

**ANNUAL STATEMENT**  
OF THE  
**STANDARD INSURANCE COMPANY**



The**Standard**<sup>®</sup>

**OF PORTLAND  
IN THE STATE OF OREGON**

Book 1 of 2

TO THE  
**INSURANCE DEPARTMENT**  
OF THE  
**STATE OF**

---

**FOR THE YEAR ENDED  
DECEMBER 31, 2012**

LIFE AND ACCIDENT AND HEALTH

**2012**

**2012**



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012  
OF THE CONDITION AND AFFAIRS OF THE

## Standard Insurance Company

NAIC Group Code 1348 1348 NAIC Company Code 69019 Employer's ID Number 93-0242990  
(Current) (Prior)

Organized under the Laws of Oregon, State of Domicile or Port of Entry Oregon

Country of Domicile United States of America

Incorporated/Organized 02/24/1906 Commenced Business 04/12/1906

Statutory Home Office 1100 Southwest Sixth Avenue, Portland, OR, US 97204-1093  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1100 Southwest Sixth Avenue  
(Street and Number)  
Portland, OR, US 97204-1093, 971-321-7000  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 711, Portland, OR, US 97207-0711  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1100 Southwest Sixth Avenue  
(Street and Number)  
Portland, OR, US 97204-1093, 971-321-7564  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.standard.com

Statutory Statement Contact Barry James Walton, 971-321-7564  
(Name) (Area Code) (Telephone Number)  
barry.walton@standard.com, 971-321-7540  
(E-mail Address) (FAX Number)

### OFFICERS

Chairman, President & Chief Executive Officer John Gregory Ness # Chief Financial Officer Floyd Fitz-Hubert Chadee  
Corporate Secretary Holley Young Franklin JD Corporate Actuary Sally Ann Manafi FSA

### OTHER

Robert Michael Erickson CMA Controller

### DIRECTORS OR TRUSTEES

<u>Virginia Lynn Anderson</u>	<u>Frederick William Buckman</u>	<u>Stanley Russel Fallis</u>
<u>Debora Dyer Horvath #</u>	<u>Duane Charles McDougall</u>	<u>John Gregory Ness #</u>
<u>Eric Edmond Parsons</u>	<u>George Joseph Puentes</u>	<u>Mary Frances Sammons</u>
<u>Esther Kay Stepp</u>	<u>Michael Glenn Thorne</u>	

State of Oregon SS:  
County of Multnomah

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.

John Gregory Ness  
Chairman, President & Chief Executive Officer

Floyd Fitz-Hubert Chadee  
Chief Financial Officer

Holley Young Franklin  
Corporate Secretary

Subscribed and sworn to before me this  
14th day of February 2013

- 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.....

Linda R. Seger  
Notary Public  
09/18/2014

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	6,379,290,864	0	6,379,290,864	6,091,137,180
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	93,322	0	93,322	93,322
2.2 Common stocks .....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	5,159,378,601	0	5,159,378,601	4,791,807,947
3.2 Other than first liens .....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	32,917,024	0	32,917,024	33,795,218
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	2,125,976	0	2,125,976	2,137,838
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	972,758	0	972,758	972,759
5. Cash (\$ .....16,027,820 , Schedule E - Part 1), cash equivalents (\$ .....0 , Schedule E - Part 2) and short-term investments (\$ .....32,363,769 , Schedule DA) .....	48,391,589	0	48,391,589	40,698,366
6. Contract loans (including \$ .....0 premium notes) .....	2,936,635	0	2,936,635	3,219,379
7. Derivatives (Schedule DB) .....	11,329,110	0	11,329,110	7,166,523
8. Other invested assets (Schedule BA) .....	102,653,523	0	102,653,523	60,465,714
9. Receivables for securities .....	15,698,186	0	15,698,186	36,145,891
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	11,755,787,588	0	11,755,787,588	11,067,640,137
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	107,097,424	0	107,097,424	109,471,752
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	102,172,876	1,086,682	101,086,194	91,943,741
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	292,802	0	292,802	198,513
15.3 Accrued retrospective premiums .....	22,997,633	488,130	22,509,503	21,457,258
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	5,690,648	0	5,690,648	6,047,302
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	4,344,916	0	4,344,916	15,126
17. Amounts receivable relating to uninsured plans .....	4,511,990	0	4,511,990	4,326,005
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	24,116,105
18.2 Net deferred tax asset .....	217,190,827	130,150,072	87,040,755	91,791,439
19. Guaranty funds receivable or on deposit .....	1,341,351	0	1,341,351	1,485,874
20. Electronic data processing equipment and software .....	28,040,425	26,476,564	1,563,861	1,158,295
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	7,148,774	7,148,774	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	3,015,805	0	3,015,805	717,664
24. Health care (\$ .....0 ) and other amounts receivable .....	0	0	0	0
25. Aggregate write-ins for other than invested assets .....	23,510,405	21,810,883	1,699,522	171,273
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	12,283,143,464	187,161,105	12,095,982,359	11,420,540,484
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	5,154,297,609	0	5,154,297,609	4,593,548,661
28. Total (Lines 26 and 27) .....	17,437,441,073	187,161,105	17,250,279,968	16,014,089,145
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. Prepaid expenses .....	9,667,430	9,667,430	0	0
2502. Miscellaneous non-invested assets .....	6,685,402	6,678,380	7,022	171,273
2503. Prepaid pension funds .....	3,771,551	3,771,551	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	3,386,022	1,693,522	1,692,500	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	23,510,405	21,810,883	1,699,522	171,273

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ ..... 5,717,690,449 (Exh. 5, Line 9999999) less \$ ..... 0 included in Line 6.3 (including \$ ..... 0 Modco Reserve) .....	5,717,690,449	5,269,212,116
2. Aggregate reserve for accident and health contracts (including \$ ..... 0 Modco Reserve) .....	3,929,811,274	3,802,535,030
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ ..... 0 Modco Reserve) .....	531,687,658	503,795,333
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....	100,747,131	105,736,380
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) .....	58,475,303	56,113,092
5. Policyholders' dividends \$ ..... 5,976 and coupons \$ ..... 0 due and unpaid (Exhibit 4, Line 10) .....	5,976	4,520
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ ..... 0 Modco) .....	117,196	112,202
6.2 Dividends not yet apportioned (including \$ ..... 0 Modco) .....	0	0
6.3 Coupons and similar benefits (including \$ ..... 0 Modco) .....	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ ..... 0 discount; including \$ ..... 7,660,138 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14) .....	11,136,814	12,220,212
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....	0	0
9.2 Provision for experience rating refunds, including the liability of \$ ..... 7,891,469 accident and health experience rating refunds of which \$ ..... 0 is for medical loss ratio rebate per the Public Health Service Act .....	20,472,999	39,313,904
9.3 Other amounts payable on reinsurance including \$ ..... 2,115,959 assumed and \$ ..... 9,517,229 ceded .....	11,633,188	7,194,793
9.4 Interest maintenance reserve (IMR, Line 6) .....	24,759,064	19,802,365
10. Commissions to agents due or accrued-life and annuity contracts \$ ..... 4,775,037 accident and health \$ ..... 8,257,125 and deposit-type contract funds \$ ..... 1,702,540 .....	14,734,702	15,151,877
11. Commissions and expense allowances payable on reinsurance assumed .....	0	0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6) .....	214,032,419	209,027,016
13. Transfers to Separate Accounts due or accrued (net) (including \$ ..... 0 accrued for expense allowances recognized in reserves, net of reinsured allowances) .....	3,842	(194,513)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) .....	4,141,602	4,389,972
15.1 Current federal and foreign income taxes including \$ ..... 5,896,050 on realized capital gains (losses) .....	17,284,997	6,156,182
15.2 Net deferred tax liability .....	0	0
16. Unearned investment income .....	133,147	101,736
17. Amounts withheld or retained by company as agent or trustee .....	7,668,433	5,778,821
18. Amounts held for agents' account, including \$ ..... 32,800 agents' credit balances .....	32,800	105,361
19. Remittances and items not allocated .....	77,923,649	77,738,015
20. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0
21. Liability for benefits for employees and agents if not included above .....	0	0
22. Borrowed money \$ ..... 0 and interest thereon \$ ..... 0 .....	0	0
23. Dividends to stockholders declared and unpaid .....	0	0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7) .....	115,897,182	105,914,712
24.02 Reinsurance in unauthorized and certified (\$ ..... 0 ) companies .....	0	0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$ ..... 0 ) reinsurers .....	0	0
24.04 Payable to parent, subsidiaries and affiliates .....	2,273,603	3,179,265
24.05 Drafts outstanding .....	0	0
24.06 Liability for amounts held under uninsured plans .....	266,729	225,452
24.07 Funds held under coinsurance .....	0	0
24.08 Derivatives .....	0	0
24.09 Payable for securities .....	5,395,646	0
24.10 Payable for securities lending .....	0	0
24.11 Capital notes \$ ..... 0 and interest thereon \$ ..... 0 .....	0	0
25. Aggregate write-ins for liabilities .....	39,390,977	37,693,338
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) .....	10,905,716,780	10,281,307,181
27. From Separate Accounts Statement .....	5,154,297,609	4,593,548,661
28. Total Liabilities (Lines 26 and 27) .....	16,060,014,389	14,874,855,842
29. Common capital stock .....	423,838,694	423,838,694
30. Preferred capital stock .....	0	0
31. Aggregate write-ins for other than special surplus funds .....	(1,147,638)	(1,147,638)
32. Surplus notes .....	250,000,000	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) .....	25,342,101	24,120,198
34. Aggregate write-ins for special surplus funds .....	0	48,522,356
35. Unassigned funds (surplus) .....	492,232,422	643,899,694
36. Less treasury stock, at cost:		
36.1 ..... 0 shares common (value included in Line 29 \$ ..... 0 ) .....	0	0
36.2 ..... 0 shares preferred (value included in Line 30 \$ ..... 0 ) .....	0	0
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ ..... 0 in Separate Accounts Statement) .....	766,426,885	715,394,610
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) .....	1,190,265,579	1,139,233,304
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....	17,250,279,968	16,014,089,146
<b>DETAILS OF WRITE-INS</b>		
2501. Accrued interest and other liabilities .....	29,274,130	26,277,414
2502. Long-term contracts payable .....	9,199,239	10,557,789
2503. Guaranty association assessments .....	523,000	535,000
2598. Summary of remaining write-ins for Line 25 from overflow page .....	394,608	323,135
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	39,390,977	37,693,338
3101. Nonqualified defined benefit plan adjustment .....	(1,147,638)	(1,147,638)
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) .....	(1,147,638)	(1,147,638)
3401. Special Surplus associated with SSAP 10R .....	0	48,522,356
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	48,522,356



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD 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) .....	3,506,449,116	3,547,415,859
2. Considerations for supplementary contracts with life contingencies .....	2,279,796	2,402,258
3. Net investment income (Exhibit of Net Investment Income, Line 17) .....	579,501,942	590,217,828
4. Amortization of interest maintenance reserve (IMR, Line 5) .....	5,993,105	4,246,263
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1) .....	20,019,857	17,754,966
7. Reserve adjustments on reinsurance ceded .....	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts .....	32,637,376	32,907,488
8.2 Charges and fees for deposit-type contracts .....	0	0
8.3 Aggregate write-ins for miscellaneous income .....	2,722,154	2,027,106
9. Total (Lines 1 to 8.3) .....	4,149,603,346	4,196,971,768
10. Death benefits .....	481,852,798	613,167,630
11. Matured endowments (excluding guaranteed annual pure endowments) .....	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) .....	661,193,325	602,004,504
13. Disability benefits and benefits under accident and health contracts .....	955,498,036	943,763,868
14. Coupons, guaranteed annual pure endowments and similar benefits .....	0	0
15. Surrender benefits and withdrawals for life contracts .....	740,541,888	728,592,913
16. Group conversions .....	0	0
17. Interest and adjustments on contract or deposit-type contract funds .....	10,585,315	9,245,852
18. Payments on supplementary contracts with life contingencies .....	3,980,604	4,330,509
19. Increase in aggregate reserves for life and accident and health contracts .....	575,663,295	572,607,753
20. Totals (Lines 10 to 19) .....	3,429,315,261	3,473,713,029
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) .....	166,660,359	172,479,756
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) .....	4,138,505	4,678,560
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4) .....	404,594,875	410,261,574
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3) .....	55,808,647	54,942,400
25. Increase in loading on deferred and uncollected premiums .....	245,513	265,541
26. Net transfers to or (from) Separate Accounts net of reinsurance .....	(85,355,967)	(108,422,645)
27. Aggregate write-ins for deductions .....	850,982	4,462,646
28. Totals (Lines 20 to 27) .....	3,976,258,175	4,012,380,860
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....	173,345,171	184,590,908
30. Dividends to policyholders .....	135,995	114,717
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) .....	173,209,176	184,476,191
32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....	40,498,124	40,452,142
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) .....	132,711,052	144,024,049
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ .....0 (excluding taxes of \$ .....5,896,047 transferred to the IMR) .....	(7,337,845)	(16,865,983)
35. Net income (Line 33 plus Line 34) .....	125,373,207	127,158,066
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) .....	1,139,233,300	1,171,513,816
37. Net income (Line 35) .....	125,373,207	127,158,066
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....(1,768,600) .....	5,206,923	(8,596,813)
39. Change in net unrealized foreign exchange capital gain (loss) .....	0	0
40. Change in net deferred income tax .....	5,690,538	13,290,606
41. Change in nonadmitted assets .....	85,229,181	(59,952,968)
42. Change in liability for reinsurance in unauthorized and certified companies .....	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exh. 5A, Line 9999999, Col. 4) .....	0	0
44. Change in asset valuation reserve .....	(9,982,470)	(11,294,903)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1) .....	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period .....	0	0
47. Other changes in surplus in Separate Accounts Statement .....	0	0
48. Change in surplus notes .....	250,000,000	0
49. Cumulative effect of changes in accounting principles .....	0	0
50. Capital changes:		
50.1 Paid in .....	0	0
50.2 Transferred from surplus (Stock Dividend) .....	0	0
50.3 Transferred to surplus .....	0	0
51. Surplus adjustment:		
51.1 Paid in .....	1,221,903	783,492
51.2 Transferred to capital (Stock Dividend) .....	0	0
51.3 Transferred from capital .....	0	0
51.4 Change in surplus as a result of reinsurance .....	(1,093,712)	(1,081,912)
52. Dividends to stockholders .....	(320,000,000)	(87,800,000)
53. Aggregate write-ins for gains and losses in surplus .....	(90,613,291)	(4,786,083)
54. Net change in capital and surplus for the year (Lines 37 through 53) .....	51,032,279	(32,280,516)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) .....	1,190,265,579	1,139,233,300
<b>DETAILS OF WRITE-INS</b>		
08.301. Other income .....	2,722,154	2,027,106
08.302. ....	0	0
08.303. ....	0	0
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) .....	2,722,154	2,027,106
2701. Other expenses .....	850,982	396,539
2702. Modco reserve adjustments .....	0	4,066,107
2703. ....	0	0
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) .....	850,982	4,462,646
5301. Pension - Sponsorship change .....	(87,337,305)	0
5302. Adjustment due to accounting error .....	(2,226,380)	4,067,874
5303. Pension - Additional minimum liability .....	(1,049,606)	0
5398. Summary of remaining write-ins for Line 53 from overflow page .....	0	(8,853,957)
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above) .....	(90,613,291)	(4,786,083)

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	3,479,454,291	3,532,853,701
2. Net investment income .....	618,270,512	612,150,863
3. Miscellaneous income .....	55,379,387	52,689,560
4. Total (Lines 1 through 3) .....	4,153,104,190	4,197,694,125
5. Benefit and loss related payments .....	2,851,392,673	2,896,066,760
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	(85,554,322)	(108,230,045)
7. Commissions, expenses paid and aggregate write-ins for deductions .....	543,891,877	669,688,525
8. Dividends paid to policyholders .....	129,545	106,838
9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....	9,927,346	59,845,244
10. Total (Lines 5 through 9) .....	3,319,787,119	3,517,477,322
11. Net cash from operations (Line 4 minus Line 10) .....	833,317,071	680,216,803
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	940,762,498	859,366,168
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	813,679,137	609,071,582
12.4 Real estate .....	0	0
12.5 Other invested assets .....	476,457	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	(245)
12.7 Miscellaneous proceeds .....	29,431,799	45,461,415
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,784,349,891	1,513,898,920
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	1,233,279,340	1,045,723,481
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	1,188,884,540	1,019,501,990
13.4 Real estate .....	2,117,844	2,327,292
13.5 Other invested assets .....	61,042,754	47,852,214
13.6 Miscellaneous applications .....	0	18,920,152
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	2,485,324,478	2,134,325,129
14. Net increase (decrease) in contract loans and premium notes .....	(282,744)	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(700,691,843)	(620,426,209)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	250,000,000	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	27,892,325	39,625,253
16.5 Dividends to stockholders .....	320,000,000	87,800,000
16.6 Other cash provided (applied) .....	(82,824,330)	(28,388,419)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(124,932,005)	(76,563,166)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	7,693,223	(16,772,572)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	40,698,366	57,470,939
19.2 End of year (Line 18 plus Line 19.1) .....	48,391,589	40,698,366

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

20.0001. Pension - Sponsorship change .....	87,337,305	0
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**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
ANALYSIS OF OPERATIONS 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	3,506,449,116	0	1,462,893	305,832,897	0	0	620,853,356	1,296,882,986	1,121,262,920	0	160,154,064	0
2. Considerations for supplementary contracts with life contingencies	2,279,796	0	0	141,458	2,138,338	0	0	0	0	0	0	0
3. Net investment income	579,501,942	0	0	156,964,790	7,938,284	0	74,112,503	91,080,320	199,244,357	0	52,786,832	(2,625,144)
4. Amortization of Interest Maintenance Reserve (IMR)	5,993,105	0	0	1,590,041	82,096	0	635,689	1,036,687	1,789,601	0	489,876	369,115
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0	0	0	0	0	0	0	0	0	0	0
6. Commissions and expense allowances on reinsurance ceded	20,019,857	0	3,321,328	0	0	0	0	0	0	0	16,698,529	0
7. Reserve adjustments on reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	32,637,376	0	0	0	0	0	0	32,637,376	0	0	0	0
8.2 Charges and fees for deposit-type contracts	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Aggregate write-ins for miscellaneous income	2,722,154	0	0	0	0	0	0	0	2,718,486	0	0	3,668
9. Totals (Lines 1 to 8.3)	4,149,603,346	0	4,784,221	464,529,186	10,158,718	0	695,601,548	1,421,637,369	1,325,015,364	0	230,129,301	(2,252,361)
10. Death benefits	481,852,798	0	3,777,331	0	0	0	478,075,467	0	0	0	0	0
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0	0	0	0	0	0	0	0	0	0	0
12. Annuity benefits	661,193,325	0	0	14,274,619	0	0	0	646,918,706	0	0	0	0
13. Disability benefits and benefits under accident and health contracts	955,498,036	0	0	0	0	0	0	0	866,797,235	0	88,700,801	0
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0	0	0	0	0	0	0	0	0	0	0
15. Surrender benefits and withdrawals for life contracts	740,541,888	0	79,929	204,320,388	0	0	0	536,141,571	0	0	0	0
16. Group conversions	0	0	0	0	0	0	0	0	0	0	0	0
17. Interest and adjustments on contract or deposit-type contract funds	10,585,315	0	8,479	3,063,584	3,014,281	0	3,146,947	340,085	1,011,939	0	0	0
18. Payments on supplementary contracts with life contingencies	3,980,604	0	0	336,484	3,644,120	0	0	0	0	0	0	0
19. Increase in aggregate reserves for life and accident and health contracts	575,663,295	0	413,453	194,364,479	24,886	0	15,148,261	238,435,973	99,179,494	0	28,096,749	0
20. Totals (Lines 10 to 19)	3,429,315,261	0	4,279,192	416,359,554	6,683,287	0	496,370,675	1,421,836,335	966,988,668	0	116,797,550	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	166,660,359	0	0	12,287,734	0	0	32,978,646	12,885,586	63,043,538	0	45,351,425	113,430
22. Commissions and expense allowances on reinsurance assumed	4,138,505	0	0	0	0	0	0	0	0	0	4,138,505	0
23. General insurance expenses	404,594,875	0	0	9,438,478	0	0	94,962,890	51,017,693	222,979,594	0	26,196,220	0
24. Insurance taxes, licenses and fees, excluding federal income taxes	55,808,647	0	0	654,602	0	0	17,974,479	1,498,796	30,384,509	0	5,296,261	0
25. Increase in loading on deferred and uncollected premiums	245,513	0	(131,926)	0	0	0	377,439	0	0	0	0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance	(85,355,967)	0	0	0	0	0	0	(85,355,967)	0	0	0	0
27. Aggregate write-ins for deductions	850,982	0	0	0	0	0	9,046	490,914	174,713	0	2,677	173,632
28. Totals (Lines 20 to 27)	3,976,258,175	0	4,147,266	438,740,368	6,683,287	0	642,673,175	1,402,373,357	1,283,571,022	0	197,782,638	287,062
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	173,345,171	0	636,955	25,788,818	3,475,431	0	52,928,373	19,264,012	41,444,343	0	32,346,663	(2,539,423)
30. Dividends to policyholders	135,995	0	135,995	0	0	0	0	0	0	0	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	173,209,176	0	500,960	25,788,818	3,475,431	0	52,928,373	19,264,012	41,444,343	0	32,346,663	(2,539,423)
32. Federal income taxes incurred (excluding tax on capital gains)	40,498,124	0	(1,198,099)	3,889,408	8,917	0	19,529,169	3,258,241	4,653,616	0	10,942,191	(585,319)
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)	132,711,052	0	1,699,059	21,899,410	3,466,514	0	33,399,204	16,005,771	36,790,727	0	21,404,472	(1,954,104)
<b>DETAILS OF WRITE-INS</b>												
08.301. Other income	2,722,154	0	0	0	0	0	0	0	2,718,486	0	0	3,668
08.302.												
08.303.												
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. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	2,722,154	0	0	0	0	0	0	0	2,718,486	0	0	3,668
2701. Other expenses	850,982	0	0	0	0	0	9,046	490,914	174,713	0	2,677	173,632
2702.												
2703.												
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. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	850,982	0	0	0	0	0	9,046	490,914	174,713	0	2,677	173,632

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**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 .....	5,269,212,120	0	6,404,859	2,682,980,889	28,882,208	0	823,300,511	1,727,643,653
2. Tabular net premiums or considerations .....	2,276,863,773	0	1,389,748	305,745,370	2,183,418	0	674,687,107	1,292,858,130
3. Present value of disability claims incurred .....	128,798,633	0	0	0	XXX	0	128,798,633	0
4. Tabular interest .....	205,305,289	0	322,690	105,010,973	1,584,387	0	44,264,005	54,123,234
5. Tabular less actual reserve released .....	(54,530,659)	0	0	2,429,394	288,808	0	(57,724,887)	476,026
6. Increase in reserve on account of change in valuation basis .....	0	0	0	0	0	0	0	0
7. Other increases (net) .....	951,714	0	940,453	0	0	0	0	11,261
8. Totals (Lines 1 to 7) .....	7,826,600,870	0	9,057,750	3,096,166,626	32,938,821	0	1,613,325,369	3,075,112,304
9. Tabular cost .....	683,720,223	0	1,459,932	0	XXX	0	682,260,291	0
10. Reserves released by death .....	32,176,822	0	588,240	XXX	XXX	0	31,588,582	XXX
11. Reserves released by other terminations (net) .....	802,176,087	0	191,265	204,506,482	318,560	0	61,027,728	536,132,052
12. Annuity, supplementary contract and disability payments involving life contingencies .....	676,172,476	0	0	14,274,619	3,662,044	0	0	658,235,813
13. Net transfers to or (from) Separate Accounts .....	(85,335,187)	0	0	0	0	0	0	(85,335,187)
14. Total Deductions (Lines 9 to 13) .....	2,108,910,421	0	2,239,437	218,781,101	3,980,604	0	774,876,601	1,109,032,678
15. Reserve December 31, current year	5,717,690,449	0	6,818,313	2,877,385,525	28,958,217	0	838,448,768	1,966,079,626

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 16,849,186	16,518,445
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 291,873,589	288,763,479
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	16,100
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	0	0
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 318,705,895	319,738,468
4. Real estate	(d) 16,369,010	16,281,103
5. Contract loans	74,206	74,206
6. Cash, cash equivalents and short-term investments	(e) 1,570	38,364
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	(15,614,390)
9. Aggregate write-ins for investment income	537,527	537,527
10. Total gross investment income	644,410,983	626,353,302
11. Investment expenses		(g) 28,383,272
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 2,317,968
13. Interest expense		(h) 4,921,875
14. Depreciation on real estate and other invested assets		(i) 3,007,902
15. Aggregate write-ins for deductions from investment income		8,220,343
16. Total deductions (Lines 11 through 15)		46,851,360
17. Net investment income (Line 10 minus Line 16)		579,501,942
<b>DETAILS OF WRITE-INS</b>		
0901. Miscellaneous Investment Income	537,527	537,527
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	537,527	537,527
1501. Bond Management Fee		1,390,480
1502. Mortgage Loan Service Fee		6,230,852
1503. Investment Fund Servicing Fee		599,011
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		8,220,343

- (a) Includes \$ 5,716,899 accrual of discount less \$ 23,664,995 amortization of premium and less \$ 3,893,600 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 217,142 accrual of discount less \$ 9,586 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 8,679,660 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 11,887 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 3,007,902 depreciation on real estate and \$ 0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	0	0	0	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	16,808,010	(3,223,072)	13,584,938	0	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	(6,998,459)	(95,250)	(7,093,709)	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments	3,477,497	0	3,477,497	4,273,538	0
8. Other invested assets	62,581	(566,472)	(503,891)	(33,828)	0
9. Aggregate write-ins for capital gains (losses)	0	43,169	43,169	(801,387)	0
10. Total capital gains (losses)	13,349,629	(3,841,625)	9,508,004	3,438,323	0
<b>DETAILS OF WRITE-INS</b>					
0901. Provision Adjust to Mortgage Loans	0	0	0	(801,387)	0
0902. Property easement	0	40,150	40,150	0	0
0903. Mortgage loan adjustment	0	3,019	3,019	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	43,169	43,169	(801,387)	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**EXHIBIT - 1 PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
<b>FIRST YEAR (other than single)</b>											
1. Uncollected	(2,003,053)	0	9,735	0	0	0	0	0	0	(2,012,788)	0
2. Deferred and accrued	70,732	0	70,732	0	0	0	0	0	0	0	0
3. Deferred, accrued and uncollected:											
3.1 Direct	156,185	0	80,467	0	0	0	0	0	0	75,718	0
3.2 Reinsurance assumed	2,676	0	0	0	0	0	0	0	0	2,676	0
3.3 Reinsurance ceded	2,091,182	0	0	0	0	0	0	0	0	2,091,182	0
3.4 Net (Line 1 + Line 2)	(1,932,321)	0	80,467	0	0	0	0	0	0	(2,012,788)	0
4. Advance	186,521	0	1,395	0	0	0	0	0	0	185,126	0
5. Line 3.4 - Line 4	(2,118,842)	0	79,072	0	0	0	0	0	0	(2,197,914)	0
6. Collected during year:											
6.1 Direct	23,110,801	0	368,483	2,945,879	0	0	0	0	0	19,796,439	0
6.2 Reinsurance assumed	290,933	0	3,907	0	0	0	0	0	0	287,026	0
6.3 Reinsurance ceded	5,994,008	0	0	0	0	0	0	0	0	5,994,008	0
6.4 Net	17,407,726	0	372,390	2,945,879	0	0	0	0	0	14,089,457	0
7. Line 5 + Line 6.4	15,288,884	0	451,462	2,945,879	0	0	0	0	0	11,891,543	0
8. Prior year (uncollected + deferred and accrued - advance)	(1,289,751)	0	108,709	0	0	0	0	0	0	(1,398,460)	0
9. First year premiums and considerations:											
9.1 Direct	23,065,410	0	342,753	2,945,879	0	0	0	0	0	19,776,778	0
9.2 Reinsurance assumed	290,233	0	0	0	0	0	0	0	0	290,233	0
9.3 Reinsurance ceded	6,777,008	0	0	0	0	0	0	0	0	6,777,008	0
9.4 Net (Line 7 - Line 8)	16,578,635	0	342,753	2,945,879	0	0	0	0	0	13,290,003	0
<b>SINGLE</b>											
10. Single premiums and considerations:											
10.1 Direct	319,017,712	0	20,989,058	298,028,654	0	0	0	0	0	0	0
10.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
10.3 Reinsurance ceded	20,943,694	0	20,943,694	0	0	0	0	0	0	0	0
10.4 Net	298,074,018	0	45,364	298,028,654	0	0	0	0	0	0	0
<b>RENEWAL</b>											
11. Uncollected	119,871,225	0	28,549	0	0	48,128,589	2,531,980	71,537,438	0	(2,355,331)	0
12. Deferred and accrued	(20,163,421)	0	309,578	0	0	(12,581,530)	0	(7,891,469)	0	0	0
13. Deferred, accrued and uncollected:											
13.1 Direct	107,461,116	0	5,140,555	0	0	35,741,518	2,531,980	62,534,459	0	1,512,604	0
13.2 Reinsurance assumed	5,032,637	0	0	0	0	0	0	4,809,332	0	223,305	0
13.3 Reinsurance ceded	12,785,950	0	4,802,428	0	0	194,459	0	3,697,822	0	4,091,241	0
13.4 Net (Line 11 + Line 12)	99,707,803	0	338,127	0	0	35,547,059	2,531,980	63,645,969	0	(2,355,332)	0
14. Advance	10,950,293	0	8,330	0	0	3,466,951	0	5,842,931	0	1,632,081	0
15. Line 13.4 - Line 14	88,757,510	0	329,797	0	0	32,080,108	2,531,980	57,803,038	0	(3,987,413)	0
16. Collected during year:											
16.1 Direct	3,321,151,896	0	28,974,520	4,858,364	0	753,721,744	1,296,975,515	1,080,837,633	0	155,784,120	0
16.2 Reinsurance assumed	104,435,408	0	11,603	0	0	3,643,715	0	60,154,326	0	40,625,764	0
16.3 Reinsurance ceded	260,999,920	0	27,912,296	0	0	145,121,871	0	40,677,524	0	47,288,229	0
16.4 Net	3,164,587,384	0	1,073,827	4,858,364	0	612,243,588	1,296,975,515	1,100,314,435	0	149,121,655	0
17. Line 15 + Line 16.4	3,253,344,894	0	1,403,624	4,858,364	0	644,323,696	1,299,507,495	1,158,117,473	0	145,134,242	0
18. Prior year (uncollected + deferred and accrued - advance)	61,548,429	0	328,848	0	0	23,470,340	2,624,507	36,854,553	0	(1,729,820)	0
19. Renewal premiums and considerations:											
19.1 Direct	3,357,973,544	0	28,197,975	4,858,364	0	765,985,422	1,296,882,986	1,105,585,995	0	156,462,802	0
19.2 Reinsurance assumed	97,096,142	0	0	0	0	0	0	56,283,344	0	40,812,798	0
19.3 Reinsurance ceded	263,273,223	0	27,123,199	0	0	145,132,066	0	40,606,419	0	50,411,539	0
19.4 Net (Line 17 - Line 18)	3,191,796,463	0	1,074,776	4,858,364	0	620,853,356	1,296,882,986	1,121,262,920	0	146,864,061	0
<b>TOTAL</b>											
20. Total premiums and annuity considerations:											
20.1 Direct	3,700,056,666	0	49,529,786	305,832,897	0	765,985,422	1,296,882,986	1,105,585,995	0	176,239,580	0
20.2 Reinsurance assumed	97,386,375	0	0	0	0	0	0	56,283,344	0	41,103,031	0
20.3 Reinsurance ceded	290,993,925	0	48,066,893	0	0	145,132,066	0	40,606,419	0	57,188,547	0
20.4 Net (Lines 9.4 + 10.4 + 19.4)	3,506,449,116	0	1,462,893	305,832,897	0	620,853,356	1,296,882,986	1,121,262,920	0	160,154,064	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	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21. To pay renewal premiums .....	31,212	0	31,212	0	0	0	0	0	0	0	0
22. All other .....	45,364	0	45,364	0	0	0	0	0	0	0	0
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded .....	5,308,286	0	0	0	0	0	0	0	0	5,308,286	0
23.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0
23.3 Net ceded less assumed .....	5,308,286	0	0	0	0	0	0	0	0	5,308,286	0
24. Single:											
24.1 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0	0
24.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0
24.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded .....	14,711,571	0	3,321,328	0	0	0	0	0	0	11,390,243	0
25.2 Reinsurance assumed .....	4,138,505	0	0	0	0	0	0	0	0	4,138,505	0
25.3 Net ceded less assumed .....	10,573,066	0	3,321,328	0	0	0	0	0	0	7,251,738	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6) .....	20,019,857	0	3,321,328	0	0	0	0	0	0	16,698,529	0
26.2 Reinsurance assumed (Page 6, Line 22) .....	4,138,505	0	0	0	0	0	0	0	0	4,138,505	0
26.3 Net ceded less assumed .....	15,881,352	0	3,321,328	0	0	0	0	0	0	12,560,024	0
<b>COMMISSIONS INCURRED (direct business only)</b>											
27. First year (other than single) .....	38,761,077	0	0	86,612	0	4,206,052	1,278,771	9,480,814	0	23,595,398	113,430
28. Single .....	12,155,776	0	0	12,155,776	0	0	0	0	0	0	0
29. Renewal .....	115,743,506	0	0	45,346	0	28,772,594	11,606,815	53,562,724	0	21,756,027	0
30. Deposit-type contract funds .....	0	0	0	0	0	0	0	0	0	0	0
31. Totals (to agree with Page 6, Line 21)	166,660,359	0	0	12,287,734	0	32,978,646	12,885,586	63,043,538	0	45,351,425	113,430

