15,941
0200159. 1994 GAR ANB 6% NLP CRF IMM&DEF 98-03.....	2,092,966	XXX		XXX	2,092,966
0200160. 1994 GAR ANB 6.25% NLP CRF IMM&DEF 98-00.....	9,007,777	XXX		XXX	9,007,777
0200161. 1994 GAR ANB 6.5% NLP CRF IMM&DEF 02.....	1,161,259	XXX		XXX	1,161,259

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200162. 1994 GAR ANB 6.75% NLP CRF IMM&DEF 00-01.....	11,569,103	XXX		XXX	11,569,103
0200163. 1994 GAR ANB 7% NLP CRF IMM&DEF 00.....	433,202	XXX		XXX	433,202
0200164. ANNUITY 2000 ALB 4% CARVM CRF DEF NFI 74-78.....	11,136,096	XXX		XXX	11,136,096
0200165. ANNUITY 2000 ALB 4.5% CARVM CRF DEF NFI 79-06.....	550,925,978	XXX	224,442,851	XXX	326,483,127
0200166. ANNUITY 2000 ALB 4.75% CARVM CRF DEF NFI 04-08 NB.....	1,484,885,734	XXX	1,180,160,632	XXX	304,725,102
0200167. ANNUITY 2000 ALB 5% CARVM CRF DEF NFI 03-08 NB.....	1,696,441,411	XXX	1,492,616,100	XXX	203,825,311
0200168. ANNUITY 2000 ALB 5.25% CARVM CRF DEF NFI 98-05.....	712,573,225	XXX	637,946,905	XXX	74,626,320
0200169. ANNUITY 2000 ALB 5.5% CARVM CRF DEF NFI 94-07.....	2,795,657,551	XXX	2,323,180,528	XXX	472,477,023
0200170. ANNUITY 2000 ALB 5.75% CARVM CRF DEF NFI 93-08 NB.....	1,968,705,313	XXX	1,676,824,745	XXX	291,880,568
0200171. ANNUITY 2000 ALB 6% CARVM CRF DEF NFI 93-02.....	781,192,279	XXX	693,996,177	XXX	87,196,102
0200172. ANNUITY 2000 ALB 6.25% CARVM CRF DEF NFI 92-03.....	906,069,708	XXX	726,593,402	XXX	179,476,306
0200173. ANNUITY 2000 ALB 6.5% CARVM CRF DEF NFI 87-92.....	912,774,629	XXX	765,425,720	XXX	147,348,909
0200174. ANNUITY 2000 ALB 6.75% CARVM CRF DEF NFI 91-02.....	623,165,283	XXX	551,755,117	XXX	71,410,166
0200175. ANNUITY 2000 ALB 7% CARVM CRF DEF NFI 88-01.....	910,877,609	XXX	748,158,946	XXX	162,718,663
0200176. ANNUITY 2000 ALB 7.25% CARVM CRF DEF NFI 86-00.....	496,041,112	XXX	384,155,803	XXX	111,885,309
0200177. ANNUITY 2000 ALB 7.5% CARVM CRF DEF NFI 95.....	8,043,631	XXX		XXX	8,043,631
0200178. ANNUITY 2000 ALB 8% CARVM CRF DEF NFI 92.....	9,742,012	XXX		XXX	9,742,012
0200179. ANNUITY 2000 ALB 8.5% CARVM CRF DEF NFI 84-90.....	679,138,325	XXX	504,883,934	XXX	174,254,391
0200180. ANNUITY 2000 ALB 8.75% CARVM CRF DEF NFI 83-91.....	260,653,665	XXX	140,031,673	XXX	120,621,992
0200181. ANNUITY 2000 ALB 9% CARVM CRF DEF NFI 89.....	6,200,595	XXX		XXX	6,200,595
0200182. ANNUITY 2000 ALB 9.25% CARVM CRF DEF NFI 88.....	5,764,472	XXX		XXX	5,764,472
0200183. ANNUITY 2000 ALB 9.5% CARVM CRF DEF NFI 86.....	19,213,464	XXX		XXX	19,213,464
0200184. ANNUITY 2000 ALB 10% CARVM CRF DEF NFI 67-82.....	406,572,022	XXX	354,477,198	XXX	52,094,824
0200185. ANNUITY 2000 ALB 11.5% CARVM CRF DEF NFI 85.....	3,312,332	XXX		XXX	3,312,332
0200186. ANNUITY 2000 ALB 11.75% CARVM CRF DEF NFI 83-84.....	6,445,908	XXX		XXX	6,445,908
0200187. ANNUITY 2000 ALB 13.75% CARVM CRF DEF NFI 82.....	313,594	XXX		XXX	313,594
0200188. ANNUITY 2000 ANB 1.5% NLP CRF IMM FI 03.....	165,054	XXX	165,054	XXX	
0200189. ANNUITY 2000 ANB 1.75% NLP CRF IMM FI 02.....	63,658	XXX	63,658	XXX	
0200190. ANNUITY 2000 ANB 2% NLP CRF IMM FI 03-04.....	111,528	XXX	111,528	XXX	
0200191. ANNUITY 2000 ANB 2.25% NLP CRF IMM FI 02-04.....	1,718,601	XXX	1,718,601	XXX	
0200192. ANNUITY 2000 ANB 2.5% NLP CRF IMM FI 02-04.....	1,676,450	XXX	1,676,450	XXX	
0200193. ANNUITY 2000 ANB 2.75% NLP CRF IMM FI 02-05.....	287,516	XXX	287,516	XXX	
0200194. ANNUITY 2000 ANB 3% NLP CRF IMM FI 02-05.....	7,236,899	XXX	7,236,899	XXX	
0200195. ANNUITY 2000 ANB 3% SPIA IMM FI 01.....	15,134	XXX	15,134	XXX	
0200196. ANNUITY 2000 ANB 3.25% NLP CRF IMM FI 02-05.....	7,207,897	XXX	7,207,897	XXX	
0200197. ANNUITY 2000 ANB 3.5% NLP CRF IMM FI 99-07.....	8,109,744	XXX	8,109,744	XXX	
0200198. ANNUITY 2000 ANB 3.75% NLP CRF IMM FI 99-05.....	8,904,064	XXX	8,904,064	XXX	
0200199. ANNUITY 2000 ANB 4% NLP CRF IMM FI 98-06.....	9,366,960	XXX	9,366,960	XXX	
0200200. ANNUITY 2000 ANB 4.25% NLP CRF IMM FI 99-07.....	9,962,228	XXX	9,962,228	XXX	
0200201. ANNUITY 2000 ANB 4.5% CARVM CRF DEF FI 05-07.....	401,997,930	XXX	401,889,295	XXX	108,635
0200202. ANNUITY 2000 ANB 4.5% NLP CRF IMM FI 98-07.....	15,911,114	XXX	15,911,114	XXX	
0200203. ANNUITY 2000 ANB 4.75% CARVM CRF DEF FI 03-08 NB.....	1,915,957,579	XXX	1,841,002,831	XXX	74,954,748
0200204. ANNUITY 2000 ANB 4.75% NLP CRF IMM FI 98-08 NB.....	24,865,893	XXX	24,865,893	XXX	
0200205. ANNUITY 2000 ANB 5% CARVM CRF DEF FI 99-08 NB.....	2,890,858,395	XXX	2,785,274,826	XXX	105,583,569
0200206. ANNUITY 2000 ANB 5% NLP CRF IMM FI 98-07.....	7,710,400	XXX	7,710,400	XXX	
0200207. ANNUITY 2000 ANB 5.25% CARVM CRF DEF FI 98-02.....	232,454,320	XXX	230,062,956	XXX	2,391,364
0200208. ANNUITY 2000 ANB 5.25% CARVM CRF DEF NFI 05-06.....	124,383	XXX	124,383	XXX	
0200209. ANNUITY 2000 ANB 5.25% NLP CRF IMM FI 98-07.....	90,563,543	XXX	90,537,262	XXX	26,281
0200210. ANNUITY 2000 ANB 5.5% CARVM CRF DEF FI 94-03.....	687,708,078	XXX	628,993,222	XXX	58,714,856
0200211. ANNUITY 2000 ANB 5.5% CARVM CRF DEF NFI 04-08 NB.....	1,128,208	XXX	1,128,208	XXX	
0200212. ANNUITY 2000 ANB 5.5% NLP CRF IMM FI 99-08 NB.....	177,159,716	XXX	177,159,716	XXX	
0200213. ANNUITY 2000 ANB 5.75% CARVM CRF DEF FI 93-00.....	226,499,892	XXX	225,382,418	XXX	1,117,474
0200214. ANNUITY 2000 ANB 5.75% NLP CRF IMM FI 99-01.....	2,143,699	XXX	2,143,699	XXX	
0200215. ANNUITY 2000 ANB 6% CARVM CRF DEF FI 95-02.....	224,690,087	XXX	219,748,256	XXX	4,941,831
0200216. ANNUITY 2000 ANB 6% CARVM CRF DEF NFI 03.....	233,264	XXX	233,264	XXX	
0200217. ANNUITY 2000 ANB 6% NLP CRF IMM FI 99-03.....	42,638,758	XXX	42,638,758	XXX	
0200218. ANNUITY 2000 ANB 6.25% CARVM CRF DEF FI 00.....	5,599,433	XXX	5,599,433	XXX	
0200219. ANNUITY 2000 ANB 6.25% NLP CRF IMM FI 98-01.....	6,690,006	XXX	6,690,006	XXX	
0200220. ANNUITY 2000 ANB 6.5% CARVM CRF DEF FI 87-90.....	229,386	XXX	229,386	XXX	
0200221. ANNUITY 2000 ANB 6.5% CARVM CRF DEF NFI 02.....	115,542	XXX	115,542	XXX	
0200222. ANNUITY 2000 ANB 6.5% NLP CRF IMM FI 00-02.....	2,329,809	XXX	2,329,809	XXX	
0200223. ANNUITY 2000 ANB 6.75% CARVM CRF DEF FI 91.....	20,386	XXX	20,386	XXX	
0200224. ANNUITY 2000 ANB 6.75% CARVM CRF DEF NFI 01.....	14,245	XXX	14,245	XXX	
0200225. ANNUITY 2000 ANB 6.75% NLP CRF IMM FI 00-01.....	12,076,227	XXX	12,076,227	XXX	
0200226. ANNUITY 2000 ANB 7% CARVM CRF DEF FI 89.....	180,342	XXX	180,342	XXX	
0200227. ANNUITY 2000 ANB 7% CARVM CRF DEF NFI 00.....	236,078	XXX	236,078	XXX	
0200228. ANNUITY 2000 ANB 7% NLP CRF IMM FI 00.....	4,313,686	XXX	4,313,686	XXX	
0200229. PROG ANN (LN) 2.5% 64-75.....	387,616	XXX	387,616	XXX	
0200230. PROG ANN (LN) 3% 64-75.....	96,558	XXX	96,558	XXX	
0200231. PROG ANN (JP) ANB 2.5% CRF DEF FI 49-61.....	90,402	XXX	90,402	XXX	
0200232. PROG ANN (JP) ANB 3% CRF DEF FI 41-74.....	713,635	XXX	713,635	XXX	
0200233. PROG ANN (JP) ANB 3% NLP CRF IMM FI 68-73.....	5,478	XXX	5,478	XXX	
0200234. PROG ANN (JP) ANB 3.5% CRF DEF FI 34-72.....	796,793	XXX	796,793	XXX	
0200235. PROG ANN (LN) ANB 3.5% NLP CRF IMM FI 72-75.....	23,036	XXX	23,036	XXX	
0200236. IRA/PRA RESERVE 3.5%.....	37,036,184	XXX		XXX	37,036,184
0200237. TSA/PRA RESERVE 3%.....	3,060,236	XXX		XXX	3,060,236
0200238. HIRO/PRA RESERVE 3%.....	3,461,174	XXX		XXX	3,461,174
0200239. SEPP/PRA RESERVE 3%.....	1,672,636	XXX		XXX	1,672,636
0200240. 1% NLP IMM FI 03.....	62,256	XXX	62,256	XXX	
0200241. 1.5% NLP IMM FI 03-04.....	4,088	XXX	4,088	XXX	
0200242. 1.75% NLP IMM FI 03-04.....	44,058	XXX	44,058	XXX	
0200243. 2% NLP IMM FI 03-04.....	45,476	XXX	45,476	XXX	
0200244. 2.25% NLP IMM FI 03-04.....	103,192	XXX	103,192	XXX	
0200245. 2.5% NLP IMM FI 03-04.....	496,702	XXX	496,702	XXX	
0200246. 2.75% NLP IMM FI 04-05.....	23,935	XXX	23,935	XXX	
0200247. 3% NLP IMM FI 93-08 NB.....	8,082,247	XXX	8,082,247	XXX	
0200248. 3.25% NLP IMM FI 02-05.....	3,706,026	XXX	3,706,026	XXX	
0200249. 3.5% NLP IMM FI 00-05.....	3,649,866	XXX	3,649,866	XXX	
0200250. 3.75% NLP IMM FI 93-05.....	4,575,191	XXX	4,575,191	XXX	
0200251. 4% NLP IMM FI 93-06.....	4,834,572	XXX	4,834,572	XXX	
0200252. 4.25% NLP IMM FI 93-07.....	10,005,718	XXX	10,005,718	XXX	
0200253. 4.5% NLP IMM FI 93-07.....	8,117,995	XXX	8,117,995	XXX	
0200254. 4.75% NLP IMM FI 92-07.....	5,643,653	XXX	5,643,653	XXX	
0200255. 5% NLP IMM FI 92-08 NB.....	10,613,181	XXX	10,613,181	XXX	
0200256. 5.15% NLP IMM FI 93.....	590,570	XXX	590,570	XXX	
0200257. 5.25% CARVM CRF DEF NFI 05.....	54,041,602	XXX		XXX	54,041,602
0200258. 5.25% NLP IMM FI 92-07.....	65,247,935	XXX	65,247,935	XXX	