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
EXHIBIT 2 - GENERAL EXPENSES**

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		Cost Containment	3 All Other			
1. Rent	8,156,156	0	11,475,800	0	1,213,141	20,845,098
2. Salaries and wages	84,816,623	0	130,227,373	0	13,087,448	228,131,444
3.11 Contributions for benefit plans for employees	10,976,087	0	19,133,423	0	3,343,658	33,453,167
3.12 Contributions for benefit plans for agents	0	0	0	0	0	0
3.21 Payments to employees under non-funded benefit plans	0	0	0	0	0	0
3.22 Payments to agents under non-funded benefit plans	0	0	0	0	0	0
3.31 Other employee welfare	1,797,510	0	2,625,512	0	196,737	4,619,759
3.32 Other agent welfare	0	0	0	0	0	0
4.1 Legal fees and expenses	244,572	0	326,595	0	405,732	976,899
4.2 Medical examination fees	822,655	0	3,356,159	0	0	4,178,815
4.3 Inspection report fees	23,452	0	595,644	0	0	619,096
4.4 Fees of public accountants and consulting actuaries	704,895	0	889,825	0	78,200	1,672,920
4.5 Expense of investigation and settlement of policy claims	1,064,979	0	16,241,791	0	0	17,306,770
5.1 Traveling expenses	4,311,966	0	5,355,226	0	740,571	10,407,763
5.2 Advertising	1,481,593	0	2,879,005	0	146,926	4,507,524
5.3 Postage, express, telegraph and telephone	3,542,738	0	4,322,771	0	479,764	8,345,273
5.4 Printing and stationery	2,668,706	0	2,694,159	0	218,133	5,580,998
5.5 Cost or depreciation of furniture and equipment	1,260,429	0	2,057,582	0	63,126	3,381,136
5.6 Rental of equipment	2,310,323	0	3,892,330	0	119,676	6,322,329
5.7 Cost or depreciation of EDP equipment and software	20,098,753	0	33,328,950	0	1,022,508	54,450,212
6.1 Books and periodicals	122,695	0	119,544	0	30,139	272,379
6.2 Bureau and association fees	529,708	0	873,160	0	71,884	1,474,752
6.3 Insurance, except on real estate	877,053	0	1,418,359	0	538,729	2,834,141
6.4 Miscellaneous losses	0	0	0	0	0	0
6.5 Collection and bank service charges	225,226	0	358,433	0	0	583,659
6.6 Sundry general expenses	2,308,932	0	3,695,191	0	366,890	6,371,013
6.7 Group service and administration fees	6,634,852	0	13,431,413	0	2,179	20,068,444
6.8 Reimbursements by uninsured plans	0	0	(10,850,662)	0	0	(10,850,662)
7.1 Agency expense allowance	0	0	0	0	0	0
7.2 Agents' balances charged off (less \$ recovered)	39,048	0	65,831	0	0	104,879
7.3 Agency conferences other than local meetings	114,734	0	188,355	0	0	303,089
9.1 Real estate expenses	283,050	0	470,119	0	6,020,469	6,773,637
9.2 Investment expenses not included elsewhere	2,327	0	3,924	0	237,361	243,612
9.3 Aggregate write-ins for expenses	0	0	0	0	0	0
10. General expenses incurred	155,419,061	0	249,175,814	0	28,383,272	(a) 432,978,147
11. General expenses unpaid December 31, prior year	25,037,566	0	181,991,979	0	1,997,471	209,027,016
12. General expenses unpaid December 31, current year	21,406,760	0	190,652,310	0	1,973,349	214,032,419
13. Amounts receivable relating to uninsured plans, prior year	0	0	4,326,005	0	0	4,326,005
14. Amounts receivable relating to uninsured plans, current year	0	0	4,511,990	0	0	4,511,990
15. General expenses paid during year (Lines 10+11-12-13+14)	159,049,867	0	240,701,468	0	28,407,394	428,158,729
<b>DETAILS OF WRITE-INS</b>						
09.301.						
09.302.						
09.303.						
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)	0	0	0	0	0	0

(a) Includes management fees of \$ 16,031,000 to affiliates and \$ 1,390,480 to non-affiliates.

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

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes	0	0	0	2,299,378	2,299,378
2. State insurance department licenses and fees	927,698	1,468,507	0	0	2,396,205
3. State taxes on premiums	13,176,848	22,661,966	0	0	35,838,814
4. Other state taxes, including \$ for employee benefits	1,352,903	2,280,858	0	0	3,633,761
5. U.S. Social Security taxes	3,920,495	8,005,129	0	18,591	11,944,216
6. All other taxes	749,933	1,264,310	0	0	2,014,243
7. Taxes, licenses and fees incurred	20,127,877	35,680,770	0	2,317,968	58,126,616
8. Taxes, licenses and fees unpaid December 31, prior year	1,628,594	2,746,090	0	15,288	4,389,972
9. Taxes, licenses and fees unpaid December 31, current year	1,530,512	2,580,288	0	30,802	4,141,602
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	20,225,959	35,846,572	0	2,302,454	58,374,986

**EXHIBIT 4 - DIVIDENDS OR REFUNDS**

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums	31,212
2. Applied to shorten the endowment or premium-paying period	0	0
3. Applied to provide paid-up additions	45,364	0
4. Applied to provide paid-up annuities	0	0
5. Total Lines 1 through 4	76,576	0
6. Paid in cash	48,422	0
7. Left on deposit	4,547	0
8. Aggregate write-ins for dividend or refund options	0	0
9. Total Lines 5 through 8	129,545	0
10. Amount due and unpaid	5,976	0
11. Provision for dividends or refunds payable in the following calendar year	117,196	0
12. Terminal dividends	0	0
13. Provision for deferred dividend contracts	0	0
14. Amount provisionally held for deferred dividend contracts not included in Line 13	0	0
15. Total Lines 10 through 14	123,172	0
16. Total from prior year	116,722	0
17. Total dividends or refunds (Lines 9 + 15 - 16)	135,995	0
<b>DETAILS OF WRITE-INS</b>		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0100001. AE 3.50% NLP CNF 1906-1941	72,969	0	72,969	0	0
0100002. AM(5) 3.00% NLP CNF 1941-1947	558,217	0	558,217	0	0
0100003. AM(5) 3.00% ILL CNF 1941-1947	694,020	0	694,020	0	0
0100004. 1941 CSO 2.25% NLP CNF 1947-1964	4,761,197	0	4,761,197	0	0
0100005. 1941 CSO 2.25% CRVM CNF 1947-1964	3,306,055	0	3,306,055	0	0
0100006. 1941 CSO 2.25% NJ CNF 1947-1964	3,303,858	0	3,303,858	0	0
0100007. 1958 CSO 2.50% CRVM CNF 1970-1982	47,654	0	47,654	0	0
0100008. 1958 CSO 3.00% NLP CNF 1964-1970	6,881,817	0	6,881,817	0	0
0100009. 1958 CSO 3.00% NJ CNF 1964-1970	11,831,600	0	11,831,600	0	0
0100010. 1958 CSO 3.50% NLP CNF 1970-1992	11,890,221	0	11,890,221	0	0
0100011. 1958 CSO 3.50% CRVM CNF 1970-1982	49,660,303	0	49,660,303	0	0
0100012. 1958 CSO 4.00% NLP CNF 1978-1982	4,572	0	4,572	0	0
0100013. 1958 CSO 4.00% CRVM CNF 1974-1982	24,143,339	0	24,143,339	0	0
0100014. 1958 CSO 4.50% NLP CNF 1981-1988	160,186	0	160,186	0	0
0100015. 1958 CSO 4.50% CRVM 1981-1988	100,252,142	0	100,252,142	0	0
0100016. 1958 CSO 5.50% NLP CNF 1979-1988	17,819,573	0	17,819,573	0	0
0100017. 1980 CSO 4.00% CRVM 1988-1999, 2006-2008	126,005,159	0	126,005,159	0	0
0100018. 1980 CSO 4.50% NLP CNF 1983-2005	438,823	0	438,823	0	0
0100019. 1980 CSO 4.50% CRVM 1995-2005	77,977,318	0	77,977,318	0	0
0100020. 1980 CSO 5.00% NLP 1993-1994	1,025,862	0	1,025,862	0	0
0100021. 1980 CSO 5.00% CRVM 1993-1994	39,379,546	0	39,379,546	0	0
0100022. 1980 CSO 5.50% NLP 1987-1992	4,200,584	0	4,200,584	0	0
0100023. 1980 CSO 5.50% CRVM 1986-1992	228,967,475	0	228,967,475	0	0
0100024. 1980 CSO 6.00% CRVM CNF 1983-1986	24,206,719	0	24,206,719	0	0
0100025. 2001 CSO 4.00% CRVM CNF 2009-2012 NB	2,084,127	0	2,084,127	0	0
0100026. 1958 CSO 3 1/2% 1958-1975	157,451	0	0	0	157,451
0100027. 1958 CSO 4% 1976-1987	842,763	0	0	0	842,763
0100028. 1980 CSO 4 1/2% 1995-2003	19,363,523	0	0	0	19,363,523
0100029. 1980 CSO 5 1/2% 1988-1992	3,217,767	0	0	0	3,217,767
0100030. 1980 CSO 5% 1993-1994	2,222,528	0	0	0	2,222,528
0100031. 2001 CSO 4 1/2% 2004-2005	7,873,715	0	0	0	7,873,715
0100032. 2001 CSO 4% 2006-2012 NB	18,678,625	0	0	0	18,678,625
0199997. Totals (Gross)	792,029,708	0	739,673,336	0	52,356,372
0199998. Reinsurance ceded	732,873,661	0	732,873,661	0	0
0199999. Life Insurance: Totals (Net)	59,156,047	0	6,799,675	0	52,356,372
0200001. 1955 AA 3.50% 1942-1943, 1953	1,852	XXX	1,852	XXX	0
0200002. 1971 IAM 3.50% 1964-1967, 1970-1973	695,640	XXX	695,640	XXX	0
0200003. 1971 IAM 4.00% 1974-1979	25,164,635	XXX	25,164,635	XXX	0
0200004. 1971 IAM 4.50% 1980-1982	52,908,449	XXX	52,908,449	XXX	0
0200005. 1971 IAM 6.00% 1975-1979, 1983	68,556	XXX	68,556	XXX	0
0200006. 1971 IAM 8.50% 1984-1985	27,057,857	XXX	27,057,857	XXX	0
0200007. 1971 IAM 8.75% 1983	11,984,923	XXX	11,984,923	XXX	0
0200008. 1971 IAM 10.00% 1984-1985	77,040	XXX	77,040	XXX	0
0200009. 1983 IAM 5.50% 1994, 1996-1997	15,424,861	XXX	15,424,861	XXX	0
0200010. 1983 IAM 5.75% 1993	7,788,962	XXX	7,788,962	XXX	0
0200011. 1983 IAM 6.00% 1995	7,228,844	XXX	7,228,844	XXX	0
0200012. 1983 IAM 6.25% 1992, 1994, 1996-1997	17,689,336	XXX	17,689,336	XXX	0
0200013. 1983 IAM 6.50% 1987, 1990, 1993	23,726,813	XXX	23,726,813	XXX	0
0200014. 1983 IAM 6.75% 1991	18,035,903	XXX	18,035,903	XXX	0
0200015. 1983 IAM 6.99% 1995	2,683,831	XXX	2,683,831	XXX	0
0200016. 1983 IAM 7.00% 1988-1989	25,125,425	XXX	25,125,425	XXX	0
0200017. 1983 IAM 7.25% 1986	5,189,270	XXX	5,189,270	XXX	0
0200018. 1983 IAM 7.50% 1992	277,974	XXX	277,974	XXX	0
0200019. 1983 IAM 8.00% 1987, 1991	550,779	XXX	550,779	XXX	0
0200020. 1983 IAM 8.25% 1990	1,469,469	XXX	1,469,469	XXX	0
0200021. 1983 IAM 8.75% 1988-1989	1,359,441	XXX	1,359,441	XXX	0
0200022. 1983 IAM 9.25% 1986	41,725	XXX	41,725	XXX	0
0200023. ANNUITY 2000 2.50% 2010	98,314	XXX	98,314	XXX	0
0200024. ANNUITY 2000 2.85% 2012 NB	12,923,924	XXX	12,923,924	XXX	0
0200025. ANNUITY 2000 2.88% 2012 NB	513,620	XXX	513,620	XXX	0
0200026. ANNUITY 2001 3.10% 2012 NB	218,109,771	XXX	218,109,771	XXX	0
0200027. ANNUITY 2000 3.40% 2004	4,754,788	XXX	4,754,788	XXX	0
0200028. ANNUITY 2000 3.50% 2003	3,973,290	XXX	3,973,290	XXX	0
0200029. ANNUITY 2000 3.75% 2005, 2012 NB	6,833,396	XXX	6,833,396	XXX	0
0200030. ANNUITY 2000 3.90% 2011	31,811,703	XXX	31,811,703	XXX	0
0200031. ANNUITY 2000 4.00% 2005, 2012 NB	69,485,255	XXX	69,485,255	XXX	0
0200032. ANNUITY 2000 4.07% 2011	1,463,535	XXX	1,463,535	XXX	0
0200033. ANNUITY 2000 4.15% 2011	251,981,659	XXX	251,981,659	XXX	0
0200034. ANNUITY 2000 4.20% 2004, 2008	85,401,830	XXX	85,401,830	XXX	0
0200035. ANNUITY 2000 4.25% 2007, 2009, 2011	18,522,793	XXX	18,522,793	XXX	0
0200036. ANNUITY 2000 4.50% 2003, 2006, 2010	171,371,270	XXX	171,371,270	XXX	0
0200037. ANNUITY 2000 4.75% 2005-2008, 2010	647,420,655	XXX	647,420,655	XXX	0
0200038. ANNUITY 2000 4.10% 2003	176,140	XXX	176,140	XXX	0
0200039. ANNUITY 2000 4.90% 2010	33,619,171	XXX	33,619,171	XXX	0
0200040. ANNUITY 2000 4.98% 2005	2,700,278	XXX	2,700,278	XXX	0
0200041. ANNUITY 2000 5.00% 2008-2009	730,052,167	XXX	730,052,167	XXX	0
0200042. ANNUITY 2000 5.25% 1998-1999	3,830,446	XXX	3,830,446	XXX	0
0200043. ANNUITY 2000 5.14% 2006	2,940,114	XXX	2,940,114	XXX	0
0200044. ANNUITY 2000 5.37% 2007	7,979,626	XXX	7,979,626	XXX	0
0200045. ANNUITY 2000 5.50% 2008	260,599,344	XXX	260,599,344	XXX	0
0200046. ANNUITY 2000 5.69% 2009	26,211,584	XXX	26,211,584	XXX	0
0200047. ANNUITY 2000 5.75% 2000	34,185,375	XXX	34,185,375	XXX	0
0200048. ANNUITY 2000 6.25% 1998-1999, 2002	737,111	XXX	737,111	XXX	0
0200049. ANNUITY 2000 6.50% 2002	477,247	XXX	477,247	XXX	0
0200050. ANNUITY 2000 6.75% 2001	122,540	XXX	122,540	XXX	0
0200051. ANNUITY 2000 7.00% 2000	755,120	XXX	755,120	XXX	0
0200052. SS 83 IAM 5.50% 1993	221,777	XXX	221,777	XXX	0
0200053. SS 83 IAM 6.25% 1989	64,802	XXX	64,802	XXX	0
0200054. SS 83 IAM 6.50% 1993	1,608,108	XXX	1,608,108	XXX	0
0200055. SS 83 IAM 7.25% 1990-1991	225,745	XXX	225,745	XXX	0
0200056. SS 83 IAM 7.50% 1989, 1992	786,897	XXX	786,897	XXX	0
0200057. SS 83 IAM 7.75% 1988	62,451	XXX	62,451	XXX	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200058. SS 83 IAM 8.00% 1991	71,064	XXX	71,064	XXX	0
0200059. SS 83 IAM 8.25% 1990	390,021	XXX	390,021	XXX	0
0200060. SS 83 IAM 8.75% 1989	351,011	XXX	351,011	XXX	0
0200061. 1951 PENSION 4.00% 1973-1983	1,042,689	XXX	0	XXX	1,042,689
0200062. 1951 PENSION 10.00% 1984-1985	1,596,924	XXX	0	XXX	1,596,924
0200063. 1983 GAM 6.00% 1987	380,089	XXX	0	XXX	380,089
0200064. 1983 GAM 6.25% 1988-1989	156,033	XXX	0	XXX	156,033
0200065. 1983 GAM 6.50% 1986	614,215	XXX	0	XXX	614,215
0200066. 1983 GAM 7.25% 1987	243,717	XXX	0	XXX	243,717
0200067. 1983 GAM 7.75% 1988-1989	208,203	XXX	0	XXX	208,203
0200068. 1983 GAM 8.00% 1986-1987	1,521,940	XXX	0	XXX	1,521,940
0200069. 1983 GAM 8.25% 1989	146,909	XXX	0	XXX	146,909
0200070. 1983 GAM 8.75% 1986, 1988-1989	3,109,849	XXX	0	XXX	3,109,849
0200071. 1983 GAM 9.25% 1986	1,149,908	XXX	0	XXX	1,149,908
0200072. 1983 IAM 5.25% 1993	250,461	XXX	0	XXX	250,461
0200073. 1983 IAM 6.00% 1990, 1996-1997	426,012	XXX	0	XXX	426,012
0200074. 1983 IAM 6.25% 1993, 1996-1997	4,649,001	XXX	0	XXX	4,649,001
0200075. 1983 IAM 6.50% 1993-1995	3,308,618	XXX	0	XXX	3,308,618
0200076. 1983 IAM 6.75% 1992	25,717	XXX	0	XXX	25,717
0200077. 1983 IAM 6.99% 1995	1,941,876	XXX	0	XXX	1,941,876
0200078. 1983 IAM 7.25% 1990-1991	155,409	XXX	0	XXX	155,409
0200079. 1983 IAM 7.75% 1992	2,243,604	XXX	0	XXX	2,243,604
0200080. 1983 IAM 8.00% 1990	57,386	XXX	0	XXX	57,386
0200081. 1983 IAM 8.25% 1990-1991	3,050,269	XXX	0	XXX	3,050,269
0200082. ANNUITY 2000 6.25% 1998	2,566,018	XXX	0	XXX	2,566,018
0200083. 1994 GAM 4.20% 2012 NB	1,650,843	XXX	0	XXX	1,650,843
0200084. 1994 GAM 4.47% 2011	2,032,566	XXX	0	XXX	2,032,566
0200085. 1994 GAM 4.50% 2004-2005	3,317,173	XXX	0	XXX	3,317,173
0200086. 1994 GAM 4.67% 2006	945,787	XXX	0	XXX	945,787
0200087. 1994 GAM 4.70% 2003	2,465,968	XXX	0	XXX	2,465,968
0200088. 1994 GAM 5.06% 2010	1,526,485	XXX	0	XXX	1,526,485
0200089. 1994 GAM 5.12% 2007	759,930	XXX	0	XXX	759,930
0200090. 1994 GAM 5.25% 2008	1,450,638	XXX	0	XXX	1,450,638
0200091. 1994 GAM 5.50% 1999	18,074	XXX	0	XXX	18,074
0200092. 1994 GAM 5.79% 2009	531,731	XXX	0	XXX	531,731
0200093. 1994 GAM 6.00% 2001	433,850	XXX	0	XXX	433,850
0200094. 1994 GAM 6.25% 1999-2000	3,329,154	XXX	0	XXX	3,329,154
0200095. 1994 GAM 6.50% 2002	1,323,989	XXX	0	XXX	1,323,989
0200096. 1994 GAM 6.75% 2000-2001	3,056,938	XXX	0	XXX	3,056,938
0200097. 1994 GAM 7.00% 2000	4,129,714	XXX	0	XXX	4,129,714
0200098. 1994 GAM 3.00% 1962-2012 NB	1,910,261,939	XXX	0	XXX	1,910,261,939
0299997. Totals (Gross)	4,843,465,153	XXX	2,877,385,527	XXX	1,966,079,626
0299998. Reinsurance ceded	0	XXX	0	XXX	0
0299999. Annuities: Totals (Net)	4,843,465,153	XXX	2,877,385,527	XXX	1,966,079,626
0300001. 1969-1971 US Life Modified 4% 1971-2012 NB	21,321,446	0	0	0	21,321,446
0300002. Annuity 2000 5.50%, 2004, 2007	150,634	0	150,634	0	0
0300003. 55 AA 3.50% 1958, 1697	12,576	0	12,576	0	0
0300004. 55 AA 4.00% 1970-1974	4,611	0	4,611	0	0
0300005. 71 IAM 3.50% 1976-1983	134,825	0	134,825	0	0
0300006. 71 IAM 6.00% 1977-1983	87,678	0	87,678	0	0
0300007. 71 IAM 10.00% 1984-1985	166,062	0	166,062	0	0
0300008. 83 IAM 6.25% 1994, 1996-1997	1,927,155	0	1,927,155	0	0
0300009. 83 IAM 6.50% 1993	496,563	0	496,563	0	0
0300010. 83 IAM 6.99% 1995	1,678,088	0	1,678,088	0	0
0300011. 83 IAM 7.50% 1992	295,748	0	295,748	0	0
0300012. 83 IAM 8.00% 1987, 1991	834,746	0	834,746	0	0
0300013. 83 IAM 8.25% 1990	981,127	0	981,127	0	0
0300014. 83 IAM 8.75% 1988-1989	1,228,886	0	1,228,886	0	0
0300015. 83 IAM 9.25% 1986	288,168	0	288,168	0	0
0300016. ANNUITY 2000 2.85% 2012 NB	72,730	0	72,730	0	0
0300017. ANNUITY 2000 3.75% 2005	1,269,992	0	1,269,992	0	0
0300018. ANNUITY 2000 3.90% 2011	79,152	0	79,152	0	0
0300019. ANNUITY 2000 3.96% 2012 NB	2,059,576	0	2,059,576	0	0
0300020. ANNUITY 2000 4.07% 2004	724,790	0	724,790	0	0
0300021. ANNUITY 2000 4.50% 2006, 2010	1,397,240	0	1,397,240	0	0
0300022. ANNUITY 2000 4.51% 2011	1,902,926	0	1,902,926	0	0
0300023. ANNUITY 2000 4.75% 2007-2008	106,470	0	106,470	0	0
0300024. ANNUITY 2000 4.81% 2006	584,068	0	584,068	0	0
0300025. ANNUITY 2000 4.85% 2003	487,403	0	487,403	0	0
0300026. ANNUITY 2000 4.86% 2005	1,875,753	0	1,875,753	0	0
0300027. ANNUITY 2000 4.96% 2007	1,510,008	0	1,510,008	0	0
0300028. ANNUITY 2000 5.00% 2009, 2010	622,844	0	622,844	0	0
0300029. ANNUITY 2000 5.23% 2009	522,099	0	522,099	0	0
0300030. ANNUITY 2000 5.50% 2008	1,941,595	0	1,941,595	0	0
0300031. ANNUITY 2000 6.25% 1998-1999	1,752,122	0	1,752,122	0	0
0300032. ANNUITY 2000 6.50% 2002	1,532,318	0	1,532,318	0	0
0300033. ANNUITY 2000 6.75% 2001	659,487	0	659,487	0	0
0300034. ANNUITY 2000 7.00% 2000	1,721,410	0	1,721,410	0	0
0399997. Totals (Gross)	50,430,296	0	29,108,850	0	21,321,446
0399998. Reinsurance ceded	150,634	0	150,634	0	0
0399999. SCWLC: Totals (Net)	50,279,662	0	28,958,216	0	21,321,446
0400001. 1959 ADB - 1958 CSO 3% 1964-2000	53,722	0	53,722	0	0
0499997. Totals (Gross)	53,722	0	53,722	0	0
0499998. Reinsurance ceded	53,722	0	53,722	0	0
0499999. Accidental Death Benefits: Totals (Net)	0	0	0	0	0
0500001. 1952 Interco Disa - 1958 CSO 3% 1964-2000	663,355	0	663,355	0	0
0599997. Totals (Gross)	663,355	0	663,355	0	0
0599998. Reinsurance ceded	663,355	0	663,355	0	0
0599999. Disability-Active Lives: Totals (Net)	0	0	0	0	0
0600001. 1952 Interco Disa - 1958 CSO 3% 1964-2000	1,527,917	0	1,527,917	0	0
0600002. 1970 Inter-co Group Val Table 4 1/2% 1952-1987, 1995-2005	184,960,148	0	0	0	184,960,148

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1	2	3	4	5 Credit (Group and Individual)	6
Valuation Standard	Total	Industrial	Ordinary		Group
0600003. 1970 Inter-co Group Val Table 5 1/2% 1988-1992	19,932,836	0	0	0	19,932,836
0600004. 1970 Inter-co Group Val Table 5% 1993-1994	17,135,383	0	0	0	17,135,383
0600005. 1970 Inter-co Group Val Table 4% 2006-2012 NB	514,543,454	0	0	0	514,543,454
0600006. 1970 Inter-co Group Val Table 3 1/2% 1952-1974	186,071	0	0	0	186,071
0600007. 1970 Inter-co Group Val Table 4% 1975-1979, 2006-2012 NB	276,080	0	0	0	276,080
0600008. 1970 Inter-co Group Val Table 4 1/2% 1980-1982, 1995-2005	26,060,634	0	0	0	26,060,634
0600009. 1970 Inter-co Group Val Table 6% 1983-1986	237,180	0	0	0	237,180
0600010. 1970 Inter-co Group Val Table 5 1/2% 1987-1992	1,541,680	0	0	0	1,541,680
0600011. 1970 Inter-co Group Val Table 5% 1993-1994	1,148,829	0	0	0	1,148,829
0600012. 1969-1971 US Life Modified 4% 1971-2012 NB	2,122,284	0	0	0	2,122,284
0699997. Totals (Gross)	769,672,496	0	1,527,917	0	768,144,579
0699998. Reinsurance ceded	4,901,547	0	1,527,917	0	3,373,630
0699999. Disability-Disabled Lives: Totals (Net)	764,770,949	0	0	0	764,770,949
0700001. Surrender Value in Excess	2,932,004	0	2,932,004	0	0
0700002. Immediate Payment of Claims	194,433	0	194,433	0	0
0700003. Non-Deduction of Deferred Fractional Premiums	104,479	0	104,479	0	0
0799997. Totals (Gross)	3,230,916	0	3,230,916	0	0
0799998. Reinsurance ceded	3,212,278	0	3,212,278	0	0
0799999. Miscellaneous Reserves: Totals (Net)	18,638	0	18,638	0	0
9999999. Totals (Net) - Page 3, Line 1	5,717,690,449	0	2,913,162,056	0	2,804,528,393

**EXHIBIT 5 - INTERROGATORIES**

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [ X ] No [ ]
- 1.2 If not, state which kind is issued. ....
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts?..... Yes [ ] No [ X ]
- 2.2 If not, state which kind is issued.  
Non-Participating .....
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?..... Yes [ X ] No [ ]  
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? ..... Yes [ ] No [ X ]  
If so, state:  
4.1 Amount of insurance? ..... \$ ..... 0  
4.2 Amount of reserve? ..... \$ ..... 0  
4.3 Basis of reserve: .....
- 4.4 Basis of regular assessments: .....
- 4.5 Basis of special assessments: .....
- 4.6 Assessments collected during the year ..... \$ ..... 0
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts. ....
- 6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? ..... Yes [ ] No [ X ]  
6.1 If so, state the amount of reserve on such contracts on the basis actually held: ..... \$ ..... 0  
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: ..... \$ ..... 0  
Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? ..... Yes [ ] No [ X ]  
7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements ..... \$ ..... 0  
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: ..... \$ ..... 0  
7.4 Identify where the reserves are reported in the blank: .....
- 8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year? ..... Yes [ ] No [ X ]  
8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements: ..... \$ ..... 0  
8.2 State the amount of reserves established for this business: ..... \$ ..... 0  
8.3 Identify where the reserves are reported in the blank: .....
- 9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? ..... Yes [ ] No [ X ]  
9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders: ..... \$ ..... 0  
9.2 State the amount of reserves established for this business: ..... \$ ..... 0  
9.3 Identify where the reserves are reported in the blank: .....