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200259. 5.25% NLP IMM&DEF 05-06.....	24,972	XXX		XXX	24,972
0200260. 5.5% CARVM CRF DEF NFI 06-07.....	60,240,799	XXX		XXX	60,240,799
0200261. 5.5% NLP IMM FI 93-08 NB.....	81,422,500	XXX	81,422,500	XXX	
0200262. 5.5% NLP IMM&DEF 07.....	70,391	XXX		XXX	70,391
0200263. 5.75% CARVM CRF DEF NFI 04-08 NB.....	76,637,186	XXX		XXX	76,637,186
0200264. 5.75% NLP IMM FI 92-03.....	3,070,888	XXX	3,070,888	XXX	
0200265. 5.75% NLP IMM&DEF 93.....	5,555	XXX		XXX	5,555
0200266. 6% NLP IMM FI 87-03.....	17,109,688	XXX	17,109,688	XXX	
0200267. 6% NLP IMM&DEF 87-94.....	904,790	XXX		XXX	904,790
0200268. 6.15% NLP IMM FI 93.....	593,170	XXX	593,170	XXX	
0200269. 6.25% CARVM CRF DEF NFI 99-03.....	90,383,873	XXX		XXX	90,383,873
0200270. 6.25% NLP IMM FI 89-01.....	4,929,292	XXX	4,929,292	XXX	
0200271. 6.25% NLP IMM&DEF 89-93.....	152,589	XXX		XXX	152,589
0200272. 6.5% CARVM CRF DEF NFI 98.....	36,705,493	XXX		XXX	36,705,493
0200273. 6.5% NLP IMM FI 86-02.....	9,621,346	XXX	9,621,346	XXX	
0200274. 6.5% NLP IMM&DEF 86-96.....	312,061	XXX		XXX	312,061
0200275. 6.75% CARVM CRF DEF NFI 94-02.....	94,802,975	XXX		XXX	94,802,975
0200276. 6.75% NLP IMM FI 92-03.....	4,069,469	XXX	4,069,469	XXX	
0200277. 6.75% NLP IMM&DEF 92-01.....	54,119	XXX		XXX	54,119
0200278. 6.9% NLP IMM FI 92-93.....	3,609,537	XXX	3,609,537	XXX	
0200279. 7% CARVM CRF DEF NFI 97-01.....	84,182,304	XXX		XXX	84,182,304
0200280. 7% NLP IMM FI 80-00.....	971,796	XXX	971,796	XXX	
0200281. 7% NLP IMM&DEF 93-00.....	27,119	XXX		XXX	27,119
0200282. 7.25% CARVM CRF DEF NFI 93-00.....	44,907,983	XXX		XXX	44,907,983
0200283. 7.25% NLP IMM FI 87-95.....	2,273,874	XXX	2,273,874	XXX	
0200284. 7.25% NLP IMM&DEF 87-91.....	1,398,494	XXX		XXX	1,398,494
0200285. 7.5% CARVM CRF DEF NFI 81-95.....	30,137,722	XXX		XXX	30,137,722
0200286. 7.5% NLP IMM FI 81-92.....	1,794,631	XXX	1,794,631	XXX	
0200287. 7.5% NLP IMM&DEF 85-92.....	989,315	XXX		XXX	989,315
0200288. 7.75% NLP IMM FI 87-92.....	11,630,440	XXX	11,630,440	XXX	
0200289. 7.75% NLP IMM&DEF 87-88.....	297,027	XXX		XXX	297,027
0200290. 8% CARVM CRF DEF NFI 92.....	11,602,207	XXX		XXX	11,602,207
0200291. 8% NLP IMM FI 87-91.....	4,441,729	XXX	4,441,729	XXX	
0200292. 8% NLP IMM&DEF 86-91.....	154,970	XXX		XXX	154,970
0200293. 8.25% NLP IMM FI 89-91.....	20,930,275	XXX	20,930,275	XXX	
0200294. 8.25% NLP IMM&DEF 89-91.....	293,723	XXX		XXX	293,723
0200295. 8.5% CARVM CRF DEF NFI 87-90.....	5,147,168	XXX		XXX	5,147,168
0200296. 8.5% NLP IMM FI 89.....	169,469	XXX	169,469	XXX	
0200297. 8.5% NLP IMM&DEF 88.....	59,757	XXX		XXX	59,757
0200298. 8.75% CARVM CRF DEF NFI 91.....	9,598,925	XXX		XXX	9,598,925
0200299. 8.75% NLP IMM FI 86-89.....	1,516,312	XXX	1,516,312	XXX	
0200300. 8.75% NLP IMM&DEF 86-89.....	142,331	XXX		XXX	142,331
0200301. 9% CARVM CRF DEF NFI 89.....	1,295,668	XXX		XXX	1,295,668
0200302. 9.25% CARVM CRF DEF NFI 88.....	3,625,121	XXX		XXX	3,625,121
0200303. 9.25% NLP IMM FI 86.....	47,143	XXX	47,143	XXX	
0200304. 9.5% CARVM CRF DEF NFI 86.....	1,927,671	XXX		XXX	1,927,671
0200305. 9.5% NLP IMM&DEF 85.....	44,004	XXX		XXX	44,004
0200306. 9.65% NLP IMM FI 84.....	10,505	XXX	10,505	XXX	
0200307. 9.75% NLP IMM&DEF 83.....	1,709	XXX		XXX	1,709
0200308. 10% NLP IMM FI 85.....	1,989	XXX	1,989	XXX	
0200309. 10.5% NLP IMM FI 85.....	6,776	XXX	6,776	XXX	
0200310. 10.75% NLP IMM FI 85.....	5,863	XXX	5,863	XXX	
0200311. 11.25% NLP IMM FI 84.....	420,904	XXX	420,904	XXX	
0200312. 11.25% NLP IMM&DEF 82.....	3,435	XXX		XXX	3,435
0200313. 11.5% CARVM CRF DEF NFI 85.....	4,253,267	XXX		XXX	4,253,267
0200314. 11.75% CARVM CRF DEF NFI 83-84.....	1,668,652	XXX		XXX	1,668,652
0200315. 13.25% NLP IMM&DEF 82.....	5,640	XXX		XXX	5,640
0200316. 13.75% CARVM CRF DEF NFI 82.....	1,635,219	XXX		XXX	1,635,219
0200317. ACCOUNT VALUE.....	1,873,714,769	XXX	11,017,251	XXX	1,862,697,518
0200318. ACCOUNT VALUE 3.5%.....	10,572,421	XXX	10,572,421	XXX	
0299997. Totals (Gross).....	29,132,260,289	XXX	21,804,758,272	XXX	7,327,502,017
0299998. Reinsurance ceded.....	1,254,253,028	XXX	1,207,360,061	XXX	46,892,967
0299999. Totals (Net).....	27,878,007,261	XXX	20,597,398,211	XXX	7,280,609,050
Supplementary Contracts with Life Contingencies:					
0300001. 1937 SA 2.5% 72-80.....	28,108		28,108		
0300002. 1937 SA 3.5% 46-62.....	260,698		260,698		
0300003. 1937 SA 4% 23-45.....	112,172		112,172		
0300004. 1937 SA 4.75% 68-70.....	4,203		4,203		
0300005. 1937 SA 6% 51-66.....	23,954		23,954		
0300006. 1937 SA 7.5% 71.....	1,748		1,748		
0300007. 1937 SA ANB 2% SPIA IMM FI 50-84.....	71,979		71,979		
0300008. 1937 SA (back 1 and 5) 2.5% 62-89.....	65,487		65,487		
0300009. 1937 SA (back 2 and 7) 2.5% 75-77.....	4,744		4,744		
0300010. 1937 SA (back 1 and 5) 3% 53-77.....	119,508		119,508		
0300011. 1937 SA (back 1 and 5) 3.5% 49-93.....	10,852		10,852		
0300012. 1937 SA (back 2 and 7) 3.5% 75-78.....	3,335		3,335		
0300013. 1949 ANN (30 yr proj.) 2.5% 44-84.....	54,407		54,407		
0300014. 1949 ANN 3.5% 63-74.....	806,730		806,730		
0300015. 1949 ANN (30 yr proj.) 3.5% 68-79.....	241,167		241,167		
0300016. 1949 ANN (30 yr proj.) 6% 80-03.....	2,314,972		2,314,972		
0300017. 1949 ANN proj. ANB 2.5% NLP CRF IMM FI 77.....	717		717		
0300018. 1949 ANN proj. ANB 3.5% NLP CRF IMM FI 74-79.....	12,083		12,083		
0300019. 1955 MOD AMER ANN ANB 2.75% SPIA IMM FI 24-88.....	105,428		105,428		
0300020. 1955 MOD AMER ANN ANB 3% SPIA IMM FI 64-65.....	6,099		6,099		
0300021. 1955 MOD AMER ANN ANB 3.5% SPIA IMM FI 67-79.....	220,836		220,836		
0300022. 1971 IAM 4.25%.....	930,740		930,740		
0300023. 1971 IAM 5.25% 05-06.....	58,353		58,353		
0300024. 1971 IAM 6% 75-91.....	8,649,892		8,649,892		
0300025. 1971 IAM 7.5% 80-87.....	790,124		790,124		
0300026. 1971 IAM 11.25% 83-84.....	376,602		376,602		
0300027. 1971 IAM ANB 5% SPIA IMM FI 63-89.....	625,400		625,400		
0300028. 1971 IAM ANB 6% NLP CRF IMM FI 80-98.....	890,008		890,008		
0300029. 1971 IAM ANB 6.25% NLP CRF IMM FI 98.....	34,906		34,906		
0300030. 1971 IAM ANB 6.75% NLP CRF IMM FI 97.....	9,321		9,321		
0300031. 1971 IAM ANB 7.5% NLP CRF IMM FI 76-83.....	2,322		2,322		
0300032. 1971 IAM ANB 9.25% NLP CRF IMM FI 86.....	36,728		36,728		
0300033. 1983A 3.5% 70-77.....	72,290		72,290		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0300034. 1983A 4.75% 99-00.....	37,893		37,893		
0300035. 1983A 4.82% 04.....	5,410		5,410		
0300036. 1983A 5.5% 94-98.....	194,443		194,443		
0300037. 1983A 6% 92-03.....	13,381,722		13,381,722		
0300038. 1983A 6.09% 00.....	223		223		
0300039. 1983A 6.25% 98-99.....	108,015		108,015		
0300040. 1983A 6.5% 93-99.....	276,221		276,221		
0300041. 1983A 6.75% 96-97.....	230,520		230,520		
0300042. 1983A 7% 93.....	107,086		107,086		
0300043. 1983A 7.25% 95.....	169,172		169,172		
0300044. 1983A 7.5% 87-92.....	334,329		334,329		
0300045. 1983A 7.75% 92.....	224,886		224,886		
0300046. 1983A 8% 87-91.....	1,015,188		1,015,188		
0300047. 1983A 8.5% 96-97.....	4,191,887		4,191,887		
0300048. 1983A 9.25% 86.....	224,002		224,002		
0300049. 1983A 11% 85.....	240,605		240,605		
0300050. 1983A ANB 4.5% NLP CRF IMM FI 99-02.....	705,222		705,222		
0300051. 1983A ANB 5% NLP CRF IMM FI 94-96.....	270,865		270,865		
0300052. 1983A ANB 5.25% NLP CRF IMM FI 94-97.....	76,483		76,483		
0300053. 1983A ANB 5.5% NLP CRF IMM FI 94-98.....	1,950,183		1,950,183		
0300054. 1983A ANB 6% NLP CRF IMM FI 96-02.....	12,086,282		12,086,282		
0300055. 1983A ANB 6.25% CRVM IMM FI 98-99.....	40,240		40,240		
0300056. 1983A ANB 6.25% NLP CRF IMM FI 84-00.....	778,277		778,277		
0300057. 1983A ANB 6.5% NLP CRF IMM FI 93-95.....	1,570,981		1,570,981		
0300058. 1983A ANB 6.5% SPIA IMM FI 94.....	51,114		51,114		
0300059. 1983A ANB 6.75% NLP CRF IMM FI 96-02.....	2,310,565		2,310,565		
0300060. 1983A ANB 6.75% SPIA IMM FI 96-97.....	54,925		54,925		
0300061. 1983A ANB 6.9% NLP CRF IMM FI 93.....	214,429		214,429		
0300062. 1983A ANB 7% NLP CRF IMM FI 93-94.....	84,471		84,471		
0300063. 1983A ANB 7% SPIA IMM FI 93.....	37,100		37,100		
0300064. 1983A ANB 7.25% NLP CRF IMM FI 95.....	458,997		458,997		
0300065. 1983A ANB 7.25% SPIA IMM FI 95.....	50,110		50,110		
0300066. 1983A ANB 7.5% NLP CRF IMM FI 87-92.....	2,148,076		2,148,076		
0300067. 1983A ANB 7.75% NLP CRF IMM FI 87-93.....	566,376		566,376		
0300068. 1983A ANB 7.75% SPIA IMM FI 92.....	4,967		4,967		
0300069. 1983A ANB 8% NLP CRF IMM FI 87.....	158,883		158,883		
0300070. 1983A ANB 8.25% NLP CRF IMM FI 90-91.....	1,027,853		1,027,853		
0300071. 1983A ANB 8.25% SPIA IMM FI 90-91.....	29,225		29,225		
0300072. 1983A ANB 8.75% NLP CRF IMM FI 88-89.....	488,047		488,047		
0300073. 1983A ANB 9.25% NLP CRF IMM FI 86.....	35,253		35,253		
0300074. 1986 ANNUITY ANB 2% NLP IMM FI 45-70.....	12,181		12,181		
0300075. 1994 GAR 4.5%.....	1,202,773				1,202,773
0300076. ANNUITY 2000 4.5% 01-03.....	23,248		23,248		
0300077. ANNUITY 2000 5.25% 05-06.....	5,167,147		5,167,147		
0300078. ANNUITY 2000 5.5% 04-08 NB.....	2,580,135		2,580,135		
0300079. ANNUITY 2000 6% 73-03.....	4,518,246		4,518,246		
0300080. ANNUITY 2000 ANB 3% NLP CRF IMM FI 00-04.....	642,167		642,167		
0300081. ANNUITY 2000 ANB 3.5% NLP CRF IMM FI 98-02.....	138,648		138,648		
0300082. ANNUITY 2000 ANB 4% NLP CRF IMM FI 99-00.....	142,409		142,409		
0300083. ANNUITY 2000 ANB 4.25% NLP CRF IMM FI 98.....	1,974		1,974		
0300084. ANNUITY 2000 ANB 5.25% NLP CRF IMM FI 05-06.....	7,102,441		7,102,441		
0300085. ANNUITY 2000 ANB 5.5% NLP CRF IMM FI 03-08 NB.....	9,589,829		9,589,829		
0300086. ANNUITY 2000 ANB 6% NLP CRF IMM FI 03.....	1,385,779		1,385,779		
0300087. ANNUITY 2000 ANB 6.25% NLP CRF IMM FI 83.....	3,681		3,681		
0300088. ANNUITY 2000 ANB 6.5% NLP CRF IMM FI 02.....	52,305		52,305		
0300089. ANNUITY 2000 ANB 6.75% NLP CRF IMM FI 00-03.....	731,427		731,427		
0300090. AMERICAN ANNUITANTS 3% 56-78.....	55,224		55,224		
0300091. PROG ANN (JP) 3% 66-02.....	78,128		78,128		
0300092. AMERICAN ANNUITANTS 3.5% 45-81.....	64,895		64,895		
0399997. Totals (Gross).....	96,379,075	0	95,176,302	0	1,202,773
0399998. Reinsurance ceded.....	1,867,941		665,168		1,202,773
0399999. Totals (Net).....	94,511,134	0	94,511,134	0	0
Accidental Death Benefits:					
0400001. 1959 ADB ISL 87-01.....	3,775		3,775		
0400002. 1959 ADB 1958 CSO 2.5%.....	626,778		626,778		
0400003. 1959 ADB 1958 CSO 3% 57-99.....	674,515		674,515		
0400004. 1959 ADB 1958 CET 3% 63-90.....	202		202		
0400005. 1959 ADB 1958 CSO 3% ISL 82-96.....	293,871		293,871		
0400006. 1959 ADB 1958 CSO 3.5% 63-94.....	74,735		74,735		
0400007. 1959 ADB 1958 CSO 4% 40-98.....	220,169		220,169		
0400008. 1959 ADB 1958 CSO 4% ISL 82-87.....	25,279		25,279		
0400009. 1959 ADB 1958 CSO 4.5% 80-06.....	4,282,861		4,282,861		
0400010. 1959 ADB 1958 CSO 4.5% ISL 83-88.....	27,617		27,617		
0400011. 1959 ADB 1958 CSO 5% 93-94.....	463		463		
0400012. 1959 ADB 1958 CSO 5.5% 87-92.....	585		585		
0400013. 1959 ADB 1958 CSO 6% 83-86.....	1,423		1,423		
0400014. 1959 ADB 1958 CSO ANB 3% NLP CNF 62-06.....	65,809		65,809		
0400015. 1959 ADB 1960 CSG 4%.....	65,211				65,211
0400016. 1959 ADB 1980 CSO 3% 85-95.....	5,426		5,426		
0400017. 1959 ADB 1980 CSO 3% ISL 84-08 NB.....	170,647		170,647		
0400018. 1959 ADB 115% 1980 CSO 3% ISL 89-93.....	110		110		
0400019. 1959 ADB 125% 1980 CSO 3% ISL 89-08 NB.....	918		918		
0400020. 1959 ADB 2001 CSO 3% ISL 05-08 NB.....	1,210		1,210		
0400021. 1959 ADB 1980 CSO 3.5% ISL 94.....	152		152		
0400022. 1959 ADB 1980 CSO 4% 79-94.....	435		296		139
0400023. 1959 ADB 1980 CSO 4% ISL 82-97.....	96,529		96,475		54
0400024. 1959 ADB 1980 CSO 4.5% ISL 81-08 NB.....	46,490		46,490		
0400025. INTERCO DI 1941 CSO 2.5% 50-81.....	37,047		37,047		
0400026. INTERCO DI 1941 CSO 3% 31-61.....	30,578		30,578		
0400027. INTERCO DI 1941 CSO ANB 2.5% NLP CNF 50-61.....	1,484		1,484		
0499997. Totals (Gross).....	6,754,319	0	6,688,915	0	65,404
0499998. Reinsurance ceded.....	4,653,629		4,653,629		
0499999. Totals (Net).....	2,100,690	0	2,035,286	0	65,404
Disability - Active Lives:					
0500001. 1926 CLASS (3) ANB 3% NLP CNF 52-59.....	1,169		1,169		
0500002. 1926 CLASS (3) MOD 1941 CSO 2.5% 59-88.....	2,388		2,388		
0500003. 1952 DISABILITY STUDY ISL 83-06.....	641,126		641,126		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0500004. 1952 DISABILITY STUDY 3% NLP 76.....	3		3		
0500005. 1952 DISABILITY STUDY 3.5% CRF 95-08 NB.....	10,644,342		10,644,342		
0500006. 1952 DISABILITY STUDY 1941 CSO 2.5% 60-61.....	23		23		
0500007. 1952 DISABILITY STUDY 1958 CSO 2.5% 49-07.....	512,747		512,747		
0500008. 1952 DISABILITY STUDY 1958 CSO 3% 61-01.....	680,460		680,460		
0500009. 1952 DISABILITY STUDY 1958 CSO 3% ISL 81-08 NB.....	3,559,106		3,559,106		
0500010. 1952 DISABILITY STUDY 1958 CSO 3% NLP 70-97.....	13,880		13,880		
0500011. 1952 DISABILITY STUDY 1958 CSO 3% NLP CNF 59-99.....	315,976		315,976		
0500012. 1952 DISABILITY STUDY 1958 CSO 3.5% 77-00.....	11,865,514		11,865,514		
0500013. 1952 DISABILITY STUDY 1958 CSO 4% 82-88.....	275,387		275,387		
0500014. 1952 DISABILITY STUDY 1958 CSO 4% ISL 81-89.....	242,167		242,167		
0500015. 1952 DISABILITY STUDY 1958 CSO 4.5% ISL 82-88.....	5,412		5,412		
0500016. 1952 DISABILITY STUDY 1958 CSO 4.5% NLP ISL 82-86.....	35,428		35,428		
0500017. 1952 DISABILITY STUDY 1958 CSO 5.5% ISL 86-89.....	109,228		109,228		
0500018. 1952 DISABILITY STUDY 1958 CSO 6% ISL 83-86.....	351,855		351,855		
0500019. 1952 DISABILITY STUDY 1980 CSO 3% 88-08 NB.....	2,409,581		2,409,581		
0500020. 1952 DISABILITY STUDY 1980 CSO 3% ISL 85-05.....	198,082		198,082		
0500021. 1952 DISABILITY STUDY 1980 CSO 3% NLP 74-95.....	76,874		76,874		
0500022. 1952 DISABILITY STUDY 1980 CSO 3.5% ISL 83-92.....	1,709		1,709		
0500023. 1952 DISABILITY STUDY 2001 CSO 4% 05-08 NB.....	606,661		606,661		
0500024. 1952 DISABILITY STUDY 1980 CSO 4% ISL 82-08 NB.....	2,753,887		2,752,580		1,307
0500025. 1952 DISABILITY STUDY 125% 1980 CSO 4% ISL 06-08 NB.....	110		110		
0500026. 1952 DISABILITY STUDY 2001 CSO 4% ISL 06-08 NB.....	30,726		30,726		
0500027. 1952 DISABILITY STUDY 1980 CSO 4% NLP 79-97.....	66,049		65,756		293
0500028. 1952 DISABILITY STUDY 1980 CSO 4.5% 89-06.....	526,647		526,647		
0500029. 1952 DISABILITY STUDY 1980 CSO 4.5% ISL 84-05.....	1,280,104		1,280,104		
0500030. 1952 DISABILITY STUDY 125% 1980 CSO 4.5% ISL 88-05.....	9,978		9,978		
0500031. 1952 DISABILITY STUDY 115% 1980 CSO 4.5% ISL 89-96.....	480		480		
0500032. 1952 DISABILITY STUDY 2001 CSO 4.5% ISL 05.....	6,136		6,136		
0500033. 1952 DISABILITY STUDY 1980 CSO 4.5% NLP ISL 95.....	921		921		
0500034. 1952 DISABILITY STUDY 1980 CSO 5% ISL 88-94.....	241,689		241,689		
0500035. 1952 DISABILITY STUDY 115% 1980 CSO 5% ISL 89-94.....	982		982		
0500036. 1952 DISABILITY STUDY 1980 CSO 5% NLP ISL 92-94.....	32,468		32,468		
0500037. 1952 DISABILITY STUDY 1980 CSO 5.5% ISL 86-92.....	125,927		125,927		
0500038. 1952 DISABILITY STUDY 125% 1980 CSO 5.5% ISL 89-92.....	1,650		1,650		
0500039. 1952 DISABILITY STUDY 1980 CSO 5.5% NLP ISL 85-91.....	66,443		66,443		
0500040. 1952 DISABILITY STUDY 1980 CSO 6% NLP ISL 84-86.....	30,855		30,855		
0500041. 1964 CDT 1958 CSO ANB 3% NLP CNF 68-69.....	2,045		2,045		
0500042. 1985 NATIONAL NH STUDY 1980 CSO CRF 93-08 NB.....	42,637,138		42,637,138		
0500043. 2001 CSO 4.5% CRVM.....	833,431		833,431		
0599997. Totals (Gross).....	81,196,783	0	81,195,183	0	1,600
0599998. Reinsurance ceded.....	20,608,853		20,577,786		31,067
0599999. Totals (Net).....	60,587,929	0	60,617,396	0	(29,467)
Disability - Disabled Lives:					
0600001. 1926 CLASS (3) 2.5% 36-03.....	4,683,570		4,683,570		
0600002. 1952 DISABILITY STUDY 2.5% 40-98.....	1,755,178		1,755,178		
0600003. 1952 DISABILITY STUDY 3% 60-96.....	6,209,272		6,209,272		
0600004. 1952 DISABILITY STUDY 3% ISL 81-02.....	8,337,004		8,337,004		
0600005. 1952 DISABILITY STUDY 3.5% 36-06.....	10,964,670		10,964,670		
0600006. 1952 DISABILITY STUDY 3.5% CRF 96-07.....	312,140		312,140		
0600007. 1952 DISABILITY STUDY 4%.....	1,926,968		1,926,968		
0600008. 1952 DISABILITY STUDY 4% CRF 92-08.....	7,804,977		7,804,977		
0600009. 1952 DISABILITY STUDY 4.5%.....	7,488,173		7,488,173		
0600010. 1952 DISABILITY STUDY 5%.....	2,356,394		2,356,394		
0600011. 1952 DISABILITY STUDY 5.5%.....	2,607,076		2,607,076		
0600012. 1952 DISABILITY STUDY 6%.....	1,496,657		1,496,657		
0600013. 1952 DISABILITY STUDY 1941 CSO 2.5% 35-61.....	56,344		56,344		
0600014. 1952 DISABILITY STUDY 1941 CSO 3% 50.....	347		347		
0600015. 1952 DISABILITY STUDY 1958 CSO 3% 62-06.....	8,268,578	5,000	8,263,578		
0600016. 1952 DISABILITY STUDY 1958 CSO 3% ISL 81-96.....	5,178,694		5,178,694		
0600017. 1952 DISABILITY STUDY 1958 CSO 4% ISL 81-89.....	1,139,567		1,139,567		
0600018. 1952 DISABILITY STUDY 1958 CSO 4.5% 78-97.....	2,696,404		2,696,404		
0600019. 1952 DISABILITY STUDY 1958 CSO 4.5% ISL 83-95.....	2,393,090		2,393,090		
0600020. 1952 DISABILITY STUDY 1958 CSO 5.5% ISL 87-88.....	1,295,048		1,295,048		
0600021. 1952 DISABILITY STUDY 1958 CSO 6% ISL 83-86.....	7,851,643		7,851,643		
0600022. 1952 DISABILITY STUDY 1980 CSO 3% 91-03.....	1,712,943		1,712,943		
0600023. 1952 DISABILITY STUDY 1980 CSO 3% ISL 85-05.....	2,205,807		2,205,807		
0600024. 1952 DISABILITY STUDY 1980 CSO 3.5% ISL 83-92.....	43,749		43,749		
0600025. 1952 DISABILITY STUDY 1980 CSO 4% ISL 82-06.....	5,803,665		5,802,598		1,067
0600026. 1952 DISABILITY STUDY 2001 CSO 4% ISL 06-08 NB.....	203,743		203,743		
0600027. 1952 DISABILITY STUDY 1980 CSO 4.5% ISL 84-05.....	5,762,276		5,762,276		
0600028. 1952 DISABILITY STUDY 125% 1980 CSO 4.5% ISL 94-04.....	75,637		75,637		
0600029. 1952 DISABILITY STUDY 2001 CSO 4.5% ISL 05.....	21,464		21,464		
0600030. 1952 DISABILITY STUDY 1980 CSO 5% ISL 88-94.....	2,052,326		2,052,326		
0600031. 1952 DISABILITY STUDY 115% 1980 CSO 5% ISL 89-93.....	14,930		14,930		
0600032. 1952 DISABILITY STUDY 1980 CSO 5.5% ISL 87-91.....	269,655		269,655		
0600033. 1952 DISABILITY STUDY 125% 1980 CSO 5.5% ISL 92.....	9,763		9,763		
0600034. 1964 CDT 3% 74-03.....	27,629		27,629		
0600035. 1970 INTERCO DISA 4%.....	81,230,471				81,230,471
0600036. 1970 INTERCO DISA 4.5%.....	96,716,912				96,716,912
0600037. 1970 INTERCO DISA 5%.....	3,089,885				3,089,885
0600038. 1970 INTERCO DISA 5.5%.....	4,935,316				4,935,316
0600039. 1970 INTERCO DISA 6%.....	4,124,489				4,124,489
0699997. Totals (Gross).....	293,122,454	5,000	103,019,314	0	190,098,140
0699998. Reinsurance ceded.....	29,469,019		18,359,475		11,109,544
0699999. Totals (Net).....	263,653,435	5,000	84,659,839	0	178,988,596
Miscellaneous Reserves:					
0700001. Additional Policy Reserves.....	31,281,019		31,281,019		
0700002. GMDB - Annuities.....	778,644,412		778,370,425		273,987
0700003. GMDB - Life 99-08 NB.....	95,874,316		95,874,316		
0700004. Accelerated Benefit Rider.....	213,579		213,579		
0700005. GLB.....	319,199,088		319,199,088		
0700006. Survivor Income B56 RR Ret Bd.....	36,104,767				36,104,767
0700007. Additional Reserve for Rider Guarantees.....	854,286		854,286		
0700008. Extra Mort on Group Conv.....	545,624				545,624
0700009. Immediate Payment of Claims.....	3,049,984		3,049,984		
0700010. For excess of valuation net premiums over corresponding gross premiums on respective po.....	1,043,462,907		1,041,966,415		1,496,492

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0700011. For non-deduction of deferred fractional premiums or return of premiums at the death of the insured	22,457,615		22,456,376		1,239
0700012. For surrender values in excess of reserves otherwise required and carried in this schedule	482,012,992		481,995,676		17,316
0700013. Additional actuarial reserves - asset/liability analysis	120,000,000		120,000,000		
0700014. Extra Reserve for Substandard	115,631,517		115,631,517		
0700015. NY Reg 20 Reserve	20,000,000		20,000,000		
0799997. Totals (Gross)	3,069,332,106	0	3,030,892,681	0	38,439,425
0799998. Reinsurance ceded	1,742,450,450		1,742,450,450		
0799999. Totals (Net)	1,326,881,656	0	1,288,442,231	0	38,439,425
9999999. Totals (Net) - Page 3, Line 1	54,299,973,024	30,973,332	46,718,381,216	0	7,550,618,476

EXHIBIT 5 - INTERROGATORIES

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

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

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due To Change
	2 Changed From	3 Changed To	
LIFE CONTRACTS (Including supplementary contracts set up on a basis other than that used to determine benefits) (Exhibit 5)			
0100001. Ordinary Life Insurance - Legacy Lincoln UL, pre 2007 issue dates.....	2001 CSO Mortality.....	2001 CSO Preferred Mortality.....	15,944,947
0100002. Ordinary Life Insurance - Legacy JP (JPL) UL, all issue dates.....	2001 CSO Mortality.....	2001 CSO Preferred Mortality.....	27,729,929
0100003. Ordinary Life Insurance - Legacy JP (JPFIC) Traditional, all issue dates.....	2001 CSO Mortality.....	2001 CSO Preferred Mortality.....	9,967,991
0199999. Subtotal (Page 7, Line 6).....	XXX	XXX	53,642,867
9999999. Total (Column 4 only).....			53,642,867

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	30,905,636	564,644	11,024,538	5,920	15,286,564	3,682,047	92,578	247,155	2,190
2. Additional contract reserves (a).....	417,897,841	9,778		233,798	297,014,839	77,770,138	3,198,200	34,649,540	5,021,548
3. Additional actuarial reserves - Asset/Liability analysis.....	0								
4. Reserve for future contingent benefits.....	0								
5. Reserve for rate credits.....	0								
6. Aggregate write-ins for reserves.....	0	0	0	0	0	0	0	0	0
7. Totals (Gross).....	448,803,477	574,422	11,024,538	239,718	312,301,403	81,452,185	3,290,778	34,896,695	5,023,738
8. Reinsurance ceded.....	397,977,388		11,024,538		269,976,702	73,831,083	3,290,778	34,896,429	4,957,858
9. Totals (Net).....	50,826,089	574,422	0	239,718	42,324,701	7,621,102	0	266	65,880
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	2,742,968,185	1,278,917,842		2,669,034	1,329,684,181	110,079,439	885,372	634,072	20,098,245
11. Additional actuarial reserves - Asset/Liability analysis.....	0								
12. Reserve for future contingent benefits.....	2,056,805	2,056,805							
13. Aggregate write-ins for reserves.....	0	0	0	0	0	0	0	0	0
14. Totals (Gross).....	2,745,024,990	1,280,974,647	0	2,669,034	1,329,684,181	110,079,439	885,372	634,072	20,098,245
15. Reinsurance ceded.....	1,561,355,367	177,936,557			1,257,350,769	104,450,352	885,372	634,072	20,098,245
16. Totals (Net).....	1,183,669,623	1,103,038,090	0	2,669,034	72,333,412	5,629,087	0	0	0
17. TOTALS (Net).....	1,234,495,712	1,103,612,512	0	2,908,752	114,658,113	13,250,189	0	266	65,880
18. TABULAR FUND INTEREST.....	50,293,209	45,517,657		90,537	4,264,217	420,793			5