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

1 Description of Valuation Class	2 Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	Changed From	Changed To	
<b>NONE</b>			
9999999 - Total (Column 4, only)			

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**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
<b>ACTIVE LIFE RESERVE</b>									
1. Unearned premium reserves .....	36,434,705	0	0	0	30,258,969	6,175,736	0	0	0
2. Additional contract reserves (a) .....	224,631,877	0	0	0	194,652,024	29,979,853	0	0	0
3. Additional actuarial reserves-Asset/Liability analysis .....	0	0	0	0	0	0	0	0	0
4. Reserve for future contingent benefits .....	0	0	0	0	0	0	0	0	0
5. Reserve for rate credits .....	0	0	0	0	0	0	0	0	0
6. Aggregate write-ins for reserves .....	0	0	0	0	0	0	0	0	0
7. Totals (Gross) .....	261,066,582	0	0	0	224,910,993	36,155,589	0	0	0
8. Reinsurance ceded .....	55,478,066	0	0	0	52,034,747	3,443,319	0	0	0
9. Totals (Net) .....	205,588,516	0	0	0	172,876,246	32,712,270	0	0	0
<b>CLAIM RESERVE</b>									
10. Present value of amounts not yet due on claims .....	3,840,430,676	3,156,900,312	0	0	634,556,599	48,973,765	0	0	0
11. Additional actuarial reserves-Asset/Liability analysis .....	0	0	0	0	0	0	0	0	0
12. Reserve for future contingent benefits .....	0	0	0	0	0	0	0	0	0
13. Aggregate write-ins for reserves .....	0	0	0	0	0	0	0	0	0
14. Totals (Gross) .....	3,840,430,676	3,156,900,312	0	0	634,556,599	48,973,765	0	0	0
15. Reinsurance ceded .....	116,207,918	24,055,320	0	0	85,020,411	7,132,187	0	0	0
16. Totals (Net) .....	3,724,222,758	3,132,844,992	0	0	549,536,188	41,841,578	0	0	0
17. TOTAL (Net) .....	3,929,811,274	3,132,844,992	0	0	722,412,434	74,553,848	0	0	0
18. TABULAR FUND INTEREST .....	168,128,064	135,294,681	0	0	30,664,985	2,168,398	0	0	0
<b>DETAILS OF WRITE-INS</b>									
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 plus 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.

Up through 12/31/1987, 1964 CDT 3.0%, 58CSO, 2 year preliminary term  
 01/01/1988 through 12/31/1992, 1985 CIDA 5.5%, 80CSO, 2 year preliminary term  
 01/01/1993 through 12/31/1994, 1985 CIDA 5.0%, 80CSO, 2 year preliminary term  
 01/01/1995 through 12/31/2005, 1985 CIDA 4.5%, 80CSO, 2 year preliminary term  
 01/01/2006 through 12/31/2008, 1985 CIDA 4.0%, 80CSO, 2 year preliminary term  
 01/01/2009 through present, 1985 CIDA 4.0%, 2001 CSO, 2 year preliminary term

Acquired from Minnesota Life in 2000

Up through 12/31/2003, 1985 CIDA 5.0%, 80CSO, 2 year preliminary term  
 01/01/2004 through 12/31/2008, 1985 CIDA 4.0%, 80CSO, 2 year preliminary term

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**EXHIBIT 7 - DEPOSIT TYPE CONTRACTS**

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance .....	525,933,993	0	77,446,974	243,924,212	19,959,826	184,602,980
2. Deposits received during the year .....	275,758,406	0	36,549,783	178,839,943	813,402	59,555,278
3. Investment earnings credited to the account .....	8,861,838	0	1,368,155	4,067,471	901,740	2,524,472
4. Other net change in reserves .....	0	0	0	0	0	0
5. Fees and other charges assessed .....	3,550	0	0	3,550	0	0
6. Surrender charges .....	0	0	0	0	0	0
7. Net surrender or withdrawal payments .....	256,381,476	0	19,275,617	180,996,757	1,612,672	54,496,430
8. Other net transfers to or (from) Separate Accounts .....	0	0	0	0	0	0
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) .....	554,169,211	0	96,089,295	245,831,319	20,062,296	192,186,300
10. Reinsurance balance at the beginning of the year .....	(22,138,660)	0	0	(532,362)	(19,933,085)	(1,673,213)
11. Net change in reinsurance assumed .....	0	0	0	0	0	0
12. Net change in reinsurance ceded .....	342,893	0	0	168,685	101,712	72,496
13. Reinsurance balance at the end of the year (Lines 10+11-12) .....	(22,481,553)	0	0	(701,047)	(20,034,797)	(1,745,709)
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	531,687,658	0	96,089,295	245,130,272	27,499	190,440,591

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**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
<b>1. Due and unpaid:</b>											
1.1 Direct	0	0	0	0	0	0	0	0	0	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
1.4 Net	0	0	0	0	0	0	0	0	0	0	0
<b>2. In course of settlement:</b>											
2.1 Resisted											
2.11 Direct	3,835,318	0	0	0	0	0	3,835,318	0	0	0	0
2.12 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
2.13 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
2.14 Net	3,835,318	0	(b) 0	(b) 0	0	(b) 0	(b) 3,835,318	0	0	0	0
2.2 Other											
2.21 Direct	49,559,309	0	2,841,627	0	0	0	28,832,412	0	13,875,596	0	4,009,674
2.22 Reinsurance assumed	5,167,713	0	0	0	0	0	40,000	0	49,599	0	5,078,114
2.23 Reinsurance ceded	7,309,219	0	2,671,627	0	0	0	1,621,025	0	1,331,000	0	1,685,567
2.24 Net	47,417,803	0	(b) 170,000	(b) 0	0	(b) 0	(b) 27,251,387	0	(b) 12,594,195	(b) 0	(b) 7,402,221
<b>3. Incurred but unreported:</b>											
3.1 Direct	106,359,580	0	2,110,313	0	0	0	69,648,730	0	33,424,779	0	1,175,758
3.2 Reinsurance assumed	5,671,803	0	0	0	0	0	0	0	5,125,386	0	546,417
3.3 Reinsurance ceded	4,062,070	0	2,088,420	0	0	0	180,197	0	1,793,453	0	0
3.4 Net	107,969,313	0	(b) 21,893	(b) 0	0	(b) 0	(b) 69,468,533	0	(b) 36,756,712	(b) 0	(b) 1,722,175
<b>4. TOTALS</b>											
4.1 Direct	159,754,207	0	4,951,940	0	0	0	102,316,460	0	47,300,375	0	5,185,432
4.2 Reinsurance assumed	10,839,516	0	0	0	0	0	40,000	0	5,174,985	0	5,624,531
4.3 Reinsurance ceded	11,371,289	0	4,760,047	0	0	0	1,801,222	0	3,124,453	0	1,685,567
4.4 Net	159,222,434	(a) 0	(a) 191,893	0	0	0	(a) 100,555,238	0	49,350,907	0	9,124,396

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

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$ .....0 Individual Annuities \$ .....0, Credit Life (Group and Individual) \$ .....0, and Group Life \$ .....764,770,956, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ .....2,883,458,832 Credit (Group and Individual) Accident and Health \$ .....0, and Other Accident and Health \$ .....591,377,766 are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

**PART 2 - Incurred During the Year**

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements During the Year:											
1.1 Direct	2,153,409,748	0	25,959,695	14,274,619	3,980,604	0	624,702,822	646,918,706	809,819,412	0	27,753,890
1.2 Reinsurance assumed	163,456,875	0	0	0	0	0	5,178,304	0	86,765,362	0	71,513,209
1.3 Reinsurance ceded	212,071,475	0	21,962,256	0	0	0	147,024,517	0	32,082,852	0	11,001,850
1.4 Net	(d) 2,104,795,148	0	3,997,439	14,274,619	3,980,604	0	482,856,609	646,918,706	864,501,922	0	88,265,249
2. Liability December 31, current year from Part 1:											
2.1 Direct	159,754,207	0	4,951,940	0	0	0	102,316,460	0	47,300,375	0	5,185,432
2.2 Reinsurance assumed	10,839,516	0	0	0	0	0	40,000	0	5,174,985	0	5,624,531
2.3 Reinsurance ceded	11,371,289	0	4,760,047	0	0	0	1,801,222	0	3,124,453	0	1,685,567
2.4 Net	159,222,434	0	191,893	0	0	0	100,555,238	0	49,350,907	0	9,124,396
3. Amounts recoverable from reinsurers December 31, current year	5,690,648	0	0	0	0	0	692,000	0	3,632,876	0	1,365,772
4. Liability December 31, prior year:											
4.1 Direct	155,126,460	0	4,606,922	0	0	0	103,123,103	0	42,739,159	0	4,657,276
4.2 Reinsurance assumed	14,805,580	0	0	0	0	0	2,361,097	0	7,206,155	0	5,238,328
4.3 Reinsurance ceded	8,082,568	0	4,194,922	0	0	0	159,820	0	2,307,848	0	1,419,978
4.4 Net	161,849,472	0	412,000	0	0	0	105,324,380	0	47,637,466	0	8,475,626
5. Amounts recoverable from reinsurers December 31, prior year	6,047,302	0	0	0	0	0	680,000	0	4,214,748	0	1,152,554
6. Incurred Benefits											
6.1 Direct	2,158,037,495	0	26,304,713	14,274,619	3,980,604	0	623,896,179	646,918,706	814,380,628	0	28,282,046
6.2 Reinsurance assumed	159,490,811	0	0	0	0	0	2,857,207	0	84,734,192	0	71,899,412
6.3 Reinsurance ceded	215,003,542	0	22,527,381	0	0	0	148,677,919	0	32,317,585	0	11,480,657
6.4 Net	2,102,524,764	0	3,777,332	14,274,619	3,980,604	0	478,075,467	646,918,706	866,797,235	0	88,700,801

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

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ .....28,684 in Line 1.1, \$ .....0 in Line 1.4.  
 \$ .....28,684 in Line 6.1, and \$ .....0 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.



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income .....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	1,086,682	1,510,464	423,782
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	0	0	0
15.3 Accrued retrospective premiums .....	488,130	463,830	(24,300)
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	2,400,000	2,400,000
17. Amounts receivable relating to uninsured plans .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset .....	130,150,072	117,940,252	(12,209,820)
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software .....	26,476,564	33,669,499	7,192,935
21. Furniture and equipment, including health care delivery assets .....	7,148,774	8,048,256	899,482
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable .....	0	0	0
25. Aggregate write-ins for other than invested assets .....	21,810,883	108,357,985	86,547,102
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	187,161,105	272,390,286	85,229,181
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
28. Total (Lines 26 and 27) .....	187,161,105	272,390,286	85,229,181
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Prepaid expenses .....	9,667,430	15,570,922	5,903,492
2502. Miscellaneous non-invested assets .....	6,678,380	926,726	(5,751,654)
2503. Prepaid pension funds .....	3,771,551	89,620,805	85,849,254
2598. Summary of remaining write-ins for Line 25 from overflow page .....	1,693,522	2,239,532	546,010
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	21,810,883	108,357,985	86,547,102

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

Standard Insurance Company (“the Company”) is a stock life insurance company domiciled in the State of Oregon and licensed to do business in all states except for New York. The Company is also licensed in the District of Columbia, and the U.S. territories of Guam and the Virgin Islands. The Company markets group life and accidental death and dismemberment (“AD&D”) insurance, group and individual accident and health (“A&H”) insurance products, group dental and group vision insurance, and group and individual annuity products through brokers and its own representatives.

The accompanying statutory basis financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the Oregon Department of Consumer and Business Services—Insurance Division (“Oregon Insurance Division”). Only statutory accounting practices so prescribed or permitted by the State of Oregon can be used in determining and reporting the financial condition and results of operations of an insurance company under Oregon Insurance Law.

The National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures Manual, (“NAIC SAP”), including the Statements of Statutory Accounting Principles (“SSAP”) as updated by the NAIC, have been adopted by the Oregon Insurance Division as a component of prescribed or permitted accounting practices under Oregon Insurance Division Bulletin INS 2007-5. The Oregon Insurance Division has not adopted accounting practices that differ from 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 Oregon is shown below:

<u>(In thousands)</u>	<u>State of Domicile</u>	<u>2012</u>	<u>2011</u>
<b><u>NET INCOME</u></b>			
(1) Standard Insurance Company state basis (Page 4, Line 35, Columns 1 & 2)	Oregon	\$ 125,373	\$ 127,158
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:	Oregon	-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP:	Oregon	-	-
(4) NAIC SAP (1-2-3=4)	Oregon	<u>\$ 125,373</u>	<u>\$ 127,158</u>
<b><u>SURPLUS</u></b>			
(5) Standard Insurance Company state basis (Page 3, Line 38, Columns 1 & 2)	Oregon	\$ 1,190,266	\$ 1,139,233
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:	Oregon	-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP:	Oregon	-	-
(8) NAIC SAP (5-6-7=8)	Oregon	<u>\$ 1,190,266</u>	<u>\$ 1,139,233</u>

B. Use of Estimates

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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policies

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

Initial gains on indemnity reinsurance of in-force blocks of business have unique accounting treatment. A portion of the initial gain (equal to the tax effect of the initial gain in surplus) is reported as commissions and expense allowances on reinsurance ceded in the statement of operations. The remainder of the initial gain is reported on a net-of-tax basis as a write-in for gain or loss in surplus in the Capital and Surplus Account. In subsequent years, the ceding entity recognizes income on the reinsurance ceded line for the net-of-tax profits that emerge on the reinsured block of business with a corresponding decrease in the write-in for gain or loss in surplus. (SSAP No. 61, *Life, Deposit-Type and Accident and Health Reinsurance*, paragraph 64.d)

Real estate holdings are stated at lower of amortized cost or fair value. Fair market value of real estate is determined through third party or internal appraisals.

For all investments, impairments are recorded when it is determined that the decline in fair value of an investment below its amortized cost basis is other than temporary. The Company reflects other-than-temporary impairment charges in net realized capital losses and permanently adjusts the book value of the investment to reflect the impairment. Factors considered in evaluating whether a decline in value is other than temporary include: (i) the length of time and the extent to which the fair value has been less than amortized cost, (ii) the financial conditions and near-term prospects of the issuer,

**NOTES TO FINANCIAL STATEMENTS**

and (iii) our intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value. In addition, for securities expected to be sold, an other-than-temporary impairment charge is recognized if the Company does not expect the realizable market value of a security to recover to amortized cost prior to the expected date of sale. Once an impairment charge has been recorded, the Company continues to review the other-than-temporary impaired securities for further potential impairment on an ongoing basis. The Company records temporary impairments and allowance for loan losses as unrealized capital losses.

Investments in low income housing partnerships are accounted for in accordance with SSAP No. 93, *Accounting for Low Income Housing Tax Credit Property Investments*. The investments are admitted assets, recorded at cost and carried at amortized cost unless considered impaired. Using the cost method shall amortize any excess of the carrying amount of the investment over its estimated residual value during the periods in which to benefits are allocated to the Company.

The Company accounts for transferable state tax credits in accordance with SSAP No. 94R, *Accounting for Transferable State Tax Credits* ("credits") are recorded at cost and gains are deferred until the value of the credits utilized exceeds the cost of the credits or until the credits are sold to other entities. Losses to the credits are recognized when the Company identifies the credits cannot be used.

The Company uses the following additional accounting policies:

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds not backed by other loans and structured securities are stated at amortized cost using the scientific (constant) yield to worst method, which is determined by the call or maturity date which produces the lowest asset value.
- 3) Common stocks are stated at fair value in accordance with the guidance provided in SSAP No. 30, *Investments in Common Stock (excluding investments in common stock of subsidiary, controlled, or affiliated entities)*.
- 4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32, *Investments in Preferred Stock (including investments in preferred stock of subsidiary, controlled, or affiliated entities)*.
- 5) Mortgage loans are stated at the unpaid principal balances adjusted for unamortized discounts, premiums, and allowance for losses.
- 6) Asset backed securities are stated at amortized cost using the constant yield method with capitalized prepayments. The retrospective adjustment method is used to value all securities.
- 7) The Company does not own investments in any subsidiaries, controlled and affiliated companies.
- 8) Real estate limited partnership interests are valued on the GAAP equity method.
- 9) The Company's derivative instruments that do not meet the criteria to qualify for hedge accounting are accounted for at fair value and the related changes in fair values are recorded as unrealized gains or losses.
- 10) Should the Company determine the need for premium deficiency reserves, investment income would be anticipated as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, *Individual and Group Accident and Health Contracts*.
- 11) Claim liabilities for accident and health policies are established using a combination of industry morbidity tables and company adjusted formulas. The present value of future benefits is calculated for each claim reported and approved. Interest rates are reviewed annually as determined by the Oregon Insurance Division and NAIC model guidelines. Incurred but not reported ("IBNR") reserves are established at the policy level and formulas are reviewed as appropriate to ensure that reserve run-outs demonstrate sufficient adequacy. Claim adjustment expenses for accident and health policies are developed using estimates of expected claim duration and administration costs based on company experience. Future costs are adjusted for inflation.
- 12) The Company has not modified its capitalization policy from the prior period.
- 13) The Company does not have pharmaceutical rebate receivables.

## 2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

In the current year, the Company identified that low income housing tax credit property investments were not recorded at the amortized cost method in prior years. Under SSAP No. 93, *Accounting for Low Income Housing Tax Credit Property Investments*, these other invested assets are to be recorded at cost and carried at amortized cost, unless considered impaired. The cost method amortizes any excess of the carrying amount of the investment over its estimated residual value during the periods in which tax benefits are allocated to the investor. A correction was made in the current year to record a reduction in other invested assets (Asset Page, Line 8) and a reduction in surplus of \$2.2 million (Summary of Operations, Line 53).

The Company adopted SSAP No. 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10* ("SSAP No. 101"), as of January 1, 2012. SSAP No. 101 determines the amount of deferred tax assets ("DTAs") which can be admitted based upon a three component admission calculation. One of the calculations is based on the Risk-based capital ("RBC") Authorized Control Level ("ACL") ratio calculated without net deferred assets. If the ACL ratio is greater than 300%, then the DTAs can be admitted for three years. If the ratio is between 200% and 300%, then the DTAs can be admitted for one year. If the ACL ratio is less than 200%, then no DTAs can be admitted. As a result of adopting SSAP No. 101, the \$48.5 million of additional admitted DTAs is not reported on Page 3, Line 34, Aggregate write-ins for special surplus funds for 2012, but is now included on Page 3, Line 35, Unassigned funds (surplus). There was no change in assets or surplus as a result of adopting SSAP No. 101.

## 3. BUSINESS COMBINATIONS AND GOODWILL

Not Applicable

## 4. DISCONTINUED OPERATIONS

None

**NOTES TO FINANCIAL STATEMENTS**

## 5. INVESTMENTS

## A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) The minimum and maximum lending rates for mortgage loans during 2012 were:

Farm mortgages	N/A
Residential mortgages	N/A
Commercial mortgages	0.000% and 11.125%
Purchase money mortgages	N/A
Cash flow mortgages	N/A

- (2) During 2012, the Company reduced interest rates of outstanding mortgage loans as follows (
- In thousands**
- ):

3%	\$	-	, number	-
2%	\$	18,393	, number	28
1%	\$	70,057	, number	71

- (3) The maximum percentages of any one loan to value of security at the time of the loan, exclusive of insured or guaranteed or purchased money mortgage was 80%.

<b>(In thousands)</b>	<b>2012</b>	<b>2011</b>
(4) As of year-end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest	\$ 1,604	\$ 212
a. Total interest due on mortgages with interest more than 180 days past due	149	41
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	228	253
(6) Current year impaired loans with a related allowance for credit losses	24,089	25,222
a. Related allowance for credit losses	6,800	5,999
(7) Impaired Mortgage loans without an allowance for credit losses	7,065	9,374
(8) Average recorded investment in impaired loans	24,655	19,213
(9) Interest income recognized during the period the loans were impaired	961	1,165
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired	961	-
(11) Allowance for credit losses:		
a. Balance at beginning of period	\$ 5,999	\$ 6,082
b. Additions charged to operations	2,031	584
c. Direct write-downs charged against the allowances	(1,230)	(670)
d. Recoveries of amounts previously charged off	-	3
e. Balance at end of period	<u>\$ 6,800</u>	<u>\$ 5,999</u>

- (12) The Company recognizes interest income on its impaired loans upon receipt.

## B. Debt Restructuring

<b>(In thousands)</b>	<b>2012</b>	<b>2011</b>
(1) The total recorded investment in restructured loans, as of year end	\$ 28,571	\$ 32,212
(2) The realized capital losses related to these loans	\$ -	\$ -
(3) Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings	\$ -	\$ -
(4) The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loans continue to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis.		

## C. Reverse Mortgages

None

## D. Loan-Backed Securities

Asset backed securities totaled \$98.8 million at December 31, 2012 and were reported at amortized cost.

- (1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from IDC.
- (2) The Company did not recognize any other-than-temporary impairments on loan-backed securities.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**NOTES TO FINANCIAL STATEMENTS**

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(3) None

(4) None

E. Repurchase Agreements and/or Securities Lending Transactions

None

F. Real Estate

(1) The Company did not record any impairment losses on real estate investments in 2012.

(2) The Company did not sell any real estate in 2012. The Company held \$1.0 million of real estate held for sale at December 31, 2012.

(3) The Company has not experienced any changes to the plan to sell the real estate.

(4) The Company does not engage in retail land sales operations.

(5) The Company does not have any real estate investments with participating mortgage loan features.

G. Low Income Housing Tax Credits

(1) For the year ended December 31, 2012, the Company had 26 low income housing tax credit investments. The remaining years of unexpired tax credits ranged from one to eleven. The length of time remaining for holding periods ranged from one to seventeen years.

(2) None of the properties are subject to regulatory review.

(3) No low income housing tax credit investment exceeded 10% of the total admitted assets.

(4) The Company did not recognize any impairments in low income housing tax credit investments during 2012 and 2011.

(5) No write-downs due to the forfeiture or ineligibility of tax credits were made in 2012.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

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

B. The Company recognized an impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies of \$566 thousand in 2012.

7. INVESTMENT INCOME

A. All investment income due and accrued with amounts that are over 90 days past due is excluded from surplus.

B. There was no investment income excluded from surplus in 2012.

8. DERIVATIVE INSTRUMENTS

A. The structure of the Company's derivative transactions limits the Company's exposure to counterparty non-performance. The Company further limits its exposure by transacting with counterparties with high credit ratings.

B. The Company markets equity-indexed annuities. These contracts permit the holder to elect an interest rate return or an indexed return, where interest credited to the contracts is based on the performance of the Standard and Poor's ("S&P") 500 index, subject to an upper limit or cap. Policyholders may elect to rebalance between interest crediting options at renewal dates annually. At each renewal date, the Company has the opportunity to re-price the indexed component by changing the cap, subject to minimum guarantees. The Company purchases S&P 500 index call spread options in conjunction with its sales of indexed annuities. These investments are highly correlated to the portfolio allocation decisions of its policyholders, such that the Company is economically hedged with respect to index-based interest rate guarantees for the current reset period.

C. The Company's derivative instruments do not qualify for hedge accounting and are accounted for at fair value with the related changes in fair values recorded as unrealized gains or losses.

D. The Company's net unrealized gains from derivatives in 2012 were \$4.3 million.

E. The Company held no derivatives that qualified for hedge accounting.

F. The Company held no derivatives that qualified as cash flow hedges.

## NOTES TO FINANCIAL STATEMENTS

## 9. INCOME TAXES

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.	12/31/2012		
	(1)	(2)	(3)
(In thousands)	Ordinary	Capital	(Col 1 + 2) Total
(a) Gross Deferred Tax Assets	\$ 216,579	\$ 8,340	\$ 224,919
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	216,579	8,340	224,919
(d) Deferred Tax Assets Nonadmitted	124,144	6,006	130,150
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 92,435	\$ 2,334	\$ 94,769
(f) Deferred Tax Liabilities	774	6,954	7,728
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 91,661	\$ (4,620)	\$ 87,041

	12/31/2011		
	(4)	(5)	(6)
(In thousands)	Ordinary	Capital	(Col 4 + 5) Total
(a) Gross Deferred Tax Assets	\$ 221,056	\$ 156	\$ 221,212
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	221,056	156	221,212
(d) Deferred Tax Assets Nonadmitted	119,958	(2,018)	117,940
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 101,098	\$ 2,174	\$ 103,272
(f) Deferred Tax Liabilities	9,307	2,174	11,481
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 91,791	\$ -	\$ 91,791

	Change		
	(7)	(8)	(9)
(In thousands)	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7 + 8) Total
(a) Gross Deferred Tax Assets	\$ (4,477)	\$ 8,184	\$ 3,707
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	(4,477)	8,184	3,707
(d) Deferred Tax Assets Nonadmitted	4,186	8,024	12,210
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ (8,663)	\$ 160	\$ (8,503)
(f) Deferred Tax Liabilities	(8,533)	4,780	(3,753)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ (130)	\$ (4,620)	\$ (4,750)

**NOTES TO FINANCIAL STATEMENTS**

2.

(In thousands)	12/31/2012		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1 + 2) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 87,041	\$ -	\$ 87,041
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	-	-	-
1. Adjusted Gross Deferred Tax Asset Expected to be Realized Following the Balance Sheet Date.	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	191,519
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	774	6,954	7,728
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	<u>\$ 87,815</u>	<u>\$ 6,954</u>	<u>\$ 94,769</u>

(In thousands)	12/31/2011		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4 + 5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 91,791	\$ -	\$ 91,791
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	-	-	-
1. Adjusted Gross Deferred Tax Asset Expected to be Realized Following the Balance Sheet Date.	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	164,758
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	9,307	2,174	11,481
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	<u>\$ 101,098</u>	<u>\$ 2,174</u>	<u>\$ 103,272</u>

(In thousands)	(7)	Change (8)	(9)
	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7 + 8) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ (4,750)	\$ -	\$ (4,750)
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	-	-	-
1. Adjusted Gross Deferred Tax Asset Expected to be Realized Following the Balance Sheet Date.	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	26,761
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	(8,533)	4,780	(3,753)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	<u>\$ (13,283)</u>	<u>\$ 4,780</u>	<u>\$ (8,503)</u>

## NOTES TO FINANCIAL STATEMENTS

3.	(\$ in thousands)	2012		2011	
(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	361.747	%	313.000	%
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	\$ 191,519		\$ 164,758	
4.		12/31/2012			
		(1)	(2)	(3)	
		Ordinary Percent	Capital Percent	(Col 1 + 2) Total Percent	
	Impact of Tax-Planning Strategies				
(a)	Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	-	%	-	%
(b)	Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	-	%	-	%
		12/31/2011			
		(4)	(5)	(6)	
		Ordinary Percent	Capital Percent	(Col 4 + 5) Total Percent	
	Impact of Tax-Planning Strategies				
(a)	Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	-	%	-	%
(b)	Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	-	%	-	%
		Change			
		(7) (Col 1 - 4) Ordinary Percent	(8) (Col 2 - 5) Capital Percent	(9) (Col 7 + 8) Total Percent	
	Impact of Tax-Planning Strategies				
(a)	Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	-	%	-	%
(b)	Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	-	%	-	%
(c)	Does the Company's tax-planning strategy include the use of reinsurance?				No

## B. Regarding deferred tax liabilities that are not recognized

There are no temporary differences for which deferred tax liabilities are not recognized.