DETAILS OF WRITE-INS

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

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

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	1,409,348,192		5,849,947	115,968,383	339,843,850	947,686,012
2. Deposits received during the year.....	2,303,603,936			36,661,822	5,864,270	2,261,077,844
3. Investment earnings credited to the account.....	41,032,803		295,175	3,961,802	10,698,493	26,077,333
4. Other net change in reserves.....	(341,557)			(339,572)		(1,985)
5. Fees and other charges assessed.....	0					
6. Surrender charges.....	0					
7. Net surrender or withdrawal payments.....	2,538,280,943		126,964	36,408,453	22,673,263	2,479,072,263
8. Other net transfers to or (from) Separate Accounts.....	0					
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8).....	1,215,362,431	0	6,018,158	119,843,982	333,733,350	755,766,941
10. Reinsurance balance at the beginning of the year.....	(2,229)			(2,229)		
11. Net change in reinsurance assumed.....	0					
12. Net change in reinsurance ceded.....	2,305,043			2,305,043		
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	(2,307,272)	0	0	(2,307,272)	0	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	1,213,055,159	0	6,018,158	117,536,710	333,733,350	755,766,941

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct.....	569,844										569,844
1.2 Reinsurance assumed.....	748										748
1.3 Reinsurance ceded.....	569,844										569,844
1.4 Net.....	748	0	0	0	0	0	0	0	0	0	748
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	9,800,000		9,800,000								
2.12 Reinsurance assumed.....	773,661		773,661								
2.13 Reinsurance ceded.....	0										
2.14 Net.....	10,573,661	0	(b).....10,573,661	(b).....0	0	(b).....0	(b).....0	0	0	0	0
2.2 Other:											
2.21 Direct.....	280,722,354	31,286	223,200,325	1,337,983			20,482,156	8,241,663	23,152,020		4,276,921
2.22 Reinsurance assumed.....	377,210,318		322,218,921	73,240		1,175,852	1,633,049	36,250	24,665,071	2,460,830	24,947,105
2.23 Reinsurance ceded.....	389,061,928		419,377,611	61,951		1,175,852	6,436,867	36,250	(56,401,947)	2,460,830	15,914,514
2.24 Net.....	268,870,744	31,286	(b).....126,041,635	(b).....1,349,272	0	(b).....0	(b).....15,678,338	8,241,663	(b).....104,219,038	(b).....0	(b).....13,309,512
3. Incurred but unreported:											
3.1 Direct.....	131,495,538	200,000	25,110,232			728	84,430,159		19,579,238		2,175,181
3.2 Reinsurance assumed.....	319,031,702		104,911,373			1,077,714	1,318,335		188,300,388	8,929,244	14,494,648
3.3 Reinsurance ceded.....	324,642,028		102,218,177			1,078,442	8,408,646		188,310,144	8,929,244	15,697,375
3.4 Net.....	125,885,212	200,000	(b).....27,803,428	(b).....0	0	(b).....0	(b).....77,339,848	0	(b).....19,569,482	(b).....0	(b).....972,454
4. Totals:											
4.1 Direct.....	422,587,736	231,286	258,110,557	1,337,983	0	728	104,912,315	8,241,663	42,731,258	0	7,021,946
4.2 Reinsurance assumed.....	697,016,429	0	427,903,955	73,240	0	2,253,566	2,951,384	36,250	212,965,459	11,390,074	39,442,501
4.3 Reinsurance ceded.....	714,273,800	0	521,595,788	61,951	0	2,254,294	14,845,513	36,250	131,908,197	11,390,074	32,181,733
4.4 Net.....	405,330,365	(a).....231,286	(a).....164,418,724	1,349,272	0	0	(a).....93,018,186	8,241,663	123,788,520	0	14,282,714

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

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for

Ordinary Life Insurance \$.....84,659,839, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....178,988,596,

are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....1,103,038,090, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....80,631,533

are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		9 Group	Accident and Health	
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities		10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct.....	3,069,962,607	799,707	1,330,025,613	506,251,531	13,807,963	31,111	350,234,837	152,040,613	633,476,440		83,294,792
1.2 Reinsurance assumed.....	1,698,250,356		1,218,177,223	4,497,651	288,830	5,199,692	5,479,167		311,941,921	10,648,983	142,016,889
1.3 Reinsurance ceded.....	2,305,609,599		1,638,076,111	125,164,885		5,230,803	5,469,195		316,669,172	10,648,983	204,350,450
1.4 Net.....	(d) 2,462,603,364	799,707	910,126,725	385,584,297	14,096,793	0	350,244,809	152,040,613	628,749,189	0	20,961,231
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	422,587,736	231,286	258,110,557	1,337,983		728	104,912,315	8,241,663	42,731,258		7,021,946
2.2 Reinsurance assumed.....	697,016,429		427,903,955	73,240		2,253,566	2,951,384	36,250	212,965,459	11,390,074	39,442,501
2.3 Reinsurance ceded.....	714,273,800		521,595,788	61,951		2,254,294	14,845,513	36,250	131,908,197	11,390,074	32,181,733
2.4 Net.....	405,330,365	231,286	164,418,724	1,349,272	0	0	93,018,186	8,241,663	123,788,520	0	14,282,714
3. Amounts recoverable from reinsurers December 31, current year.....	162,258,042		52,911,158	21,039,953			730,060		82,435,681		5,141,190
4. Liability December 31, prior year:											
4.1 Direct.....	364,858,657	250,231	207,062,030	4,767,244		939	98,475,287	6,971,760	40,145,794		7,185,372
4.2 Reinsurance assumed.....	746,931,591		395,476,289	359,295		3,693,605	3,356,805	19,498	280,775,279	17,772,403	45,478,417
4.3 Reinsurance ceded.....	764,108,908		470,798,024	1,177,369		3,694,544	13,417,664	19,498	222,277,281	17,772,403	34,952,125
4.4 Net.....	347,681,340	250,231	131,740,295	3,949,170	0	0	88,414,428	6,971,760	98,643,792	0	17,711,664
5. Amounts recoverable from reinsurers December 31, prior year.....	151,346,989		84,183,312	1,026,750			2,021,434		59,830,698		4,284,795
6. Incurred benefits:											
6.1 Direct.....	3,127,691,686	780,762	1,381,074,140	502,822,270	13,807,963	30,900	356,671,865	153,310,516	636,061,904	0	83,131,366
6.2 Reinsurance assumed.....	1,648,335,194	0	1,250,604,889	4,211,596	288,830	3,759,653	5,073,746	16,752	244,132,101	4,266,654	135,980,973
6.3 Reinsurance ceded.....	2,266,685,544	0	1,657,601,721	144,062,670	0	3,790,553	5,605,670	16,752	248,905,071	4,266,654	202,436,453
6.4 Net.....	2,509,341,336	780,762	974,077,308	362,971,196	14,096,793	0	356,139,941	153,310,516	631,288,934	0	16,675,886

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....184,932 in Line 1.1, \$.....184,932 in Line 1.4, \$.....184,932 in Line 6.1 and \$.....184,932 in line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....5,083,555 in Line 1.1, \$.....5,083,555 in Line 1.4, \$.....5,083,555 in Line 6.1 and \$.....5,083,555 in line 6.4.

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

(d) Includes \$.....0 premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.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.....	70	70	.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.....	560,041	389,307	(170,734)
7. Other invested assets (Schedule BA).....	207,659	1,699,281	1,491,622
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).....	767,770	2,088,658	1,320,888
11. Title plants (for Title insurers only).....			.0
12. Investment income due and accrued.....	37,820	330,195	292,375
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection.....	13,290,327	2,035,757	(11,254,570)
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.....	828,145,637	890,568,737	62,423,100
17. Guaranty funds receivable or on deposit.....			.0
18. Electronic data processing equipment and software.....	111,533,215	68,358,690	(43,174,525)
19. Furniture and equipment, including health care delivery assets.....	61,185,911	58,322,928	(2,862,983)
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
21. Receivables from parent, subsidiaries and affiliates.....		937,373	937,373
22. Health care and other amounts receivable.....		3,631,211	3,631,211
23. Aggregate write-ins for other than invested assets.....	36,743,433	25,496,192	(11,247,241)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,051,704,113	1,051,769,741	65,628
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
26. TOTALS (Lines 24 and 25).....	1,051,704,113	1,051,769,741	65,628

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. Miscellaneous receivables & prepaid items.....	36,743,433	25,496,192	(11,247,241)
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).....	36,743,433	25,496,192	(11,247,241)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Lincoln National Life Insurance Company, ("the Company"), are presented on the basis of accounting practices prescribed or permitted by the Indiana Department of Insurance.

The Indiana Department of Insurance (the Department) recognizes only statutory accounting practices prescribed or permitted by the state of Indiana for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Indiana Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Indiana. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, the Company calculates universal life (UL) reserves based on the Indiana UL Method for some blocks. The NAIC Accounting Practices and Procedures manual prescribe the use of UL Model reserves. The Company also uses a more conservative valuation interest rate in the On Benefit SPIAs than required by NAIC SAP.

The Company utilizes certain accounting practices permitted by the state of Indiana. One is the use of a longer period over which potential tax benefits are projected to be realized along with a higher statutory capital and surplus limitation compared to NAIC SAP for determining the admissibility of deferred tax assets. The second is the application of 2001 CSO preferred mortality tables to earlier policy issue dates and in the determination of segments compared to NAIC SAP.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Indiana is shown below.

	<u>2008</u>	<u>2007</u>
Net Income (Loss), Indiana State Basis	\$ (144,792,789)	\$ 1,204,807,938
State Prescribed Practice:		
Universal Life Reserves Calculated on Indiana UL Method	(42,734,615)	(18,935,464)
Conservative Valuation Interest Rate for On Benefit SPIAs	(2,246,498)	(392,828)
State Permitted Practice:		
Use of 2001 CSO preferred mortality tables	<u>5,547,487</u>	<u>-</u>
Net Income, NAIC SAP	<u>\$ (184,226,415)</u>	<u>\$ 1,185,479,646</u>
Statutory Capital & Surplus, Indiana State Basis	\$ 4,585,435,185	\$ 4,957,875,132
State Prescribed Practice:		
Universal Life Reserves Calculated on Indiana UL Method	(288,608,676)	(245,874,061)
Conservative Valuation Interest Rate for On Benefit SPIAs	11,448,778	13,695,276
State Permitted Practice:		
Use of 2001 CSO preferred mortality tables	(15,732,664)	-
Increase in limits for admissibility of deferred tax assets	<u>(297,710,347)</u>	<u>-</u>
Statutory Surplus, NAIC SAP	<u>\$ 3,994,832,276</u>	<u>\$ 4,725,696,347</u>

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 statement and reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors of the issuing company. The aggregate amount of policyholders' dividends is related to the actual experience and expected future level of interest, mortality, persistency, morbidity, and expense experience and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are valued at amortized cost.
- (2) Bonds that have been rated 1-5 by the Securities Valuation Office (SVO) of the NAIC are valued at amortized cost using the scientific method of amortization. Bonds in or near default (rating of 6) are reported at lower of amortized cost or market value.
- (3) Unaffiliated common stocks are valued at market.
- (4) Preferred stocks are valued based on the quality rating of the security as assigned by the Securities Valuation Office. Preferred stocks with highest-quality, high-quality or medium-quality ratings (1-3) are valued at amortized cost. All other preferred stocks (ratings of 4-6) are valued at lower of amortized cost or market value.
- (5) Mortgage loans on real estate are stated at the aggregate unpaid balance, less allowance for impairments.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. Prepayment assumptions for loan-backed bonds and structured securities were obtained from third party vendors. These assumptions are consistent with the current interest rate and economic environment. The retrospective method is used to value loan-backed securities. Loan-backed securities meeting certain requirements are valued prospectively in accordance with SSAP No. 43, *Loan-Backed and Structured Securities*.
- (7) The Company accounts for investments in subsidiaries, controlled or affiliated companies using the statutory equity of the subsidiary if the entity is an insurance company. All noninsurance entities are valued at the GAAP equity of the investee.
- (8) The Company values all investments in Joint Ventures, Partnerships and Limited Liability Companies using the equity method.
- (9) For the years ended December 31, 2008 and 2007, the Company hedged certain portions of its exposure to interest rate fluctuations and foreign exchange risk by entering into derivative transactions. The Company holds interest rate caps, interest rate swaps and

foreign currency swaps at December 31, 2008. The Company uses S&P 500® index call options to hedge annuity liabilities. In addition, the Company sold credit protection by selling credit default swaps during 2008 and 2007 to replicate specified securities

in its investment portfolio. A description of the Company's accounting for these derivative instruments is discussed in the following paragraphs.

Hedge accounting is applied for interest rate swaps and foreign currency swaps after the Company determines that the items to be hedged expose the Company to interest rate fluctuations or fluctuations in foreign exchange risk. Moreover, the derivatives used to hedge these exposures are designated as hedges and reduce the indicated risk by demonstrating a high correlation between changes in the value of the derivatives and changes in the value of the cash flows being hedged at both the inception of the hedge and throughout the hedge period. Should such criteria not be met or if the hedged items have been sold, terminated or matured, the change in value of the derivatives is included in net income.

Interest rate caps protect the Company against the negative impact of a significant and sustained rise in interest rates. Interest rate caps are accounted for under SSAP No. 86 and changes in the value of the caps are recorded in surplus.

The S&P 500® index options are used to hedge liabilities for equity indexed annuity products. The call options are recorded on the balance sheet at market value as these derivatives do not qualify as hedges for statutory reporting purposes.

Credit default swaps were sold to replicate a particular debt security in the Company's investment portfolio, rather than purchasing the security in the open market. The swaps are accounted for as RSATs and changes in the value of the swaps are recorded in surplus.

All derivatives are recorded in Aggregate write-ins for Invested Assets.

- (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) Reserves for losses and loss adjustment expenses represent the estimated ultimate net cost of all reported and unreported losses incurred through December 31. The reserves for losses and loss adjustment expenses are estimated using individual case-basis valuations and statistical analyses. Those estimates are subject to the effects of trends in loss severity and frequency. Considerable variability is inherent in such estimates. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known. Such adjustments are included in current operations.
- (12) There was no change in the capitalization policy for 2008.
- (13) The Company does not have pharmaceutical rebate receivables.

2. Accounting Changes and Corrections of Errors

A. Correction of Errors

According to SSAP No. 3, corrections of errors in previously issued financial statements are reported as adjustments to surplus in the period the error is corrected.

During 2008, the Company corrected an error related to the valuation of its investment holdings in a certain class of preferred stocks. The effect of this correction of error, net of tax, is reported as a decrease in capital and surplus accounts, Page 4, Line 53, Column 1, of \$75,463,430.

During 2008, the Company corrected an error related to Market Value Adjustments and its impact on the cash surrender value floor for reserves associated with equity index annuity products. The effect of this correction of error, net of tax, is reported as an increase in capital and surplus accounts, Page 4, Line 53, Column 1, of \$29,245,418.

During 2008, the Company corrected a coding error in the valuation system for certain universal life policies. The effect of this correction of error, net of tax, is reported as a decrease in capital and surplus accounts, Page 4, Line 53, Column 1, of \$147,012,519.

During 2007, the Company corrected an error related to the projection of the minimum cash surrender values for equity indexed annuity products in the CARVM calculations. This was due to a combination of product table coding and the calculation methods in the valuation system. The effect of this correction of error is reported as a decrease in capital and surplus accounts, Page 4 Line 53, Column 2, of \$26,055,444.

During 2007, the Company corrected an overstatement of reserves associated with certain life policies with secondary guarantees that were issued primarily in the second half of 2006. The effect of this correction of error, net of applicable tax effect, is reported as an increase in capital and surplus accounts, Page 4, Line 53, Column 2, of \$51,908,670.

3. Business Combinations and Goodwill

A. Statutory Purchase – Not applicable

B. Statutory Merger

The Company obtained approval from the applicable state insurance departments to merge the Jefferson Pilot Life Insurance Company, an affiliate, and the Jefferson Pilot Financial Insurance Company, an affiliate, into the Company effective April 2, 2007 and July 2, 2007, respectively, with the Company being the surviving entity. In conformity with SSAP No. 3, prior period financial information has been restated as if the merger had occurred on January 1, 2006.

Pre merger separate company revenue, net income and other surplus adjustments for the three months ended 3/31/07 were \$812,398,409, \$(28,842,285), \$(17,345,101), respectively for Jefferson Pilot Life Insurance Company. Pre merger separate company revenue, net income and other surplus adjustments for the three months ended 3/31/07 were \$4,533,629,833, \$145,283,670, \$(103,510,611) respectively for The Lincoln National Life Insurance Company.

Pre merger separate company revenue, net income and other surplus adjustments for the six months ended 6/30/07 were \$1,268,471,465, \$117,169,362, \$(119,315,916), respectively for Jefferson Pilot Financial Insurance Company. Pre merger separate company revenue, net income and other surplus adjustments for the six months ended 6/30/07 were \$10,961,272,880, \$474,273,936, \$(662,296,794), respectively for The Lincoln National Life Insurance Company.

C. Assumption Reinsurance – Not applicable

D. Impairment Loss – Not applicable

4. Discontinued Operations

On December 7, 2001, Swiss Re Life & Health America Inc. (Swiss Re) acquired Lincoln National Corporation's (LNC) reinsurance operation for \$2.0 billion. The transaction structure involved a series of indemnity reinsurance transactions combined with the sale of certain stock companies that comprised LNC's reinsurance operation. Under the indemnity reinsurance agreements, Swiss Re reinsured certain liabilities and obligations of the Company. The Company is not relieved of its legal liability to the ceding companies. The liabilities and obligations associated with the reinsured contracts remain on the balance sheets of the Company with a corresponding reinsurance receivable from Swiss Re.

A gain of \$1.0 billion (\$1.5 billion pre-tax) was reported at closing under the indemnity reinsurance agreements. This gain was recorded as a deferred gain on the Company's balance sheet and is being amortized into earnings at the rate that earnings on the reinsured business are expected to emerge, over a period of 15 years. During 2008 and 2007, the Company recognized \$63.4 million of deferred gain each year into net income.

As a result of developments and information obtained during 2007 relating to the personal accident business sold to Swiss Re, the Company increased reserves by \$13 million after tax (\$20 million pre-tax) with a corresponding increase to the deferred gain. Reflected in the deferred gain amortization above is \$4.4 million of retrospective deferred gain amortization related to this 2007 reserve increase.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) The maximum and minimum lending rates for mortgage loans during 2008 were:
Farm loans – none; City loans – 7.15% and 5.90%, and Purchase money mortgages – none.
- (2) During 2008, the Company did not reduce interest rates of outstanding mortgage loans.
- (3) During 2008, the maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 74.79%.
- (4) As of December 31, 2008 the Company did not hold any mortgages with interest more than 180 days past due.
- (5) As of December 31, 2008, there were no amounts of taxes, assessments, or any amount, which had been advanced but not repaid and not included in the mortgage loan total.
- (6) As of December 31, 2008, the total recorded investment in impaired loans for which there is a related allowance for credit losses is \$0.
- (7) As of December 31, 2008, the Company did not have any recorded investments in impaired loans for which there is no related allowance for credit losses.
- (8) As of December 31, 2008, the average recorded investment in impaired loans is \$0.
- (9) During 2008, the related amount of interest income recognized during the time that the loans were impaired is \$0.
- (10) During 2008, there was no interest income recognized using a cash-basis method of accounting during the time that the loans were impaired.

(11) Allowance for Credit Losses

	<u>2008</u>	<u>2007</u>
Balance at beginning of year	\$ 0	\$ 1,880,963
Provisions for losses	0	0
Releases: Paydowns	<u>0</u>	<u>(1,880,963)</u>
Balance at end of year	<u>\$ 0</u>	<u>\$ 0</u>

- (12) The Company recognizes interest income on its impaired loans upon receipt. Cash receipts are recorded the day payments are received (via check, lockbox or debit ACH).

B. Debt Restructuring

- (1) At December 31, 2008, the Company's recorded investment in impaired loans, which have been restructured during the year, was \$0 after write-downs.
- (2) The total impairment recognized as a realized loss during 2008 was \$0.
- (3) The Company did not have any commitments to lend additional funds to debtors owing receivables whose terms have been modified in troubled debt restructurings at December 31, 2008.
- (4) Income is recognized on a cash basis for all impaired investments.

C. Reverse Mortgages

The Company has no reverse mortgages as of December 31, 2008.

D. Loan-Backed Securities

- (1) The Company has elected to use book value as of January 1, 1994 as the cost of applying the retrospective adjustment method to securities purchased prior to that date.
- (2) Prepayment assumptions for loan-backed bonds and structured securities were obtained from third party vendors. These assumptions are consistent with the current interest rate and economic environment. Market values for loan-backed securities are based on quoted market prices, where available.
- (3) There were no adjustments from the retrospective method to the prospective adjustment method due to negative yield on specific securities during 2008.

E. Repurchase Agreements

The Company has no repurchase agreements as of December 31, 2008.

F. Real Estate

- (1) The Company recognized a \$3,354,629 impairment loss on a vacant piece of land. The property was acquired at a contracted \$13.3 million purchase price through a standby equity commitment. The current appraised value is \$10 million resulting in the impairment. The impairment loss is included in net realized capital gains and losses (line 34) in the Summary of Operations.

(2) The Company had one property classified as Held for Sale at December 31, 2008. The property is a multi-unit condominium project for which the Company has engaged an experienced sales and marketing firm to sell the units within the next two years. The Company sold 11 properties and 23 units of its multi-unit condominium project during the year and recognized a gain of \$89,126,824 which is included with net realized capital gains and losses (line 34) in the Summary of Operations.

(3) Not applicable.

(4) Not applicable.

G. Low-Income Housing Tax Credits (LIHTC)

(1) The Company has unexpired tax credits with remaining lives ranging between 1-9 years and required holding periods for its LIHTC investments between 15-18 years.

(2) The Company had one LIHTC property under regulatory review and is working towards resolution of the outstanding issues at December 31, 2008.