## NOTES TO FINANCIAL STATEMENTS

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

	(1)	(2)	(3)
(In thousands)	12/31/2012	12/31/2011	(Col 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ 40,498	\$ 40,452	\$ 46
(b) Foreign	-	-	-
(c) Subtotal	\$ 40,498	\$ 40,452	\$ 46
(d) Federal income tax on net capital gains	5,896	17,277	(11,381)
(e) Utilization of capital loss carry-forwards	-	(11,121)	11,121
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 46,394	\$ 46,608	\$ (214)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 58,349	\$ 51,202	\$ 7,147
(2) Unearned premium reserve	409	467	(58)
(3) Policyholder reserves	-	-	-
(4) Investments	-	10,933	(10,933)
(5) Deferred acquisition costs	63,016	59,956	3,060
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	2,909	3,222	(313)
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	-	-	-
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	91,896	95,276	(3,380)
(99) Subtotal	\$ 216,579	\$ 221,056	\$ (4,477)
(b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c) Nonadmitted	\$ 124,144	\$ 119,958	\$ 4,186
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 92,435	\$ 101,098	\$ (8,663)
(e) Capital:			
(1) Investments	\$ 8,340	\$ -	\$ 8,340
(2) Net capital loss carry-forward	-	156	(156)
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital assets)	-	-	-
(99) Subtotal	\$ 8,340	\$ 156	\$ 8,184
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g) Nonadmitted	\$ 6,006	(2,018)	\$ 8,024
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 2,334	\$ 2,174	\$ 160
(i) Admitted deferred tax assets (2d + 2 h)	\$ 94,769	\$ 103,272	\$ (8,503)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ -	\$ 8,755	\$ (8,755)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	774	552	222
(99) Subtotal	\$ 774	\$ 9,307	\$ (8,533)
(b) Capital:			
(1) Investments	\$ 5,794	\$ 2,174	\$ 3,620
(2) Real estate	1,160	-	1,160
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	\$ 6,954	\$ 2,174	\$ 4,780
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 7,728	\$ 11,481	\$ (3,753)
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 87,041	\$ 91,791	\$ (4,750)

**NOTES TO FINANCIAL STATEMENTS**

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference at December 31, 2012, and December 31, 2011, were as follows:

<b>(In thousands)</b>	<b>2012</b>	<b>2011</b>
Provision computed at statutory rate	\$ 60,126	\$ 60,818
Tax credits	(17,050)	(7,994)
Dividend received deduction	(3,644)	(3,066)
Tax exempt interest	(57)	(130)
Meals & entertainment disallowance	447	369
Change in nonadmitted assets	(4,279)	(16,451)
Change in net unrealized capital gains	1,815	(3,009)
Prior year over accrual and adjustments	172	(2,918)
Change in IMR	1,735	2,515
Other miscellaneous expenses	(330)	(1,445)
Total statutory income taxes	<u>\$ 38,935</u>	<u>\$ 28,689</u>
Federal income tax expense incurred	\$ 46,394	\$ 46,608
(Increase)/decrease in net deferred income taxes	(7,459)	(17,919)
Total statutory income taxes	<u>\$ 38,935</u>	<u>\$ 28,689</u>

## E. Additional Disclosures

- (1) At December 31, 2012, the Company had no operating loss, capital loss or tax credit carryforwards.
- (2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

<b>(In thousands)</b>	<b>Year</b>	<b>Ordinary</b>	<b>Capital</b>	<b>Total</b>
	2012	\$ 44,973	\$ -	\$ 44,973
	2011	45,480	-	45,480
	2010	111,045	-	111,045
	Total	<u>\$ 201,498</u>	<u>\$ -</u>	<u>\$ 201,498</u>

- (3) The Company does not have any deposits reported as admitted assets under Section 6603 of the Internal Revenue Code.

## F. Consolidated Federal Income Tax Return

- (1) The Company is a member of an affiliated group included in the consolidated federal income tax return of StanCorp Financial Group ("StanCorp"). In addition to the Company, other subsidiaries included in the consolidated StanCorp return are The Standard Life Insurance Company of New York ("SNY"), StanCorp Investment Advisers, Inc. ("SIA"), Standard Management, Inc., StanCorp Equities, Inc. ("SEI"), and Standard Retirement Services, Inc. ("SRS").
- (2) The method of allocation between the companies is subject to written agreement, approved by the board of directors. The tax liability is allocated in the ratio of the subsidiary's tax liability on a separate return basis to the total taxes of all the members on a separate return basis. Each member is required to use current operating losses and other credits first without considering the current year's profits and losses of other members of the affiliated group. StanCorp is required to pay the Company for excess tax credits and losses to the extent they are utilized in the consolidated return. The above-mentioned written agreement states that balances are to be settled within 90 days of receiving notice of such allocation from StanCorp.

## 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES AND OTHER RELATED PARTIES

## A., B. &amp;

- C. The Company purchases mortgage loans originated by its affiliate, StanCorp Mortgage Investors, LLC ("SMI"). Total mortgage loans purchased from SMI during 2012 were \$1.16 billion. Mortgage loans sold to SMI at fair value during 2012 were \$14.2 million.

The Company sold mortgage loans at fair value to SNY during 2012 in the amount of \$15.2 million.

The Company sold mortgage loans at fair value to SRE during 2012 in the amount of \$9.4 million.

In March 2012 the Company distributed an ordinary cash dividend of \$10.0 million to its parent, StanCorp.

In August 2012 the Company distributed an extraordinary cash dividend of \$250.0 million to its parent, StanCorp.

In August 2012 the Company issued a surplus note of \$250.0 million to its parent, StanCorp in exchange for cash.

In September 2012 the Company distributed an extraordinary cash dividend of \$30.0 million to its parent, StanCorp.

In December 2012 the Company distributed extraordinary cash dividends of \$30.0 million to its parent, StanCorp.

**NOTES TO FINANCIAL STATEMENTS**

D. At December 31, 2012, the Company reported the following amounts due to (from) its parent and affiliates:

<b>(In thousands)</b>	<b>2012</b>	<b>2011</b>
StanCorp Financial Group, Inc.	\$ 1,113	\$ 793
StanCorp Mortgage Investors, LLC	(2,881)	(63)
StanCorp Investment Advisers, Inc.	47	434
StanCorp Real Estate, LLC	33	259
StanCorp Equities, Inc.	573	601
The Standard Life Insurance Company of New York	201	257
Standard Retirement Services, Inc.	165	201
Adaptu	7	(21)
	<u>\$ (742)</u>	<u>\$ 2,461</u>

A modified coinsurance (“MODCO”) agreement between the Company and SNY resulted in an additional \$931 thousand due from SNY for the year ending 2011. The MODCO agreement was terminated January 1, 2012.

All amounts due to or from the Company and its parent, subsidiaries or affiliates are generally settled monthly and accrue interest if not settled within 30 days.

- E. The Company has made no guarantee or agreement for the benefit of an affiliate which results in material contingent exposure of the Company’s assets or liabilities.
- F. The Company provides management, administrative, and investment services to Standard Management, Inc. and SEI, and charges each company a management fee.

The Company provides management and administrative services to SMI and SRE, and charges each company a service fee. The Company pays an asset management fee for investment services provided by these two companies. Asset management fees are allocated to general expenses, per Exhibit 2, based upon the underlying nature of the affiliates' expenses incurred.

The Company has an Administrative Services Agreement with its affiliate SNY whereby the Company provides at SNY’s request and direction, the following services: distribution and producer management, marketing support, product development and administration, policyholder and absence management services, underwriting, policyholder services, claims processing and payment, actuarial and financial services, information technology services, legal services, government relations, general services, human resources, management services, and administrative services only (“ASO”).

The Company has an Administrative Services Agreement with SNY whereby SNY performs certain claims processing, payment services and absence management services on certain new and on-going long term and short term disability claims, state mandated disability life claims and standalone accidental death and dismemberment claims incurred under group policies issued by the Company.

The Company entered into an Administrative Services and Treasury Agreement with SEI, a broker-dealer registered with the SEC under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority (“FINRA”), effective January 1, 2012, which provides for allocation of expenses between the companies.

An Intercompany Administrative Services Agreement effective January 1, 2012 was made between the Company and the following affiliates: StanCorp, SIA, Standard Management, Inc., SMI, SRE and SRS. The companies agreed that each company that receives services performed by another company pursuant to this agreement shall reimburse the provider for the services at the provider’s cost or at market rates if the provider also provides similar services to external clients, as determined by the provider of the services.

- G. All outstanding shares of the Company are owned by its parent, StanCorp, a holding company domiciled in the State of Oregon.
- H. The Company does not own any share of the stock of its parent, StanCorp.
- I. The Company has no investments in its parent, subsidiaries and affiliates that exceed 10% of its admitted assets.
- J. The Company did not recognize any impairment write-down for its investments in subsidiaries, controlled or affiliated companies during the statement period.
- K. The Company does not have an investment in a foreign insurance subsidiary.
- L. The Company does not hold an investment in a downstream noninsurance holding company.

**11. DEBT**

- A. The Company has no outstanding debt at December 31, 2012.
- B. FHLB (Federal Home Loan Bank) Agreements

The Company does not have any Federal Home Loan Bank agreements outstanding at December 31, 2012.

**NOTES TO FINANCIAL STATEMENTS****12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYEMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS****A. Defined Benefit Plan**

The Company sponsors one non-contributory defined benefit pension plan, the field plan. In December 2012, the sponsorship changed for the home office plan (“employee plan”) from the Company to StanCorp. As such the Company only participates in the employee plan and is not directly liable for obligations under the employee plan. For 2012, the amount of expenses incurred was \$8.5 million for the employee plan.

The Company sponsors and administers a postretirement benefit plan that includes medical, prescription drug benefits and group term life insurance. Eligible retirees are required to contribute specified amounts for medical and prescription drug benefits that are determined periodically and are based on retiree’s length of service and age at retirement. Participation in the postretirement benefit plan is limited to employees who had reached the age of 40, or whose combined age and length of service was equal to or greater than 45 years as of January 1, 2006. This plan is closed to new participants. In 2012, the postretirement benefit plan was amended to reduce future benefits to plan participants that are either not eligible to or choose not to retire by July 2, 2013. The 2012 amendment will not affect future benefits for employees who retire as of July 1, 2013. In addition, as of December 31, 2011, the group term life insurance benefit was curtailed for plan participants who were not retired at December 31, 2011.

Annual pension expense and other postretirement benefit plans were determined under the provision of Statement of Financial Accounting Standards (“SFAS”) No. 87, *Employers’ Accounting for Pensions* and SFAS No. 132(R), *Employers; Disclosures about Pensions and Other Postretirement Benefits*, as modified by SSAP No. 89, *Accounting for Pensions, A Replacement of SSAP No. 8* and SSAP No. 14, *Postretirement Benefits Other Than Pensions*.

**NOTES TO FINANCIAL STATEMENTS**

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans are as follows at December 31, 2012 and 2011:

(In thousands)	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	2012	2011	2012	2011
(1) Change in benefit obligation				
a. Benefit obligation at beginning of year	\$ (371,657)	\$ (323,748)	\$ (24,272)	\$ (20,420)
b. Service cost	-	(9,225)	(1,888)	(2,322)
c. Interest cost	(612)	(17,478)	(1,068)	(1,099)
d. Contribution by plan participants	-	-	-	-
e. Actuarial gain (loss)	(754)	(29,026)	(3,387)	(3,429)
f. Foreign currency exchange rate changes	-	-	-	-
g. Benefits paid	1,295	7,820	662	542
h. Plan amendments	-	-	7,042	2,456
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	357,626	-	-	-
j. Benefit obligation at end of year	<u>\$ (14,102)</u>	<u>\$ (371,657)</u>	<u>\$ (22,911)</u>	<u>\$ (24,272)</u>
(2) Change in plan assets				
a. Fair value of plan assets at beginning of year	\$ 349,757	\$ 292,633	\$ 20,678	\$ 18,189
b. Actual return on plan assets	525	6,944	1,450	2,786
c. Foreign currency exchange rate changes	-	-	-	-
d. Employer contribution	10,000	58,000	329	245
e. Plan participants' contributions	-	-	-	-
f. Benefits paid	(1,295)	(7,820)	(868)	(542)
g. Business combinations, divestitures, and settlements	(345,935)	-	-	-
h. Fair value of plan assets at end of year	<u>\$ 13,052</u>	<u>\$ 349,757</u>	<u>\$ 21,589</u>	<u>\$ 20,678</u>
(3) Funded status				
a. Unamortized prior service cost	\$ -	\$ (4,914)	\$ 9,724	\$ 2,904
b. Unrecognized net gain or (loss)	\$ (4,821)	\$ (106,607)	\$ (3,104)	\$ (104)
c. Remaining net obligation or net asset at initial date of application	\$ -	\$ -	\$ -	\$ -
d. Prepaid assets or accrued liabilities	\$ 3,771	\$ 89,621	\$ (7,942)	\$ (6,395)
e. Intangible asset	\$ -	\$ -	\$ -	\$ -
(4) Accumulated benefit obligation for vested employees and partially vested employees to the extent vested	\$ (14,102)	\$ (337,483)	N/A	N/A
(5) Benefit obligation for non-vested employees				
a. Projected pension obligation	\$ -	\$ -	N/A	N/A
b. Accumulated benefit obligation	\$ -	\$ -	N/A	N/A
(6) Components of net periodic benefit cost				
a. Service cost	\$ 16	\$ 9,312	\$ 1,888	\$ 2,208
b. Interest cost	612	17,478	1,068	1,099
c. Expected return on plan assets	(787)	(22,114)	(858)	(808)
d. Amortization of unrecognized transition obligation or transition asset	-	-	-	-
e. Amount of recognized gains and losses	169	3,821	-	-
f. Amount of prior service cost recognized	-	673	(222)	(94)
g. Amount of gain or loss recognized due to a settlement or curtailment	-	-	-	-
h. Total net periodic benefit cost	<u>\$ 10</u>	<u>\$ 9,170</u>	<u>\$ 1,876</u>	<u>\$ 2,405</u>
(7) \$1.0 million arising from a change in the additional minimum pension liability recognized is included in unassigned funds.				

An additional minimum pension liability is required when the actuarial present value of accumulated benefits exceeds fair value of the plan assets and accrued pension liabilities. The additional minimum pension liability less allowable intangible assets is reported as an aggregate write-in for liabilities.

## NOTES TO FINANCIAL STATEMENTS

- (8) Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	2012	2011	2012	2011
a. Weighted-average discount rate	4.50 %	5.50 %	4.50 %	5.50 %
b. Expected long-term rate of return on plan assets	6.00	7.68	4.20	4.50
c. Rate of compensation increase	-	4.50	n/a *	5.00

Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	2012	2011	2012	2011
d. Weighted-average discount rate	4.00 %	4.50 %	4.00 %	4.50 %
e. Rate of compensation increase	-	3.25	n/a *	n/a *

\* Assumption for rate of compensation increase was not applicable in determining benefit cost or obligations due to curtailment of group term life insurance benefit as of December 31, 2011.

- (9) A measurement date of December 31, 2012 and December 31, 2011, respectively, were used to determine above.
- (10) The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation was 7.3% in the next year and declined ratably to 4.5% over the following fourteen years for medical benefits other than HMO, was 6.4% in the next year and declined ratably to 4.5% over the following fourteen years for HMO medical benefits, and was 7.8% in the next year and declined ratably to 4.5% over the following fourteen years for prescription drug benefits.
- (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:

<u>(In thousands)</u>	<u>1 Percentage Point Increase</u>		<u>1 Percentage Point Decrease</u>	
a. Effect on total of service and interest cost components	\$	513	\$	(414)
b. Effect on postretirement benefit obligation	\$	2,136	\$	(1,809)

- (12) The defined benefit pension plan asset allocation as of the measurement dates, December 31, 2012 and December 31, 2011, respectively, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	2012	2011	Target Allocation
a. Debt Securities	51.1 %	54.2 %	50.0 %
b. Equity Securities	48.9	45.8	50.0
c. Real Estate	-	-	-
d. Other	-	-	-
e. Total	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

The investment goal of the field plan is to invest in stable value assets in order to maintain its funded status.

- (13) The following estimated future payments are expected to be paid in the years indicated:

<u>(In thousands)</u>	<u>Year(s)</u>	<u>Amount</u>
a.	2013	\$ 1,279
b.	2014	1,254
c.	2015	1,194
d.	2016	1,095
e.	2017	1,050
f.	Thereafter Total	4,896

- (14) The Company made contributions of \$10.0 million and \$58.0 million to the employee plan and made contributions of \$0.3 million and \$0.2 million to other postretirement benefit plan in 2012 and 2011, respectively. The Company is not obligated to make any contributions to its pension plan and expects to make contributions of \$1.0 million to its postretirement benefit plan in 2013. In addition, no plan assets are expected to be returned to the Company in 2012.
- (15) There were no securities of the Company or related parties included in the plan assets.
- (16) The Company does not use any alternative method to amortize unrecognized net loss.
- (17) The Company does not have any substantive commitments that are used in determining the benefit obligation.
- (18) The Company did not have any special or contractual termination benefits recognized during the year.
- (19) The Company had a sponsorship change of the employee plan and as such there was a significant change in the benefit obligation and plan assets.

## B. Defined Contribution Plan

Substantially all eligible employees are covered by a qualified deferred compensation plan sponsored by the Company under which a portion of the employee contribution is matched. Employees not eligible for the pension plan are eligible for an additional non-elective employer contribution. Contributions to the plan for 2012 and 2011 were \$9.9 million and \$10.3 million, respectively.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**NOTES TO FINANCIAL STATEMENTS**

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In addition, eligible executive officers are covered by a non-qualified supplemental retirement plan. The unfunded status was \$27.5 million and \$28.5 million at December 31, 2012 and 2011, respectively. Expenses related to the plan were \$2.0 million and \$2.5 million in 2012 and 2011, respectively.

Eligible executive officers, directors, agents and group producers may participate in one of several non-qualified deferred compensation plans under which a portion of the deferred compensation may be matched. The liability for the plans was \$10.5 million and \$10.7 million at December 31, 2012 and 2011, respectively.

C. Multiemployer Plans

Not applicable

D. Consolidated/Holding Company Plans

The Company administers the field plan, postretirement benefit plan and supplemental retirement plan on behalf of StanCorp and all its subsidiaries. Costs are allocated between the members of the affiliated group based on number of employees. Costs allocated to the Company's parent and affiliates were approximately 22.5% and 22.0% of total plan costs for 2012 and 2011, respectively.

E. Postemployment Benefits and Compensated Absences

Not applicable

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

(1) Recognition of the existence of the Act

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("the Act") was signed into law in December of 2003. The Act includes the following two new features to Medicare Part D that could affect the measurement of the accumulated postretirement benefit obligation ("APBO") and net periodic postretirement cost for the Plan:

A federal subsidy (based on 28% of an individual beneficiary's annual prescription drug costs between \$250 and \$5,000), which is not taxable, to sponsors of retiree healthcare benefit plans that provide a prescription drug benefit that is at least actuarially equivalent to Medicare Part D; and

The opportunity for a retiree to obtain a prescription drug benefit under Medicare.

(2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost

The effect of the Act was a \$0.9 million reduction in the Company's net periodic postretirement benefit cost for 2012. The total reduction is composed of: \$0.6 million decrease in newly eligible cost, \$0.3 million decrease in interest cost and \$4 thousand increase in amortization of prior service cost. The benefit obligations as of December 31, 2012, were reduced \$5.4 million due to projected subsidy payments under the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

(3) Disclosure of Gross Benefit Payments

The Company's benefit payments for 2012 were \$0.7 million including the prescription drug benefit. The Company estimates gross benefit payments for the next fiscal year, 2013, to be \$2.0 million prior to reflecting the prescription drug benefit. The estimated value of the prescription drug subsidy to the Company in 2012 is \$0.2 million.

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

- (1) The Company has 1,000 shares authorized, issued and outstanding. All the shares are owned by its parent company, StanCorp.
- (2) The Company has no preferred stock outstanding.
- (3) Ordinary dividends, which do not require the approval of the domiciliary commissioner, are limited by the laws of the Company's state of domicile, Oregon. Extraordinary dividends, which require the approval of the domiciliary commissioner, are limited by the laws of the Company's state of domicile, Oregon.
- (4) An ordinary dividend in the amount of \$10.0 million in March 2012 was paid by the Company. An extraordinary dividend of \$250.0 million in August 2012 was paid by the Company. An extraordinary dividend of \$30.0 million in September 2012 was paid by the Company. An extraordinary dividend of \$30.0 million in December 2012 was paid by the Company.
- (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 shareholders.
- (6) The Company has no restrictions on unassigned funds (surplus).
- (7) There were no advances to surplus not repaid.
- (8) The Company does not hold stock, including stock of affiliated companies, for special purposes.

**NOTES TO FINANCIAL STATEMENTS**

- (9) Changes in the balances of aggregate write-ins for special surplus funds from the prior year are due to: a decrease in prepaid pension funds due to the transfer of sponsorship of the employee plan moving to StanCorp, the elimination of special surplus for DTA due to the adoption of SSAP No. 101 and an additional minimum liability for the field plan.
- (10) The portion of unassigned funds (surplus) reduced by cumulative unrealized losses is \$15.3 million.
- (11) The Company issued the following surplus debentures or similar obligations:

<u>Date Issued</u> (In thousands)	<u>Interest Rate</u>	<u>Par Value (Face Amount of Notes)</u>	<u>Carrying Value of Note</u>	<u>Interest And/Or Principal Paid Current Year</u>	<u>Total Interest And/Or Principal Paid</u>	<u>Unapproved Interest And/Or Principal</u>	<u>Date of Maturity</u>
8/15/2012	5.25 %	\$ 250,000	\$250,000	\$ 4,922	\$ 4,922	\$ -	8/14/2027
1311999 Total		\$ 250,000	\$250,000	*\$ 4,922	\$ 4,922	\$ -	XXX

\* Total should agree with Page 3, Line 32.

A subordinated surplus note ("Surplus Note") in the amount of \$250.0 million was issued on August 15, 2012 to StanCorp in exchange for cash. The Surplus Note was issued in a transaction exempt from registration under the United States Securities Act of 1933, as amended, and this note may not be offered, sold, pledged or otherwise transferred in the absence of such registration or an applicable exemption there from.

The Surplus Note matures in 2027 and bears an annual interest rate of 5.25%, with interest payments due September 30, December 31, March 31 and June 30 of each year. The Company has the right to prepay the principal balance of the Surplus Note, in whole or in part, at any time or from time to time, without penalty. In accordance with the requirements of the NAIC, the Surplus Note provides that no interest or principal payments may be made by the Company without the prior approval of the Oregon Insurance Division, interest will not be represented as an addition to the instrument, interest will not accrue additional interest and any payments with respect to the Surplus Note will be subordinate to the Company's other obligations to policyholders, lenders and creditors.

- (12) Impact of quasi-reorganization

Not applicable

- (13) The effective date(s) of all quasi-reorganizations in the prior 10 years

Not applicable

#### 14. CONTINGENCIES

##### A. Contingent Commitments

- (1) The Company has commitments to contribute equity capital to fund partnership investments and third party joint ventures totaling \$66.4 million. The contributions are payable on demand.

##### B. Assessments

- (1) Insolvency regulations exist in many of the jurisdictions in which the Company does business. Such regulations may require insurance companies operating within the jurisdiction to participate in guaranty associations. The associations levy assessments against their members for the purpose of paying benefits due to policyholders of impaired or insolvent insurance companies. At December 31, 2012, the Company maintained a reserve of \$0.5 million for future assessments with respect to currently impaired, insolvent, or failed insurers.

The guaranty association assessments levied against the Company were \$0.2 million and \$0.9 million for the years ended December 31, 2012 and 2011, respectively.



## NOTES TO FINANCIAL STATEMENTS

(2)

**(In thousands)**

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$ 1,486
b.	Decreases current year: Premium tax offset applied	399
c.	Increases current year: Premium tax offset applied	254
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	<u>\$ 1,341</u>

## C. Gain Contingencies

The Company did not have any gain contingencies.

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

The Company had no material claims relating to extra contractual obligations or bad faith losses from lawsuits at December 31, 2012.

## E. All Other Contingencies

In the normal course of business, the Company is involved in various legal actions and other state and Federal proceedings. A number of these actions or proceedings were pending as of December 31, 2012. In some instances, lawsuits include claims for punitive damages and similar types of relief in unspecified or substantial amounts, in addition to amounts for alleged contractual liability or other compensatory damages. In the opinion of management, the ultimate liability, if any, arising from these actions or proceedings is not expected to have a material adverse effect on the Company's business, financial position, results of operations, or cash flows.

In addition to product-specific reinsurance arrangements, the Company maintains reinsurance coverage for certain catastrophe losses related to group life and AD&D, with partial coverage of nuclear, biological and chemical acts of terrorism. Through a combination of this agreement and our participation in a catastrophe reinsurance pool discussed below, we have coverage of up to \$517 million per event.

The Company currently participates in a catastrophe reinsurance pool with other insurance companies. This pool spreads catastrophe losses on group life and AD&D over approximately 22 participating members. The annual fee paid by the Company in 2012 to participate in the pool was less than \$30 thousand. As a member of the pool, we are exposed to maximum potential losses experienced by other participating members of up to \$110.2 million for a single event for losses submitted by a single company, and a maximum of \$275.9 million for a single event for losses submitted by multiple companies. The Company's percentage share of losses experienced by pool members will change over time as it is a function of our group life and AD&D in force relative to the total group life and AD&D in force for all pool participants. The reinsurance pool does not exclude war, nuclear, biological or chemical acts of terrorism.

Years currently open for audit by the Internal Revenue Service are 2009 through 2012.

## 15. LEASES

## A. Lessee Operating Lease

## (1) General description of the lessees leasing arrangements

- a. The Company leases certain buildings and equipment under noncancelable operating lease agreements that expire in various years through 2020 with renewal options for periods ranging from one to twelve years. Rental expense for 2012 and 2011 was approximately \$18.5 million, and \$15.6 million, respectively. There was no rental expense for subleased properties in 2012 or 2011.

## (2) Leases having initial or remaining noncancelable lease terms in excess of one year.

- a. At January 1, 2013, the minimum aggregate rental commitments are as follows:

<b>(In thousands)</b>	<b>Year Ending December 31</b>	<b>Operating Leases</b>
1.	2013	\$ 11,037
2.	2014	8,176
3.	2015	6,025
4.	2016	5,427
5.	2017	3,516
6.	Total	<u>\$ 34,181</u>

- (3) The Company is not involved in any sales-leaseback transactions.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**NOTES TO FINANCIAL STATEMENTS**

B. Lessor Leases

(1) Operating Leases

The Company owns and leases real estate. It is an insignificant part of the Company's business activities.

(2) Leveraged Leases

The Company has no leveraged lease transactions.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

A. Financial Instruments with Off-Balance Sheet Risk

None

B. Financial Instruments with Concentrations of Credit Risk

The Company's fixed maturity securities totaled \$6.38 billion at December 31, 2012. The Company believes that it maintains prudent diversification across industries, issuers and maturities. The Company's corporate bond industry diversification targets are based on the Bank of America Merrill Lynch U.S. Corporate Index, which is reasonably reflective of the mix of issuers broadly available in the market. The Company also targets a specified level of government, agency and municipal securities in its portfolio for credit quality and additional liquidity. The weighted-average credit quality of the Company's fixed maturity securities investment portfolio was A- (Standard & Poor's) at December 31, 2012. The percentage of fixed maturity securities below investment-grade was 5.7% and 5.6% at December 31, 2012 and 2011, respectively.

At December 31, 2012, commercial mortgage loans in the Company's investment portfolio totaled \$5.16 billion. Commercial mortgage loans in California accounted for 27.6% of the Company's commercial mortgage loan portfolio at December 31, 2012. Through this concentration of commercial mortgage loans in California, the Company is exposed to potential losses from an economic downturn in California as well as to certain catastrophes, such as earthquakes and fires that may affect certain areas of the state. Borrowers are required to maintain fire insurance coverage. The Company's commercial mortgage loan portfolio within California is diversified by both location and type of property in an effort to reduce certain catastrophe and economic exposure. However, diversification may not always eliminate the risk of such losses. Historically, the delinquency rate of our California-based commercial mortgage loans has been substantially below the industry average and is consistent with our experience in other states. The Company does not expect a catastrophe or earthquake damage in California to have a material adverse effect on our business, financial position, results of operations or cash flows. Currently, the California exposure is primarily in Los Angeles County, Orange County, San Diego County and the Bay Area Counties. The Company has a smaller concentration of commercial mortgage loans in the Inland Empire and the San Joaquin Valley where there has been greater economic decline. Due to the concentration of commercial mortgage loans in California, a continued economic decline in California could have a material adverse effect on our business, financial position, results of operations or cash flows.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A. Transfers of Receivables Reported as Sales

None

B. Transfers and Servicing of Financial Assets

None

C. Wash Sales

(1) In the course of the Company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio.

(2) The details by NAIC designation 3 or below of securities sold during the year ended December 31, 2012 and reacquired within 30 days of the sale date are:

<b>(In thousands)</b>	<b>Number of Transactions</b>	<b>Book Value of Securities Sold</b>	<b>Cost of Securities Repurchased</b>	<b>Gain (Loss)</b>
<b>Bonds:</b>				
a. NAIC 3	2	\$ 174	\$ 173	(1)
b. NAIC 4	-	-	-	-
c. NAIC 5	-	-	-	-
d. NAIC 6	-	-	-	-
<b>Preferred Stocks:</b>				
e. NAIC P/RP3	-	-	-	-
f. NAIC P/RP4	-	-	-	-
g. NAIC P/RP5	-	-	-	-
h. NAIC P/RP6	-	-	-	-

**NOTES TO FINANCIAL STATEMENTS****18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS****A. Administrative Services Only (“ASO”) Plans**

The gain from operations from ASO uninsured plans and the uninsured portion of partially insured plans was as follows during 2012:

<b>(In thousands)</b>	<b>ASO Uninsured Plans</b>	<b>Uninsured Portion of Partially Insured Plans</b>	<b>Total ASO</b>
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 258	\$ 827	\$ 1,085
b. Total net other income or expenses (including interest paid to or received from plans)	-	-	-
c. Net gain or (loss) from operations	258	827	1,085
d. Total claim payment volume	13,397	42,948	56,345

**B. ASC Plans**

Not applicable

**C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract**

Not applicable

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**

No individual managing general agent/third party administrator wrote direct premiums equal to or greater than 5% of surplus.

## NOTES TO FINANCIAL STATEMENTS

## 20. FAIR VALUE

A. Assets and liabilities measured and recorded at fair value in the statutory statements of admitted assets, liabilities and capital and surplus are subject to additional disclosures. These disclosure requirements apply only to those financial assets and liabilities measured at estimated fair value at the end of the reporting period. These financial assets and liabilities include Separate account assets, derivative assets and liabilities for Index-based Interest Guarantees and certain bond and mortgage loans when estimated fair value is lower than amortized cost at the reporting date.

## (1) Fair Value Measurements at Reporting Date

<u>Description for each class of asset or liability</u> <u>(In thousands)</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
a. Assets at fair value				
Perpetual Preferred stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -
Bonds				
U.S. Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	-	2,236	1,319	3,555
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	\$ -	\$ 2,236	\$ 1,319	\$ 3,555
Common Stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	\$ -	\$ -	\$ -	\$ -
Mortgage Loans				
Commercial	\$ -	\$ -	\$ 25,461	\$ 25,461
Total Mortgage Loans	\$ -	\$ -	\$ 25,461	\$ 25,461
Derivative assets				
Interest rate contracts	\$ -	\$ -	\$ -	\$ -
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
S&P 500 Index options	-	-	11,329	11,329
Total Derivatives	\$ -	\$ -	\$ 11,329	\$ 11,329
Separate account assets	\$ 5,007,459	\$ 146,839	\$ -	\$ 5,154,298
Total assets at fair value	\$ 5,007,459	\$ 149,075	\$ 38,109	\$ 5,194,643
b. Liabilities at fair value				
Indexed-based Interest Guarantees	\$ -	\$ -	\$ 57,428	\$ 57,428
Total liabilities at fair value	\$ -	\$ -	\$ 57,428	\$ 57,428

## (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

<u>(In thousands)</u>	<u>Beginning Balance at 01/01/2012</u>	<u>Transfers into Level 3</u>	<u>Transfers out of Level 3</u>	<u>Total gains and (losses) included in Net Income</u>	<u>Total gains and (losses) included in Surplus</u>	<u>Purchases</u>	<u>Issuances</u>	<u>Sales</u>	<u>Settlements</u>	<u>Ending Balance at 12/31/2012</u>
a. Assets:										
Derivative										
S&P 500 Index options	\$ 7,167	-	-	3,477	4,274	9,526	-	-	(13,115)	\$ 11,329
Total Assets	\$ 7,167	-	-	3,477	4,274	9,526	-	-	(13,115)	\$ 11,329
b. Liabilities										
Index-based Interest Guarantees	\$ 49,518	-	-	6,351	-	-	4,874	-	(3,315)	\$ 57,428
Total Liabilities	\$ 49,518	-	-	6,351	-	-	4,874	-	(3,315)	\$ 57,428

(3) The Company recognizes transfers between fair value levels at the end of the reporting period. Seventeen commercial mortgage loans were measured for impairment and transferred into Level 3 during 2012. Sixteen commercial mortgage loan impairments were transferred out of Level 3 during 2012.

(4) Valuation techniques and inputs used in the fair value measurement for assets and liabilities.

Assets and liabilities recorded at fair value are disclosed using a three-level hierarchy. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect our estimates about market data.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

**NOTES TO FINANCIAL STATEMENTS**

Level 1 inputs are based upon quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 inputs are generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect the Company's estimates of assumptions that market participants would use in pricing the asset or liability.

There are three types of valuation techniques used to measure assets and liabilities recorded at fair value:

- The market approach, which uses prices or other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- The income approach, which uses the present value of cash flows or earnings.
- The cost approach, which uses replacement costs more readily adaptable for valuing physical assets.

The Company performs control procedures over the external valuations at least quarterly through a combination of procedures that include the evaluation of methodologies used by the pricing service, analytical reviews and performance analysis of the prices against statistics and trends, back testing of sales activity and maintenance of a securities watch list. As necessary, the Company compares prices received from the pricing service to prices independently estimated by the Company utilizing discounted cash flow models through performing independent valuations of inputs and assumptions similar to those used by the pricing service in order to ensure prices represent a reasonable estimate of fair value. Although the Company does identify differences from time to time as a result of these validation procedures, the Company did not make any significant adjustments as of December 31, 2012.

**Bonds**

Included in the Industrial and Miscellaneous unaffiliated category are bonds rated class 6 or 6FE by the NAIC SVO which are reported at the lower of book value or fair value. The fair values for bonds with a rating of class 6 or 6FE were valued using Level 3 measurements. The fair values for bonds with a rating class of other than class 6 or 6FE that had other-than-temporary impairment were valued using Level 2 measurements. The Company primarily uses the income and/or the cost approach to measure these financial instruments at fair value.

Certain bonds were valued using Level 3 inputs. The Level 3 bonds were valued using matrix pricing, independent broker quotes and other standard market valuation methodologies. The fair value was determined using inputs that were not observable or could not be derived principally from, or corroborated by, observable market data. These inputs included assumptions regarding liquidity, estimated future cash flows and discount rates. Unobservable inputs to these valuations are based on management's judgment or estimation obtained from the best sources available. The Company's valuations maximize the use of observable inputs, which include an analysis of securities in similar sectors with comparable maturity dates and bond ratings. Broker quotes are validated by management for reasonableness in conjunction with information obtained from matrix pricing and other sources.

**Mortgage loans**

Valuations for commercial mortgage loans measured at fair value on a nonrecurring basis using significant unobservable Level 3 inputs are sensitive to a number of variables, but are most sensitive to net operating income and the applied capitalization rate. Generally, an increase or decrease resulting from a change in the stabilized net operating income from the collateralized property would result in a directionally similar change in the fair value of the asset. An increase or decrease in the assumption for the capitalization rate would result in a directionally opposite change in the fair value of the asset.

**S&P 500 Index options**

The Company calculates the fair value for its S&P 500 Index options using the Black-Scholes option pricing model and parameters derived from market sources. The Company's valuations maximize the use of observable inputs, which include direct price quotes from the Chicago Board Options Exchange ("CBOE") and values for on-the-run treasury securities and London Interbank Offered Rate ("LIBOR") as reported by Bloomberg. Unobservable inputs are estimated from the best sources available to the Company and include estimates of future gross dividends to be paid on the stocks underlying the S&P 500 Index, estimates of bid-ask spreads, and estimates of implied volatilities on options. Valuation parameters are calibrated to replicate the actual end-of-day market quotes for options trading on the CBOE. The Company performs additional validation procedures such as the daily observation of market activity and conditions and the tracking and analyzing of actual quotes provided by banking counterparties each time the Company purchases options from them. Additionally, in order to help validate the values derived through the procedures noted above, the Company obtains indicators of value from representative investment banks.

**Separate accounts assets**

Separate account assets represent segregated funds held for the exclusive benefit of contract holders. The activities of the account primarily relate to participant-directed 401(k) contracts. Separate account assets are recorded at fair value on a recurring basis, with changes in fair value recorded in separate account liabilities. Separate account assets consist of mutual funds. The mutual funds' fair value is determined through Level 1 and Level 2 inputs. The majority of the separate account assets are valued using quoted prices in an active market with the remainder of the assets valued using quoted prices from an independent pricing service. The Company reviews the values obtained from the pricing service for reasonableness through analytical procedures and performance reviews.

**Index-based Interest Guarantees**

The Company uses the income approach valuation technique to determine the fair value of index-based interest guarantees. The liability is the present value of future cash flows attributable to the projected index growth in excess of cash flows driven by fixed interest rate guarantees for the indexed annuity product. Level 3 assumptions for policyholder behavior and future index interest rate declarations significantly influence the calculation.

Valuations for the index-based interest guarantees are sensitive to a number of variables, but are most sensitive to the S&P 500 Index value, the implied volatilities of this index, and LIBOR as reported by Bloomberg. Generally, a significant increase or decrease used in the assumption for the implied volatilities and in the S&P 500 Index value

**NOTES TO FINANCIAL STATEMENTS**

would result in a directionally similar change, while an increase or decrease in LIBOR would result in a directionally opposite change in the fair value of the liability.

C.

<u>Type of Financial Instrument</u> <u>(In thousands)</u>	<u>Aggregate</u> <u>Fair Value</u>	<u>Admitted</u> <u>Assets</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Not</u> <u>Practicable</u> <u>(Carrying</u> <u>Value)</u>
Bonds	\$ 7,042,464	\$ 6,379,291	\$ -	\$ 7,041,145	\$ 1,319	\$ -
Preferred stocks	226	93	-	226	-	-
Mortgage loans on real estate	5,742,434	5,159,379	-	-	5,742,434	-
Derivatives	11,329	11,329	-	-	11,329	-
Separate account assets	5,154,298	5,154,298	5,007,459	146,839	-	-
Indexed-based Interest Guarantees	57,428	-	-	-	57,428	-

D. Not Practicable to Estimate Fair Value

Not applicable

## 21. OTHER ITEMS

A. Extraordinary Items

None

B. Trouble Debt Restructuring

(1) The Company had one mortgage loan payable with restructured terms. The principal change in terms included capitalized interest of \$76 thousand. This amount was set up as a new note and is non-interest bearing and due at maturity of the original note.

The Company had one mortgage loan payable with restructured terms. The principal change in terms included capitalized interest and late fees of \$16 thousand to bring loan current.

The Company had one mortgage loan payable with restructured terms. The principal change in terms included being reamortized over 15 years and the interest rate remained unchanged at 6.125%.

The Company had one mortgage loan payable with restructured terms. The principal change in terms included reducing the principal balance by \$95 thousand. This was considered forgiveness and resulted in a \$95 thousand loss. Additionally, \$6 thousand was capitalized to cover the 03/2012 and 04/2012 payments to bring the loan current. Interest rate was decreased from 6.5% to 4.5% for a year starting 6/1/12, and then increasing to 5.0% starting 7/1/13. The loan was reamortized over 20 years.

The Company had one mortgage loan payable with restructured terms. The principal change in terms included refinancing the loan with a 25 year amortization and lowering the interest from 6.375% to 6.00%.

The Company had one mortgage loan payable with restructured terms. The principal change in terms included modifying the loan to a 30 year amortization and lowering the interest rate from 6.875% to 4.5%.

The Company had one mortgage loan payable with restructured terms. The principal change in terms included refinancing the loan to a 30 year amortization term and lowering the interest rate from 6.75% to 4.75%. The loan will mature on 12/1/2015.

(2) The Company did not have an aggregate gain on restructuring of payables.

(3) The Company did not have an aggregate gain or loss on transfers of assets recognized during the period.

(4) The Company did not have any amounts that are considered contingently payable on the restructured loans.

C. Other Disclosures

Assets in the amount of \$6.6 million and \$5.5 million were on deposit with government authorities or trustees as required by law at December 31, 2012 and December 31, 2011, respectively.

The Company maintains a strategic marketing alliance with Ameritas Life Insurance Corp. ("Ameritas") that offers the Company's policyholders more flexible dental coverage options and access to Ameritas' nationwide preferred provider organization panel of dentists. As part of this alliance, the Company and Ameritas entered into a reinsurance agreement. In 2012, the agreement provided for 24.9% of the net dental premiums written by the Company and the risk associated with this premium to be ceded to Ameritas.

The Company participates in a reinsurance and third-party administration arrangement with Northwestern Mutual Life Insurance Company ("Northwestern Mutual") under which Northwestern Mutual group long term and short term disability products are sold using Northwestern Mutual's agency distribution system. Generally, the Company assumes 60% of the risk and receives 60% of the premiums for the policies issued. If the Company were to become unable to meet its obligations, Northwestern Mutual would retain the reinsured liabilities. Therefore, in accordance with an agreement with Northwestern Mutual, the Company established a trust for the benefit of Northwestern Mutual with the market value of assets in the trust equal to Northwestern Mutual's reinsurance receivable from the Company. The market value of assets required to be maintained in the trust at December 31, 2012, was \$232.8 million. In addition to assuming risk, the

**NOTES TO FINANCIAL STATEMENTS**

Company provides product design, pricing, underwriting, legal support, claims management and other administrative services under the arrangement.

In 2012 the Company amended its Yearly Renewable Term reinsurance agreement with Canada Life Assurance Company (“Canada Life”). The amendment increased the amount of group life insurance risk to be ceded to Canada Life. The amended agreement limits the Company’s exposure to losses in the event of a catastrophe. This amendment to the Company’s reinsurance agreement released approximately \$100 million of additional net capital, for a total release of approximately \$170 million. This release of capital can fluctuate based on a percentage of the Company’s in-force business. The agreement is periodically subject to termination by either party.

Effective October 1, 2000, the Company assumed, through a reinsurance agreement, the individual disability insurance business of Minnesota Life. The Company paid a ceding commission of approximately \$55 million and received approximately \$500 million in assets and corresponding statutory liabilities. If the Company were to become unable to meet its obligations, Minnesota Life would retain the reinsured liabilities. Therefore, in accordance with the agreement with Minnesota Life, the Company established a trust for the benefit of Minnesota Life with the market value of assets in the trust equal to Minnesota Life’s reinsurance receivable from the Company. The market value of assets required to be maintained in the trust is determined quarterly. The market value of assets required to be maintained in the trust at December 31, 2012, was \$573.1 million. Accompanying the transaction was a national marketing agreement that provides access to Minnesota Life agents, some of whom now market the Company’s individual disability insurance products. The national marketing agreement remains in effect through 2013.

Effective January 1, 2001, the Company ceded to Protective Life, through a reinsurance agreement, the Company’s individual life insurance product line. The Company received a ceding commission of approximately \$90 million and transferred to Protective Life approximately \$790 million in assets and corresponding statutory liabilities. If Protective Life were to become unable to meet its obligations, the Company would retain the reinsured liabilities. Therefore, the liabilities remain on the Company’s balance sheet, and an equal amount is recorded as a recoverable from the reinsurer. In accordance with the agreement, Protective Life established a trust for the benefit of the Company with assets in the trust required to be equal to the Company’s reinsurance receivable from Protective Life. The amount of assets required to be maintained in the trust is determined quarterly.

Effective October 1, 2002, the Company entered into a reinsurance agreement with TIAA to assume TIAA’s group disability and group life insurance business. This business included approximately 1,800 group insurance contracts, representing 650,000 insured individuals. The Company paid a ceding commission of approximately \$75 million and received approximately \$705 million in assets and corresponding statutory liabilities. If the Company were to become unable to meet its obligations, TIAA would retain the reinsured liabilities. Therefore, in accordance with the agreement with TIAA, the Company established a trust for the benefit of TIAA with the market value of assets in the trust equal to TIAA’s reinsurance receivable from the Company. The market value of assets required to be maintained in the trust is determined quarterly. The market value of assets required to be maintained in the trust at December 31, 2012, was \$250.0 million.

Gross and discounted group A&H reserves at December 31, 2012:

<u>(In thousands)</u>	<u>Exhibit 6</u>	<u>Gross</u>	<u>Discounted</u>
	Long-term Disability	\$ 4,096,092	\$ 3,107,783
	Short-term Disability	24,840	24,840
	Vision	15	15
	Dental	207	207
		<u>\$ 4,121,154</u>	<u>\$ 3,132,845</u>
<u>(In thousands)</u>	<u>Exhibit 8</u>	<u>Gross</u>	<u>Discounted</u>
	Long-term Disability	\$ 23,748	\$ 23,413
	Short-term Disability	4,696	4,696
	Vision	283	283
	Dental	3,933	3,934
	AD&D	17,025	17,025
		<u>\$ 49,685</u>	<u>\$ 49,351</u>
		<u>\$ 4,170,839</u>	<u>\$ 3,182,196</u>

D. Balance That is Reasonably Possible to be Uncollectible

At December 31, 2012 and 2011, the Company had admitted assets of \$2.6 million, respectively in accounts receivable for uninsured plans and amounts due from agents. The Company routinely assesses the collectability of these receivables. Based upon the Company’s experience, the potential loss is immaterial to the Company’s financial condition.

E. Business Interruption Insurance Recoveries

Not applicable

F. State Transferable and Non-transferable Tax Credits

- (1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State and in Total

<u>Description of State Transferable Tax Credits</u>	<u>(In thousands)</u>	<u>State</u>	<u>Carrying Value</u>	<u>Unused Amount</u>
Old Colony Phase One Limited Partnership		Massachusetts	\$ 1,693	\$ 1,693
Total			<u>\$ 1,693</u>	<u>\$ 1,693</u>

## NOTES TO FINANCIAL STATEMENTS

### (2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company accounts for transferable state tax credits in accordance with SSAP No. 94R, *Accounting for Transferable State Tax Credits* ("credits") are recorded at cost and gains are deferred until the value of the credits utilized exceeds the cost of the credits or until the credits are sold to other entities. Losses to the credits are recognized when the Company identifies the credits cannot be used.

### (3) Impairment Loss

The Company did not recognize an impairment related to credits.

### (4) State Tax Credits Admitted and Nonadmitted

<b>(In thousands)</b>	<b>Total Admitted</b>	<b>Total Nonadmitted</b>
a. Transferable	\$ 1,693	\$ -
b. Non-transferable	\$ -	\$ -

### G. Subprime-Mortgage-Related Risk Exposure

- (1) The Company considered all direct and indirect exposure to subprime assets in completing this analysis. The Company's investment portfolio consists of no direct exposure to the subprime mortgage sector. The portfolio has indirect exposure to subprime assets through investments in debt securities issued by bond insurers, mortgage insurers, mortgage lenders, investment banks and commercial banks. No realized or unrealized gains or losses have been recognized on subprime assets.

Bonds issued by Wells Fargo, Bank of America and Citigroup, all rated NAIC 1FE, represent \$107.4 million of the \$133.5 million disclosed below on (3) line f.

- (2) The Company did not have direct exposure through investments in subprime mortgage loans.
- (3) Direct exposure through other investments.

<b>(In thousands)</b>	<b>Actual Cost</b>	<b>Book/Adjusted Carrying Value (excluding interest)</b>	<b>Fair Value</b>	<b>Other Than Temporary Impairment Losses Recognized</b>
a. Residential mortgage-backed securities	\$ -	\$ -	\$ -	\$ -
b. Commercial mortgage-backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs *	-	-	-	-
f. Other assets	124,478	119,216	133,526	-
g. Total	<u>\$ 124,478</u>	<u>\$ 119,216</u>	<u>\$ 133,526</u>	<u>\$ -</u>

\* The Company has no subsidiary with investments in subprime mortgages.

- (4) The Company did not have any underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage as of December 31, 2012.

### H. Retained Assets

- (1) Retained asset accounts are reported as deposit-type accounts on the Company's books. Many of the Company's group contracts contain a retained provision and have a minimum amount of either \$10,000 or \$25,000, depending on the contract provisions. When a claim is received for a group that has this provision, the claim will be settled by sending the beneficiary a checkbook issued by Northern Trust, unless the beneficiary selects a lump-sum payment. The beneficiary can write checks for any amount up to the settlement amount plus any interest that is added to the account. If the account balance drops below \$500, Northern Trust issues a check to the beneficiary for the balance and closes the account. Interest is added to the accounts monthly. Interest rates paid to retained asset account holders in 2012 were as follows:

<b>Month</b>	<b>Interest Rate</b>
January	0.02 %
February	0.05 %
March	0.10 %
April	0.09 %
May	0.09 %
June	0.09 %
July	0.10 %
August	0.11 %
September	0.10 %
October	0.11 %
November	0.12 %
December	0.10 %

Interest rates were changed nine times during 2012.



## NOTES TO FINANCIAL STATEMENTS

(2)

(Balance in thousands)	In Force			
	As of End of Current Year		As of End of Prior Year	
	Number	Balance	Number	Balance
a. Up to and including 12 months	681	\$ 50,241	905	\$ 62,865
b. 13 to 24 months	489	28,406	474	21,425
c. 25 to 37 months	330	12,956	356	14,857
d. 37 to 48 months	259	9,339	300	9,530
e. 49 to 60 months	216	6,941	266	6,372
f. Over 60 months	889	19,086	809	17,123
g. Total	<u>2,864</u>	<u>\$ 126,969</u>	<u>3,110</u>	<u>\$ 132,172</u>

(3)

(Balance/Amount in thousands)	Individual		Group	
	Number	Balance/ Amount	Number	Balance/ Amount
a. Number/balance of retained asset accounts at the beginning of the year	-	\$ -	3,110	\$ 132,172
b. Number/amount of retained asset accounts issued/added during the year	-	-	1,284	154,302
c. Investment earnings credited to retained asset accounts during the year	N/A	-	N/A	119
d. Fees and other charges assessed to retained asset accounts during the year	N/A	-	N/A	(4)
e. Number/amount of retained asset accounts transferred to state unclaimed property funds during the year	-	-	-	-
f. Number/amount of retained asset accounts closed/withdrawn during the year	-	-	(1,530)	(159,620)
g. Number/balance of retained asset accounts at the end of the year	<u>-</u>	<u>\$ -</u>	<u>2,864</u>	<u>\$ 126,969</u>

## 22. EVENTS SUBSEQUENT

Type I Subsequent events have been considered through February 14, 2013 for the statutory statement issued on March 1, 2013.

There were no subsequent events to be reported.

Type II Subsequent events have been considered through February 14, 2013 for the statutory statement issued on March 1, 2013.

There were no subsequent events to be reported

**NOTES TO FINANCIAL STATEMENTS**

## 23. 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)

- (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)

## Section 2 – Ceded Reinsurance Report – Part A

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

Yes ( ) No (X)

- (2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts 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)

## Section 3 – Ceded Reinsurance Report – Part B

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

Not Applicable

- (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?

The amount of the credit is \$0.

## B. Uncollectible Reinsurance

None

## C. Commutation of Reinsurance Reflected in Income and Expenses

The Company did not commute any ceded reinsurance during the year.

## 24. RETROSPECTIVELY RATED CONTRACTS &amp; CONTRACTS SUBJECT TO REDETERMINATION

- A. The Company estimates accrued retrospective premium adjustments for its group insurance business by a mathematical calculation of the amount for each policyholder based on the agreement with the policyholder and the Company's rules for experience rating calculations.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. The amount of net premiums written by the Company for 2012 that were subject to retrospective rating features was \$573.5 million, representing 31.3% of total net premiums written for group life and health.
- D. The Company does not have any medical loss ratio rebates required pursuant to the Public Health Service Act.

## 25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves as of December 31, 2011 were \$3.83 billion. For 2012, \$731.2 million had been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years were \$3.13 billion at December 31, 2012, as a result of re-estimation of unpaid claims and claim adjustment expenses. There was a \$34.1 million

**NOTES TO FINANCIAL STATEMENTS**

increase of prior year development from December 31, 2011 to December 31, 2012. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Prior years' effects are combined with current experience in determining retrospective premium, premium refunds, and renewal rates for the larger group contracts.

26. INTERCOMPANY POOLING ARRANGEMENTS

Not Applicable

27. STRUCTURED SETTLEMENTS

The Company has not purchased any structured settlements to fulfill obligations of claimants.

28. HEALTH CARE RECEIVABLES

Not applicable

29. PARTICIPATING POLICIES

For individual life insurance contracts, 36% of the \$1.5 million net premium earned in 2012 was from participating contracts. Dividends paid in 2012 equaled \$130 thousand. The Company accounts for dividends based on dividends paid plus the increase in provision assuming policies in-force on the valuation date remain in-force. No additional income was allocated to participating individual life policyholders.

30. PREMIUM DEFICIENCY RESERVES

In accordance with SSAP No. 54, *Individual and Group Accident and Health Contracts*, the premium deficiency reserve held as of December 31, 2012 for all individual and group accident and health contracts was \$0. Since premium deficiency reserves are currently unnecessary, no calculation involving anticipated investment income was performed at December 31, 2012.

**(In thousands)**

1. Liability carried for premium deficiency reserves			\$	-
2. Date of the most recent evaluation of this liability				12/31/2012
3. Was anticipated investment income utilized in the calculation?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

(1) The Company waives deduction of deferred fractional premiums and returns unearned premium beyond the month of death. Continuous or semi continuous reserves are used to account for these benefits, except for those under a small block of second to die coverages, which use curtate reserves. As of December 31, 2012, reserves held for surrender values in excess of the legally computed reserves totaled \$700, net of reinsurance ceded. Effective January 1, 2001, substantially all individual life policies became 100% reinsured under a coinsurance reinsurance agreement with Protective Life.

(2) The reserve for a substandard policy where a flat extra premium is charged is the sum of the standard policy reserve plus one half (1/2) of the extra premium. For a substandard policy with a table rating, the extra reserve is based on appropriate multiples of standard rates of mortality. As of December 31, 2012, there was no reserve net of reinsurance ceded associated with substandard ratings for individual life policies.

(3) As of December 31, 2012, the Company had \$450.5 million of insurance in-force for which the gross premiums are less than the net premiums according to the standard valuation law set by the State of Oregon. Reserves to cover the above insurance total \$0 net of reinsurance ceded, at year-end and are reported in Exhibit 5 Section A, Life Insurance.

(4) The Tabular Interest (Page 7, Line 4) has been determined by formula except some annuity products have Tabular Interest determined from the basic data for such items.

The Tabular Less Actual Reserve Released (Page 7, Line 5) has been determined by formula.

The Tabular Cost (Page 7, Line 9) has been determined by formula.

(5) For the determination of Tabular Interest on deposit funds not involving life contingencies the amount of interest credited to the withdrawable account balance is used. For immediate annuities not involving life contingencies, the Tabular Interest was calculated as the change in statutory reserves, plus benefit payments, less premium.

## NOTES TO FINANCIAL STATEMENTS

(6) The details for other changes:

<u>ITEM</u> (In thousands)	ORDINARY					GROUP		
	Total	Industrial Life	Life Ins.	Individual Annuities	Supplementary Contracts	Credit Life Group and Individual	Life Ins.	Annuities
The increase for Ordinary Life Insurance reflects additional reserves for extra mortality expected on group conversion policies issued in 2012.	\$ 941	\$ -	\$ 941	\$ -	\$ -	\$ -	\$ -	\$ -
The increase for Group Annuities reflects amounts credited to plan balances as a result of a plan achieving certain asset growth threshold levels.	11	-	-	-	-	-	-	11
31069999 Total	<u>\$ 952</u>	<u>\$ -</u>	<u>\$ 941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>

## 32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT LIABILITIES BY WITHDRAWAL CHARACTERISTICS

Withdrawal Characteristics of Annuity Actuarial Reserves and Deposit – Type Contract Funds and Other Liabilities Without Life or Disability Contingencies:

<u>(In thousands)</u>	<u>General Account</u>	<u>Separate Account with Guarantees</u>	<u>Separate Account Nonguaranteed</u>	<u>Total</u>	<u>% of Total</u>
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	\$ 2,960,169	\$ -	\$ -	\$ 2,960,169	27.9 %
(2) At book value less current surrender charge of 5% or more	146,942	-	-	146,942	1.4 %
(3) At fair value	-	-	5,154,298	5,154,298	48.6 %
(4) Total with adjustment or at fair value (total of 1 through 3)	<u>\$ 3,107,111</u>	<u>\$ -</u>	<u>\$ 5,154,298</u>	<u>\$ 8,261,409</u>	<u>77.9 %</u>
(5) At book value without adjustment (minimal or no charge or adjustment)	1,878,259	-	-	1,878,259	17.7 %
B. Not subject to discretionary withdrawal	462,694	-	-	462,694	4.4 %
C. Total (gross: direct + assumed)	<u>\$ 5,448,064</u>	<u>\$ -</u>	<u>\$ 5,154,298</u>	<u>\$ 10,602,362</u>	<u>100.0 %</u>
D. Reinsurance ceded	22,632	-	-	22,632	
E. Total (net)* (C) - (D)	<u>\$ 5,425,432</u>	<u>\$ -</u>	<u>\$ 5,154,298</u>	<u>\$ 10,579,730</u>	

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

## NOTES TO FINANCIAL STATEMENTS

F.

<u>(In thousands)</u>	<u>Amount</u>
Life & Accident & Health Annual Statement:	
1. Exhibit 5, Annuities Section, Total (net)	\$ 4,843,465
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	50,279
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	531,688
4. Subtotal	<u>\$ 5,425,432</u>
Separate Accounts Annual Statement:	
5. Exhibit 3, Line 0299999, Column 2	-
6. Exhibit 3, Line 0399999, Column 2	-
7. Policyholder dividend and coupon accumulations	5,154,298
8. Policyholder premiums	-
9. Guaranteed interest contracts	-
10. Other contract deposit funds	-
11. Subtotal	<u>\$ 5,154,298</u>
12. Combined Total	<u>\$ 10,579,730</u>

G. FHLB (Federal Home Loan Bank) Agreements

None

## 33. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2012, were as follows:

<u>Type</u> <u>(In thousands)</u>	<u>Gross</u>	<u>Net of Loading</u>
(1) Industrial	\$ -	\$ -
(2) Ordinary new business	80	46
(3) Ordinary renewal	338	269
(4) Credit Life	-	-
(5) Group Life	35,547	33,122
(6) Group Annuity	2,532	2,532
(7) Totals	<u>\$ 38,497</u>	<u>\$ 35,969</u>

## 34. SEPARATE ACCOUNTS

A. Separate Account Activity

- (1) The Company issues contracts through its separate accounts for which investment income and investments gains and losses accrue directly to, and investment risk is borne by, the contract holder.
- (2) In accordance with the product/transaction recorded within the separate accounts, these assets are considered legally insulated from the general account. As of December 31, 2012 and 2011 the Company separate account statement included legally insulated assets of \$5.15 billion and \$4.59 billion, respectively. The assets legally insulated from the general account as of December 31, 2012 were attributed to the following product/transaction:

<u>Product/Transaction</u> <u>(In thousands)</u>	<u>Legally Insulated Assets</u>	<u>Separated Account Assets</u> <u>(Not Legally Insulated)</u>
Separate Account "A" - Unregistered	\$ 5,154,298	\$ -
Total	<u>\$ 5,154,298</u>	<u>\$ -</u>

- (3) There are no separate accounts liabilities guaranteed by the general account.
- (4) The Company does not engage in securities lending transactions with-in the separate accounts.

B. General Nature and Characteristics of Separate Accounts Business

Separate accounts assets and liabilities are reported at fair value and represent funds administered and invested by the Company for the benefit of variable group annuity contract holders. Funds are subject to discretionary withdrawal at fair value without restriction. All funds are nonguaranteed. Contract holders have the right to purchase annuities during the term of the contracts with specified guaranteed maximum rates.