(3) The Company's LIHTC investments do not exceed 10% of its admitted assets.

(4) The Company did not recognize any impairment write-downs on its LIHTC investments.

(5) The Company did not make any reclassifications during the year due to forfeiture or ineligibility of tax credits.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in any Joint Ventures, Partnership or Limited Liability Companies that exceed 10% of the admitted assets.

B. The Company did not recognize any impairment write-downs for its investments in Joint Ventures, Partnerships and Limited Liability Companies during 2008.

7. Investment Income

A. Due and accrued income was excluded from investment income on the following basis:

(1) Mortgage Loans: On loans in foreclosure or delinquent more than one year or where collection of interest is uncertain.

(2) All Other Investments: Amounts considered probable of collection, but that are over 90 days past due.

B. Total due and accrued income excluded from investment income was \$37,820 as of December 31, 2008.

8. Derivative Instruments

A. By using derivative instruments, the Company is exposed to credit and market risk. If the counterparty fails to perform, credit risk is equal to the extent of the fair value gain in a derivative. When the fair value of a derivative contract is positive, this generally indicates that the counterparty owes the Company and, therefore, creates a payment risk for the Company. When the fair value of a derivative contract is negative, this generally indicates that the Company owes the counterparty and, therefore, has no payment risk. The Company minimizes the credit (or payment) risk in derivative instruments by entering into transactions with high-quality counterparties that are reviewed periodically by the Company. The Company also maintains a policy of requiring that all derivative contracts be governed by an International Swaps and Derivatives Association Master Agreement. In addition, if the total exposure to a particular counterparty exceeds the internal limit for that counterparty, the Company requires collateral from that counterparty to support the derivatives.

The credit risk associated with derivatives contracts is minimized by purchasing such agreements from financial institutions with long-standing performance records. The amount of such exposure is essentially the net replacement cost or market value, less collateral held, for such agreements with each counterparty if the net market value is in the Company's favor. At December 31, 2008, the exposure was \$150.0 million.

B-C. The Company uses interest rate caps to protect its annuity line of business from the effect of rising interest rates. Interest rate caps are contracts that entitle the Company to receive payments from counterparties on specified future dates for the amount, if any, by which a specified market interest rate exceeds the cap rate stated in the agreements, applied to a notional amount. As a result, the interest rate caps are valued at market value in "Aggregate write-ins for Invested Assets" on the balance sheet. All changes in market value of interest rate caps classified as hedges are recorded in "Net realized capital gains/losses" in the Summary of Operations. Changes in the market value of interest rate caps are recorded in "Change in net unrealized capital gains or (losses)", which is a component of surplus.

The Company's interest rate swaps qualify as hedges, therefore, are accounted for as cash flow hedges and valued at amortized cost in "Aggregate write-ins for Invested Assets" on the balance sheet. The majority of these derivative instruments are entered into "at-the-market" and have a cost basis of zero. The Company uses interest rate swap agreements to hedge its exposure to floating rate bond coupon payments, replicating a fixed rate bond. An interest rate swap is a contractual agreement to exchange payments at one or more times based on the actual or expected price, level, performance or value of one or more underlying interests. The Company is required to pay the counterparty the stream of variable interest payments based on the coupon payments from the hedged bonds, and in turn, receives a fixed payment from the counterparty, at a predetermined interest rate. Payments on interest rate swaps are recorded in "Net investment income" in the Summary of Operations.

In addition, the Company uses interest rate swap agreements to hedge its exposure to interest rate fluctuations related to forecasted purchases of assets to support certain investment portfolios of assets. The forecasted purchase of assets was completed during May 2001. During 2001, \$36.0 million in gains from the interest rate swaps were deferred as adjustments to the bases of the purchased bonds and will be recognized in income as a yield adjustment over the life of the bonds. There are no interest rate swaps hedging forecasted transactions outstanding at December 31, 2008.

The Company uses foreign currency swaps to hedge some of the foreign exchange risk related to its investments in fixed maturity securities denominated in foreign currencies. A foreign currency swap is a contractual agreement to exchange the currencies of two different countries at a fixed rate of exchange in the future. The Company uses foreign currency swaps to convert the cash flow of foreign currency securities into U.S. dollars. The Company's foreign currency swaps qualify as foreign currency hedges, and therefore, are valued at amortized cost in "Aggregate write-ins for Invested Assets" on the balance sheet adjusted for fluctuations in the spot exchange rate from the trade date to December 31, 2008. Payments on foreign currency swaps are recorded in "Net Investment Income" when interest related and in "Net realized capital gains/losses" when principal related.

The Company markets equity-indexed annuities that have an equity market component, where interest credited to the contracts is linked to the performance of the S&P 500® index. The Company has historically managed this risk by purchasing call options on the S&P 500® index that mirrored the interest credited to the contracts. These call options act as an economic hedge. All call options on the S&P 500® index held at December 31, 2008 do not qualify as hedges. Changes in their fair values of these options are recorded as unrealized gains or losses, which is a component of surplus.

The Company sells credit protection by issuing credit default swaps. A credit default swap is a contractual agreement which requires the seller of the swap to purchase a specified security at par from the purchaser of the swap in the event of default on that particular security, thus

bearing the credit risk. The Company couples the credit default swaps with highly-rated debt securities to replicate the particular debt security for which protection was sold. The credit default swaps are accounted for as RSATs.

- D. Not applicable.
 E. Not applicable.
 F. See C above.

9. Income Taxes

- A. The components of the net deferred tax asset at December 31, is as follows:

	2008	2007
Gross deferred tax assets	\$ 1,752,469,715	\$ 1,409,101,331
Gross deferred tax liabilities	<u>(262,212,109)</u>	<u>(174,386,048)</u>
Net deferred tax asset (liability)	1,490,257,606	1,234,715,283
Nonadmitted deferred tax asset	<u>(828,145,637)</u>	<u>(890,568,737)</u>
Admitted deferred tax asset	<u>\$ 662,111,969</u>	<u>\$ 344,146,546</u>
Increase (decrease) in deferred tax assets nonadmitted	<u>\$ (62,423,100)</u>	<u>\$ 6,541,125</u>

- B. Deferred tax liabilities not recognized:

Not applicable.

- C. Current income taxes incurred consist of the following major components:

	2008	2007
Current year expense	\$ (67,910,239)	\$ 385,311,537
Tax credits	(24,296,917)	(32,343,480)
Taxes on capital gains	(155,752,174)	60,840,363
Prior year adjustments and true-ups to tax return	(100,317,185)	1,787,539
Prior year adjustment included in Page 4, Line 53	<u>8,050,541</u>	<u>13,791,330</u>
Total income taxes incurred	<u>\$ (340,225,974)</u>	<u>\$ 429,387,289</u>

The main components of the December 31, 2008 deferred tax amounts are as follows:

<u>Deferred Tax Assets:</u>	Statutory	Tax	Difference	Tax Effect
Insurance and investment contract liabilities	\$(112,082,104,000)	\$(110,347,225,000)	\$(1,734,879,000)	\$ 607,207,650
Security investments	56,011,270,000	56,889,540,000	(878,270,000)	307,394,500
Deferred acquisition costs	-	1,704,263,000	(1,704,263,000)	596,492,050
Reinsurance acquisition costs	-	45,139,000	(45,139,000)	15,798,650
EDP equipment & other depreciable property	33,079,000	194,952,000	(161,873,000)	56,655,550
Liability for benefits & contingencies	(311,196,000)	131,144,000	(442,340,000)	154,819,000
Other	(30,683,000)	9,610,000	(40,293,000)	14,102,315
Total deferred tax assets			<u>\$(5,007,057,000)</u>	<u>\$1,752,469,715</u>
Deferred tax assets nonadmitted				<u>\$ 828,145,637</u>
<u>Deferred Tax Liabilities:</u>				
Security investments	\$ 409,438,000	\$ 13,640,000	\$ 395,798,000	\$(138,529,300)
Other invested assets	3,456,612,000	3,314,933,000	141,679,000	(49,587,650)
Reserve weakening & other recoverables	-	(210,828,000)	210,828,000	(73,789,800)
Accrued dividends	691,288,000	690,603,000	685,000	(239,750)
Other	457,727,000	457,540,000	187,000	(65,609)
Total deferred tax liabilities			<u>\$ 749,177,000</u>	<u>\$ 262,212,109</u>

The changes in main components of deferred taxes are as follows:

<u>Deferred Tax Assets:</u>	2008	2007	Change
Insurance and investment contract liabilities	\$ 607,207,650	\$ 548,895,550	\$ 58,312,100
Security investments	307,394,500	107,110,150	200,284,350
Deferred acquisition costs	596,492,050	568,698,550	27,793,500
Reinsurance acquisition costs	15,798,650	18,963,700	(3,165,050)
EDP equipment & other depreciable property	56,655,550	31,098,550	25,557,000
Liability for benefits & contingencies	154,819,000	123,268,250	31,550,750
Other	<u>14,102,315</u>	<u>11,066,580</u>	<u>3,035,735</u>
Total deferred tax assets	<u>\$1,752,469,715</u>	<u>\$1,409,101,330</u>	<u>\$ 343,368,385</u>
Deferred tax assets nonadmitted	<u>\$ 828,145,637</u>	<u>\$ 890,568,737</u>	<u>\$ (62,423,100)</u>
<u>Deferred Tax Liabilities:</u>			
Security investments	\$ (138,529,300)	\$ (47,440,400)	\$ 91,088,900
Other invested assets	(49,587,650)	(48,903,050)	684,600
Reserve weakening & other recoverables	(73,789,800)	(26,447,050)	47,342,750
Accrued dividends	(239,750)	(243,950)	(4,200)
Other	<u>(65,609)</u>	<u>(51,351,598)</u>	<u>(51,285,989)</u>
Total deferred tax liabilities	<u>\$ (262,212,109)</u>	<u>\$ (174,386,048)</u>	<u>\$ 87,827,061</u>

D. The effective tax rate on pre-tax income is lower than the prevailing Federal Income tax rate. A reconciliation of the differences is as follows:

	<u>Amount</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ (204,464,168)	35.00%
Investment related	(329,275,498)	56.36%
Insurance reserves related	(64,812,997)	11.09%
Ceding commissions	56,686,623	-9.70%
Other tax adjustments	(18,918,088)	3.24%
Tax credits	<u>(34,984,169)</u>	<u>5.99%</u>
Total	<u>\$ (595,768,297)</u>	<u>101.98%</u>
Federal income taxes incurred	\$ (340,225,974)	58.24%
Change in net deferred income taxes	<u>(255,542,323)</u>	<u>43.74%</u>
Total statutory income taxes	<u>\$ (595,768,297)</u>	<u>101.98%</u>

E. (1) At December 31, 2008 the Company does not have any operating loss carryforwards.

(2) The following are income taxes incurred in the current and prior years that will be available for recoupement in the event of future net losses:

<u>Year</u>	<u>Amount</u>
2008	\$ -
2007	\$234,892,528
2006	\$ 65,371,293

(3) At December 31, 2008, the Company had \$20,935,443 in deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. The Company's Federal Income Tax return is consolidated with the following entities:

Lincoln National Corporation (Common Parent)
 Lincoln Life Improved Housing, Inc
 Lincoln National Investments Inc.
 Lincoln National Investment Companies, Inc.
 Delaware Management Holdings, Inc.
 DMH Corporation
 Delaware Investments U.S., Inc.
 Delaware Distributors, Inc.
 Delaware General Management, Inc.
 Delaware Management Company, Inc.
 Delaware Management Business Trust – Delaware Investment Advisors
 Delaware Management Business Trust – Delaware Management Company
 Delaware Management Business Trust – Delaware Lincoln Cash Management
 Delaware Management Business Trust – Delaware Capital Management, Inc.
 Delaware Management Business Trust – Delaware Asset Advisors
 Delaware Management Trust Company
 Delaware Service Company, Inc.
 Retirement Financial Services, Inc.
 Lincoln National Management Corporation
 Lincoln National Realty Corporation
 Lincoln National Reinsurance Company of Barbados, Ltd.
 Lincoln Reinsurance Company of South Carolina
 Lincoln Reinsurance Company of South Carolina II
 Lincoln Realty Capital Corporation
 Lincoln Financial Distributors, Inc.
 Lincoln Life & Annuity Company of New York
 Lincoln Financial & Insurance Services Corp
 California Fringe Benefit & Insurance Marketing Corporation
 Lincoln Financial Advisors Corporation
 LFA Management Corporation
 LFG South Carolina Reinsurance Company
 Lincoln Investment Solutions, Inc.
 LNC Administrative Services Corp.
 Westfield Assigned Benefits Company
 Jefferson Standard Life Insurance Company
 Hampshire Funding, Inc.
 Lincoln Financial Media Company
 Lincoln Financial Media Company of California
 Lincoln Financial Media Company of Colorado
 Lincoln Financial Media Company of Florida
 Lincoln Financial Media Company of Georgia
 Lincoln Financial Media Company of North Carolina
 WBTV, Inc.
 WWBT, Inc.
 WCSC, Inc.
 Tall Tower, Inc.
 Lincoln Investment Advisors Corporation
 Jefferson-Pilot Investments, Inc.
 Hampshire Syndications, Inc.
 Lincoln Financial Securities Corp.
 Allied Professional Advisors, Inc.
 JPSC Insurance Services, Inc.
 The Polaris Agency of North Carolina, Inc.
 Jefferson-Pilot Variable Corporation

The method of allocation between the companies is by written agreement, which is approved by the Board of Directors. Such allocation is based upon separate return calculations.

Net losses are credited as follows:

- a. When utilized by the affiliate based upon separate return basis and,
- b. If not utilized by the affiliate on separate return basis, then when the consolidated group utilizes the loss.

Inter-company tax balances are settled as follows:

- a. Quarterly estimates – within five days following the due date of each federal consolidated quarterly estimated payment.
- b. Extension payments – within five days following the due date of the filing of an extension of time to file the consolidated tax return.
- c. Final settlement – within forty-five days after the filing of the tax return, adjusting payments will be made to settle differences between the estimates made and the final tax liability.
- d. Refund from carryback of losses – within forty-five days after the Common Parent receives a refund.
- e. Tax examination results – within forty-five days of agreeing to adjustments if the consolidated group owes additional tax; within forty-five days after a refund is received by the Common Parent, if the consolidated group owes less tax.

10. Information Concerning Parent, Subsidiaries and Affiliates

A.

B & C. Effective March 1, 2007 the Company ceded through an assignment and assumption agreement, certain blocks of individual and group life business to Lincoln Life & Annuity Company of New York (LNY), a subsidiary of the Company. As a result of this transaction, \$2,164.4 million of assets and liabilities were transferred to LNY. The assets transferred consisted primarily of bonds and policy loans. The liabilities consisted primarily of policy related reserves. The Company received a ceding commission of \$179.3 million for this transaction. Related to this transaction, the Company made a capital contribution to LNY of \$703.7 million.

The Company obtained approval from the Indiana Department of Insurance to transfer ownership of First Penn-Pacific Life Insurance Company (FPP), a wholly owned subsidiary of the Company to Lincoln National Corporation (LNC), the parent of the Company. This transfer of ownership was made effective May 2, 2007 in the form of a dividend payment of \$291,876,224.

On May 3, 2007, FPP entered into an assumption reinsurance agreement with Jefferson Pilot Financial Insurance Company (JPFIC), a subsidiary of the Company. On this date, \$150,338,712 of cash and life reserves were transferred to FPP. These policies are owned by the Company and cover existing and former key employees.

On July 2, 2007, FPP entered into an assumption reinsurance agreement with the Company for the transfer of certain bank owned life insurance policies. On this same date, FPP ceded 100% of these policies to the Company via an indemnity coinsurance agreement. There was no impact to surplus as a result of this transaction.

D. Amounts receivable or payable to the parent, subsidiaries and affiliates are settled within 30 days. The amounts are as follows:

	<u>December 31, 2008</u>	
	<u>Receivables</u>	<u>Payables</u>
Parent	\$ -	\$ 26,322,760
Affiliates	<u>34,271,666</u>	<u>20,148,405</u>
	<u>\$ 34,271,666</u>	<u>\$ 46,471,165</u>
	<u>December 31, 2007</u>	
	<u>Receivables</u>	<u>Payables</u>
Parent	\$ -	\$ 18,250,920
Affiliates	<u>26,493,143</u>	<u>6,620,161</u>
	<u>\$ 26,493,143</u>	<u>\$ 24,871,081</u>

- E. The Company did not have any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that result in a material contingent exposure of the reporting entity's or any related party's assets or liabilities.
- F. The Company has contracted with its subsidiaries and affiliates to provide and receive various services including underwriting, premium and claims processing, customer service, financial and risk management, information systems and legal. Additionally, the Company has contracted with an affiliate, Delaware Management Business Trust, to receive investment management services. The Company reimburses affiliates that provide services to the Company and is reimbursed by subsidiaries or affiliates to which it provides such services.
- G. All outstanding shares of the Company are owned by the Parent Company, Lincoln National Corporation, which is domiciled in the State of Indiana.
- H. The Company does not own any shares of its ultimate parent or an upstream intermediate entity, directly or indirectly.
- I. The Company has no investments in Subsidiary, Controlled or Affiliated Companies during the statement period that exceed 10% of admitted assets.
- J. The Company did not recognize any impairment write down for investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
- K. The Company does not invest in a foreign insurance subsidiary.
- L. The Company does not utilize the look-through approach for the valuation of its investment in its downstream noninsurance holding company.

11. Debt

A. Capital Notes

The Company has no capital notes outstanding.

B. All Other Debt

At December 31, 2008, the Company had \$250,000,000 of long-term debt outstanding, plus accrued interest of \$265,182, which was issued August 26, 2008. Interest is paid monthly at LIBOR plus 3bps. Interest paid during 2008 was \$2,418,824. The debt matures June 20, 2017. The debt is required to be collateralized by securities with a market value at least equal to the outstanding principal. At December 31, 2008 invested assets in the general account of the company with an admitted value of \$345,528,695 and fair value of \$285,381,545 served as collateral for this borrowing.

At December 31, 2008, the Company had \$473,215,042 outstanding under reverse repurchase agreements with issue dates in October and November 2008 with interest rates ranging from 2.25% to 4.35%. The agreements mature during the first quarter 2009. The borrowings are collateralized by invested assets in the general account of the Company with amortized cost of \$477,714,631 and a fair value of \$495,923,110 at December 31, 2008. Interest for the period ended December 31, 2008 was \$15,935,319.

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company sponsored non-contributory defined benefit pension plans covering its agents. However, the benefits for agents eligible under the qualified and non-qualified defined benefit pension plans were frozen as of December 31, 1994 for its agents.

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans are as follows at December 31, 2008 and 2007:

	Pension Benefits		Other Benefits	
	2008	2007	2008	2007
1. Change in benefit obligation				
a. Benefit obligation at beginning of year	\$116,030,052	\$116,497,242	\$11,827,684	\$16,388,168
b. Service cost	166,950	18,550	73,135	384,897
c. Interest cost	6,629,732	6,745,524	739,302	699,207
d. Contribution by plan participants	--	--	542,387	640,626
e. Actuarial (gain) loss	(349,585)	660,750	671,612	(3,962,052)
f. Foreign currency Exchange Rate Changes	--	--	--	--
g. Benefits paid	(7,296,431)	(8,143,683)	(2,136,661)	(2,167,427)
h. Plan amendments	--	--	--	(346,191)
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	--	251,669	--	--
j. Retiree Drug Subsidy Received	--	--	316,797	190,456
k. Benefits obligation at end of year	115,180,718	116,030,052	12,034,256	11,827,684
2. Change in plan assets				
a. Fair value of plan assets at beginning of year	140,006,487	141,015,106	--	--
b. Actual return on plan assets	(31,219,045)	7,723,944	--	--
c. Foreign currency exchange rate changes	--	--	--	--
d. Employer contribution	--	25,952	1,277,477	1,336,345
e. Plan participants' contribution	--	--	542,387	640,626
f. Benefits paid	(7,296,431)	(8,143,683)	(2,136,661)	(2,167,427)
g. Business combinations, divestitures and settlements	--	(614,832)	--	--
h. Retiree Drug Subsidy Received	--	--	316,797	190,456
i. Fair value of plan assets at end of year	101,491,011	140,006,487	--	--
3. Funded status				
a. Unamortized prior service cost	--	(167,134)	316,433	(316,433)
b. Unrecognized net gain or (loss)	(53,831,444)	(13,146,914)	3,700,129	(4,907,541)
c. Remaining net obligation or net asset at initial date of application	--	(24,228,104)	--	(11,827,684)
d. Prepaid asset or accrued liabilities	13,689,707	(37,542,152)	12,034,256	(17,051,658)
e. Intangible asset	--	--	--	--
4. Benefit obligation for fully vested agents	114,988,527	115,778,383	10,196,113	11,827,684
5. Benefit obligation for non-vested agents	192,191	338,843	1,838,143	1,997,640
6. Components of net periodic benefit costs				
a. Service cost	166,950	166,950	73,135	384,897
b. Interest cost	6,629,732	6,720,035	739,302	699,207
c. Expected return on plan assets	(10,730,167)	(10,935,943)	--	--
d. Amortization of unrecognized transition obligation or transition asset	--	--	--	--
e. Amount of recognized (gain) loss	858,237	299,867	(535,800)	(747,533)
f. Amount of prior service cost (credit) recognized	167,134	167,134	(43,274)	(29,758)
g. Amount of gain or loss recognized due to a settlement or curtailment	--	--	--	--
h. Total net periodic benefit cost (recovery)	(2,908,114)	(3,581,957)	233,363	306,813

7. The additional minimum pension liability recognized is \$25.7 million.

8. Weighted-average assumptions:

As of December 31,	Pension Benefits		Other Benefits	
	2008	2007	2008	2007
a. Discount rate	6.0%	6.0%	6.0%	6.0%
b. Rate of compensation	4.0%	4.0%	4.0%	4.0%
c. Expected long-term rate of return on plan assets	8.0%	8.0%	NA	NA

9. The measurement date of December 31, 2008 was used to determine the above.

10. For measurement purposes, a percent annual rate of increase in the per capita cost of covered health care benefits was assumed to be 12% for 2008. The rate was assumed to decrease gradually to 5% by 2018 and remain at that level thereafter.

11. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	34,000	(31,000)
b. Effect on postretirement benefit obligation	482,000	(447,000)

12. The Company's pension plan assets are part of LNC's U.S. pension plan. LNC's U.S. pension plan asset allocations at December 31, 2008 and 2007, by asset category are as follows:

Asset Category	2008	2007	Target
Domestic Large Cap Equity Securities	32%	37%	35%
International Equity Securities	14%	15%	15%
Fixed Income Securities	53%	48%	50%
Cash and Cash Equivalents	1%	0%	0%
Total	100%	100%	

The primary investment objective of LNC's U.S. defined benefit pension plan is for capital appreciation with an emphasis on avoiding undue risk. Investments can be made using the following asset classes: both domestic and international equity and fixed income securities, real estate, and other asset classes the investment managers deem prudent. Three- and five-year time horizons are utilized as there are inevitably short-run fluctuations, which will cause variations in investment performance.