## NOTES TO FINANCIAL STATEMENTS

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

(In thousands)	Index	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	Total
(1) Premiums, considerations or deposits for year ended 12/31/2012	\$	-	-	-	\$ 667,785
Reserves at 12/31/2012					
(2) For accounts with assets at:					
a. Fair value		-	-	5,154,298	5,154,298
b. Amortized cost		-	-	-	-
c. Total Reserves*	\$	-	-	\$ 5,154,298	\$ 5,154,298
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal:		-	-	-	-
b. With FV adjustment		-	-	-	-
c. At book value without FV adjustment and with current surrender charge of 5% or more		-	-	-	-
d. At fair value		-	-	5,154,298	5,154,298
e. At book value without FV adjustment and with current surrender charge less than 5%		-	-	-	-
f. Subtotal	\$	-	-	\$ 5,154,298	\$ 5,154,298
g. Not subject to discretionary withdrawal		-	-	-	-
h. Total	\$	-	-	\$ 5,154,298	\$ 5,154,298

\* Line 2(c) should equal Line 3(h).

## (4) Reserves for Asset Default Risk in Lieu of AVR

Not applicable

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

## (In thousands)

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement:		
a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$	747,749
b. Transfers from Separate Accounts (Page 4, Line 10)		833,105
c. Net transfers to or (From) Separate Accounts (a) - (b)	\$	(85,356)
(2) Reconciling Adjustments:		None
(3) Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement		
(1c) + (2) = (Page 4, Line 26)	\$	(85,356)

## 35. LOSS/CLAIM ADJUSTMENT EXPENSES

The balance in the liability for unpaid A&H claim adjustment expenses for 2012 and 2011 was \$165.8 million and \$203.9 million, respectively.

The Company incurred \$123.8 million and paid \$114.9 million of claim adjustment expenses in the current year, of which \$51.9 million of the paid amount was attributable to insured or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years.

The Company did not take into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses.

**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? ..... Oregon
- 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. .... 12/31/2009
- 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. .... 12/31/2009
- 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). .... 06/21/2011
- 3.4 By what department or departments?  
Oregon Department of Consumer and Business Services - Insurance Division .....
- 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	2	3
Name of Entity	NAIC Company Code	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; ..... 0.0 %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**GENERAL INTERROGATORIES**

- 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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), 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 FDIC	6 SEC
StanCorp Equities, Inc .....	Portland, OR .....	NO	NO	NO	YES
StanCorp Investment Advisers, Inc .....	Portland, OR .....	NO	NO	NO	YES

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche LLP  
111 SW Fifth Avenue, Suite 3900  
Portland, OR 97204
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain  
.....
11. 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?  
Sally Manafi  
PO Box 711  
Portland, OR 97207  
Officer of Standard Insurance Company .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ X ] No [ ]
- 12.11 Name of real estate holding company .....  
12.12 Number of parcels involved ..... 412  
12.13 Total book/adjusted carrying value ..... \$ .....104,154,761
- 12.2 If, yes provide explanation:  
Parcels are joint venture interest owned by the Company and reported on Schedule BA Part 1, Joint Venture Interest - Other - Unaffiliated, Non-Guaranteed Federal Low Income Housing Tax Credit - Unaffiliated, Guaranteed Federal Low Income Housing Tax Credit - Unaffiliated and State Low Income Housing Tax Credit - Unaffiliated with a Transferable State Tax Credit. ....
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 14.1 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.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? ..... Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

**BOARD OF DIRECTORS**

16. 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 [ ]
17. 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 [ ]
18. 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 with the official duties of such person? ..... Yes [ X ] No [ ]

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ X ] No [ ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |          |   |
|---|----------|---|
| 20.11 To directors or other officers.....               | \$ ..... | 0 |
| 20.12 To stockholders not officers.....                 | \$ ..... | 0 |
| 20.13 Trustees, supreme or grand (Fraternal Only) ..... | \$ ..... | 0 |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |          |   |
|---|----------|---|
| 20.21 To directors or other officers.....               | \$ ..... | 0 |
| 20.22 To stockholders not officers.....                 | \$ ..... | 0 |
| 20.23 Trustees, supreme or grand (Fraternal Only) ..... | \$ ..... | 0 |
- 21.1 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 ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- |                                 |          |   |
|---------------------------------|----------|---|
| 21.21 Rented from others.....   | \$ ..... | 0 |
| 21.22 Borrowed from others..... | \$ ..... | 0 |
| 21.23 Leased from others .....  | \$ ..... | 0 |
| 21.24 Other .....               | \$ ..... | 0 |
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [ ] No [ X ]
- 22.2 If answer is yes:
- |   |   |
|---|---|
| 22.21 Amount paid as losses or risk adjustment \$ ..... | 0 |
| 22.22 Amount paid as expenses .....                     | 0 |
| 22.23 Other amounts paid .....                          | 0 |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ ..... 1,112,983

**INVESTMENT**

- 24.01 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 24.03)..... Yes [ X ] No [ ]
- 24.02 If no, give full and complete information relating thereto  
 .....
- 24.03 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 17 where this information is also provided) The Company does not participate in a securities lending program. ....
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? ..... Yes [ ] No [ ] N/A [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. .... \$ ..... 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. .... \$ ..... 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? ..... Yes [ ] No [ ] N/A [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [ ] No [ ] N/A [ X ]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? ..... Yes [ ] No [ ] N/A [ X ]

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
GENERAL INTERROGATORIES**

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....	0
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....	0
24.103 Total payable for securities lending reported on the liability page .....	\$ .....	0

25.1 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 21.1 and 24.03) ..... Yes  No

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

25.21 Subject to repurchase agreements .....	\$ .....	0
25.22 Subject to reverse repurchase agreements .....	\$ .....	0
25.23 Subject to dollar repurchase agreements .....	\$ .....	0
25.24 Subject to reverse dollar repurchase agreements .....	\$ .....	0
25.25 Pledged as collateral .....	\$ .....	0
25.26 Placed under option agreements .....	\$ .....	0
25.27 Letter stock or other securities restricted as to sale .....	\$ .....	0
25.28 On deposit with state or other regulatory body .....	\$ .....	6,600,148
25.29 Other .....	\$ .....	0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes  No

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

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

27.2 If yes, state the amount thereof at December 31 of the current year. .... \$ .....

28. 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes  No

28.01 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
BNY Mellon .....	IIS Syracuse Client Services, 111 Sanders Creek Parkway, 2nd Floor, East Syracuse, NY 13057 .....

28.02 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)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? ..... Yes  No

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

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

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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
110228 .....	StanCorp Investment Advisers, Inc. ....	1100 SW Sixth Avenue, Portland, OR 97204 .....
104578 .....	Pine Bridge Investments .....	2929 Allen Parkway, Houston, TX 77019 .....

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
GENERAL INTERROGATORIES**

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

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	6,382,895,249	7,046,068,136	663,172,887
30.2 Preferred stocks .....	93,322	225,896	132,574
30.3 Totals	6,382,988,571	7,046,294,032	663,305,461

- 30.4 Describe the sources or methods utilized in determining the fair values:

Market values are provided by the Bank of New York via various pricing vendors that they subscribe to. Private placement were priced internally using a systematic approach to matrix price the securities. ....

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ ] No [ X ]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ ] No [ ]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
Fair values are determined by IDC, a third party pricing service. A copy of IDC's pricing policy is available. ....
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? ..... Yes [ X ] No [ ]
- 32.2 If no, list exceptions:  
.....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

**OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ ..... 219,277

33.2 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
ACLI .....	131,161
.....	.....

34.1 Amount of payments for legal expenses, if any? .....\$ ..... 380,947

34.2 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
Little Mendelson PC .....	118,351
.....	.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ ..... 42,000

35.2 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
John Powell & Associates .....	42,000
.....	.....

# 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 ..... \$ ..... 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ ..... 0  
 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. .... \$ ..... 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. .... \$ ..... 0

1.6 Individual policies:

	Most current three years:	
1.61 Total premium earned .....	\$ .....	0
1.62 Total incurred claims .....	\$ .....	0
1.63 Number of covered lives .....		0
All years prior to most current three years		
1.64 Total premium earned .....	\$ .....	0
1.65 Total incurred claims .....	\$ .....	0
1.66 Number of covered lives .....		0

1.7 Group policies:

	Most current three years:	
1.71 Total premium earned .....	\$ .....	0
1.72 Total incurred claims .....	\$ .....	0
1.73 Number of covered lives .....		0
All years prior to most current three years		
1.74 Total premium earned .....	\$ .....	0
1.75 Total incurred claims .....	\$ .....	0
1.76 Number of covered lives .....		0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	80,168,785	82,585,689
2.2 Premium Denominator .....	3,506,449,116	3,547,415,859
2.3 Premium Ratio (2.1/2.2) .....	0.023	0.023
2.4 Reserve Numerator .....	94,910,008	90,934,590
2.5 Reserve Denominator .....	9,806,705,519	9,233,596,618
2.6 Reserve Ratio (2.4/2.5) .....	0.010	0.010

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? ..... \$ ..... 0

3.4 State the authority under which Separate Accounts are maintained:  
 Oregon Code 733.220 .....

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)"? ..... \$ ..... 0

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 .....	\$ .....	28,962,857
4.22 Received .....	\$ .....	3,633,016

5.1 Does the reporting entity write any guaranteed interest contracts? ..... Yes [ ] No [ X ]

5.2 If yes, what amount pertaining to these lines 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: ..... \$ ..... 0

7. Total dividends paid stockholders since organization of the reporting entity:

7.11 Cash .....	\$ .....	0
7.12 Stock .....	\$ .....	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: ..... Yes [ ] No [ X ]  
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage 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 .....	0	0	0
8.32 Paid claims .....	0	0	0
8.33 Claim liability and reserve (beginning of year) .....	0	0	0
8.34 Claim liability and reserve (end of year) .....	0	0	0
8.35 Incurred claims .....	0	0	0

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	0	0
8.42	\$25,000 - 99,999	0	0
8.43	\$100,000 - 249,999	0	0
8.44	\$250,000 - 999,999	0	0
8.45	\$1,000,000 or more	0	0

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? .....\$ 0

9.1 Does the company have variable annuities with guaranteed benefits? ..... Yes [ ] No [ X ]

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

Type		3	4	5	6	7	8	9
1	2	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
Guaranteed Death Benefit	Guaranteed Living Benefit							

10. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year: .....\$ 0

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1	2
	Statement Value on Purchase Date of Annuities (i.e., Present Value)
P&C Insurance Company And Location	

11.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

11.2 If yes, please provide the amount of custodial funds held as of the reporting date. ....\$ 0

11.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

11.4 If yes, please provide the balance of funds administered as of the reporting date. ....\$ 0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**FIVE-YEAR HISTORICAL DATA**

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

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

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Life Insurance in Force</b> (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4) .....	1,877,684	1,985,995	2,139,219	2,284,620	2,450,469
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) .....	892,101	917,056	959,138	1,039,129	1,128,899
3. Credit life (Line 21, Col. 6) .....	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4) .....	325,857,813	336,252,796	319,248,601	292,724,810	298,107,263
5. Industrial (Line 21, Col. 2) .....	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4) .....	0	0	0	0	0
7. Total (Line 21, Col. 10) .....	328,627,598	339,155,848	322,346,958	296,048,559	301,686,631
<b>New Business Issued</b> (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2) .....	6,170	6,164	7,480	8,284	5,388
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2) .....	0	0	0	0	0
10. Credit life (Line 2, Col. 6) .....	0	0	0	0	0
11. Group (Line 2, Col. 9) .....	42,468,667	58,815,141	64,545,837	41,835,766	45,657,445
12. Industrial (Line 2, Col. 2) .....	0	0	0	0	0
13. Total (Line 2, Col. 10) .....	42,474,837	58,821,305	64,553,317	41,844,050	45,662,833
<b>Premium Income - Lines of Business</b> (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2) .....	0	0	0	0	0
15.1 Ordinary-life insurance (Line 20.4, Col. 3) .....	1,462,893	1,526,501	1,435,279	1,619,644	1,346,655
15.2 Ordinary-individual annuities (Line 20.4, Col. 4) .....	305,832,897	349,713,420	319,535,087	362,128,250	867,424,959
16. Credit life (group and individual) (Line 20.4, Col. 5) .....	0	0	0	0	0
17.1 Group life insurance (Line 20.4, Col. 6) .....	620,853,356	780,806,572	730,867,970	711,552,684	736,867,396
17.2 Group annuities (Line 20.4, Col. 7) .....	1,296,882,986	1,126,687,199	962,144,989	998,485,140	1,124,151,455
18.1 A & H-group (Line 20.4, Col. 8) .....	1,121,262,920	1,130,456,374	1,101,188,533	1,121,513,497	1,165,546,711
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9) .....	0	0	0	0	0
18.3 A & H-other (Line 20.4, Col. 10) .....	160,154,064	158,225,793	148,319,556	164,065,464	137,370,884
19. Aggregate of all other lines of business (Line 20.4, Col. 11) .....	0	0	0	0	0
20. Total .....	3,506,449,116	3,547,415,859	3,263,491,415	3,359,364,680	4,032,708,061
<b>Balance Sheet (Pages 2 &amp; 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3) .....	12,095,982,359	11,420,540,484	10,829,451,587	10,350,439,368	9,798,546,871
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) .....	10,905,716,780	10,281,307,181	9,657,937,770	9,156,731,785	8,686,245,686
23. Aggregate life reserves (Page 3, Line 1) .....	5,717,690,449	5,269,212,116	4,849,415,710	4,512,650,960	4,120,560,978
24. Aggregate A & H reserves (Page 3, Line 2) .....	3,929,811,274	3,802,535,030	3,649,663,331	3,594,432,107	3,553,185,867
25. Deposit-type contract funds (Page 3, Line 3) .....	531,687,658	503,795,333	464,170,080	459,372,504	410,977,385
26. Asset valuation reserve (Page 3, Line 24.01) .....	115,897,182	105,914,712	94,619,809	88,788,020	77,984,643
27. Capital (Page 3, Lines 29 and 30) .....	423,838,694	423,838,694	423,838,694	423,838,694	423,838,694
28. Surplus (Page 3, Line 37) .....	766,426,885	715,394,610	747,675,122	769,868,889	688,462,491
<b>Cash Flow (Page 5)</b>					
29. Net Cash from Operations (Line 11) .....	833,317,071	680,216,803	627,951,044	695,204,876	1,057,176,104
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital .....	1,306,162,761	1,245,148,016	1,266,133,626	1,282,495,603	1,190,285,828
31. Authorized control level risk - based capital .....	177,488,382	192,646,826	194,237,496	182,661,227	190,165,173
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1) .....	54.3	55.0	56.2	57.9	54.9
33. Stocks (Lines 2.1 and 2.2) .....	0.0	0.0	0.0	0.0	0.0
34. Mortgage loans on real estate(Lines 3.1 and 3.2 ) .....	43.9	43.3	41.9	41.3	41.9
35. Real estate (Lines 4.1, 4.2 and 4.3) .....	0.3	0.3	0.4	0.4	0.4
36. Cash, cash equivalents and short-term investments (Line 5) .....	0.4	0.4	0.5	0.0	2.6
37. Contract loans (Line 6) .....	0.0	0.0	0.0	0.0	0.0
38. Derivatives (Page 2, Line 7) .....	0.1	0.1	0.1	XXX	XXX
39. Other invested assets (Line 8) .....	0.9	0.5	0.2	0.1	0.1
40. Receivables for securities (Line 9) .....	0.1	0.3	0.6	0.3	0.0
41. Securities lending reinvested collateral assets (Line 10) .....	0.0	0.0	0.0	XXX	XXX
42. Aggregate write-ins for invested assets (Line 11) .....	0.0	0.0	0.0	0.1	0.0
43. Cash, cash equivalents and invested assets (Line 12) .....	100.0	100.0	100.0	100.0	100.0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1).....	0	0	0	0	0
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1).....	0	0	0	0	0
46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1),.....	0	0	0	0	0
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10).....	0	0	0	0	0
48. Affiliated mortgage loans on real estate.....	0	0	0	0	0
49. All other affiliated.....	0	0	0	0	0
50. Total of above Lines 44 to 49.....	0	0	0	0	0
51. Total Investment in Parent included in Lines 44 to 49 above.....	0	0	0	0	0
<b>Total Nonadmitted and Admitted Assets</b>					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2).....	187,161,105	272,390,286	203,583,362	236,578,617	283,677,307
53. Total admitted assets (Page 2, Line 28, Col. 3).....	17,250,279,968	16,014,089,145	15,616,840,023	14,524,928,886	12,874,451,392
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income).....	579,501,942	590,217,828	575,063,763	556,489,967	523,443,628
55. Realized capital gains (losses) (Page 4, Line 34, Column 1).....	(7,337,845)	(16,865,983)	13,340,313	(18,025,939)	(131,972,725)
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1).....	5,206,923	(8,596,813)	(4,547,137)	5,436,501	(5,281,445)
57. Total of above Lines 54, 55 and 56.....	577,371,020	564,755,032	583,856,939	543,900,528	386,189,458
<b>Benefits and Reserve Increases (Page 6)</b>					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11, 12, 13, 14 and 15 Cols. 9, 10 and 11).....	1,883,588,011	1,943,765,047	1,687,083,569	1,520,109,502	1,535,980,517
59. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11).....	955,498,036	943,763,868	890,040,825	872,952,079	862,846,114
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3).....	413,453	234,690	(580,783)	737,981	(73,857)
61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11).....	127,276,243	152,871,700	55,231,224	33,099,785	71,685,716
62. Dividends to policyholders (Line 30, Col. 1).....	135,995	114,717	104,624	101,508	92,310
<b>Operating Percentages</b>					
63. 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 100.0.....	15.8	16.1	16.8	16.3	14.0
64. 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 100.0.....	4.5	6.0	6.6	6.8	7.5
65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2).....	84.5	85.1	75.8	71.1	71.8
66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2).....	0.0	0.0	0.0	0.0	0.0
67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2).....	29.7	30.2	30.3	29.2	29.5
<b>A &amp; H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2).....	3,074,208,363	3,005,274,787	2,907,121,726	2,852,992,956	2,822,148,306
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2).....	3,081,302,964	2,964,081,689	2,926,955,014	2,929,805,063	2,891,136,908
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2).....	621,754,490	609,006,466	593,080,877	594,161,899	563,793,123
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2).....	590,526,739	574,183,658	567,800,772	542,307,980	515,190,798
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
72. Industrial life (Col. 2).....	0	0	0	0	0
73. Ordinary - life (Col. 3).....	1,699,059	494,768	351,289	694,458	201,593
74. Ordinary - individual annuities (Col. 4).....	21,899,410	32,539,870	18,996,127	8,481,488	(9,206,578)
75. Ordinary-supplementary contracts (Col. 5).....	3,466,514	2,183,599	1,631,596	913,850	(138,155)
76. Credit life (Col. 6).....	0	0	0	0	0
77. Group life (Col. 7).....	33,399,204	39,086,075	37,560,279	47,861,496	64,921,655
78. Group annuities (Col. 8).....	16,005,771	18,279,033	12,240,254	3,055,182	11,687,156
79. A & H-group (Col. 9).....	36,790,727	30,681,557	95,940,770	143,388,042	146,394,293
80. A & H-credit (Col. 10).....	0	0	0	0	0
81. A & H-other (Col. 11).....	21,404,472	17,114,701	22,087,619	25,473,096	8,063,175
82. Aggregate of all other lines of business (Col. 12)....	(1,954,104)	3,644,446	8,044,364	14,417,182	10,404,003
83. Total (Col. 1).....	132,711,052	144,024,049	196,852,296	244,284,794	232,327,143

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]  
 If no, please explain: .....





**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY**

DIRECT BUSINESS IN THE STATE OF Grand Total

DURING THE YEAR 2012

NAIC Group Code 1348

**LIFE INSURANCE**

NAIC Company Code 69019

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	30,710,438	0	753,103,951	0	783,814,388
2. Annuity considerations	305,832,898	0	1,936,753	0	307,769,651
3. Deposit-type contract funds	35,868,602	XXX	681,179	XXX	36,549,780
4. Other considerations	0	0	1,295,038,761	0	1,295,038,761
5. Totals (Sum of Lines 1 to 4)	372,411,937	0	2,050,760,643	0	2,423,172,581
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit	5,058,311	0	0	0	5,058,311
6.2 Applied to pay renewal premiums	2,240,456	0	0	0	2,240,456
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period	21,071,696	0	0	0	21,071,696
6.4 Other	489,550	0	0	0	489,550
6.5 Totals (Sum of Lines 6.1 to 6.4)	28,860,014	0	0	0	28,860,014
Annuities:					
7.1 Paid in cash or left on deposit	0	0	0	0	0
7.2 Applied to provide paid-up annuities	0	0	0	0	0
7.3 Other	0	0	0	0	0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	28,860,014	0	0	0	28,860,014
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	25,753,631	0	624,702,822	0	650,456,453
10. Matured endowments	28,684	0	0	0	28,684
11. Annuity benefits	13,903,823	0	647,067,490	0	660,971,313
12. Surrender values and withdrawals for life contracts	232,629,682	0	536,132,052	0	768,761,734
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	492,082	0	492,082
14. All other benefits, except accident and health	0	0	0	0	0
15. Totals	272,315,820	0	1,808,394,446	0	2,080,710,266
<b>DETAILS OF WRITE-INS</b>					
1301. Miscellaneous direct claims period certain	0	0	492,082	0	492,082
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	492,082	0	492,082

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind.Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	44	2,853,263	0	0	4,145	103,123,102	0	0	4,189	105,976,365
17. Incurred during current year	671	25,770,679	0	0	19,341	629,114,889	0	0	20,012	654,885,568
Settled during current year:										
18.1 By payment in full	654	25,782,315	0	0	19,988	622,224,072	0	0	20,642	648,006,386
18.2 By payment on compromised claims	0	0	0	0	34	2,478,750	0	0	34	2,478,750
18.3 Totals paid	654	25,782,315	0	0	20,022	624,702,822	0	0	20,676	650,485,136
18.4 Reduction by compromise	0	0	0	0	0	1,475,400	0	0	0	1,475,400
18.5 Amount rejected	0	0	0	0	47	3,743,314	0	0	47	3,743,314
18.6 Total settlements	654	25,782,315	0	0	20,069	629,921,536	0	0	20,723	655,703,850
19. Unpaid Dec. 31, current year (16+17-18.6)	61	2,841,627	0	0	3,417	102,316,455	0	0	3,478	105,158,083
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	35,129	2,899,462,307	0 (a)	0	15,820	328,571,511,000	0	0	50,949	331,470,973,307
21. Issued during year	159	6,169,653	0	0	1,358	42,468,667,000	0	0	1,517	42,474,836,653
22. Other changes to in force (Net)	(1,900)	(135,846,481)	0	0	(2,301)	(45,247,457,000)	0	0	(4,201)	(45,383,303,481)
23. In force December 31 of current year	33,388	2,769,785,479	0 (a)	0	14,877	325,792,721,000	0	0	48,265	328,562,506,479

(a) Includes Individual Credit Life Insurance prior year \$ 0 , current year \$ 0  
 Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year \$ 0 , current year \$ 0  
 Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS, prior year \$ 0 , current year \$ 0

**ACCIDENT AND HEALTH INSURANCE**

	1	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies (b)	1,077,666,370	1,105,585,996	0	809,819,419	937,666,642
24.1 Federal Employees Health Benefits Program premium (b)	0	0	0	0	0
24.2 Credit (Group and Individual)	0	0	0	0	0
24.3 Collectively renewable policies (b)	0	0	0	0	0
24.4 Medicare Title XVIII exempt from state taxes or fees	0	0	0	0	0
Other Individual Policies:					
25.1 Non-cancelable (b)	141,049,999	140,320,699	0	19,794,395	42,782,199
25.2 Guaranteed renewable (b)	34,530,560	33,922,004	0	7,959,494	14,304,783
25.3 Non-renewable for stated reasons only (b)	0	0	0	0	0
25.4 Other accident only	0	0	0	0	0
25.5 All other (b)	0	0	0	0	0
25.6 Totals (sum of Lines 25.1 to 25.5)	175,580,559	174,242,703	0	27,753,889	57,086,982
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 24.4 + 25.6)	1,253,246,929	1,279,828,699	0	837,573,308	994,753,624

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products 282,889 and number of persons insured under indemnity only products 10,447

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**EXHIBIT OF LIFE INSURANCE**

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7 Policies	8 Certificates	Amount of Insurance (a)	
1. In force end of prior year	0	0	35,280	2,903,052	0	0	16,371	4,614,304	336,252,796	339,155,848
2. Issued during year	0	0	159	6,170	0	0	1,358	387,970	42,468,667	42,474,837
3. Reinsurance assumed	0	0	6	1,047	0	0	(550)	(220,416)	(7,609,751)	(7,608,704)
4. Revived during year	0	0	1	4,092	0	0	0	0	0	4,092
5. Increased during year (net)	0	0	0	0	0	0	(22)	(8,474)	(3,376,541)	(3,376,541)
6. Subtotals, Lines 2 to 5	0	0	166	11,309	0	0	786	159,080	31,482,375	31,493,684
7. Additions by dividends during year	XXX	0	XXX	34,191	XXX	0	XXX	XXX	0	34,191
8. Aggregate write-ins for increases	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8)	0	0	35,446	2,948,552	0	0	17,157	4,773,384	367,735,171	370,683,723
Deductions during year:										
10. Death	0	0	641	18,834	0	0	XXX	27,154	627,481	646,315
11. Maturity	0	0	12	57	0	0	XXX	0	0	57
12. Disability	0	0	0	0	0	0	XXX	0	0	0
13. Expiry	0	0	41	2,614	0	0	0	0	0	2,614
14. Surrender	0	0	934	84,489	0	0	0	0	0	84,489
15. Lapse	0	0	277	43,000	0	0	2,279	581,574	41,249,877	41,292,877
16. Conversion	0	0	27	3,321	0	0	XXX	XXX	XXX	3,321
17. Decreased (net)	0	0	(25)	22,864	0	0	0	0	0	22,864
18. Reinsurance	0	0	151	3,588	0	0	0	0	0	3,588
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19)	0	0	2,058	178,767	0	0	2,279	608,728	41,877,358	42,056,125
21. In force end of year (Line 9 minus Line 20)	0	0	33,388	2,769,785	0	0	14,878	4,164,656	325,857,813	328,627,598
22. Reinsurance ceded end of year	XXX	0	XXX	2,744,641	XXX	0	XXX	XXX	132,441,294	135,185,935
23. Line 21 minus Line 22	XXX	0	XXX	25,144	XXX	(b)	XXX	XXX	193,416,519	193,441,663
<b>DETAILS OF WRITE-INS</b>										
0801.										
0802.										
0803.										
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.										
1902.										
1903.										
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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**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	0	XXX	521,165
25. Other paid-up insurance .....	0	0	5,670	65,921
26. Debit ordinary insurance .....	XXX	XXX	0	0

**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 .....	0	0	20	34
28. Term policies - other .....	0	0	2,023	349,786
29. Other term insurance - decreasing .....	XXX	0	XXX	33
30. Other term insurance .....	XXX	0	XXX	12,031
31. Totals (Lines 27 to 30) .....	0	0	2,043	361,884
Reconciliation to Lines 2 and 21:				
32. Term additions .....	XXX	0	XXX	521,165
33. Totals, extended term insurance .....	XXX	XXX	89	9,053
34. Totals, whole life and endowment .....	159	6,170	31,256	1,877,684
35. Totals (Lines 31 to 34) .....	159	6,170	33,388	2,769,786

**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	2	3	4
	Non-Participating	Participating	Non-Participating	Participating
36. Industrial .....	0	0	0	0
37. Ordinary .....	0	6,170	1,023,673	1,746,113
38. Credit Life (Group and Individual) .....	0	0	0	0
39. Group .....	42,468,667	0	325,857,813	0
40. Totals (Lines 36 to 39) .....	42,468,667	6,170	326,881,486	1,746,113

**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	0	XXX	226,337
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis .....	0	XXX	4,164,656	XXX
43. Federal Employees' Group Life Insurance included in Line 21 .....	0	0	0	0
44. Servicemen's Group Life Insurance included in Line 21 .....	0	0	0	0
45. Group Permanent Insurance included in Line 21 .....	0	0	0	0

**ADDITIONAL ACCIDENTAL DEATH BENEFITS**

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	28,821
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**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 above:	
47.1 .....	
47.2 .....	