The defined benefit plan assets have been combined into a master retirement trust where a variety of qualified managers, with Northern Trust as the manager of managers, are expected to rank in the upper 50% of similar funds over the three-year periods and above an appropriate index over five-year periods. Managers are monitored for adherence to approved investment policy guidelines, changes in material factors and legal or regulatory actions. Managers not meeting these criteria are subject to additional due diligence review, corrective action or possible termination.

The Company currently targets asset weightings as follows: domestic equity allocations (32%) are split into large cap growth (14%), large cap value (14%) and small cap (4%). Fixed income allocations are weighted between core fixed income and long term bonds. The performance of the pension trust assets are monitored on a quarterly basis relative to the plan's objectives. The performance of the trust is measured against the following indices: Russell 1000, Europe, Australia and Far East, Lehman Aggregate and Citigroup 90-day T-Bill. We review this investment policy on an annual basis.

Prior to 2007 the plan assets were principally managed by internally. During 2007, the management of the equity portion of the plan assets was transferred to third-party managers. The Company continues to manage the plan's fixed income securities internally, which comprise approximately 50% of plan assets.

The expected return on plan assets was determined based on historical and expected future returns of the various asset classes, using the plan target allocations. LNC reevaluates this assumption at an interim date each plan year. The expected return on plan assets utilized for the net periodic pension cost was 8.00% for plan years ending December 31, 2008 and December 31, 2007.

13. Summary of Expected Future Benefit Payments:

	Qualified U.S. Defined Benefit Pension Plan	Non-Qualified U.S. Defined Benefit Pension Plan	Reflecting Medicare Part D Subsidy	Medicare Part D Subsidy	Not Reflecting Medicare Part D Subsidy
2009	8,328,000	38,000	1,345,000	(204,000)	1,549,000
2010	8,511,000	43,000	1,342,000	(204,000)	1,546,000
2011	8,647,000	46,000	1,336,000	(202,000)	1,538,000
2012	9,072,000	55,000	1,324,000	(199,000)	1,523,000
2013	9,122,000	60,000	1,298,000	(194,000)	1,492,000
2014 - 2018	45,615,000	386,000	5,869,000	(846,000)	6,715,000

14. The Company is not required to make a contribution to its qualified U.S. defined benefit pension plans in 2009; however, the Company's policy is to contribute the amount required to fund the benefits as they become due to the retirees which is expected to be \$42,000 in 2009. In addition, the Company expects to fund amounts in 2009 equal to the expected future benefit payments as noted above for benefit payments to the U.S. post-retirement benefit plans.

15. Related Party Transactions – Not applicable.

16. Alternative Method to Amortize Prior Service Amounts or Unrecognized Net Gains and Losses – Not applicable.

17. Substantive Commitments – Not applicable.

18. Special Termination Benefits – Not Applicable.

19. The Company sponsors an unfunded plan that provides post-retirement medical, dental and life insurance benefits to eligible agents who have worked for the Company for 10 years and attained age 60. Medical and dental benefits are also available to spouses and other dependents of those agents. For medical and dental benefits, limited contributions are required from agents who retired prior to November 1, 1988. Contributions for later retirees, which can be adjusted, are based on such items as years of service at retirement and age at retirement. Effective July 1, 1999, the agents' postretirement plan was changed to require agents retiring on or after that date to pay the full medical and dental premium costs. Effective April 1, 2004, the post-retirement plan was changed such that agents not attaining age 50 by that date will not be eligible to receive life insurance benefits when they retire. Life insurance benefits are noncontributory for agents that attained the age of 50

by April 1, 2004 and meet the eligibility requirements at the time they retire; however, participants can elect supplemental contributory life benefits up to age 70.

B. Defined Contribution Plan

The Company maintains a qualified defined contribution plan for agents that was established January 1, 1995, following the suspension of the defined benefit pension plan discussed above. Contributions to this plan are based on a percentage of the agents' annual compensation as defined in the plan. Effective January 1, 1998, the Company assumed liabilities for a non-contributory defined contribution plan covering certain highly compensated former CIGNA agents and employees. Contributions to this plan are made annually based upon varying percentages of annual eligible earnings as defined in the plan. Contributions to this plan are in lieu of any contributions to the qualified agents defined contribution plan. Effective January 1, 2000, this plan was expanded to include certain highly compensated agents of the Company. The combined expense for these plans was \$3.4 million and \$4.1 million for 2008 and 2007, respectively. These expenses represent both the Company's contribution as well as changes in the measurement of liabilities under these plans.

The Company sponsors a 401(k) plan for eligible agents. The Company's contribution to the 401(k) plan is equal to participant's pre-tax contribution, not to exceed 6% of base pay, multiplied by a percentage. As of January 1, 2006, the match percentage ranges from 50% to 150%, which varies according to certain incentive criteria as determined by the Board of Directors of LNC. The Company's expense for the agents' 401(k) plan was \$3.2 million and \$6.1 million for 2008 and 2007, respectively.

The Company sponsors a contributory deferred compensation plan for certain agents. Plan participants may elect to defer payment of a portion of their compensation, as defined by the plan. At this point, the Company has not chosen to fund this plan. Plan participants may select from a variety of alternative measures for purposes of calculating the investment return considered attributable to their deferral. Under the terms of this plan, the Company agrees to pay out amounts based upon the alternative measure selected by the participant. Plan participants who are also participants in the Lincoln Life 401(k) plan and who have reached the contribution limit for that plan may also elect to defer the additional amounts into the deferred compensation plan. The Company makes matching contributions to this plan based upon amounts placed into the deferred compensation plans by individuals who have reached the contribution limit under the 401(k) plan.

The amount of the Company's contribution is calculated in a manner similar to the 401(k) employer match calculation described above. Expenses for this plan amounted to \$964,000 and \$4.3 million in 2008 and 2007, respectively. These expenses reflect both the Company's employer matching contributions, as well as changes in the measurement of liabilities under this plan net of the plan's portion of the total of return swap discussed in the Consolidated/Holding Company Plans section below.

C. Multiemployer Plans – Not applicable.

D. Consolidated/Holding Company Plans

Employees of the Company participate in a non-contributory defined benefit pension plan sponsored by LNC. In addition, the Company also provides certain other postretirement benefits to retired employees as well as defined contribution plans to employees sponsored by LNC. The Company has no legal obligation for benefits under these plans. LNC allocates expense amounts to its affiliates based on the benefit obligation determined on each employee/retiree within an affiliate.

As a result of the merger with Jefferson-Pilot, LNC maintains funded defined benefit pension plans for the former U.S. employees and agents of Jefferson-Pilot. Eligible retiring employees receive benefits based on years of service and final average earnings. The plans are funded by assets held in a master trust with Northern Trust.

The Company's share of net expense (recovery) for the employees' defined benefit pension plan was \$(7.6) million and \$2.4 million for 2008 and 2007, respectively. Effective January 1, 2002, the employees' pension plan has a cash balance formula. Under the amended plan, employees have guaranteed account balances that grow with pay and interest credits each year. Employees retiring before 2012 will have their benefits calculated under both the old and new formulas and will receive the better of the two calculations. Employees retiring in 2012 or after will receive benefits under the amended plan.

LNC announced plans on May 1, 2007 to change the retirement benefits provided to employees, including the "freeze" or cessation of benefit accruals under its primary traditional defined benefit pension plans. The freeze became effective December 31, 2007. This prospective change in benefits will not impact any of the pension retirement benefits that were accrued up through December 31, 2007.

The Company's share of the expenses for employees' other postretirement benefits was \$4.2 million and \$4.5 million for 2008 and 2007, respectively. Beginning January 1, 2002, the employees' other postretirement benefit plan was amended to require employees not yet age 50 with five years of service by year-end 2001 to pay the full medical and dental premium cost when they retire.

All eligible employees of the Company may participate in the 401(k) plan sponsored by LNC. The expenses for the employer's portion of the 401(k) plan were \$45.9 million and \$19.9 million for 2008 and 2007, respectively. In addition, LNC also sponsors contributory deferred compensation plans for certain employees. The Company's share of expenses related to this deferred compensation plan was \$4.7 million and \$6.1 million for 2008 and 2007, respectively. These expenses reflect both employer matching contributions, as well as changes in the measurement of liabilities net of the plan's portion of the total of return swap discussed below.

LNC announced a number of enhancements to its 401(k) plan effective January 1, 2008. For all participants except employees of Delaware Management Holdings, Inc. and all of its direct or indirect subsidiaries, a number of new features apply: (1) an increase in the basic employer match from \$0.50 per each \$1.00 that a participant contributes each pay period, up to 6% of eligible compensation, to \$1.00 per each \$1.00 that a participant contributes each pay period, up to 6% of eligible compensation (the 50% match will become a 100% match); (2) a guaranteed "core" employer contribution of 4% of eligible compensation per pay period. This core contribution is made regardless of whether the eligible employee elects to defer salary into the Plan; and (3) certain eligible employees also qualify for a "transition" employer contribution between 0.2% and 8.0% of eligible compensation per pay. Eligibility to receive the additional transition employer contributions is based on a combination of age and years of service, with a minimum 10-year service requirement for legacy LNC employees, and a minimum 5-year service requirement for former Jefferson-Pilot employees. Eligibility for transition employer contributions was determined based on age and service on December 31, 2007 — i.e., participants cannot "grow" into transition credits thereafter. Transition employer contributions will cease on December 31, 2017. The discretionary employer match feature was eliminated effective January 1, 2008.

In June 2004, LNC entered into a total return swap agreement. LNC is using the total return swap to mitigate the earnings effects created by the changes in value of LNC's deferred compensation plan liability that result from changes in value of the underlying investment options.

E. Postemployment Benefits and Compensated Absences

Postemployment benefits for employees and agents are recorded as an accrued liability in Contributions for Benefit Plans for Employees General Expense and Contributions for Benefit Plans for Agents General Expense.

Compensated absences are recorded as an accrued liability in Salary and Wages General Expense.

F. Impact of Medicare Modernization Act on Postretirement Benefits

See reported amounts above.

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

- (1) The Company has 10,000,000 shares authorized, 10,000,000 shares issued and outstanding. The par value is \$2.50 per share.

- (2) The Company has no preferred stock outstanding.
- (3) Dividends on Company stock are paid as declared by the Board of Directors. In general, dividends are not subject to prior approval from the Commissioner of the Indiana Department of Insurance provided the declared dividend plus any dividends paid in the preceding twelve months do not exceed the greater of 10% of total surplus or the amount of statutory operating earnings in the prior calendar year. Additionally, not more than 10% of the gross statutory profits on participating business may be paid out as dividends to shareholders.
- (4) The Company paid common stock dividends to the Parent Company, Lincoln National Corporation, during 2008 on the following dates for the amounts noted.
- March 28, 2008 - Paid \$200 million in extraordinary cash dividends
- June 23, 2008 - Paid \$100 million in ordinary cash dividends
- September 25, 2008 - Paid \$100 million in ordinary cash dividends
- (5) Within the limitations of (3) above, there are no restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to stockholders.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

As a result of declines in the market value of our separate account assets during 2008, our separate account assets were less than the guaranteed liabilities that they support as of December 31, 2008. Consequently, we established a receivable on the separate account representing the difference between our guaranteed contract liabilities of the separate account compared to the related separate account assets. The impact of this adjustment reduced surplus in 2008 by \$109.0 million, which included the impact for the credit-linked notes (CLNs) of \$55.2 million and the impact to our market-value adjusted annuities of \$53.8 million. Our CLN investments support funding agreement liabilities within the separate account. When the value of the CLN investments decline below the value of the funding agreement liabilities, we recognize a reduction in surplus for the amount of the difference. The liabilities for our market-value adjusted annuities include additional reserves for the guaranteed benefits associated with this product. When the value of the liabilities exceed the value of the assets, we recognize a reduction in surplus for the amount of the difference.

- (7) There have been no advances to surplus.
- (8) There are no amounts of stock held by the Company, including stock of affiliated companies, for special purposes.
- (9) There have been no changes in balances of special surplus funds from the prior year.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative net unrealized gains and losses: \$(716,255,156)
- (11) During 2007, the Company's surplus note issued September 29, 1994 for cash of \$50.0 million to HARCO Capital Corporation was transferred to LNC. The note bears interest at 9.76% and matures September 20, 2024. The note calls for the Company to pay interest semiannually on March 30 and September 30. The Company has the right to repay the note on any March 31 or September 30. Interest or repayment of principal may be paid only if the Company has obtained the prior written approval of the Department, has adequate earned surplus funds for such payment, and such payment would not cause the Company to violate the statutory capital requirements. The payment of the principal and interest on this surplus note is expressly subordinated to the prior payment of all valid obligations of the Company, including, without limitation, all insurance policies and all existing or future indebtedness issued, incurred or guaranteed by the Company other than: (i) future surplus notes or other similarly subordinated obligations with which this surplus notes shall *rand pari passu*; and (ii) any other indebtedness of the Company which, by its own terms, is expressly subordinate to this surplus note.

In 1998, the Company issued two surplus notes to LNC in return for cash of \$1,250.0 million. The first note for \$500.0 million, calls for the Company to pay the principal amount of the notes on or before March 31, 2028, with interest to be paid quarterly at an annual rate of 6.56%. Subject to approval by the Indiana Insurance Commissioner, LNC has a right to redeem the note for immediate repayment in total or in part once per year on the anniversary date of the note. The note was not redeemed on its anniversary date in 2008. Any payment of interest or repayment of principal may be paid only out of the Company's earnings, only if the Company's surplus exceeds \$2.3 billion and subject to approval by the Indiana Insurance Commissioner.

The second note for \$750.0 million, calls for the Company to pay the principal amount of the notes on or before December 31, 2028, with interest to be paid quarterly at an annual rate of 6.03%. Subject to approval by the Indiana Insurance Commissioner, LNC has a right to redeem the note for immediate repayment in total or in part once per year on the anniversary date of the note. The note was not redeemed on its anniversary in 2008. Any payment of interest or repayment of principal may be paid only out of the Company's earnings, only if the Company's surplus exceeds \$2.4 billion and subject to approval by the Indiana Insurance Commissioner.

In the event of liquidation of the Company, both surplus notes shall become immediately due and payable and shall be superior to and in preference of the rights and claims of shareholders of the Company; provided, however, that in any liquidation proceeding pursuant to the Indiana Insurance Code, all obligations, rights and claims hereunder are expressly subordinated to (a) the claims of any supervisor, conservator or receiver of the Company appointed by the Commissioner; and (b) the claims of all other creditors, except for trade creditors and the claims of shareholders of the Company as shareholders.

A summary of the terms of these surplus notes follows:

Date Issued	Interest Rate	Par Value (Note Face Amt)	Carrying Value of Note	Principal And/Or Interest Paid Current Year	Total Principal And/Or Interest Paid	Unapproved Principal And/Or Interest	Date of Maturity
01/05/1998	6.56%	\$ 500,000,000	\$ 500,000,000	\$ 32,800,000	\$360,344,444	\$ 0	03/31/2028
12/18/1998	6.03%	750,000,000	750,000,000	45,225,000	453,757,500	0	12/31/2028
09/29/1994	9.76%	50,000,000	50,000,000	4,880,000	73,214,000	0	09/30/2024
Totals		\$1,300,000,000	\$1,300,000,000	\$ 82,905,000	\$887,315,944	\$ 0	

- (12) There have been no quasi-reorganizations.
- (13) There have been no quasi-reorganizations.

14. Contingencies

- A. In the mid-1980's the Company sold commercial mortgage loans through grantor trusts, which issued pass-through certificates. The Company has agreed to repurchase any mortgage loans which remain delinquent for 90 days at a repurchase price substantially equal to the outstanding principal balance plus accrued interest thereon to the date of repurchase. It is management's opinion that the value of the properties underlying these commitments is sufficient that in the event of default, the impact would not be material to the Company.

As of December 31, 2008, the Company's investment commitments for real estate and limited partnerships totaled \$704,578,054.

B. Assessments

Not applicable

C. Gain Contingencies

Not applicable

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming From Lawsuits

There were 3 claims-related lawsuits during 2008 in which the Company paid approximately \$38,000 in extra contractual amounts.

E. All Other Contingencies

In the opinion of the Company, there are no other contingencies that would have a material adverse financial effect upon the Company.

15. Leases

A. Lessee Leasing Arrangements

(1) The Company is party to operating leases with rental expenses for 2008 and 2007 of \$36,496,518 and \$36,839,816, respectively.

(2) At December 31, 2008, the minimum aggregate rental commitments are as follows:

<u>Year Ending December 31</u>	<u>Operating Leases</u>
2009	\$17,931,301
2010	\$11,385,321
2011	\$11,009,372
2012	\$10,332,584
2013	\$ 8,029,741

(3) The Company leases its home office properties through sale-leaseback agreements that include renewal and purchase options. Currently, the lease is scheduled to expire in 2019. At December 31, 2008, the Company has the option to extend the lease for four additional terms of 5 years each. The agreements provide the Company with the right of first refusal to purchase the properties at a price as defined in the agreements. The Company also has the option to purchase the leased properties at fair market value as defined in the agreements on the last day of any lease term period.

B. Lessor Leases

(1) Operating Leases

The Company owns and leases real estate and transportation equipment. It is an insignificant part of the business activities in terms of revenue, net income and assets.

(2) Leveraged Leases

Not applicable.

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

(1) The total notional amounts outstanding for the Company's derivatives were as follows (in thousands):

<u>Derivative</u>	<u>December 31</u>	
	<u>2008</u>	<u>2007</u>
Interest Rate Caps	\$2,200,000	\$4,100,000
SPX Call Options	2,951,113	2,857,731
Interest Rate Swaps	484,713	1,067,947
Cross Currency Swaps	366,465	366,465
Credit Default Swaps	149,475	60,000
Total Derivatives	<u>\$ 6,151,766</u>	<u>\$ 8,452,143</u>

(2) Refer to Footnote 8 for discussion of off-balance sheet risks associated with derivative contracts.

(3) Refer to Footnote 8 for discussion of off-balance sheet risks associated with derivative contracts.

(4) Refer to Footnote 8 for discussion of off-balance sheet risks associated with derivative contracts.

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

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

(1) There were no assets obtained or liabilities incurred in transfers of financial assets which it was not practicable to estimate the fair value at December 31, 2008.

(2) Securities loaned are treated as collateralized financing transactions. The Company's loaned securities consist mainly of fixed-income securities. At December 31, 2008, the total value of securities loaned to others was \$430,649,075. The Company will hold collateral securities with a market value at least equal to the securities loaned. Collateral held consists of cash and securities. Cash collateral is invested in securities or used for general corporate purposes. The Company's agreements with third parties generally contain contractual provisions to allow for additional collateral to be obtained when necessary. The Company values collateral daily and obtains additional collateral when deemed appropriate.

(3) The Company had no servicing assets or servicing liabilities at December 31, 2008.

(4) The Company has not securitized financial assets that were accounted for as a sale in 2008.

(5) The Company had no retained interests in securitized financial assets at December 31, 2008.

C. As the Company strives to maximize investment earnings and minimize interest and credit risk, wash sales occur if market activity within thirty days after the original sale warrants subsequent repurchases. Internal investment guidelines are followed for all purchases and sales of investments. The Company had no wash sales during 2008.

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

Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring

Not applicable

C. Other Disclosures

Not applicable.

D. Uncollectible Balances

The Company does not have any material uncollectible balances.

E. Business Interruption Insurance Recoveries

Not applicable.

F. State Transferable Tax Credits

(1) Gross transferable state tax credit by state before state tax liabilities at December 31, 2008;

CAPCO

Alabama	\$ 1,621,590
Colorado	660,077
Louisiana	250,702
Texas	<u>1,755,963</u>
Total	<u>\$ 4,288,332</u>

(2) Total unused transferable state tax credits at December 31, 2008;

CAPCO

Alabama	\$ 1,621,590
Colorado	660,077
Louisiana	250,702
Texas	<u>1,755,963</u>
Total	<u>\$ 4,288,332</u>

(3) The method of estimating the remaining transferable state tax credits by state is based on the initial investment obligation and subsequent future years cash payment obligations.

(4) There are no impaired transferable state tax credits at December 31, 2008.

G. Hybrid Securities

CUSIP	Name of Issuer	General Description	Book/Adjusted Carrying Value
001822AA3	ANZ CAP TR I	ANZ CAP TR I 144A TR SECS	\$ 4,363,828
001822AB1	ANZ CAP TR I	ANZ CAP TR I 144A TR SECS	18,704,342
002920AC0	ABBEY NATIONAL PLC-ADR	ABBEY NATIONAL PLC SB DBS	5,126,894
003723AA1	ABN AMRO NA HLDGS INC	ABN AMRO NA HLDGS INC 144A FLT BD	46,966,529
01039XAA8	ALABAMA POWER CAP TR	ALABAMA POWER CAP TR CO GUARNT	5,018,510
02637VAA6	AMERICAN GENERAL INST CAP A	AMERICAN GENERAL INST CAP A 144A CAP	7,066,541
02637XAA2	AMERICAN GENL INSTIT CAP	AMERICAN GENL INSTIT CAP 144A CAP SECS	6,304,905
037388AE5	AON CAPITAL TRUST	AON CAPITAL TRUST A CAP SEC	24,033,812
05529MAA0	BB&T CAP TR I	BB&T CAP TR I GTD CAP SECS	9,973,193
055967AA1	BOI CAP FDG NO 2 LP	BOI CAP FDG NO 2 LP FXD/FLTGT GTD 144A	13,520,830
06738C828	BARCLAYS BANK PLC PFD	BARCLAYS BANK PLC	16,000,000
06738CA@8	BARCLAYS BANK PLC PFD	BARCLAYS BANK PLC PERPETUAL FLOATER	5,382,090
06738CAE9	BARCLAYS BANK PLC PFD	BARCLAYS BANK PLC 144A BD	5,368,190
124789AA6	CBA CAPITAL TRUST I	CBA CAPITAL TRUST I 144A TR PFD	8,797,585
12479BAA0	CBA CAP TR II	CBA CAP TR II 144A TR PFD SEC	5,000,000
17133PAA6	CHUO MITSUI TR & BKG COMPANT L	CHUO MITSUI TR & BKG CO LTD SB PERP 14	9,970,451
17305HAA6	CITIGROUP CAPITAL III	CITIGROUP CAPITAL III GTD NT	4,409,180
218698AA6	CORESTATES CAPITAL	CORESTATES CAPITAL 144A CAP SECS TRUPS	11,824,310
21869MAA5	CORESTATES CAPITAL III	CORESTATES CAPITAL III FLT RT 144A	14,731,795
23327@AA4	DFA PREFERRED CAP TRUST I	DFA PFD CAP TR I CUM GTD PFD SECS	19,205,951
236363AA5	DANSKE BK A/S	DANSKE BANK A/S PER CAP SECS 144A FXD/	91,693,636
25153RAA0	DEUTSCHE BK CAP FDG TR VII	DEUTSCHE BK CAP FDG TR VII 144A TR PFD	3,000,000
25746RAE6	DOMINION CAPITAL TRUST I	DOMINION RESOURCES CAP TR GTD DB	4,000,000
31847JAB6	FIRST AMERICAN CAPITAL TR I	FIRST AMERICAN CAPITAL TR I CAP	18,207,571

		SECS	
32050QAC8	FIRST HAWAIIAN CAPITAL TRUST	FIRST HAWAIIAN CAPITAL TRUST NTS	6,500,000
32082CAC1	FIRST MARYLAND CAPITAL II	FIRST MARYLAND CAP II GTD SB FLTG RT	8,706,858
320870AA6	FIRST MIDWEST CAP TR	FIRST MIDWEST CAP TR I SER B BD	11,085,400
40411CAA0	HBOS CAP FDG NO 2 LP	HBOS CAP FNDG NO 2 LP PERP PFD SECS 14	10,000,000
40429Q200	HSBC CAP FDG DLR 2 LP	HSBC CAP FDG DLR 2 LP STEP UP PERP 144	7,172,418
42205MAB2	HBOS PLC	HBOS PLC ADR REPSTG PREF SER A 144A PE	10,016,096
446283AD5	HUNTINGTON CAPITAL TRUST I	HUNTINGTON CAPITAL TRUST I FLTG RT NT	8,328,607
44965TAA5	ILFC E CAPITAL TRUST I	ILFC E-CAPITAL TR I ENHCD CAP FX-FLT B	8,991,233
44965UAA2	ILFC E CAPITAL TRUST II	ILFC E-CAPITAL TR II ENHCD CAP FX-FLT	4,994,877
44978NAA3	ING GROEP NV	ING CAPITAL FNDG TR III FLTG GLBL BD	10,542,400
456837AC7	ING GROEP NV	ING GROEP NV GLBL PERP DEBT SECS	6,000,000
46625HHA1	JPMORGAN CHASE & CO	JPMORGAN CHASE & CO DEP SHS SER 1	15,000
46627NAA3	JP MORGAN CHASE CAPITAL XV	JP MORGAN CHASE CAPITAL XV NT	4,929,946
46631VAA9	JPM CHASE CAPITAL XXV	JPM CHASE CAPITAL XXV BD	2,502,341
48239AAA7	KBC BANK FUND TRUST III	KBC BANK FUNDING	24,090,458
51488YAB5	LANDESBANK BADEN WURTTENBERG N	LANDESBANK BADEN WURTTENBERG NY BRCH M	30,000,000
55263BAA9	MBNA CAPITAL	MBNA CAPITAL SER A GTD BD	6,731,268
55263KAA9	MBNA GLOBAL CAPITAL SECURITIES	MBNA GLOBAL CAP SECURITIES JR SB F	2,480,501
564759NH7	M&T BANK CORP	M&T BANK CORP FLT SB NT	2,449,492
59156RAP3	METLIFE INC	METLIFE INC JR SB FXD/FLTG DB	8,095
606859AA4	MIZUHO CAP INVT USD 1 LTD/EURO	MIZUHO CAP INVT USD 1 LTD/EURO 1 LTD 1	5,000,000
62914EAA2	NIB CAP BK NV	NIB CAPITAL BANK NV PERP 144A DB	28,500,000
635192AA5	NATIONAL CAP TR II DEL	NATIONAL CAPITAL TR II DEL GTD 144A TR	5,000,000
638539AH9	NATIONAL WESTMINSTER BK	NATIONAL WESTMINSTER BANK PLC	4,997,952
638539B*6	NATIONAL WESTMINSTER BK	NATL WESTMINSTER BK PERP SER A	7,582,822
638611AA1	NATIONWIDE FINL SVC INC CAP TR	NATIONWIDE FINL SERVICES INC CAP TR JR	3,000,000
65555RAA0	NORDBANKEN AB	NORDBANKEN AB 144A MULTI CPN FLIRB	21,833,119
66567EAW5	NORTHERN ROCK PLC	NORTHERN ROCK PLC 144A MTN	21,083,002
693475AJ4	PNC FINANCIAL SERVICES GRP INC	PNC FINL SVCS GROUP INC DEP SHS JR SB	49,533
733186AA8	POPULAR NORTH AMERICA CAP TR I	POPULAR NORTH AMER CAP TR I GTD CAP SE	9,075,265
74728GAA8	QBE INSURANCE GROUP LTD	QBE INS GRP LTD SB FXD/FLTG RT 144A NT	27,339,558
749274AA4	RBS CAPITAL TRUST I	RBS CAPITAL TRUST I PERP	19,085,847
74927QAA5	RBS CAPITAL TR III	RBS CAPITAL TR III PERP	30,203,922
749768AA5	RABOBANK CAP FDG TR II	RABOBANK CAP FDG TR II GTD 144A TR PFD	104,996,105
749769AA3	RABOBANK CAP FDG III TR	RABOBANK CAP FDG III TR GTD 144A TR PF	25,000,000
76117HAA0	RESONA PFD GLBL SECS CAYMAN LT	RESONA PFD GLBL SECS CAYMAN LTD PERP P	24,922,787
76117JAB4	RESONA BANK LTD	RESONA BANK LTD PERP SB 144A BD	19,418,099
780097AE1	ROYAL BANK SCOTLAND GRP PLC	ROYAL BK OF SCOTLAND GRP PLC NONCUM PF	15,087,904
82463MAA7	SHINSEI FIN CAYMAN LTD	SHINSEI FIN CAYMAN LTD PERP PFD 144A S	25,658,524
830505AL7	SKANDINAVISKA ENSKILDA	SKANDINAVISKA ENSKILDA CAP CONTR VR BD	51,750,169
830505AM5	SKANDINAVISKA ENSKILDA	SKANDINAVISKA ENSKILDA BANKEN CAP CONT	15,000,000
83367TAA7	SOCIETE GENERALE	SOCIETE GENERALE 144A SB FXD TO FLTG R	19,000,000
846504AB4	SPAREBANKEN ROGALAND	SPAREBANKEN ROGALAND PERP STEP-UP CAP	10,100,000
854624AC7	STANLEY WKS CAP TR I	STANLEY WKS CAP TR I FXD ENHANCED PFD	6,000,000
865622AB0	SUMITOMO MITSUI BANK CORP	SUMITOMO MITSUI BKG CORP US\$ PERP SB F	19,994,612
86787XAA3	SUNTRUST CAPITAL I	SUNTRUST CAPITAL I FLOATING RATE NTS	19,990,991
869099AF8	SUSQUEHANNA BANCSHARES INC	SUSEQUEHANNA BANCSHARES FXD/FLTG RT SB	4,992,332
893472AA8	TRANSAMERICA CAPITAL II	TRANSAMERICA CAPITAL II 144A	10,037,763
901704AA4	TWIN REEFS	TWIN REEFS PSTHR PERP FLTG RT 144A	195,000
90212EAA2	TWO ROCK PASS THROUGH	TWO ROCK PASS THRU PERP FLTG PSTHR CTF	200,000
90262PAA6	UBS PFD FUNDING TR I	UBS PFD FUNDING TR I GLBL BD	28,154,331
90262WAA1	UBS PFD FDG TR II	UBS PFD FDG TR II GTD PFD BD	29,964,314
902965AA0	USF&G CAPITAL I	USF&G CAPITAL I CORP 144A GTD NT	2,000,000
90466HAA8	UNICREDITO ITALIANO CAP TR	UNICREDITO ITALIANO CAP TR 11 GTD 144A	5,996,922
906548BT8	UNION ELECTRIC CO	UNION ELECTRIC CO SER A SB NT	18,862,076
91731KAA8	USB CAP IX	USB CAPITAL IX GTD NORMAL INCOME	28,553

		TR SE	
929767AA9	WACHOVIA CAPITAL TRUST I	WACHOVIA CAPITAL TR I 144A CAP TR PRFD	11,932,396
929768AA7	WACHOVIA BANK	WACHOVIA BANK CAPITAL TRUST II	4,945,322
94986EAA8	WELLS FARGO CAP XIII	WELLS FARGO CAP XIII FXD TO FLT PFD PU	62,622
96122BAA4	WESTPAC CAPITAL TRUST III	WESTPAC CAPITAL TR III 144A TR PFD	34,737,935
96122CAA2	WESTPAC CAP TR IV	WESTPAC CAPITAL TR IV FLTG RT 144A TR	52,366,379
98876XAA0	ZFS FINANCE USA TR I	ZFS FIN USA TR I SER I FXD/ADJ RT 144A	4,995,027
98876YAA8	ZFS FINANCE USA TR II	ZFS FIN USA TR II SER II FXD/ADJ RT EN	3,488,401
C44802AB9	HYDRO QUEBEC	HYDRO QUEBEC EURO NT	4,766,359
F07875AE1	BANQUE NATIONALE DE PARIS BNP	BNP PARIBAS FLTG JR SB NT	8,246,447
G4637EBF1	HSBC BANK PLC	HSBD BANK PLC FTG RT JR SB NT PERP	8,030,515
G55356AH5	LLOYDS BANK PLC	LLOYDS BANK PLC SER 2 PERP FLTG SB NT	27,714,343
G63812AE4	NATIONAL WESTMINSTER BANK	NATL WESTMINSTER BK PERPETUAL FLT C	4,344,562
G76891AD5	ROYAL BANK OF SCOTLAND GROUP P	ROYAL BANK OF SCOTLAND GROUP PLC FLTG	8,708,155
		20G9999 Total	\$ 1,338,655,098

H. Subprime Mortgage Related Risk Exposure

- (1) Our exposure to subprime mortgage lending is limited to investments in banks and other financial institutions that may be impacted by subprime lending and direct investments in asset-backed securities collateralized debt obligations, asset-backed securities (ABS) and residential mortgage-backed securities (RMBS). Mortgage-related ABS are backed by home equity loans and RMBS are backed by residential mortgages. These securities are backed by loans that are characterized by borrowers of differing levels of creditworthiness: prime, Alt-A and subprime. Prime lending is the origination of residential mortgage loans to customers with excellent credit profiles. Alt-A lending is the origination of residential mortgage loans to customers who have Prime credit profiles but lack documentation to substantiate income. Subprime lending is the origination of loans to customers with weak or impaired credit profiles.

The slowing U.S. housing market, increased interest rates for non-Prime borrowers and relaxed underwriting standards over the last several years has led to higher delinquency rates for residential mortgage loans and home equity loans. We expect delinquency rates and loss rates on residential mortgages and home equity loans to increase in the future; however, we continue to expect to receive payments in accordance with contractual terms for a significant amount of our securities, largely due to the seniority of the claims on the collateral of the securities that we own. The tranches of the securities will experience losses according to their seniority level with the least senior (or most junior), typically the unrated residual tranche, taking the initial loss. The credit ratings of our securities reflect the seniority of the securities that we own.

- (1) The Company does not have any investments in subprime mortgage loans.

- (2) Securities with Underlying Subprime Exposure:

Type of Investment	Actual Cost	Book Adjusted Carrying Value	Fair Value	Other Than Temporary Losses
Other Assets	\$ 540,534,611	\$ 542,212,934	\$ 330,120,714	\$ 9,153,037
Total	\$ 540,534,611	\$ 542,212,934	\$ 330,120,714	\$ 9,153,037

- (3) The Company does not have any policies issued for Mortgage Guaranty or Financial Guaranty insurance coverage.

I. Federal Home Loan Bank (FHLB) Agreements

- (1) During 2008 the Company entered into an agreement with the Federal Home Loan Banking System in order to secure additional borrowing capacity. The funding will be used to improve the liquidity position of the company and for strategic initiatives.
- (2) As part of the agreement, the Company purchased 189,464 shares in the Federal Home Loan Bank of Indianapolis at a cost of \$18.9 million.
- (3) Outstanding debt is required to be collateralized by securities with a market value at least equal to the outstanding principal. At December 31, 2008 the market value of the securities used as collateral was \$285 million.
- (4) The agreement provides a funding capacity of up to \$378 million. At December 31, 2008 the Company's outstanding borrowing is \$250 million.
- (5) Reserves Related to FHLB Funding Agreements
Not applicable.
- (6) Classification of Assets and Liabilities in General Accounts or Separate Accounts
Not applicable.

21. Events Subsequent

Type I
Not applicable.

Type II
Not applicable.

22. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
Yes () No (X)
If yes, give full details.
2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes () No (X)
If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
Yes () No (X)
 - 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 company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the company 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 company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts 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 (X) No ()

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$ 804,640,124

B. Uncollectible Reinsurance

The Company had no uncollectible reinsurance written off in 2008.

C. Commutation of Reinsurance Reflected in Income and Expenses.

The Company had no commutation of ceded reinsurance in 2008.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

24. Change in Incurred Losses and Loss Adjustment Expenses

The Company's reserves for incurred losses attributable to insured events of prior years has not changed for 2008. The reserve balance remains \$28.7 million in 2008.

25. Intercompany Pooling Arrangements

The Company does not participate in intercompany pooling arrangements.

26. Structured Settlements

Not applicable.

27. Health Care Receivables

Not applicable.

28. Participating Policies

- (1) The relative percentage of participating insurance – 1.1%
- (2) The method of accounting for policyholders dividend – as defined and required by the NAIC.
- (3) The amount of dividends - \$63,885,398
- (4) The amount of any additional income allocated to participating policyholders - \$0

29. Premium Deficiency Reserves

Not applicable.

30. Reserves for Life Contracts and Deposit-Type Contracts

- (1) The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) Ordinary policies issued substandard are valued on the multiple table reserve basis. Group insurance and risk premium reinsurance policies subject to multiple table ratings are valued on the basis of the corresponding multiples of the standard reserves. Policies issued with premiums and values based on rated ages are valued according to the rated ages. An additional unearned reserve of 50% of the net extra premium is carried on policies with flat extra premiums.
- (3) As of December 31, 2008, the Company had \$213,901,997,926 of insurance in force for which the gross premiums are less than the net premiums according to valuation standards set by the State of Indiana. Reserves to cover the above-mentioned insurance totaled \$1,043,462,906 and are reported in Exhibit 5, Section G.
- (4) The Tabular Interest has been determined by formula or from the basic data for such items. Basic data is defined as interest credited plus change in accrued interest.
The Tabular Less Actual Reserve Released has been determined by formula or from the basic data for such items.
The Tabular Cost has been determined by formula or from the basic data for such items.
- (5) For the determination of Tabular Interest on funds not involving life contingencies, the Tabular Interest is determined by formula or from the basic data for such items.
- (6) The Company had other reserves changes in Exhibit 5 attributable to change in reserves ceded to reinsurers; change in reserve adjustment (the difference between the account value and reserve); change in the additional return of premium reserve; reserve valuation corrections; and change in the additional policy reserves, the GMDB reserve, the GLB reserve, the mortality fluctuation reserve, and the asset/liability analysis reserves in Exhibit 5G.

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

	Amount	% of Total
A. Subject to discretionary withdrawal:		
(1) With fair value adjustment	\$ 10,150,803,914	13%
(2) At book value less current surrender charge of 5% or more	837,572,736	1%
(3) At fair value	<u>48,380,648,999</u>	<u>60%</u>
(4) Total with adjustment or at market value	59,369,025,649	74%
(5) At book value without adjustment (minimal or no charge)	16,466,490,873	21%
B. Not subject to discretionary withdrawal	<u>4,252,555,777</u>	<u>5%</u>
C. Total (gross)	\$ 80,088,072,299	100%
D. Reinsurance ceded	<u>1,256,120,969</u>	
E. Total (net)* (C) – (D)	<u>\$ 78,831,951,330</u>	

*Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

F. Life & Accident & Health Annual Statement:	Amount
(1) Exhibit 5, Annuities Section, Total (net)	\$ 27,878,007,261
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	94,511,134
(3) Exhibit 7, Deposit-Type Contracts Line 14, Column 1	<u>1,213,055,159</u>
(4) Subtotal	<u>\$ 29,185,573,554</u>
Separate Accounts Annual Statement:	
(5) Exhibit 3, Line 0299999, Column 2	\$ 49,046,856,058
(6) Exhibit 3, Line 0399999, Column 2	-
(7) Policyholder dividend and coupon accumulations	-
(8) Policyholder premiums	-
(9) Guaranteed interest contracts	599,521,718
(10) Other contract deposit funds	-
(11) Subtotal	<u>\$ 49,646,337,776</u>
(12) Combined Total	<u>\$ 78,831,951,330</u>

32. Premium and Annuity Considerations Deferred and Uncollected

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

Type	(1) Gross	(2) Net of Loading
(1) Industrial	\$ -	\$ -
(2) Ordinary New Business	6,039,076	3,524,261
(3) Ordinary Renewal	77,710,235	117,520,558
(4) Credit Life	-	-
(5) Group Life	13,233,071	13,257,078
(6) Group Annuity	<u>7,397</u>	<u>7,397</u>
(7) Totals	<u>\$ 96,989,779</u>	<u>\$ 134,309,294</u>

33. Separate Accounts

A. General Nature and Characteristics of Separate Accounts Business

Separate Accounts held by the company represent primarily funds for which the policyholder bears all investment risk. The Company bears expense risk and, in some cases, mortality risk. Funds support life contracts in addition to deferred annuities. The assets and liabilities of these accounts are carried at market value. The Company has a Separate Account containing variable annuities with guarantees. These Modified Guaranteed Annuities (MGA's) are valued at market value, and are non-indexed with a guarantee of more than 4%, subject to discretionary withdrawal with a market value adjustment.

Information regarding the separate accounts of the Company is as follows:

(in thousands)	Non-indexed Guarantee More than 4%	Non-guaranteed Separate Accounts	Total
1. Premiums, considerations or deposits; year ended 12/31/2008	\$ 49,668	\$ 8,858,332	\$ 8,908,000
2. Reserves at reporting period for accounts with assets at:			
a. Fair value	1,157,546	51,876,655	53,034,201
b. Amortized cost	-	-	-
c. Total reserves	<u>\$1,157,546</u>	<u>\$51,876,655</u>	<u>\$53,034,201</u>
3. By withdrawal characteristics:			
a. Subject to discretionary withdrawal:			
b. With FV adjustment	\$ 558,024	\$ -	\$ 558,024
c. At book value w/o FV adjustment & with current surrender charge, 5% or more	-	-	-
d. At fair value	-	51,876,655	51,876,655
e. At book value w/o FV adjustment & with current surrender charge, less than 5%	-	-	-
f. Subtotal	558,024	51,876,655	52,434,679
g. Not subject to discretionary withdrawal	599,522	-	599,522
h. Total	<u>\$1,157,546</u>	<u>\$ 51,277,133</u>	<u>\$53,034,201</u>

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

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement:	
a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$ 8,945,754,862
b. Transfers from Separate Accounts (Page 4, Line 10)	5,675,851,043
c. Net transfers to or (From) Separate Accounts (a) – (b)	<u>\$ 3,269,903,819</u>
(2) Reconciling Adjustments:	
a. N/A	\$ -
b. N/A	\$ -
c. N/A	\$ -
(3) Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) = (Page 4, Line 26)	<u>\$ 3,269,903,819</u>

34. Loss / Claim Adjustment Expense

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 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? Indiana
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 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. 12/31/2002
- 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). 05/10/2004
- 3.4 By what department or departments? Indiana Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 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 locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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 |
|-------------------------------------|-----------------------------|----------|----------|----------|-----------|----------|
| Lincoln Financial Securities Corp | Concord, NH | | | | | YES |
| Allied Prof. Advisors Inc | Concord, NH | | | | | YES |
| Hampshire Funding Inc | Concord, NH | YES | | | | YES |
| Lincoln Investment Advisors Corp | Fort Wayne, IN | | | | | YES |
| Lincoln Financial Advisors Corp | Fort Wayne, IN | | | | | YES |
| Lincoln Financial Distributors, Inc | Philadelphia, PA | | | | | YES |
| Delaware Distributors, LP | Philadelphia, PA | | | | | YES |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 110 West Berry Street, Fort Wayne, Indiana, 46802
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?
Kent Somers (Employee), 1300 South Clinton Street, Fort Wayne, Indiana, 46802
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No []
- 11.11 Name of real estate holding company
Various
- 11.12 Number of parcels involved37
- 11.13 Total book/adjusted carrying value \$.....244,885,955

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 11.2 If yes, provide explanation.
 Real estate is owned indirectly through limited partnership interest as reported on Schedule BA.
-
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 []
- 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 [X] No []
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment \$.....1,133,074
 - 20.22 Amount paid as expenses \$.....181,164
 - 20.23 Other amounts paid \$.....0
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

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 (other than securities lending programs addressed in 22.3)? Yes [X] No []
- 22.2 If no, give full and complete information relating thereto.
-
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 16 where this information is also provided).
 See Note 17
-
- 22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No []
- 22.5 If answer to 22.4 is yes, report amount of collateral. \$.....426,959,546
- 22.6 If answer to 22.4 is no, report amount of collateral.
- 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 and 22.3) Yes [X] No []

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

23.21	Subject to repurchase agreements	\$	0
23.22	Subject to reverse repurchase agreements	\$	477,714,631
23.23	Subject to dollar repurchase agreements	\$	0
23.24	Subject to reverse dollar repurchase agreements	\$	0
23.25	Pledged as collateral	\$	345,528,695
23.26	Placed under option agreements	\$	0
23.27	Letter stock or securities restricted as to sale	\$	0
23.28	On deposit with state or other regulatory body	\$	29,069,846
23.29	Other	\$	0

23.3 For category (23.27) 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 [X] No []

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

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 [X] No []

25.2 If yes, state the amount thereof at December 31 of the current year: \$7,868,142

26. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - 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
Bank of New York Mellon	One Wall Street - 14th Floor, New York, NY 10286

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
105390	Delaware Management Business Trust	2005 Market St., Philadelphia, PA 19103-7098

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 [X] No []

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj. Carrying Value
24610B 85 9	Delaware Grp Equity Fnd V-Smallcap Core	3,758,724
246248 64 5	Delaware Pooled Trust - All Cap Growth	1,113,932
534898 20 0	LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	4,673
534898 10 1	LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	933,828
534898 66 3	LVIP SSGA Bond Index Fund - Standard CL	103,304
534898 73 9	LVIP SSGA Bond Index Fund - Service CL	20,524,071
534898 64 8	LVIP SSGA Developed International - Standard CL	57,265
534898 71 3	LVIP SSGA Developed International - Service CL	5,660,834
534898 63 0	LVIP SSGA Emerging Markets - Standard CL	59,271
534898 69 7	LVIP SSGA Emerging Markets - Service CL	4,379,573
534898 65 5	LVIP SSGA International Indexed - Standard CL	60,230
534898 72 1	LVIP SSGA International Indexed - Service CL	11,965,852
534898 62 2	LVIP SSGA Large Cap - Standard CL	65,998
534898 68 9	LVIP SSGA Large Cap - Service CL	3,228,588
534898 61 4	LVIP SSGA Small/Mid Cap - Standard CL	69,080
534898 67 1	LVIP SSGA Small/Mid Cap - Service CL	3,379,361
27.2999. TOTAL		55,364,584