**NONE**

**POLICIES WITH DISABILITY PROVISIONS**

Disability Provisions	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 .....	0	0	5,616	39,140	0	0	14,574	268,583,514
49. Disability Income .....	0	0	20	34	0	0	0	0
50. Extended Benefits .....	0	0	XXX	XXX	0	0	0	0
51. Other .....	0	0	0	0	0	0	0	0
52. Total .....	0	(b) 0	5,636	(b) 39,174	0	(b) 0	14,574	(b) 268,583,514

(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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**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 .....	1,847	7,109	0	52
2. Issued during year .....	50	437	0	17
3. Reinsurance assumed .....	0	0	0	0
4. Increased during year (net) .....	0	0	0	0
5. Totals (Lines 1 to 4) .....	1,897	7,546	0	69
Deductions during year:				
6. Decreased (net) .....	148	632	0	26
7. Reinsurance ceded .....	0	0	0	0
8. Totals (Lines 6 and 7) .....	148	632	0	26
9. In force end of year .....	1,749	6,914	0	43
10. Amount on deposit .....	0	(a) 229,733,152	0	(a) 211,311
11. Income now payable .....	1,749	357	0	43
12. Amount of income payable .....	(a) 3,553,706	(a) 4,016,439	(a) 0	(a) 429,991

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year .....	2,288	34,696	1,836	1,589
2. Issued during year .....	266	3,457	144	2
3. Reinsurance assumed .....	0	0	0	0
4. Increased during year (net) .....	0	0	0	0
5. Totals (Lines 1 to 4) .....	2,554	38,153	1,980	1,591
Deductions during year:				
6. Decreased (net) .....	123	1,835	201	64
7. Reinsurance ceded .....	0	0	0	0
8. Totals (Lines 6 and 7) .....	123	1,835	201	64
9. In force end of year .....	2,431	36,318	1,779	1,527
Income now payable:				
10. Amount of income payable .....	(a) 33,760,575	XXX	XXX	(a) 6,648,177
Deferred fully paid:				
11. Account balance .....	XXX	(a) 2,556,018,860	XXX	(a) 977,315
Deferred not fully paid:				
12. Account balance .....	XXX	(a) 284,944,777	XXX	(a) 0

**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 .....	34,045	1,180,610,398	0	0	124,840	211,169,376
2. Issued during year .....	5,727	5,199,509	0	0	9,609	11,758,856
3. Reinsurance assumed .....	0	0	0	0	0	(2,592,767)
4. Increased during year (net) .....	(3,110)	XXX	0	XXX	0	XXX
5. Totals (Lines 1 to 4) .....	36,662	XXX	0	XXX	134,449	XXX
Deductions during year:						
6. Conversions .....	0	XXX	XXX	XXX	XXX	XXX
7. Decreased (net) .....	73	XXX	0	XXX	8,320	XXX
8. Reinsurance ceded .....	0	XXX	0	XXX	0	XXX
9. Totals (Lines 6 to 8) .....	73	XXX	0	XXX	8,320	XXX
10. In force end of year .....	36,589	(a) 0	0	(a) 0	126,129	(a) 220,335,465

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year .....	355	33
2. Issued during year .....	11	0
3. Reinsurance assumed .....	0	0
4. Increased during year (net) .....	990	4,185
5. Totals (Lines 1 to 4) .....	1,356	4,218
Deductions During Year:		
6. Decreased (net) .....	0	4
7. Reinsurance ceded .....	990	4,185
8. Totals (Lines 6 and 7) .....	990	4,189
9. In force end of year .....	366	29
10. Amount of account balance .....	(a) 190,440,592	(a) 27,500

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**FORM FOR CALCULATING THE INTEREST MAINTENANCE RESERVE**

**INTEREST MAINTENANCE RESERVE**

	1 Amount
1. Reserve as of December 31, Prior Year .....	19,802,365
2. Current year's realized pre-tax capital gains/(losses) of \$ .....16,845,851 transferred into the reserve net of taxes of \$ .....5,896,047 .....	10,949,804
3. Adjustment for current year's liability gains/(losses) released from the reserve .....	0
4. Balance before reduction for amount transferred to Summary of Operations (Line 1 + Line 2 + Line 3) .....	30,752,169
5. Current year's amortization released to Summary of Operations (Amortization, Line 1, Column 4) .....	5,993,105
6. Reserve as of December 31, current year (Line 4 minus Line 5)	24,759,064

**AMORTIZATION**

Year of Amortization	1 Reserve as of December 31, Prior Year	2 Current Year's Realized Capital Gains/(Losses) Transferred into the Reserve Net of Taxes	3 Adjustment for Current Year's Liability Gains/(Losses) Released From the Reserve	4 Balance Before Reduction for Current Year's Amortization (Cols. 1 + 2 + 3)
1. 2012 .....	4,689,183	1,303,922	0	5,993,105
2. 2013 .....	3,859,352	2,031,199	0	5,890,551
3. 2014 .....	2,891,189	1,770,938	0	4,662,126
4. 2015 .....	1,892,398	1,424,931	0	3,317,329
5. 2016 .....	1,207,109	1,070,775	0	2,277,884
6. 2017 .....	912,427	696,457	0	1,608,884
7. 2018 .....	849,934	475,300	0	1,325,234
8. 2019 .....	694,144	416,528	0	1,110,672
9. 2020 .....	482,430	352,539	0	834,969
10. 2021 .....	366,068	290,240	0	656,308
11. 2022 .....	313,482	222,784	0	536,266
12. 2023 .....	290,471	177,652	0	468,123
13. 2024 .....	227,605	157,412	0	385,016
14. 2025 .....	176,580	136,232	0	312,813
15. 2026 .....	137,635	113,867	0	251,503
16. 2027 .....	96,083	88,508	0	184,591
17. 2028 .....	82,407	70,955	0	153,362
18. 2029 .....	101,445	57,099	0	158,544
19. 2030 .....	102,737	42,303	0	145,040
20. 2031 .....	86,725	28,506	0	115,231
21. 2032 .....	77,621	11,714	0	89,335
22. 2033 .....	63,605	3,492	0	67,097
23. 2034 .....	53,310	2,782	0	56,092
24. 2035 .....	46,814	2,012	0	48,826
25. 2036 .....	37,662	1,243	0	38,904
26. 2037 .....	28,939	414	0	29,353
27. 2038 .....	19,905	0	0	19,905
28. 2039 .....	10,838	0	0	10,838
29. 2040 .....	3,666	0	0	3,666
30. 2041 .....	602	0	0	602
31. 2042 and Later	0	0	0	0
32. Total (Lines 1 to 31)	19,802,364	10,949,804	0	30,752,168

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**ASSET VALUATION RESERVE**

	Default Component			Equity Component			7 Total Amount (Cols. 3 + 6)
	1 Other Than Mortgage Loans	2 Mortgage Loans	3 Total (Cols. 1 + 2)	4 Common Stock	5 Real Estate and Other Invested Assets	6 Total (Cols. 4 + 5)	
1. Reserve as of December 31, prior year .....	43,257,007	62,657,705	105,914,712	0	0	0	105,914,712
2. Realized capital gains/(losses) net of taxes - General Account .....	(214,476)	(4,608,949)	(4,823,425)	0	(134,082)	(134,082)	(4,957,507)
3. Realized capital gains/(losses) net of taxes - Separate Accounts .....	0	0	0	0	0	0	0
4. Unrealized capital gains/(losses) net of deferred taxes - General Account .....	2,777,800	(520,902)	2,256,898	0	(34,937)	(34,937)	2,221,961
5. Unrealized capital gains/(losses) net of deferred taxes - Separate Accounts .....	0	0	0	0	0	0	0
6. Capital gains credited/(losses charged) to contract benefits, payments or reserves .....	0	0	0	0	0	0	0
7. Basic contribution .....	10,331,792	22,163,242	32,495,034	0	629,270	629,270	33,124,304
8. Accumulated balances (Lines 1 through 5 - 6 + 7) .....	56,152,124	79,691,095	135,843,219	0	460,251	460,251	136,303,470
9. Maximum reserve .....	47,495,591	67,245,592	114,741,184	0	4,651,389	4,651,389	119,392,573
10. Reserve objective .....	32,966,190	42,345,700	75,311,890	0	3,938,992	3,938,992	79,250,882
11. 20% of (Line 10 - Line 8) .....	(4,637,187)	(7,469,079)	(12,106,266)	0	695,748	695,748	(11,410,518)
12. Balance before transfers (Lines 8 + 11) .....	51,514,937	72,222,016	123,736,953	0	1,155,999	1,155,999	124,892,952
13. Transfers .....	0	0	0	0	0	0	XXX
14. Voluntary contribution .....	0	0	0	0	0	0	0
15. Adjustment down to maximum/up to zero .....	(4,019,346)	(4,976,424)	(8,995,770)	0	0	0	(8,995,770)
16. Reserve as of December 31, current year (Lines 12 + 13 + 14 + 15)	47,495,591	67,245,592	114,741,183	0	1,155,999	1,155,999	115,897,182

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**ASSET VALUATION RESERVE  
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS  
DEFAULT COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
<b>LONG-TERM BONDS</b>												
1.		Exempt Obligations .....	317,500,213	XXX	XXX	317,500,213	0.0000	0	0.0000	0	0.0000	0
2.	1	Highest Quality .....	3,726,807,300	XXX	XXX	3,726,807,300	0.0004	1,490,723	0.0023	8,571,657	0.0030	11,180,422
3.	2	High Quality .....	1,968,013,371	XXX	XXX	1,968,013,371	0.0019	3,739,225	0.0058	11,414,478	0.0090	17,712,120
4.	3	Medium Quality .....	228,252,678	XXX	XXX	228,252,678	0.0093	2,122,750	0.0230	5,249,812	0.0340	7,760,591
5.	4	Low Quality .....	136,052,029	XXX	XXX	136,052,029	0.0213	2,897,908	0.0530	7,210,758	0.0750	10,203,902
6.	5	Lower Quality .....	1,381,414	XXX	XXX	1,381,414	0.0432	59,677	0.1100	151,956	0.1700	234,840
7.	6	In or Near Default .....	1,283,859	XXX	XXX	1,283,859	0.0000	0	0.2000	256,772	0.2000	256,772
8.		Total Unrated Multi-class Securities Acquired by Conversion .....	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
9.		Total Bonds (Sum of Lines 1 through 8)	6,379,290,864	XXX	XXX	6,379,290,864	XXX	10,310,284	XXX	32,855,431	XXX	47,348,648
<b>PREFERRED STOCK</b>												
10.	1	Highest Quality .....	0	XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
11.	2	High Quality .....	0	XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
12.	3	Medium Quality .....	0	XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
13.	4	Low Quality .....	0	XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
14.	5	Lower Quality .....	93,322	XXX	XXX	93,322	0.0432	4,032	0.1100	10,265	0.1700	15,865
15.	6	In or Near Default .....	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
16.		Affiliated Life with AVR .....	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
17.		Total Preferred Stocks (Sum of Lines 10 through 16)	93,322	XXX	XXX	93,322	XXX	4,032	XXX	10,265	XXX	15,865
<b>SHORT - TERM BONDS</b>												
18.		Exempt Obligations .....	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
19.	1	Highest Quality .....	32,363,769	XXX	XXX	32,363,769	0.0004	12,946	0.0023	74,437	0.0030	97,091
20.	2	High Quality .....	0	XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
21.	3	Medium Quality .....	0	XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
22.	4	Low Quality .....	0	XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
23.	5	Lower Quality .....	0	XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
24.	6	In or Near Default .....	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
25.		Total Short - Term Bonds (Sum of Lines 18 through 24)	32,363,769	XXX	XXX	32,363,769	XXX	12,946	XXX	74,437	XXX	97,091

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**DEFAULT COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
<b>DERIVATIVE INSTRUMENTS</b>												
26.		Exchange Traded	0	XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
27.	1	Highest Quality	11,329,110	XXX	XXX	11,329,110	0.0004	4,532	0.0023	26,057	0.0030	33,987
28.	2	High Quality	0	XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
29.	3	Medium Quality	0	XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
30.	4	Low Quality	0	XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
31.	5	Lower Quality	0	XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
32.	6	In or Near Default	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
33.		Total Derivative Instruments	11,329,110	XXX	XXX	11,329,110	XXX	4,532	XXX	26,057	XXX	33,987
34.		Total (Lines 9 + 17 + 25 + 33)	6,423,077,065	XXX	XXX	6,423,077,065	XXX	10,331,792	XXX	32,966,190	XXX	47,495,591
<b>MORTGAGE LOANS</b>												
In Good Standing:												
35.		Farm Mortgages	0	0	XXX	0	0.0042 (a)	0	0.0080 (a)	0	0.0127 (a)	0
36.		Residential Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0003	0	0.0006	0	0.0010	0
37.		Residential Mortgages - All Other	1,204,527	0	XXX	1,204,527	0.0013	1,566	0.0030	3,614	0.0040	4,818
38.		Commercial Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0003	0	0.0006	0	0.0010	0
39.		Commercial Mortgages - All Other	5,128,568,141	0	XXX	5,128,568,141	0.0042 (a)	21,539,986	0.0080 (a)	41,028,545	0.0127 (a)	65,132,815
40.		In Good Standing With Restructured Terms	25,799,160	0	XXX	25,799,160	0.0179 (b)	461,805	0.0397 (b)	1,024,227	0.0640 (b)	1,651,146
Overdue, Not in Process:												
41.		Farm Mortgages	0	0	XXX	0	0.0420	0	0.0760	0	0.1200	0
42.		Residential Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0005	0	0.0012	0	0.0020	0
43.		Residential Mortgages - All Other	0	0	XXX	0	0.0025	0	0.0058	0	0.0090	0
44.		Commercial Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0005	0	0.0012	0	0.0020	0
45.		Commercial Mortgages - All Other	3,806,773	0	XXX	3,806,773	0.0420	159,884	0.0760	289,315	0.1200	456,813
In Process of Foreclosure:												
46.		Farm Mortgages	0	0	XXX	0	0.0000	0	0.1700	0	0.1700	0
47.		Residential Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0000	0	0.0040	0	0.0040	0
48.		Residential Mortgages - All Other	0	0	XXX	0	0.0000	0	0.0130	0	0.0130	0
49.		Commercial Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0000	0	0.0040	0	0.0040	0
50.		Commercial Mortgages - All Other	0	0	XXX	0	0.0000	0	0.1700	0	0.1700	0
51.		Total Schedule B Mortgages (Sum of Lines 35 through 50)	5,159,378,601	0	XXX	5,159,378,601	XXX	22,163,242	XXX	42,345,700	XXX	67,245,592
52.		Schedule DA Mortgages	0	0	XXX	0	0.0000 (c)	0	0.0000 (c)	0	0.0000 (c)	0
53.		Total Mortgage Loans on Real Estate (Lines 51 + 52)	5,159,378,601	0	XXX	5,159,378,601	XXX	22,163,242	XXX	42,345,700	XXX	67,245,592

(a) Times the company's experience adjustment factor (EAF).

(b) Column 9 is the greater of 6.4% without any EAF adjustments or a company's EAF adjusted In Good Standing (IGS) factor plus 150 basis points. Columns 5 and 7 are 28% and 62% respectively of Column 9.

(c) Determined using the same factors and breakdowns used for directly owned mortgage loans.



**ASSET VALUATION RESERVE**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
<b>COMMON STOCK</b>												
1.		Unaffiliated - Public	0	XXX	XXX	0	0.0000	0	0.1300 (d)	0	0.1300 (d)	0
2.		Unaffiliated - Private	0	XXX	XXX	0	0.0000	0	0.1600	0	0.1600	0
3.		Federal Home Loan Bank	0	XXX	XXX	0	0.0000	0	0.0050	0	0.0080	0
4.		Affiliated - Life with AVR	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
Affiliated - Investment Subsidiary:												
5.		Fixed Income - Exempt Obligations	0	0	0	0	XXX	0	XXX	0	XXX	0
6.		Fixed Income - Highest Quality	0	0	0	0	XXX	0	XXX	0	XXX	0
7.		Fixed Income - High Quality	0	0	0	0	XXX	0	XXX	0	XXX	0
8.		Fixed Income - Medium Quality	0	0	0	0	XXX	0	XXX	0	XXX	0
9.		Fixed Income - Low Quality	0	0	0	0	XXX	0	XXX	0	XXX	0
10.		Fixed Income - Lower Quality	0	0	0	0	XXX	0	XXX	0	XXX	0
11.		Fixed Income - In/Near Default	0	0	0	0	XXX	0	XXX	0	XXX	0
12.		Unaffiliated Common Stock - Public	0	0	0	0	0.0000	0	0.1300 (d)	0	0.1300 (d)	0
13.		Unaffiliated Common Stock - Private	0	0	0	0	0.0000	0	0.1600	0	0.1600	0
14.		Mortgage Loans	0	0	0	0	0.0000 (c)	0	0.0000 (c)	0	0.0000 (c)	0
15.		Real Estate	0	0	0	0	0.0000 (e)	0	0.0000 (e)	0	0.0000 (e)	0
16.		Affiliated - Certain Other (See SVO Purposes and Procedures Manual)	0	XXX	XXX	0	0.0000	0	0.1300	0	0.1300	0
17.		Affiliated - All Other	0	XXX	XXX	0	0.0000	0	0.1600	0	0.1600	0
18.		Total Common Stock (Sum of Lines 1 through 17)	0	0	0	0	XXX	0	XXX	0	XXX	0
<b>REAL ESTATE</b>												
19.		Home Office Property (General Account only)	32,917,024	0	0	32,917,024	0.0000	0	0.0750	2,468,777	0.0750	2,468,777
20.		Investment Properties	3,098,734	0	0	3,098,734	0.0000	0	0.0750	232,405	0.0750	232,405
21.		Properties Acquired in Satisfaction of Debt	0	0	0	0	0.0000	0	0.1100	0	0.1100	0
22.		Total Real Estate (Sum of Lines 19 through 21)	36,015,758	0	0	36,015,758	XXX	0	XXX	2,701,182	XXX	2,701,182
<b>OTHER INVESTED ASSETS</b>												
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS</b>												
23.		Exempt Obligations	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
24.	1	Highest Quality	0	XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
25.	2	High Quality	0	XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
26.	3	Medium Quality	0	XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
27.	4	Low Quality	0	XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
28.	5	Lower Quality	0	XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
29.	6	In or Near Default	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
30.		Total with Bond Characteristics (Sum of Lines 23 through 29)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0

**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS												
31.	1	Highest Quality .....	0	XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
32.	2	High Quality .....	0	XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
33.	3	Medium Quality .....	0	XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
34.	4	Low Quality .....	0	XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
35.	5	Lower Quality .....	0	XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
36.	6	In or Near Default .....	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
37.		Affiliated Life with AVR .....	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
38.		Total with Preferred Stock Characteristics (Sum of Lines 31 through 37)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS												
In Good Standing:												
39.		Farm Mortgages .....	0	0	XXX	0	0.0063 (a)	0	0.0120 (a)	0	0.0190 (a)	0
40.		Residential Mortgages - Insured or Guaranteed .....	0	0	XXX	0	0.0003	0	0.0006	0	0.0010	0
41.		Residential Mortgages - All Other .....	0	XXX	XXX	0	0.0013	0	0.0030	0	0.0040	0
42.		Commercial Mortgages - Insured or Guaranteed .....	0	0	XXX	0	0.0003	0	0.0006	0	0.0010	0
43.		Commercial Mortgages - All Other .....	0	0	XXX	0	0.0063 (a)	0	0.0120 (a)	0	0.0190 (a)	0
44.		In Good Standing With Restructured Terms .....	0	0	XXX	0	0.2800 (b)	0	0.6200 (b)	0	1.0000 (b)	0
Overdue, Not in Process:												
45.		Farm Mortgages .....	0	0	XXX	0	0.0420	0	0.0760	0	0.1200	0
46.		Residential Mortgages - Insured or Guaranteed .....	0	0	XXX	0	0.0005	0	0.0012	0	0.0020	0
47.		Residential Mortgages - All Other .....	0	0	XXX	0	0.0025	0	0.0058	0	0.0090	0
48.		Commercial Mortgages - Insured or Guaranteed .....	0	0	XXX	0	0.0005	0	0.0012	0	0.0020	0
49.		Commercial Mortgages - All Other .....	0	0	XXX	0	0.0420	0	0.0760	0	0.1200	0
In Process of Foreclosure:												
50.		Farm Mortgages .....	0	0	XXX	0	0.0000	0	0.1700	0	0.1700	0
51.		Residential Mortgages - Insured or Guaranteed .....	0	0	XXX	0	0.0000	0	0.0040	0	0.0040	0
52.		Residential Mortgages - All Other .....	0	0	XXX	0	0.0000	0	0.0130	0	0.0130	0
53.		Commercial Mortgages - Insured or Guaranteed .....	0	0	XXX	0	0.0000	0	0.0040	0	0.0040	0
54.		Commercial Mortgages - All Other .....	0	0	XXX	0	0.0000	0	0.1700	0	0.1700	0
55.		Total with Mortgage Loan Characteristics (Sum of Lines 39 through 54)	0	0	XXX	0	XXX	0	XXX	0	XXX	0

**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK												
56.		Unaffiliated Public .....	0	XXX	XXX	0	0.0000	0	0.1300 (d)	0	0.1300 (d)	0
57.		Unaffiliated Private .....	0	XXX	XXX	0	0.0000	0	0.1600	0	0.1600	0
58.		Affiliated Life with AVR .....	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
59.		Affiliated Certain Other (See SVO Purposes & Procedures Manual) .....	0	XXX	XXX	0	0.0000	0	0.1300	0	0.1300	0
60.		Affiliated Other - All Other .....	0	XXX	XXX	0	0.0000	0	0.1600	0	0.1600	0
61.		Total with Common Stock Characteristics (Sum of Lines 56 through 60)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE												
62.		Home Office Property (General Account only) .....	0	0	0	0	0.0000	0	0.0750	0	0.0750	0
63.		Investment Properties .....	0	0	0	0	0.0000	0	0.0750	0	0.0750	0
64.		Properties Acquired in Satisfaction of Debt .....	0	0	0	0	0.0000	0	0.1100	0	0.1100	0
65.		Total with Real Estate Characteristics (Lines 62 through 64)	0	0	0	0	XXX	0	XXX	0	XXX	0
LOW INCOME HOUSING TAX CREDIT INVESTMENTS												
66.		Guaranteed Federal Low Income Housing Tax Credit .....	8,868,681	0	0	8,868,681	0.0003	2,661	0.0006	5,321	0.0010	8,869
67.		Non-guaranteed Federal Low Income Housing Tax Credit .....	91,833,115	0	0	91,833,115	0.0063	578,549	0.0120	1,101,997	0.0190	1,744,829
68.		State Low Income Housing Tax Credit .....	1,760,464	0	0	1,760,464	0.0273	48,061	0.0600	105,628	0.0975	171,645
69.		All Other Low Income Housing Tax Credit .....	0	0	0	0	0.0273	0	0.0600	0	0.0975	0
70.		Total LIHTC	102,462,260	0	0	102,462,260	XXX	629,270	XXX	1,212,946	XXX	1,925,343
ALL OTHER INVESTMENTS												
71.		Other Invested Assets - Schedule BA .....	191,263	XXX	0	191,263	0.0000	0	0.1300	24,864	0.1300	24,864
72.		Other Short-Term Invested Assets - Schedule DA .....	0	XXX	0	0	0.0000	0	0.1300	0	0.1300	0
73.		Total All Other (Sum of Lines 71 + 72) .....	191,263	XXX	0	191,263	XXX	0	XXX	24,864	XXX	24,864
74.		Total Other Invested Assets - Schedules BA & DA (Sum of Lines 30, 38, 55, 61, 65, 70 and 73)	102,653,523	0	0	102,653,523	XXX	629,270	XXX	1,237,811	XXX	1,950,207

(a) Times the company's experience adjustment factor (EAF).

(b) Column 9 is the greater of 6.4% without any EAF adjustments or a company's EAF adjusted In Good Standing (IGS) factor plus 150 basis points. Columns 5 and 7 are 28% and 62% respectively of Column 9.

(c) Determined using the same factors and breakdowns used for directly owned mortgage loans.

(d) Times the company's weighted average portfolio beta (Minimum .10, Maximum .20).

(e) Determined using the same factors and breakdowns used for directly owned real estate.

**ASSET VALUATION RESERVE (Continued)**

**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS REPLICATIONS (SYNTHETIC) ASSETS**

1 RSAT Number	2 Type	3 CUSIP	4 Description of Asset(s)	5 NAIC Designation or Other Description of Asset	6 Value of Asset	7 AVR Basic Contribution	8 AVR Reserve Objective	9 AVR Maximum Reserve
<p><b>NONE</b></p>								
0599999 - Total								

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE F**

Showing all claims for death losses and all other contract claims resisted or compromised during the year, and all claims for death losses and all other contract claims resisted December 31 of current year

1	2	3	4	5	6	7	8
Contract Numbers	Claim Numbers	State of Residence of Claimant	Year of Claim for Death or Disability	Amount Claimed	Amount Paid During the Year	Amount Resisted Dec. 31 of Current Year	Why Compromised or Resisted
629075	A80576	Pennsylvania	2003	42,000	0	0	Plaintiff alleges add'l life benefits due
642682	B50684	Nevada	2006	240,000	0	0	Claim denied based on "slayer" doctrine
642427	C24821	Ohio	2009	385,400	30,000	0	Not eligible
610516	C28686	Washington	2010	132,000	15,000	0	Claimant not eligible for benefits; failed to apply for conversion policy
138227	C37938	Alabama	2009	25,000	1,000	0	Not a covered loss
641276	C58311	Louisiana	2010	27,000	10,000	0	No EOI submitted
152381	C76627	Florida	2011	150,000	100,000	0	AWR not met
501035	C87110	Arizona	2011	25,000	0	0	Member did not meet AWR
645862	C87642	Texas	2011	50,000	0	0	No EOI submitted
643892	C69644	California	2010	39,000	39,000	0	Not eligible
630363	C77134	California	2011	10,000	10,000	0	Proof of Loss
148624	C85523	Minnesota	2011	500,000	100,000	0	Partial denial - AWR not met
501559	C88969	California	2011	200,000	0	0	Partial denial - AWR not met
645558	C90193	Ohio	2011	60,000	40,000	0	Partial denial - AWR not met
146805	C90228	Delaware	2011	30,000	15,000	0	Partial denial - AWR not met
134530	C91261	Florida	2011	10,000	10,000	0	Not eligible
641197	C94320	Alabama	2011	10,000	0	0	Not eligible
643949	C94395	Alabama	2011	5,000	0	0	Not Insured
642682	C95184	Idaho	2011	5,000	0	0	Not Insured
645273	C96872	Washington	2011	10,000	0	0	EOI denial
606814	C98116	Oregon	2011	240,000	0	0	Policy exclusion
146774	C98321	California	2011	104,000	0	0	Not eligible
646595	C98419	Oregon	2011	10,000	0	0	Proof of Loss
638521	C99032	Florida	2011	100,000	50,000	0	Partial life denial: EOI not approved or not provided
641757	D01816	Colorado	2012	963,000	963,000	0	Partial life denial: EOI not approved or not provided
648975	D02984	Nevada	2011	50,000	50,000	0	Unresolved beneficiary designation
603297	D03498	Colorado	2011	50,000	0	0	Not eligible
641332	D03703	District of Columbia	2011	5,000	0	0	Not eligible
642682	D06325	Nevada	2012	10,000	0	0	Not eligible
800500	D06639	Missouri	2012	47,000	47,000	0	Not eligible
142279	D06878	Kansas	2012	40,000	0	0	Not eligible
648354	D07113	Illinois	2012	183,000	183,000	0	Not eligible for full amount
648354	D10889	Illinois	2012	25,000	25,000	0	Not eligible
606814	D12525	Oregon	2012	20,000	0	0	Not eligible
643985	D12700	Texas	2012	200,000	100,000	0	Partial life denial: EOI not approved or not provided
133623	D13076	Massachusetts	2012	17,500	17,500	0	EOI denial
148218	D13630	Florida	2012	50,000	0	0	Not eligible
154700	D13848	South Carolina	2012	20,000	20,000	0	Age reduction
501673	D15866	California	2012	39,000	0	0	Not eligible
642922	D16333	Texas	2012	76,000	0	0	Not a covered loss
395222	D18981	CA	2012	1,500	0	0	Not eligible
0399999. Death Claims - Group				4,206,400	1,825,500	0	XXX
0599999. Death Claims - Disposed Of				4,206,400	1,825,500	0	XXX
642067	B75397	Illinois	2007	12,000	0	0	Policy exclusions
399997	C29068	Colorado	2009	48,000	61,250	0	Policy exclusions
641797	C33055	Missouri	2009	102,000	9,500	0	Proof of Loss
645775	C54616	Ohio	2010	214,000	12,000	0	Policy exclusions - illness
642695	C63921	Texas	2010	50,000	17,500	0	Proof of Loss
645785	C78723	Florida	2011	78,000	0	0	Policy exclusion - illness - natural death
645783	C78725	Florida	2011	210,000	0	0	Policy exclusion - illness - natural death
642723	C83006	Arizona	2011	54,000	0	0	Policy exclusion - medical condition - natural death
606122	A26364	Washington	2001	10,000	0	0	Policy exclusion
645544	C56119	South Dakota	2010	181,000	0	0	Policy exclusion
645480	C59928	Massachusetts	2010	214,000	0	0	Policy exclusion
136017	C85178	Pennsylvania	2011	70,000	0	0	Policy exclusion
645751	C86762	Missouri	2011	25,000	0	0	Seatbelt
629375	C89640	New Jersey	2011	32,500	0	0	Policy exclusion
148470	C90416	Florida	2011	252,000	0	0	Policy exclusion
150717	C92113	Virginia	2011	93,000	0	0	Proof of Loss
615855	C92908	Colorado	2011	100,000	0	0	Policy exclusion - natural death
648378	C97096	Virginia	2011	29,000	0	0	Policy exclusion
602321	C97826	Oregon	2011	107,274	0	0	Policy exclusion
641332	C98042	District of Columbia	2011	51,000	0	0	Policy exclusion
646595	C98419	Oregon	2011	30,000	0	0	Proof of Loss
644016	C99331	Arizona	2011	250,000	0	0	Cause or Manner of Death
647267	C99625	Texas	2011	15,000	0	0	Seatbelt
645876	C99738	Florida	2011	38,000	0	0	Policy exclusion
641332	D00460	District of Columbia	2009	16,116	0	0	Outside policy limits
153058	D01011	Maryland	2011	113,000	113,000	0	Policy exclusion
641728	D01028	Florida	2011	46,000	46,000	0	Policy exclusion
129133	D01225	Alabama	2011	25,000	0	0	Policy exclusion

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE F**

Showing all claims for death losses and all other contract claims resisted or compromised during the year, and all claims for death losses and all other contract claims resisted December 31 of current year