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation
Delaware Grp Equity Fnd V-Smallcap Core	Aspen Insurance Holdings	49,239	12/31/2008
Delaware Grp Equity Fnd V-Smallcap Core	Black Hills	46,608	12/31/2008
Delaware Grp Equity Fnd V-Smallcap Core	ProAssurance	41,722	12/31/2008
Delaware Grp Equity Fnd V-Smallcap Core	Senior Housing Properties Trust	40,970	12/31/2008
Delaware Grp Equity Fnd V-Smallcap Core	First Niagara Financial Group	40,594	12/31/2008
Delaware Grp Equity Fnd V-Smallcap Core	Rock-Tenn Company-Cl A	40,218	12/31/2008
Delaware Grp Equity Fnd V-Smallcap Core	Bio-Rad Laboratories-Class A	40,218	12/31/2008
Delaware Grp Equity Fnd V-Smallcap Core	Max Capital Group	39,467	12/31/2008
Delaware Grp Equity Fnd V-Smallcap Core	AAON	39,091	12/31/2008
Delaware Grp Equity Fnd V-Smallcap Core	Trustmark	38,715	12/31/2008
Delaware Pooled Trust - All Cap Growth	Heartland Payments Systems	76,639	09/30/2008
Delaware Pooled Trust - All Cap Growth	IntercontinentalExchange	68,284	09/30/2008
Delaware Pooled Trust - All Cap Growth	Allergan	64,385	09/30/2008
Delaware Pooled Trust - All Cap Growth	Netflix	63,828	09/30/2008
Delaware Pooled Trust - All Cap Growth	VeriSign	59,038	09/30/2008
Delaware Pooled Trust - All Cap Growth	eBay	57,590	09/30/2008
Delaware Pooled Trust - All Cap Growth	Genentech	57,033	09/30/2008
Delaware Pooled Trust - All Cap Growth	Mastercard - Class A	57,033	09/30/2008
Delaware Pooled Trust - All Cap Growth	QUALCOM	56,811	09/30/2008
Delaware Pooled Trust - All Cap Growth	Weight Watchers International	55,808	09/30/2008
LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	Mitsubishi Estate	336	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	Westfield Group	243	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	Sun Hung Kai Properties	222	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	Simon Property Group	216	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	Mitsui Fudosan	174	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	Unibal-Rodamco	143	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	Equity Residential	136	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	Land Securities Group	135	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	Public Storage	135	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Service CL B	Vornado Realty Trust	110	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	Mitsubishi Estate	67,236	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	Westfield Group	48,559	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	Sun Hung Kai Properties	44,263	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	Simon Property Group	43,236	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	Mitsui Fudosan	34,832	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	Unibal-Rodamco	28,669	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	Equity Residential	27,081	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	Land Securities Group	26,894	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	Public Storage	26,894	12/31/2008
LVIP Cohen & Steers Gbl Real Est Fd - Standard CL A	Vornado Realty Trust	22,038	12/31/2008
LVIP SSGA Bond Index Fund - Standard CL	US Treasury Obligations	26,699	12/31/2008
LVIP SSGA Bond Index Fund - Standard CL	Fannie Mae	23,532	12/31/2008
LVIP SSGA Bond Index Fund - Standard CL	Freddie Mac	17,348	12/31/2008
LVIP SSGA Bond Index Fund - Standard CL	Dreyfus Treasury & Agency Cash Management Fund	5,559	12/31/2008
LVIP SSGA Bond Index Fund - Standard CL	Government National Mortgage Association	3,819	12/31/2008
LVIP SSGA Bond Index Fund - Standard CL	Federal Home Loan Bank	2,350	12/31/2008
LVIP SSGA Bond Index Fund - Standard CL	Euopean Investment Bank	630	12/31/2008
LVIP SSGA Bond Index Fund - Standard CL	General Electric Capital	591	12/31/2008
LVIP SSGA Bond Index Fund - Standard CL	JP Morgan Chase	536	12/31/2008
LVIP SSGA Bond Index Fund - Standard CL	Citigroup	473	12/31/2008
LVIP SSGA Bond Index Fund - Service CL	US Treasury Obligations	5,304,392	12/31/2008
LVIP SSGA Bond Index Fund - Service CL	Fannie Mae	4,675,281	12/31/2008
LVIP SSGA Bond Index Fund - Service CL	Freddie Mac	3,446,640	12/31/2008
LVIP SSGA Bond Index Fund - Service CL	Dreyfus Treasury & Agency Cash Management Fund	1,104,400	12/31/2008
LVIP SSGA Bond Index Fund - Service CL	Government National Mortgage Association	758,837	12/31/2008
LVIP SSGA Bond Index Fund - Service CL	Federal Home Loan Bank	466,822	12/31/2008
LVIP SSGA Bond Index Fund - Service CL	Euopean Investment Bank	125,133	12/31/2008
LVIP SSGA Bond Index Fund - Service CL	General Electric Capital	117,398	12/31/2008
LVIP SSGA Bond Index Fund - Service CL	JP Morgan Chase	106,584	12/31/2008
LVIP SSGA Bond Index Fund - Service CL	Citigroup	94,068	12/31/2008
LVIP SSGA Developed International - Standard CL	Chubu Electric Power	876	12/31/2008
LVIP SSGA Developed International - Standard CL	Eisai	796	12/31/2008
LVIP SSGA Developed International - Standard CL	Union Fenosa	756	12/31/2008
LVIP SSGA Developed International - Standard CL	Kubota	710	12/31/2008
LVIP SSGA Developed International - Standard CL	Telstra	670	12/31/2008
LVIP SSGA Developed International - Standard CL	Astellas Pharma	670	12/31/2008
LVIP SSGA Developed International - Standard CL	Takeda Pharmaceutical	664	12/31/2008
LVIP SSGA Developed International - Standard CL	Ono Pharmaceutical	659	12/31/2008
LVIP SSGA Developed International - Standard CL	SCOR	659	12/31/2008
LVIP SSGA Developed International - Standard CL	AGL Energy	630	12/31/2008
LVIP SSGA Developed International - Service CL	Chubu Electric Power	86,611	12/31/2008
LVIP SSGA Developed International - Service CL	Eisai	78,686	12/31/2008
LVIP SSGA Developed International - Service CL	Union Fenosa	74,723	12/31/2008
LVIP SSGA Developed International - Service CL	Kubota	70,194	12/31/2008
LVIP SSGA Developed International - Service CL	Telstra	66,232	12/31/2008
LVIP SSGA Developed International - Service CL	Astellas Pharma	66,232	12/31/2008
LVIP SSGA Developed International - Service CL	Takeda Pharmaceutical	65,666	12/31/2008
LVIP SSGA Developed International - Service CL	Ono Pharmaceutical	65,100	12/31/2008
LVIP SSGA Developed International - Service CL	SCOR	65,100	12/31/2008
LVIP SSGA Developed International - Service CL	AGL Energy	62,269	12/31/2008
LVIP SSGA Emerging Markets - Standard CL	ABSA Group	1,197	12/31/2008
LVIP SSGA Emerging Markets - Standard CL	Massmart Holdings	1,144	12/31/2008
LVIP SSGA Emerging Markets - Standard CL	FirstRand	1,085	12/31/2008
LVIP SSGA Emerging Markets - Standard CL	RMB Holdings	1,073	12/31/2008
LVIP SSGA Emerging Markets - Standard CL	Teva Pharmaceutical Industries	1,019	12/31/2008

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

LVIP SSGA Emerging Markets - Standard CL	MISC-Foreign	966	12/31/2008
LVIP SSGA Emerging Markets - Standard CL	Nedbank Group	960	12/31/2008
LVIP SSGA Emerging Markets - Standard CL	SK Telecom	960	12/31/2008
LVIP SSGA Emerging Markets - Standard CL	Standard Bank Group	942	12/31/2008
LVIP SSGA Emerging Markets - Standard CL	Huaneng Power International	925	12/31/2008
LVIP SSGA Emerging Markets - Service CL	ABSA Group	88,467	12/31/2008
LVIP SSGA Emerging Markets - Service CL	Massmart Holdings	84,526	12/31/2008
LVIP SSGA Emerging Markets - Service CL	FirstRand	80,146	12/31/2008
LVIP SSGA Emerging Markets - Service CL	RMB Holdings	79,270	12/31/2008
LVIP SSGA Emerging Markets - Service CL	Teva Pharmaceutical Industries	75,329	12/31/2008
LVIP SSGA Emerging Markets - Service CL	MISC-Foreign	71,387	12/31/2008
LVIP SSGA Emerging Markets - Service CL	Nedbank Group	70,949	12/31/2008
LVIP SSGA Emerging Markets - Service CL	SK Telecom	70,949	12/31/2008
LVIP SSGA Emerging Markets - Service CL	Standard Bank Group	69,635	12/31/2008
LVIP SSGA Emerging Markets - Service CL	Huaneng Power International	68,321	12/31/2008
LVIP SSGA International Indexed - Standard CL	Nestle	1,126	12/31/2008
LVIP SSGA International Indexed - Standard CL	BP	1,108	12/31/2008
LVIP SSGA International Indexed - Standard CL	HSBC	903	12/31/2008
LVIP SSGA International Indexed - Standard CL	Total	891	12/31/2008
LVIP SSGA International Indexed - Standard CL	Novartis	885	12/31/2008
LVIP SSGA International Indexed - Standard CL	Vodafone Group	831	12/31/2008
LVIP SSGA International Indexed - Standard CL	Roche Holding	813	12/31/2008
LVIP SSGA International Indexed - Standard CL	GlaxoSmithKline	747	12/31/2008
LVIP SSGA International Indexed - Standard CL	Telefonica	717	12/31/2008
LVIP SSGA International Indexed - Standard CL	Royal Dutch Shell A Shares	717	12/31/2008
LVIP SSGA International Indexed - Service CL	Nestle	223,761	12/31/2008
LVIP SSGA International Indexed - Service CL	BP	220,172	12/31/2008
LVIP SSGA International Indexed - Service CL	HSBC	179,488	12/31/2008
LVIP SSGA International Indexed - Service CL	Total	177,095	12/31/2008
LVIP SSGA International Indexed - Service CL	Novartis	175,898	12/31/2008
LVIP SSGA International Indexed - Service CL	Vodafone Group	165,129	12/31/2008
LVIP SSGA International Indexed - Service CL	Roche Holding	161,539	12/31/2008
LVIP SSGA International Indexed - Service CL	GlaxoSmithKline	148,377	12/31/2008
LVIP SSGA International Indexed - Service CL	Telefonica	142,394	12/31/2008
LVIP SSGA International Indexed - Service CL	Royal Dutch Shell A Shares	142,394	12/31/2008
LVIP SSGA Large Cap - Standard CL	Quest Diagnostics	1,082	12/31/2008
LVIP SSGA Large Cap - Standard CL	General Mills	1,063	12/31/2008
LVIP SSGA Large Cap - Standard CL	Vulcan Materials	1,063	12/31/2008
LVIP SSGA Large Cap - Standard CL	Progress Energy	1,003	12/31/2008
LVIP SSGA Large Cap - Standard CL	Annaly Capital Management	997	12/31/2008
LVIP SSGA Large Cap - Standard CL	Consolidated Edison	990	12/31/2008
LVIP SSGA Large Cap - Standard CL	Sunoco	983	12/31/2008
LVIP SSGA Large Cap - Standard CL	Waste Management	970	12/31/2008
LVIP SSGA Large Cap - Standard CL	Travelers	950	12/31/2008
LVIP SSGA Large Cap - Standard CL	Xcel Energy	937	12/31/2008
LVIP SSGA Large Cap - Service CL	Quest Diagnostics	52,949	12/31/2008
LVIP SSGA Large Cap - Service CL	General Mills	51,980	12/31/2008
LVIP SSGA Large Cap - Service CL	Vulcan Materials	51,980	12/31/2008
LVIP SSGA Large Cap - Service CL	Progress Energy	49,075	12/31/2008
LVIP SSGA Large Cap - Service CL	Annaly Capital Management	48,752	12/31/2008
LVIP SSGA Large Cap - Service CL	Consolidated Edison	48,429	12/31/2008
LVIP SSGA Large Cap - Service CL	Sunoco	48,106	12/31/2008
LVIP SSGA Large Cap - Service CL	Waste Management	47,460	12/31/2008
LVIP SSGA Large Cap - Service CL	Travelers	46,492	12/31/2008
LVIP SSGA Large Cap - Service CL	Xcel Energy	45,846	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	World Fuel Services	801	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	CH Energy Group	767	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	ViroPharma	746	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	National Presto Industries	746	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	Datascope	746	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	Cathay General Bancorp	739	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	Omnicare	718	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	WesbBanco	663	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	Nash Finch	649	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	Village Super Market Class A	642	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	World Fuel Services	39,201	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	CH Energy Group	37,511	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	ViroPharma	36,497	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	National Presto Industries	36,497	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	Datascope	36,497	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	Cathay General Bancorp	36,159	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	Omnicare	35,145	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	WesbBanco	32,442	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	Nash Finch	31,766	12/31/2008
LVIP SSGA Small/Mid Cap - Standard CL	Village Super Market Class A	31,428	12/31/2008

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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds.....	..47,813,547,315	..43,708,128,818	.....(4,105,418,497)
28.2 Preferred stocks.....	.....1,570,078,696	.....944,641,294	.....(625,437,402)
28.3 Totals.....	..49,383,626,011	..44,652,770,112	.....(4,730,855,899)

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

Fair values for fixed maturity securities are based on quoted market prices, where available.

For fixed maturity securities not actively traded, fair values are estimated using values obtained from independent pricing services.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

29.2 If no, list exceptions:

26203@124, 54948#AB4, 627914AA2, 99BLOX9B3

OTHER

30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....3,689,391

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
American Council of Life Insurers (ACLI)	1,404,175

31.1 Amount of payments for legal expenses, if any? \$.....8,424,223

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
Barnes & Thornburg	2,114,362

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....405,329

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
American Council of Life Insurers (ACLI)	405,329

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

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

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	...302,198,432	...283,346,035
2.2 Premium Denominator.....	18,432,091,460	20,339,406,640
2.3 Premium Ratio (2.1/2.2).....	.....1.6	.....1.4
2.4 Reserve Numerator.....	...157,952,332	...138,097,222
2.5 Reserve Denominator.....	54,612,917,444	52,889,647,603
2.6 Reserve Ratio (2.4/2.5).....	.....0.3	.....0.3

- 3.1 Does this reporting entity have Separate Accounts? Yes [X] No []
- 3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes [X] No [] N/A []
- 3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$.....2,454,445,745
- 3.4 State the authority under which Separate Accounts are maintained:
Indiana Insurance Code Section 27-1-5-1 (Class 1) (C)

- 3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No [X]
- 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No [X]
- 3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?"

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

- 4.2 Net reimbursement of such expenses between reporting entities:
- 4.21 Paid \$.....53,075,406
- 4.22 Received \$.....56,487,235

- 5.1 Does the reporting entity write any guaranteed interest contracts? Yes [X] No []
- 5.2 If yes, what amount pertaining to these items is included in:
- 5.21 Page 3, Line 1 \$.....0
- 5.22 Page 4, Line 1 \$.....0

6. For stock reporting entities only:
- 6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$.....2,468,309,750

7. Total dividends paid stockholders since organization of the reporting entity:
- 7.11 Cash \$...12,594,525,640
- 7.12 Stock \$.....296,676,224

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes No
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

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

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

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium.....	12,525,052	12,525,052	
8.32 Paid claims.....	239,403,015	239,403,015	
8.33 Claim liability and reserve (beginning of year).....	322,028,091	322,082,091	
8.34 Claim liability and reserve (end of year).....	262,880,789	262,880,789	
8.35 Incurred claims.....	180,255,713	180,255,713	

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

Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41 < \$25,000.....	5,384,362	113,009,139
8.42 \$25,000 -- 99,999.....	3,787,673	79,497,201
8.43 \$100,000 -- 249,999.....	1,893,838	39,748,627
8.44 \$250,000 -- 999,999.....	1,459,179	30,625,822
8.45 \$1,000,000 or more.....		

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$.....142,873

9.1 Does the company have variable annuities with guaranteed benefits? Yes No

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3 Waiting Period Remaining	4 Account Value Related to Col. 3	5 Total Related Account Values	6 Gross Amount of Reserve	7 Location of Reserve	8 Portion Reinsured	9 Reinsurance Reserve Credit
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit							
ROP				33,077,995,829	397,443,236	Exhibit 5		343,377,210
Annual Ratchet				16,124,945,063	374,451,953	Exhibit 5		268,851,576
5-Year Ratchet				43,535,550	160,127	Exhibit 5		0
5% Rollup				156,722,781	6,589,095	Exhibit 5		3,659,513
	GMWB			7,929,436,431	178,220,867	Exhibit 5		178,220,867
	GMWB for Life			7,204,085,294	61,809,061	Exhibit 5		61,809,061
	GMWB/GMAB			132,240,207	489,452	Exhibit 5		489,452
	GMIB			4,466,153,974	55,226,484	Exhibit 5		55,226,484
	4Later			2,192,131,757	23,453,221	Exhibit 5		23,453,221

FIVE-YEAR HISTORICAL DATA

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

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

	1 2008	2 2007	3 2006	4 2005	5 2004
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....	268,133,146	258,322,981	260,859,480	120,607,860	113,507,461
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....	525,162,156	547,948,722	582,044,102	565,628,815	585,606,813
3. Credit life (Line 21, Col. 6).....	1,088,037	2,000,160	3,129,746	3,669,894	6,295,758
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....	221,719,869	192,142,281	164,850,332	1,828,692	3,489,891
5. Industrial (Line 21, Col. 2).....	47,403	49,012	50,702		
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	1,016,150,611	1,000,463,156	1,010,934,362	691,735,261	708,899,923
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....	17,976,332	17,992,718	23,488,188	11,440,827	10,326,518
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....	20,738,012	23,016,202	23,132,796	21,464,005	24,014,215
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....	48,964,153	44,701,933	30,585,262	255	475
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	87,678,497	85,710,853	77,206,246	32,905,087	34,341,208
Premium Income - Lines of Business (Exhibit 1-Part 1)					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col. 3).....	2,785,134,446	3,201,781,463	3,354,320,544	1,687,505,191	1,832,236,536
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....	11,619,494,936	13,266,447,586	10,854,466,223	7,845,717,952	6,922,677,938
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....	476,524,704	441,555,213	406,106,551	484,120	520,628
17.2 Group annuities (Line 20.4, Col. 7).....	2,533,559,077	2,507,730,228	2,631,209,896	2,174,551,646	2,570,152,213
18.1 A&H - group (Line 20.4, Col. 8).....	1,002,657,383	912,002,207	842,432,684	496,083	3,351,355
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....				(3,913)	(1,285)
18.3 A&H - other (Line 20.4, Col. 10).....	14,720,916	9,889,942	13,155,335	8,412	8,623
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	18,432,091,462	20,339,406,639	18,101,691,233	11,708,759,491	11,328,946,008
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3).....	64,289,733,068	63,147,711,779	66,038,089,733	39,344,452,883	38,988,340,461
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	59,752,473,715	58,191,450,711	61,159,737,742	36,129,902,189	36,027,302,155
23. Aggregate life reserves (Page 3, Line 1).....	54,299,973,024	52,267,911,777	54,381,101,538	32,477,140,585	32,334,162,205
24. Aggregate A&H reserves (Page 3, Line 2).....	1,234,495,712	1,215,402,867	1,141,816,892	110,356,126	119,977,166
25. Deposit-type contract funds (Page 3, Line 3).....	1,213,055,159	1,409,345,963	1,682,333,640	614,960,941	655,472,155
26. Asset valuation reserve (Page 3, Line 24.1).....	278,533,209	751,288,172	707,880,131	350,326,867	293,181,318
27. Capital (Page 3, Lines 29 & 30).....	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
28. Surplus (Page 3, Line 37).....	4,560,435,185	4,932,875,132	4,854,761,694	3,189,716,250	2,936,191,719
Cash Flow (Page 5)					
29. Net Cash from operations (Line 11).....	1,809,829,769	405,231,033	(178,705,626)	525,028,575	1,230,334,555
Risk-Based Capital Analysis					
30. Total adjusted capital.....	4,915,807,919	5,774,095,850	5,670,338,983	3,619,536,988	3,304,283,519
31. Authorized control level risk-based capital.....	627,095,222	607,427,417	689,595,035	414,059,890	488,851,239
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 10, Col. 3) x 100.0					
32. Bonds (Line 1).....	74.1	78.2	79.1	78.0	79.6
33. Stocks (Lines 2.1 and 2.2).....	4.7	2.7	2.2	2.8	2.7
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....	11.5	11.2	10.6	8.4	9.0
35. Real estate (Line 4.1, 4.2 and 4.3).....	0.2	0.4	0.5	0.5	0.4
36. Cash, cash equivalents and short-term investments (Line 5).....	3.7	1.7	2.2	4.6	2.8
37. Contract loans (Line 6).....	3.9	3.9	3.9	4.4	4.5
38. Other invested assets (Line 7).....	1.7	1.8	1.2	1.0	1.0
39. Receivables for securities (Line 8).....	0.1	0.0		0.2	0.0
40. Aggregate write-ins for invested assets (Line 9).....	0.0	0.2	0.3	0.0	0.1
41. Cash, cash equivalents and invested assets (Line 10).....	100.0	100.0	100.0	100.0	100.0

In conformity with SSAP #3, these financial statements are presented on a pro forma basis for one period prior to the merger of Jefferson Pilot Life Insurance Company and Jefferson Pilot Financial Insurance Company, effective April 2, 2007 and July 2, 2007, respectively. See Notes to Financial Statements for additional information.

The Lincoln National Life Insurance Company

FIVE-YEAR HISTORICAL DATA

(continued)

	1 2008	2 2007	3 2006	4 2005	5 2004
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D Summary, Line 25 Col. 1).....	115,307,021	222,201,757	229,096,494		
43. Affiliated preferred stocks (Sch. D Summary, Line 39 Col. 1).....					
44. Affiliated common stocks (Sch. D Summary, Line 53 Col. 1).....	1,206,273,303	1,293,224,496	1,015,453,944	873,870,349	851,208,234
45. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					22,463,233
48. Total of above Lines 42 to 47.....	1,321,580,324	1,515,426,253	1,244,550,438	873,870,349	873,671,467
Total Nonadmitted and Admitted Assets					
49. Total nonadmitted assets (Page 2, Line 26, Col. 2).....	1,051,704,113	1,051,769,741	1,074,057,625	481,396,872	541,238,523
50. Total admitted assets (Page 2, Line 26, Col. 3).....	119,849,816,757	144,609,572,040	137,232,525,124	95,380,517,047	87,081,133,226
Investment Data					
51. Net investment income (Exhibit of Net Investment Income).....	3,406,780,527	3,564,221,941	3,621,931,721	2,102,687,945	2,095,707,914
52. Realized capital gains (losses).....	(889,234,702)	407,457,668	68,694,635	38,688,435	18,261,997
53. Unrealized capital gains (losses).....	(475,862,054)	(472,099,782)	93,149,564	(28,898,254)	61,327,777
54. Total of above Lines 51, 52 and 53.....	2,041,683,771	3,499,579,827	3,783,775,920	2,112,478,126	2,175,297,688
Benefits and Reserve Increase (Page 6)					
55. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....	14,323,547,421	15,874,022,645	14,220,345,543	8,844,181,577	8,078,620,590
56. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	647,964,819	591,347,222	555,502,716	1,495,273	1,326,950
57. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....	543,938,765	578,361,880	1,551,596,545	366,185,277	642,729,207
58. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....	29,703,210	95,388,232	40,298,489	(1,105,068)	1,851,007
59. Dividends to policyholders (Line 30, Col 1).....	63,885,398	60,657,216	84,018,729	71,908,214	71,754,897
Operating Percentages					
60. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	14.0	13.3	13.2	12.3	12.0
61. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....	6.0	6.7	6.3	6.7	6.0
62. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	75.7	73.3	70.7	(314.7)	(596.3)
63. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....	0.7	0.8	1.0		XXX
64. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	22.9	23.5	23.1	(76.8)	(6.9)
A&H Claim Reserve Adequacy					
65. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	1,115,002,734	1,004,109,933	961,707,897	245,637,940	190,555,146
66. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	1,088,399,642	1,031,854,246	996,728,591	248,981,365	212,039,994
67. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....	107,515,953	119,862,606	122,211,867	20,492,483	27,954,243
68. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....	104,741,553	115,890,099	117,372,834	21,692,510	28,708,334
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial life (Col. 2).....	1,073,404	1,436,805	769,402		
70. Ordinary - life (Col. 3).....	106,464,514	348,697,585	(79,568,915)	147,298,154	(84,231,449)
71. Ordinary - individual annuities (Col. 4).....	184,735,530	247,458,447	210,631,563	229,771,681	200,115,921
72. Ordinary - supplementary contracts (Col. 5).....	(4,180,217)	62,585	1,236,262	199,724	866,960
73. Credit life (Col. 6).....				1	
74. Group life (Col. 7).....	18,874,260	24,121,678	45,795,391	26,947	(218,330)
75. Group annuities (Col. 8).....	37,185,498	157,526,239	115,503,697	53,240,659	54,158,614
76. A&H - group (Col. 9).....	76,871,401	66,712,116	70,772,392	119,653	121,947
77. A&H - credit (Col. 10).....				(2,235)	2,782
78. A&H - other (Col. 11).....	3,265,907	(4,731,476)	6,810,975	568,426	485,814
79. Aggregate of all other lines of business (Col. 12).....	80,921,627	54,621,996	(4,626,818)	36,320,499	10,006,139
80. Total (Col. 1).....	505,211,924	895,905,974	367,323,949	467,543,508	181,308,398

In conformity with SSAP #3, these financial statements are presented on a pro forma basis for one period prior to the merger of Jefferson Pilot Life Insurance Company and Jefferson Pilot Financial Insurance Company, effective April 2, 2007 and July 2, 2007, respectively. See Notes to Financial Statements for additional information.

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year.....	152,595	49,012	7,028,748	806,271,703	162,253	2,000,160	91,787	4,297,275	192,142,281	1,000,463,156
2. Issued during year.....			38,374	38,714,344			21,212	1,027,154	48,964,153	87,678,497
3. Reinsurance assumed.....			33,828	2,859,330						2,859,330
4. Revived during year.....			45,656	3,321,309						3,321,309
5. Increased during year (net).....			779	2,109,963				9	377	2,110,340
6. Subtotals, Lines 2 to 5.....	0	0	118,637	47,004,946	0	0	21,212	1,027,163	48,964,530	95,969,476
7. Additions by dividends during year.....	.XXX		.XXX	150,454	.XXX		.XXX	.XXX		150,454
8. Aggregate write-ins for increases.....	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8).....	152,595	49,012	7,147,385	853,427,103	162,253	2,000,160	112,999	5,324,438	241,106,811	1,096,583,086
Deductions during year:										
10. Death.....	1,272	618	35,455	2,253,060	1	6	.XXX	9,870	364,930	2,618,614
11. Maturity.....	23	14	2,360	7,299			.XXX			7,313
12. Disability.....							.XXX			0
13. Expiry.....			9,833	267,270						267,270
14. Surrender.....			95,248	12,368,038	1	2		7	188	12,368,228
15. Lapse.....			331,903	35,587,879			26,333	596,640	18,806,487	54,394,366
16. Conversion.....			11,412	840,863			.XXX	.XXX	.XXX	840,863
17. Decreased (net).....	3,053	977	23,315	8,396,017	73,980	912,115		877	215,337	9,524,446
18. Reinsurance.....			4,398	411,375						411,375
19. Aggregate write-ins for decreases.....	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19).....	4,348	1,609	513,924	60,131,801	73,982	912,123	26,333	607,394	19,386,942	80,432,475
21. In force end of year (Line 9 minus Line 20).....	148,247	47,403	6,633,461	793,295,302	88,271	1,088,037	86,666	4,717,044	221,719,869	1,016,150,611
22. Reinsurance ceded end of year.....	.XXX		.XXX	650,354,131	.XXX	1,088,037	.XXX	.XXX	5,143,855	656,586,023
23. Line 21 minus Line 22.....	.XXX	47,403	.XXX	142,941,171	.XXX	(b) 0	.XXX	.XXX	216,576,014	359,564,588

25

DETAILS OF WRITE-INS

0801.										0
0802.										0
0803.										0
0898. Summary of remaining write-ins for Line 8 from overflow page...	0	0	0	0	0	0	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	0	0	0	0	0	0	0	0	0	0
1901.										0
1902.										0
1903.										0
1998. Summary of remaining write-ins for Line 19 from overflow page.	0	0	0	0	0	0	0	0	0	0
1999. Totals (Lines 1901 thru 1903 plus 1998) (Line 19 above).....	0	0	0	0	0	0	0	0	0	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) Group \$.....0; Individual \$.....0.

EXHIBIT OF LIFE INSURANCE (continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends.....	XXX		XXX	424,793
25. Other paid-up insurance.....	148,247	47,403	121,972	1,011,603
26. Debit ordinary insurance.....	XXX	XXX	47,524	174,347

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing.....	6,079	8,170,909	2,437,773	148,692,997
28. Term policies-other.....	13,422	11,838,679	2,942,145	373,981,409
29. Other term insurance-decreasing.....	XXX		XXX	19,999
30. Other term insurance.....	XXX	728,424	XXX	2,186,967
31. Totals (Lines 27 to 30).....	19,501	20,738,012	5,379,918	524,881,372
Reconciliation to Lines 2 and 21:				
32. Term additions.....	XXX		XXX	56,574
33. Totals, extended term insurance.....	XXX	XXX	28,508	224,210
34. Totals, whole life and endowment.....	18,873	17,976,332	1,225,035	268,133,146
35. Totals (Lines 31 to 34).....	38,374	38,714,344	6,633,461	793,295,302

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial.....			47,403	
37. Ordinary.....	38,714,344		788,977,972	4,317,330
38. Credit Life (Group and Individual).....			1,088,037	
39. Group.....	48,964,153		221,719,870	
40. Totals (Lines 36 to 39).....	87,678,497	0	1,011,833,282	4,317,330

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies.....	XXX		XXX	2,033
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis.....	88,271	XXX	4,717,044	XXX
43. Federal Employees' Group Life Insurance included in Line 21.....				
44. Servicemen's Group Life Insurance included in Line 21.....				
45. Group Permanent Insurance included in Line 21.....			17,702	27,727

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a).....	2,249,891
----------------------------------------------------------------------------------------------------------	-----------

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included.....	NONE
47.1	
47.2	

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium.....			219,565	24,043,384			10,029	488,297
49. Disability Income.....			53	1,052				
50. Extended Benefits.....			XXX	XXX				
51. Other.....								
52. Total.....	0	(b) 0	219,618	(b) 24,044,436	0	(b) 0	10,029	(b) 488,297

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the Annual Statement Instructions.

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

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year.....	5,803	6,335		46
2. Issued during year.....	73	668		
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	5,876	7,003	0	46
Deductions during year:				
6. Decreased (net).....	322	663		
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	322	663	0	0
9. In force end of year.....	5,554	6,340	0	46
10. Amount on deposit.....	89,929,225	(a) 115,558,543		(a)
11. Income now payable.....	3,793	5,603		
12. Amount of income payable.....	(a) 13,011,723	(a) 22,376,273	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year.....	19,000	1,210,842	36,741	470,695
2. Issued during year.....	783	82,543	1,769	24,917
3. Reinsurance assumed.....	67	3,657		
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	19,850	1,297,042	38,510	495,612
Deductions during year:				
6. Decreased (net).....	1,563	94,899	2,454	59,552
7. Reinsurance ceded.....	67	3,657		
8. Totals (Lines 6 and 7).....	1,630	98,556	2,454	59,552
9. In force end of year.....	18,220	1,198,486	36,056	436,060
Income now payable:				
10. Amount of income payable.....	(a) 194,294,460	XXX	XXX	(a) 204,025,344
Deferred fully paid:				
11. Account balance.....	XXX	(a) 4,185,680,788	XXX	(a) 233,949,840
Deferred not fully paid:				
12. Account balance.....	XXX	(a) 61,630,711,180	XXX	(a) 7,809,302,227

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in force	3 Policies	4 Premiums in force	5 Policies	6 Premiums in force
1. In force end of prior year.....	5,998,926	904,788,392	7		30,159	22,074,356
2. Issued during year.....	1,422,400	185,216,874			12	7,424
3. Reinsurance assumed.....						
4. Increased during year (net).....		XXX		XXX		XXX
5. Total (Lines 1 to 4).....	7,421,326	XXX	7	XXX	30,171	XXX
Deductions during year:						
6. Conversions.....		XXX	XXX	XXX	XXX	XXX
7. Decreased (net).....	891,849	XXX		XXX	2,526	XXX
8. Reinsurance ceded.....		XXX		XXX		XXX
9. Totals (Lines 6 to 8).....	891,849	XXX	0	XXX	2,526	XXX
10. In force end of year.....	6,529,477	(a) 992,517,492	7	(a) XXX	27,645	(a) 20,380,749

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year.....	12,866	130,748
2. Issued during year.....	2	
3. Reinsurance assumed.....		
4. Increased during year (net).....		
5. Total (Lines 1 to 4).....	12,868	130,748
Deductions during year:		
6. Decreased (net).....	2,814	15,246
7. Reinsurance ceded.....		
8. Totals (Lines 6 and 7).....	2,814	15,246
9. In force end of year.....	10,054	115,502
10. Amount of account balance.....	(a) 166,268,976	(a) 335,129,701

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the Annual Statement Instructions.

The Lincoln National Life Insurance Company

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Direct Business Only					7
		Life Contracts		4	5	6	
		2	3				
	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1. Alabama.....	AL	47,538,234	250,832,208	7,574,098		305,944,540	
2. Alaska.....	AK	4,878,138	35,363,228	2,546,224		42,787,590	
3. Arizona.....	AZ	53,723,948	272,890,496	20,440,262		347,054,706	
4. Arkansas.....	AR	31,830,542	95,143,997	10,235,004		137,209,543	
5. California.....	CA	550,013,789	1,637,655,936	101,555,966		2,289,225,691	
6. Colorado.....	CO	60,062,361	289,001,200	19,855,055		368,918,616	
7. Connecticut.....	CT	98,512,089	245,781,640	8,004,710		352,298,439	
8. Delaware.....	DE	101,398,369	466,025,582	1,565,300		568,989,251	
9. District of Columbia.....	DC	32,701,631	51,406,630	4,143,275		88,251,536	
10. Florida.....	FL	348,373,136	1,099,488,027	114,809,592		1,562,670,755	
11. Georgia.....	GA	110,535,018	359,385,704	32,442,475		502,363,197	
12. Hawaii.....	HI	14,663,898	59,466,573	601,320		74,731,791	
13. Idaho.....	ID	7,646,367	41,712,893	1,602,439		50,961,699	
14. Illinois.....	IL	242,797,645	458,048,096	53,318,209		754,163,950	
15. Indiana.....	IN	81,769,463	612,529,735	40,406,997		734,706,195	
16. Iowa.....	IA	38,696,127	124,625,281	10,257,457		173,578,865	
17. Kansas.....	KS	30,847,846	123,597,118	5,752,610		160,197,574	
18. Kentucky.....	KY	53,772,796	192,314,089	11,931,948		258,018,833	
19. Louisiana.....	LA	49,989,823	203,086,506	14,075,968		267,152,297	
20. Maine.....	ME	12,955,836	92,248,482	5,419,789		110,624,107	
21. Maryland.....	MD	111,257,514	446,162,898	26,879,252		584,299,664	
22. Massachusetts.....	MA	118,749,031	336,806,506	26,379,002		481,934,539	
23. Michigan.....	MI	149,844,569	485,223,372	45,639,201		680,707,142	
24. Minnesota.....	MN	178,292,673	219,901,308	25,480,228		423,674,209	
25. Mississippi.....	MS	30,427,512	89,428,411	8,216,689		128,072,612	
26. Missouri.....	MO	75,995,579	292,584,013	18,375,843		386,955,435	
27. Montana.....	MT	4,077,162	28,941,395	2,289,580		35,308,137	
28. Nebraska.....	NE	35,551,510	88,655,368	13,536,231		137,743,109	
29. Nevada.....	NV	39,445,182	58,845,233	5,143,641		103,434,056	
30. New Hampshire.....	NH	22,678,117	73,936,508	3,665,077		100,279,702	
31. New Jersey.....	NJ	194,284,218	398,312,474	14,951,256		607,547,948	
32. New Mexico.....	NM	12,205,250	74,185,756	2,984,901		89,375,907	
33. New York.....	NY	96,912,472	36,780,800	676,770		134,370,042	
34. North Carolina.....	NC	199,943,070	594,238,637	64,073,351		858,255,058	
35. North Dakota.....	ND	7,464,543	15,504,353	7,091,841		30,060,737	
36. Ohio.....	OH	190,913,915	711,993,570	46,355,227		949,262,712	
37. Oklahoma.....	OK	48,615,985	95,156,219	6,197,894		149,970,098	
38. Oregon.....	OR	38,186,408	136,759,230	16,624,841		191,570,479	
39. Pennsylvania.....	PA	202,801,374	746,832,138	38,984,318		988,617,830	
40. Rhode Island.....	RI	12,972,704	69,016,540	1,795,891		83,785,135	
41. South Carolina.....	SC	72,082,744	303,282,853	20,689,205		396,054,802	
42. South Dakota.....	SD	18,785,764	22,690,087	1,019,938		42,495,789	
43. Tennessee.....	TN	121,915,224	286,522,056	23,839,638		432,276,918	
44. Texas.....	TX	302,109,286	882,364,638	85,174,236		1,269,648,160	
45. Utah.....	UT	45,539,704	89,117,222	8,569,827		143,226,753	
46. Vermont.....	VT	5,161,227	34,254,552	1,679,611		41,095,390	
47. Virginia.....	VA	114,397,814	449,847,387	24,081,692		588,326,893	
48. Washington.....	WA	47,652,429	188,113,508	24,472,855		260,238,792	
49. West Virginia.....	WV	12,970,242	70,598,807	1,430,988		85,000,037	
50. Wisconsin.....	WI	57,916,628	334,694,594	24,860,402		417,471,624	
51. Wyoming.....	WY	6,074,396	26,612,204	2,240,349		34,926,949	
52. American Samoa.....	AS					0	
53. Guam.....	GU	3,194,148	50,996	142,181		3,387,325	
54. Puerto Rico.....	PR	19,964,404	5,990,428	774,937		26,729,769	
55. US Virgin Islands.....	VI	901,221	12,388	12,327		925,936	
56. Northern Mariana Islands.....	MP	130,633		86		130,719	
57. Canada.....	CN	769,359	36,664	19,793		825,816	
58. Aggregate Other Alien.....	OT	10,084,985	38,025	49,480		10,172,490	0
59. Subtotal.....	(a) 54	4,582,976,052	14,404,094,559	1,060,937,277	0	20,048,007,888	0
90. Reporting entity contributions for employee benefit plans.....	XXX	5,483		10,790		16,273	
91. Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX	9,606,410	26,926	1,755,486		11,388,822	
92. Dividends or refunds applied to shorten endowment or premium paying period.....	XXX	9,358,441				9,358,441	
93. Premium or annuity considerations waived under disability or other contract provisions.....	XXX	5,843,342	1,628	1,379,117		7,224,087	
94. Aggregate other amounts not allocable by State.....	XXX	7,607,660	18,331	4,405	0	7,630,396	0
95. Totals (Direct Business).....	XXX	4,615,397,388	14,404,141,444	1,064,087,075	0	20,083,625,907	0
96. Plus reinsurance assumed.....	XXX	1,443,754,507	2,360,150	35,938,912		1,482,053,569	
97. Totals (All Business).....	XXX	6,059,151,895	14,406,501,594	1,100,025,987	0	21,565,679,476	0
98. Less reinsurance ceded.....	XXX	3,160,668,477	252,585,218	82,798,308		3,496,052,003	
99. Totals (All Business) less reinsurance ceded.....	XXX	2,898,483,418	14,153,916,376	(b) 1,017,227,679	0	18,069,627,473	0
DETAILS OF WRITE-INS							
5801. Other foreign.....	XXX	10,084,985	38,025	49,480		10,172,490	
5802.....	XXX					0	
5803.....	XXX					0	
5898. Summ. of remaining write-ins for line 58 from overflow page.....	XXX	0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....	XXX	10,084,985	38,025	49,480	0	10,172,490	0
9401. Federal areas.....	XXX	4,863,779	18,331	4,405		4,886,515	
9402. Exchange premium.....	XXX	2,743,881				2,743,881	
9403.....	XXX					0	
9498. Summ. of remaining write-ins for line 94 from overflow page.....	XXX	0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX	7,607,660	18,331	4,405	0	7,630,396	0

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

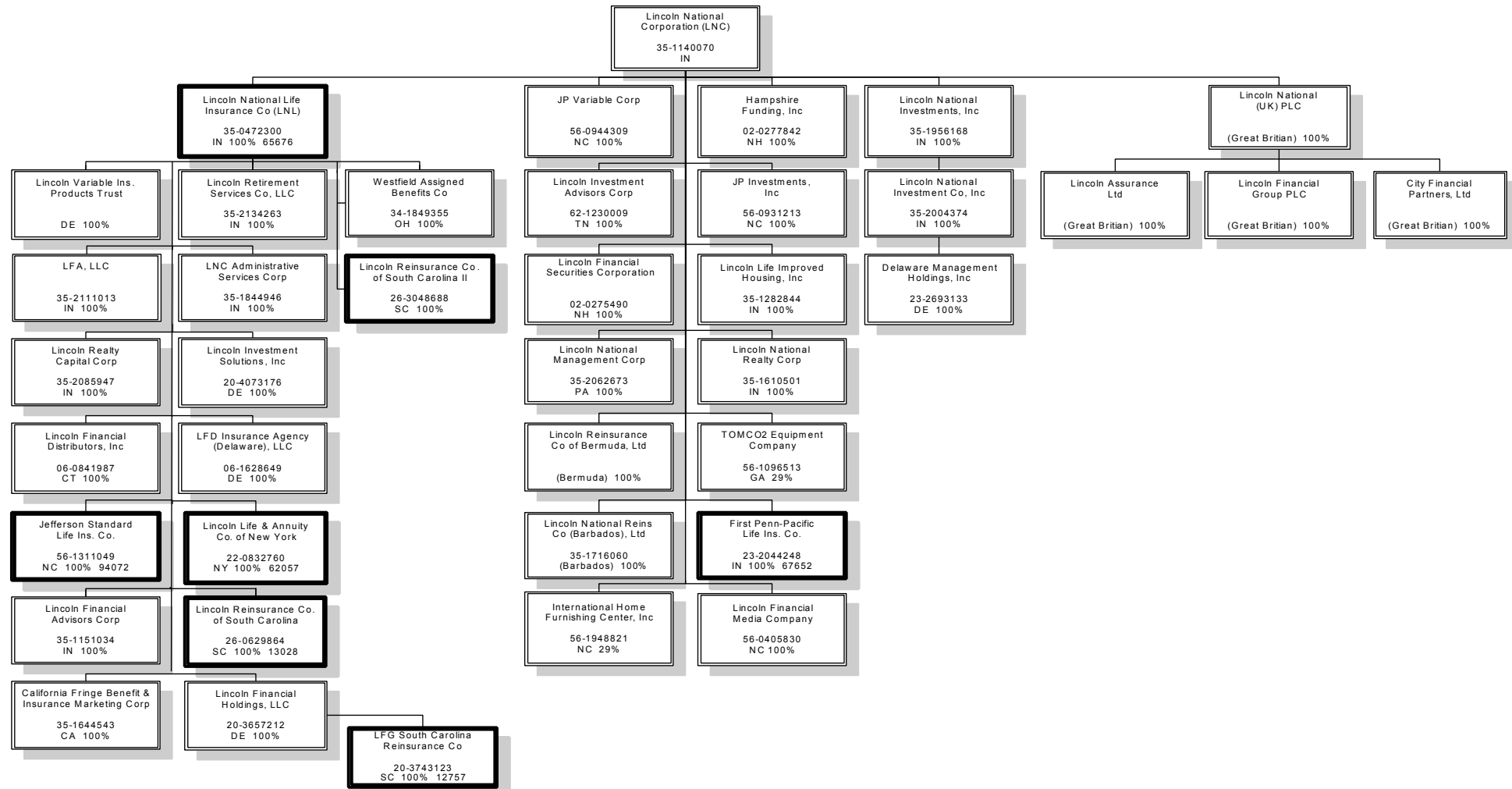
Ordinary Life and Annuities are allocated according to the address to which the premium notices were sent.
Group premiums are allocated based on the state in which the group policy was issued.

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

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

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

PART 1 - ORGANIZATIONAL CHART



**2008 ALPHABETICAL INDEX
LIFE ANNUAL STATEMENT BLANK**

Analysis of Increase in Reserves During The Year	7	Schedule D – Part 4	E14
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Asset Valuation Reserve Default Component	30	Schedule D – Part 6 – Section 1	E16
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