1	2	3	4	5	6	7	8
Contract Numbers	Claim Numbers	State of Residence of Claimant	Year of Claim for Death or Disability	Amount Claimed	Amount Paid During the Year	Amount Resisted Dec. 31 of Current Year	Why Compromised or Resisted
142721	D03946	California	2007	5,000	5,000	0	Not a covered loss
643147	D04650	California	2012	258,924	0	0	Policy exclusion
641684	D05329	California	2011	100,000	0	0	Policy exclusion
641752	D05412	Alabama	2006	80,000	80,000	0	Outside policy limits
605709	D05664	Texas	2012	40,000	40,000	0	Policy exclusion
148411	D06646	Florida	2012	34,000	34,000	0	Proof of Loss
648221	D06885	Kansas	2012	200,000	0	0	Not eligible
645544	D07407	Idaho	2011	84,000	84,000	0	Policy exclusion
646875	D09587	Texas	2012	59,000	0	0	Policy exclusion
150956	D09690	Texas	2012	126,000	126,000	0	Policy exclusion
0899999. Additional Accidental Death Benefits-Group				3,452,814	628,250	0	XXX
1099999. Additional Accidental Death Benefits Claims - Disposed Of				3,452,814	628,250	0	XXX
1599999. Disability Benefits Claims - Disposed Of				0	0	0	XXX
2099999. Matured Endowments Claims - Disposed Of				0	0	0	XXX
2599999. Annuities with Life Contingency Claims - Disposed Of				0	0	0	XXX
2699999. Claims Disposed of During Current Year				7,659,214	2,453,750	0	XXX
643621	B24436	Louisiana	2005	125,000	0	85,000	Lower coverage amounts paid; increased coverage denied
144439	C59555	Georgia	2010	150,000	0	150,000	Not eligible
153768	D06981	Oregon	2012	100,000	0	100,000	Not eligible
153768	D11569	Washington	2012	65,000	0	65,000	Not eligible
647541	D14958	Arizona	2012	10,000	0	10,000	Does not meet age requirement
641874	D16516	Arizona	2012	30,000	20,000	10,000	Partial life denial: EOI not approved or not provided
646892	D20918	Pennsylvania	2012	20,000	5,000	15,000	Partial denial - policy limit
642423	D23015	Georgia	2012	40,000	0	40,000	Does not meet age requirement
2999999. Death Claims - Group				540,000	25,000	475,000	XXX
3199999. Death Claims - Resisted				540,000	25,000	475,000	XXX
643381	C20717	Texas	2009	438,000	0	438,000	Policy exclusions
647544	C55800	Arkansas	2010	166,000	0	83,000	Policy exclusions
641797	C47622	Texas	2010	121,500	0	121,500	Policy exclusion
136810	C65976	Illinois	2010	1,411,068	0	1,411,068	Not a covered loss
137596	C76100	Pennsylvania	2011	30,000	0	30,000	Policy exclusion
645549	C97754	New Mexico	2011	137,000	0	137,000	Policy exclusion
649104	D02071	West Virginia	2012	105,000	0	105,000	Policy exclusion
612867	D02236	California	2011	20,000	0	20,000	Policy exclusion
648590	D08489	Washington	2012	100,000	0	100,000	Policy exclusion
646591	D12081	South Carolina	2012	15,000	0	15,000	Policy exclusion
645547	D13530	Arizona	2011	58,500	0	58,500	Not a covered loss
645872	D13586	Arkansas	2012	530,000	0	530,000	Policy exclusion
645547	D13692	Arizona	2012	12,250	0	12,250	Policy exclusion
648727	D13825	Pennsylvania	2012	30,000	0	30,000	Policy exclusion
641757	D14466	Illinois	2012	69,000	0	69,000	Policy exclusion
645797	D20112	Colorado	2012	200,000	0	200,000	Policy exclusion
3499999. Additional Accidental Death Benefits-Group				3,443,318	0	3,360,318	XXX
3699999. Additional Accidental Death Benefits Claims - Resisted				3,443,318	0	3,360,318	XXX
4199999. Disability Benefits Claims - Resisted				0	0	0	XXX
4699999. Matured Endowments Claims - Resisted				0	0	0	XXX
5199999. Annuities with Life Contingencies Claims - Resisted				0	0	0	XXX
5299999. Claims Resisted During Current Year				3,983,318	25,000	3,835,318	XXX
5399999 - Totals				11,642,532	2,478,750	3,835,318	XXX

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT**

	Total		Group Accident and Health		Credit Accident and Health (Group and Individual)		Collectively Renewable		Other Individual Contracts											
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other			
									9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %		
<b>PART 1. - ANALYSIS OF UNDERWRITING OPERATIONS</b>																				
1. Premiums written	1,269,834,013	XXX	1,109,960,152	XXX	0	XXX	0	XXX	134,220,095	XXX	25,653,766	XXX	0	XXX	0	XXX	0	XXX	0	XXX
2. Premiums earned	1,279,779,459	XXX	1,121,262,920	XXX	0	XXX	0	XXX	133,582,170	XXX	24,934,369	XXX	0	XXX	0	XXX	0	XXX	0	XXX
3. Incurred claims	1,064,004,182	83.1	965,976,728	86.2	0	0.0	0	0.0	84,792,081	63.5	13,235,373	53.1	0	0.0	0	0.0	0	0.0	0	0.0
4. Cost containment expenses	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
5. Incurred claims and cost containment expenses (Lines 3 and 4)	1,064,004,182	83.1	965,976,728	86.2	0	0.0	0	0.0	84,792,081	63.5	13,235,373	53.1	0	0.0	0	0.0	0	0.0	0	0.0
6. Increase in contract reserves	17,132,571	1.3	0	0.0	0	0.0	0	0.0	11,589,222	8.7	5,543,349	22.2	0	0.0	0	0.0	0	0.0	0	0.0
7. Commissions (a)	95,834,939	7.5	63,043,538	5.6	0	0.0	0	0.0	27,112,603	20.3	5,678,798	22.8	0	0.0	0	0.0	0	0.0	0	0.0
8. Other general insurance expenses	249,175,814	19.5	222,979,594	19.9	0	0.0	0	0.0	21,659,462	16.2	4,536,758	18.2	0	0.0	0	0.0	0	0.0	0	0.0
9. Taxes, licenses and fees	35,680,770	2.8	30,384,509	2.7	0	0.0	0	0.0	4,446,409	3.3	849,852	3.4	0	0.0	0	0.0	0	0.0	0	0.0
10. Total other expenses incurred	380,691,523	29.7	316,407,641	28.2	0	0.0	0	0.0	53,218,474	39.8	11,065,408	44.4	0	0.0	0	0.0	0	0.0	0	0.0
11. Aggregate write-ins for deductions	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
12. Gain from underwriting before dividends or refunds	(182,048,817)	(14.2)	(161,121,449)	(14.4)	0	0.0	0	0.0	(16,017,606)	(12.0)	(4,909,761)	(19.7)	0	0.0	0	0.0	0	0.0	0	0.0
13. Dividends or refunds	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
14. Gain from underwriting after dividends or refunds	(182,048,817)	(14.2)	(161,121,449)	(14.4)	0	0.0	0	0.0	(16,017,606)	(12.0)	(4,909,761)	(19.7)	0	0.0	0	0.0	0	0.0	0	0.0
<b>DETAILS OF WRITE-INS</b>																				
1101.																				
1102.																				
1103.																				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT (Continued)**

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
<b>PART 2. - RESERVES AND LIABILITIES</b>									
<b>A. Premium Reserves:</b>									
1. Unearned premiums .....	35,719,613	0	0	0	29,543,877	6,175,736	0	0	0
2. Advance premiums .....	7,660,137	5,842,931	0	0	1,587,986	229,220	0	0	0
3. Reserve for rate credits .....	7,891,469	7,891,469	0	0	0	0	0	0	0
4. Total premium reserves, current year .....	51,271,219	13,734,400	0	0	31,131,863	6,404,956	0	0	0
5. Total premium reserves, prior year .....	61,216,665	25,037,168	0	0	30,493,938	5,685,559	0	0	0
6. Increase in total premium reserves .....	(9,945,446)	(11,302,768)	0	0	637,925	719,397	0	0	0
<b>B. Contract Reserves:</b>									
1. Additional reserves (a) .....	169,868,902	0	0	0	143,332,368	26,536,534	0	0	0
2. Reserve for future contingent benefits .....	0	0	0	0	0	0	0	0	0
3. Total contract reserves, current year .....	169,868,902	0	0	0	143,332,368	26,536,534	0	0	0
4. Total contract reserves, prior year .....	152,736,331	0	0	0	131,743,146	20,993,185	0	0	0
5. Increase in contract reserves .....	17,132,571	0	0	0	11,589,222	5,543,349	0	0	0
<b>C. Claim Reserves and Liabilities:</b>									
1. Total current year .....	3,782,698,062	3,182,195,900	0	0	557,644,809	42,857,353	0	0	0
2. Total prior year .....	3,671,829,703	3,081,302,964	0	0	553,842,507	36,684,232	0	0	0
3. Increase .....	110,868,359	100,892,936	0	0	3,802,302	6,173,121	0	0	0

<b>PART 3. - TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES</b>									
<b>1. Claims paid during the year:</b>									
1.1 On claims incurred prior to current year .....	679,228,081	594,363,673	0	0	78,400,506	6,463,902	0	0	0
1.2 On claims incurred during current year .....	273,907,742	270,720,119	0	0	2,589,273	598,350	0	0	0
<b>2. Claim reserves and liabilities, December 31, current year:</b>									
2.1 On claims incurred prior to current year .....	3,016,734,772	2,479,844,690	0	0	504,017,028	32,873,054	0	0	0
2.2 On claims incurred during current year .....	765,963,290	702,351,210	0	0	53,627,781	9,984,299	0	0	0
<b>3. Test:</b>									
3.1 Lines 1.1 and 2.1 .....	3,695,962,853	3,074,208,363	0	0	582,417,534	39,336,956	0	0	0
3.2 Claim reserves and liabilities, December 31, prior year .....	3,671,829,703	3,081,302,964	0	0	553,842,507	36,684,232	0	0	0
3.3 Line 3.1 minus Line 3.2 .....	24,133,150	(7,094,601)	0	0	28,575,027	2,652,724	0	0	0

<b>PART 4. - REINSURANCE</b>									
<b>A. Reinsurance Assumed:</b>									
1. Premiums written .....	96,549,202	55,639,854	0	0	40,806,920	102,428	0	0	0
2. Premiums earned .....	97,770,047	56,283,344	0	0	41,380,787	105,916	0	0	0
3. Incurred claims .....	123,306,406	58,662,877	0	0	64,363,522	280,007	0	0	0
4. Commissions .....	4,138,505	0	0	0	4,128,165	10,340	0	0	0
<b>B. Reinsurance Ceded:</b>									
1. Premiums written .....	97,795,201	40,606,654	0	0	48,094,997	9,093,550	0	0	0
2. Premiums earned .....	97,819,286	40,606,419	0	0	48,119,317	9,093,550	0	0	0
3. Incurred claims .....	54,055,847	30,352,788	0	0	22,353,643	1,349,416	0	0	0
4. Commissions .....	16,698,528	0	0	0	13,440,539	3,257,989	0	0	0

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



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**SCHEDULE H - PART 5 - HEALTH CLAIMS**

	1 Medical	2 Dental	3 Other	4 Total
<b>A. Direct:</b>				
1. Incurred Claims .....	0	80,530,113	914,223,510	994,753,623
2. Beginning Claim Reserves and Liabilities .....	0	5,607,098	2,808,290,595	2,813,897,693
3. Ending Claim Reserves and Liabilities .....	0	5,383,712	2,965,694,305	2,971,078,017
4. Claims Paid	0	80,753,499	756,819,800	837,573,299
<b>B. Assumed Reinsurance:</b>				
5. Incurred Claims.....	0	0	123,306,406	123,306,406
6. Beginning Claim Reserves and Liabilities .....	0	74,612	967,535,535	967,610,147
7. Ending Claim Reserves and Liabilities .....	0	0	932,637,983	932,637,983
8. Claims Paid	0	74,612	158,203,958	158,278,570
<b>C. Ceded Reinsurance:</b>				
9. Incurred Claims.....	0	21,093,208	32,962,639	54,055,847
10. Beginning Claim Reserves and Liabilities .....	0	2,850,929	112,194,512	115,045,441
11. Ending Claim Reserves and Liabilities .....	0	2,749,252	123,267,336	126,016,588
12. Claims Paid	0	21,194,885	21,889,815	43,084,700
<b>D. Net:</b>				
13. Incurred Claims.....	0	59,436,905	1,004,567,277	1,064,004,182
14. Beginning Claim Reserves and Liabilities .....	0	2,830,781	3,663,631,618	3,666,462,399
15. Ending Claim Reserves and Liabilities .....	0	2,634,460	3,775,064,952	3,777,699,412
16. Claims Paid	0	59,633,226	893,133,943	952,767,169
<b>E. Net Incurred Claims and Cost Containment Expenses:</b>				
17. Incurred Claims and Cost Containment Expenses .....	0	59,436,906	1,004,567,277	1,064,004,183
18. Beginning Reserves and Liabilities .....	0	2,830,781	3,663,631,619	3,666,462,400
19. Ending Reserves and Liabilities .....	0	2,634,460	3,775,064,954	3,777,699,414
20. Paid Claims and Cost Containment Expenses	0	59,633,227	893,133,942	952,767,169

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE S - PART 1 - SECTION 1**

Reinsurance Assumed Life Insurance, Annuities, Deposit Funds and Other Liabilities Without Life or Disability Contingencies, and Related Benefits Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Amount of In Force at End of Year	8 Reserve	9 Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
0399999. Total General Account - Affiliates						0	0	0	0	0	0
69345	13-1624203	10/01/2002	TIAA-CREF Life Insurance Company	NY	CO/G	65,091,842	29,450,474	0	40,000	0	0
00000	AA-9995053	10/01/2001	Special Pooled Risk Administrators Inc.	NJ	CAT/G	0	0	0	0	0	0
0499999. General Account - U.S. Non-Affiliates						65,091,842	29,450,474	0	40,000	0	0
0699999. Total General Account - Non-Affiliates						65,091,842	29,450,474	0	40,000	0	0
0799999. Total General Account						65,091,842	29,450,474	0	40,000	0	0
1099999. Total Separate Accounts - Affiliates						0	0	0	0	0	0
1399999. Total Separate Accounts - Non-Affiliates						0	0	0	0	0	0
1499999. Total Separate Accounts						0	0	0	0	0	0
1599999. Total U.S. (Sum of 0199999, 0499999, 0899999 and 1199999)						65,091,842	29,450,474	0	40,000	0	0
1699999. Total Non-U.S. (Sum of 0299999, 0599999, 0999999 and 1299999)						0	0	0	0	0	0
1799999 - Totals						65,091,842	29,450,474	0	40,000	0	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE S - PART 1 - SECTION 2**

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Domiciliary Jurisdiction	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
0399999. Total - Affiliates											
66168	41-0417830	09/30/2000	Minnesota Mutual Life Insurance Company	MN	CO/L	41,103,031	4,795,216	549,095,560	5,624,531	0	0
00000	22-2327144	01/01/1987	Zimmermann Line-Slip Co.	NJ	OTH/G	0	0	0	466,450	0	0
00000	AA-9995053	10/01/2001	Special Pooled Risk Administrators Inc.	NJ	CAT/G	0	0	0	0	0	0
67091	39-0509570	01/01/1988	Northwestern Mutual Life Ins. Co.	WI	OTH/G	56,283,345	0	228,018,535	4,694,940	0	0
69345	13-1624203	10/01/2002	TIAA-CREF Life Insurance Company	NY	CO/G	0	0	210,343,331	13,595	0	0
0499999. U.S. Non-Affiliates											
						97,386,376	4,795,216	987,457,426	10,799,516	0	0
0699999. Total - Non-Affiliates											
						97,386,376	4,795,216	987,457,426	10,799,516	0	0
0799999. Total U.S. (Sum of 0199999 and 0499999)											
						97,386,376	4,795,216	987,457,426	10,799,516	0	0
0899999. Total Non-U.S. (Sum of 0299999 and 0599999)											
						0	0	0	0	0	0
0999999 - Totals											
						97,386,376	4,795,216	987,457,426	10,799,516	0	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE S - PART 2**

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
0399999. Total Life and Annuity - Affiliates					0	0
93572	43-1235868	01/01/1997	RG A Reinsurance Company	MO	667,000	1,801,222
82627	06-0839705	07/01/1978	Swiss Re Life & Health	CT	25,000	0
82627	06-0839705	01/01/1997	Swiss Re Life & Health	CT	0	0
00000	AA-9995053	10/01/2001	Special Pooled Risk Administrators Inc.	NJ	0	0
0499999. Life and Annuity - U.S. Non-Affiliates					692,000	1,801,222
0699999. Total Life and Annuity - Non-Affiliates					692,000	1,801,222
0799999. Total Life and Annuity					692,000	1,801,222
1099999. Total Accident and Health - Affiliates					0	0
66346	58-0828824	01/01/1999	Munich American Reassuarnc Company	GA	447,708	0
66346	58-0828824	11/01/2000	Munich American Reassuarnc Company	GA	227,077	0
66346	58-0828824	07/01/2005	Munich American Reassuarnc Company	GA	35,402	0
66346	58-0828824	07/01/2005	Munich American Reassuarnc Company	GA	121,280	0
66346	58-0828824	07/01/2001	Munich American Reassuarnc Company	GA	54,361	0
66346	58-0828824	06/01/1999	Munich American Reassuarnc Company	GA	20,486	0
66346	58-0828824	02/01/2000	Munich American Reassuarnc Company	GA	105,438	25,936
66346	58-0828824	11/01/2010	Munich American Reassuarnc Company	GA	5,117	0
66346	58-0828824	11/01/2010	Munich American Reassuarnc Company	GA	1,250	0
66346	58-0828824	10/01/2000	Munich American Reassuarnc Company	GA	48,366	0
66346	58-0828824	06/30/2002	Munich American Reassuarnc Company	GA	374,771	0
82627	06-0839705	07/01/1978	Swiss Re Life & Health	CT	272,629	0
00000	AA-9995053	10/01/2001	Special Pooled Risk Administrators Inc.	NJ	0	0
93572	43-1235868	07/01/1994	RG A Reinsurance Company	MO	1,532,211	1,634,885
76694	23-2044256	06/26/2001	London Life Reinsurance Company	PA	51,078	0
67598	04-1768571	04/26/1974	Paul Revere Life	MA	29,955	0
61301	47-0098400	06/01/2002	Ameritas Life Insurance Corp.	NE	1,671,519	1,463,632
1199999. Accident and Health - U.S. Non-Affiliates					4,998,648	3,124,453
1399999. Total Accident and Health - Non-Affiliates					4,998,648	3,124,453
1499999. Total Accident and Health					4,998,648	3,124,453
1599999. Total U.S. (Sum of 0199999, 0499999, 0899999 and 1199999)					5,690,648	4,925,675
1699999. Total Non-U.S. (Sum of 0299999, 0599999, 0999999 and 1299999)					0	0
1799999 Totals - Life, Annuity and Accident and Health					5,690,648	4,925,675

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE S - PART 3 - SECTION 1**

Reinsurance Ceded Life Insurance, Annuities, Deposit Funds and Other Liabilities Without Life or Disability Contingencies, and Related Benefits Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Amount in Force at End of Year	Reserve Credit Taken		10 Premiums	Outstanding Surplus Relief		13 Modified Coinsurance Reserve	14 Funds Withheld Under Coinsurance
							8 Current Year	9 Prior Year		11 Current Year	12 Prior Year		
0399999. Total General Account - Authorized Affiliates							0	0	0	0	0	0	0
82627	06-0839705	07/01/1978	Swiss Re Life & Health	CT	YRT/G	0	829,470	827,493	0	0	0	0	0
82627	06-0839705	01/01/1997	Swiss Re Life & Health	CT	YRT/G	0	0	10,950	0	0	0	0	0
93572	43-1235868	01/01/1997	RGA Reinsurance Company	MO	YRT/G	4,182,995,759	2,544,160	2,150,939	2,262,452	0	0	0	0
93572	43-1235868	01/01/1997	RGA Reinsurance Company	MO	YRT/I	0	0	0	0	0	0	0	0
80659	38-0397420	12/31/2011	US Business of The Canada Life Assurance Company	MI	YRT/G	128,258,298,456	0	0	142,399,996	0	0	0	0
62383	42-0813782	07/01/2009	Centurion Life Insurance Company	IA	CAT/G	0	0	0	70,218	0	0	0	0
16535	36-4233459	10/01/2011	Zurich American Insurance Company	NY	CAT/G	0	0	0	100,552	0	0	0	0
68136	63-0169720	01/01/2001	Protective Life	AL	CO/I	2,744,641,060	760,963,119	756,840,070	48,066,893	0	0	0	0
0499999. General Account - Authorized U.S. Non-Affiliates							135,185,935,275	764,336,749	759,829,452	192,900,111	0	0	0
0699999. Total General Account - Authorized Non-Affiliates							135,185,935,275	764,336,749	759,829,452	192,900,111	0	0	0
0799999. Total General Account Authorized							135,185,935,275	764,336,749	759,829,452	192,900,111	0	0	0
00000	AA-5340310	10/01/2011	General Insurance Corporation of India	IND	CAT/G	0	0	0	61,792	0	0	0	0
00000	AA-1126510	10/01/2011	Lloyd's Syndicate # 0510 KLN (Kiln)	GBR	CAT/G	0	0	0	38,199	0	0	0	0
00000	AA-1127400	10/01/2011	Lloyd's Syndicate # 1400 DRE (Alterra)	GBR	CAT/G	0	0	0	37,075	0	0	0	0
00000	AA-1128001	10/01/2011	Lloyd's Syndicate # 2001 AML (Amlin)	GBR	CAT/G	0	0	0	25,840	0	0	0	0
00000	AA-1126623	07/01/2009	Lloyd's Syndicate # 3623 AFB (Beazley)	GBR	CAT/G	0	0	0	135,942	0	0	0	0
0999999. General Account - Unauthorized Non-U.S. Affiliates							0	0	0	298,848	0	0	0
1099999. Total General Account - Unauthorized Affiliates							0	0	0	298,848	0	0	0
1399999. Total General Account - Unauthorized Non-Affiliates							0	0	0	0	0	0	0
1499999. Total General Account Unauthorized							0	0	0	298,848	0	0	0
1799999. Total General Account - Certified Affiliates							0	0	0	0	0	0	0
2099999. Total General Account - Certified Non-Affiliates							0	0	0	0	0	0	0
2199999. Total General Account Certified							0	0	0	0	0	0	0
2299999. Total General Account Authorized, Unauthorized and Certified							135,185,935,275	764,336,749	759,829,452	193,198,959	0	0	0
2599999. Total Separate Accounts - Authorized Affiliates							0	0	0	0	0	0	0
2899999. Total Separate Accounts - Authorized Non-Affiliates							0	0	0	0	0	0	0
2999999. Total Separate Accounts Authorized							0	0	0	0	0	0	0
3299999. Total Separate Accounts - Unauthorized Affiliates							0	0	0	0	0	0	0
3599999. Total Separate Accounts - Unauthorized Non-Affiliates							0	0	0	0	0	0	0
3699999. Total Separate Accounts Unauthorized							0	0	0	0	0	0	0
3999999. Total Separate Accounts - Certified Affiliates							0	0	0	0	0	0	0
4299999. Total Separate Accounts - Certified Non-Affiliates							0	0	0	0	0	0	0
4399999. Total Separate Accounts Certified							0	0	0	0	0	0	0
4499999. Total Separate Accounts Authorized, Unauthorized and Certified							0	0	0	0	0	0	0
4599999. Total U.S. (Sum of 0199999, 0499999, 0899999, 1199999, 1599999, 1899999, 2399999, 2699999, 3099999, 3399999, 3799999 and 4099999)							135,185,935,275	764,336,749	759,829,452	192,900,111	0	0	0
4699999. Total Non-U.S. (Sum of 0299999, 0599999, 0999999, 1299999, 1699999, 1999999, 2499999, 2799999, 3199999, 3499999, 3899999 and 4199999)							0	0	0	298,848	0	0	0
4799999 - Totals							135,185,935,275	764,336,749	759,829,452	193,198,959	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE S - PART 3 - SECTION 2**

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Type	7 Premiums	8 Unearned Premiums (Estimated)	9 Reserve Credit Taken Other than for Unearned Premiums	10 Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		
0399999. Total General Account - Authorized Affiliates						0	0	0	0	0	0	0
66346	58-0828824	01/01/1999	Munich American Reassurance Company	GA	YRT/I	1,303,156	0	10,279,735	0	0	0	0
66346	58-0828824	06/01/1999	Munich American Reassurance Company	GA	CO/I	797,793	259,888	2,337,876	0	0	0	0
66346	58-0828824	11/01/2000	Munich American Reassurance Company	GA	CO/I	15,676,750	5,142,052	43,669,825	0	0	0	0
66346	58-0828824	07/01/2001	Munich American Reassurance Company	GA	CO/I	1,588,963	557,224	4,318,388	0	0	0	0
66346	58-0828824	07/01/2005	Munich American Reassurance Company	GA	CO/I	17,001,629	5,379,840	26,281,119	0	0	0	0
66346	58-0828824	07/01/2005	Munich American Reassurance Company	GA	CO/I	4,570,748	1,275,849	4,326,220	0	0	0	0
66346	58-0828824	11/01/2010	Munich American Reassurance Company	GA	CO/I	4,549,965	763,443	499,556	0	0	0	0
66346	58-0828824	11/01/2010	Munich American Reassurance Company	GA	CO/I	580,143	83,462	112,888	0	0	0	0
67598	04-1768571	04/26/1974	Paul Revere Life	MA	YRT/I	0	0	2,308,986	0	0	0	0
66346	58-0828824	10/01/2000	Munich American Reassurance Company	GA	CO/I	1,656,022	715,091	8,059,297	0	0	0	0
66346	58-0828824	06/30/2002	Munich American Reassurance Company	GA	YRT/I	9,463,378	0	31,259,926	0	0	0	0
82627	06-0839705	07/01/1978	Swiss Re Life & Health	CT	YRT/G	0	0	2,929,317	0	0	0	0
93572	43-1235868	07/01/1994	RGA Reinsurance Company	MO	YRT/G	5,641,277	0	17,777,418	0	0	0	0
76694	23-2044256	06/26/2001	London Life Reinsurance Company	PA	YRT/G	0	0	725,723	0	0	0	0
66346	58-0828824	02/01/2000	Munich American Reassurance Company	GA	YRT/G	1,017,647	0	2,545,829	0	0	0	0
61301	47-098400	06/01/2002	Ameritas Life Insurance Corp.	NE	CO/G	33,589,015	0	77,033	0	0	0	0
62383	42-0813782	07/01/2009	Centurion Life Insurance Company	IA	CAT/G	53,600	0	0	0	0	0	0
16535	36-4233459	10/01/2011	Zurich American Insurance Company	NY	CAT/G	76,756	0	0	0	0	0	0
0499999. General Account - Authorized U.S. Non-Affiliates						97,566,842	14,176,849	157,509,136	0	0	0	0
0699999. Total General Account - Authorized Non-Affiliates						97,566,842	14,176,849	157,509,136	0	0	0	0
0799999. Total General Account Authorized						97,566,842	14,176,849	157,509,136	0	0	0	0
1099999. Total General Account - Unauthorized Affiliates						0	0	0	0	0	0	0
00000	AA-5340310	10/01/2011	General Insurance Corporation of India	IND	CAT/G	47,168	0	0	0	0	0	0
00000	AA-1126510	10/01/2011	Lloyd's Syndicate # 0510 KLN (Kilin)	GBR	CAT/G	29,159	0	0	0	0	0	0
00000	AA-1127400	10/01/2011	Lloyd's Syndicate # 1400 DRE (Aiterra)	GBR	CAT/G	28,301	0	0	0	0	0	0
00000	AA-1128001	10/01/2011	Lloyd's Syndicate # 2001 AML (Amlin)	GBR	CAT/G	19,725	0	0	0	0	0	0
00000	AA-1126623	07/01/2009	Lloyd's Syndicate # 3623 AFB (Beazley)	GBR	CAT/G	103,771	0	0	0	0	0	0
1299999. General Account - Unauthorized Non-U.S. Non-Affiliates						228,124	0	0	0	0	0	0
1399999. Total General Account - Unauthorized Non-Affiliates						228,124	0	0	0	0	0	0
1499999. Total General Account Unauthorized						228,124	0	0	0	0	0	0
1799999. Total General Account - Certified Affiliates						0	0	0	0	0	0	0
2099999. Total General Account - Certified Non-Affiliates						0	0	0	0	0	0	0
2199999. Total General Account Certified						0	0	0	0	0	0	0
2299999. Total General Account Authorized, Unauthorized and Certified						97,794,966	14,176,849	157,509,136	0	0	0	0
2599999. Total Separate Accounts - Authorized Affiliates						0	0	0	0	0	0	0
2899999. Total Separate Accounts - Authorized Non-Affiliates						0	0	0	0	0	0	0
2999999. Total Separate Accounts Authorized						0	0	0	0	0	0	0
3299999. Total Separate Accounts - Unauthorized Affiliates						0	0	0	0	0	0	0
3599999. Total Separate Accounts - Unauthorized Non-Affiliates						0	0	0	0	0	0	0
3699999. Total Separate Accounts Unauthorized						0	0	0	0	0	0	0
3999999. Total Separate Accounts - Certified Affiliates						0	0	0	0	0	0	0
4299999. Total Separate Accounts - Certified Non-Affiliates						0	0	0	0	0	0	0
4399999. Total Separate Accounts Certified						0	0	0	0	0	0	0
4499999. Total Separate Accounts Authorized, Unauthorized and Certified						0	0	0	0	0	0	0
4599999. Total U.S. (Sum of 0199999, 0499999, 0899999, 1199999, 1599999, 1899999, 2399999, 2699999, 3099999, 3399999, 3799999 and 4099999)						97,566,842	14,176,849	157,509,136	0	0	0	0
4699999. Total Non-U.S. (Sum of 0299999, 0599999, 0999999, 1299999, 1699999, 1999999, 2499999, 2799999, 3199999, 3499999, 3899999 and 4199999)						228,124	0	0	0	0	0	0
4799999 - Totals						97,794,966	14,176,849	157,509,136	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE S - PART 4**

Reinsurance Ceded to Unauthorized Companies

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total (Cols.5+6+7)	9 Letters of Credit	Letter of Credit Issuing or Confirming Bank (a)			13 Trust Agreements	14 Funds Deposited by and Withheld from Reinsurers	15 Other	16 Miscellaneous Balances (Credit)	17 Sum of Cols. 9+13+14+15 +16 but not in Excess of Col. 8
									10 American Bankers Association (ABA) Routing Number	11 Letter of Credit Code	12 Bank Name					
0399999	Total General Account - Life and Annuity Affiliates			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
00000	AA-5340310	10/01/2011	General Insurance Corporation of India	0	0	0	0	0			0	0	0	0	0	0
00000	AA-1126510	10/01/2011	Lloyd's Syndicate # 0510 KLN (Kiln)	0	0	0	0	0			0	0	0	0	0	0
00000	AA-1127400	10/01/2011	Lloyd's Syndicate # 1400 DRE (Alterra)	0	0	0	0	0			0	0	0	0	0	0
00000	AA-1128001	10/01/2011	Lloyd's Syndicate # 2001 AML (Amlin)	0	0	0	0	0			0	0	0	0	0	0
00000	AA-1126623	07/01/2009	Lloyd's Syndicate # 3623 AFB (Beazley)	0	0	0	0	0			0	0	0	0	0	0
0599999	General Account - Life and Annuity Non-U.S. Non-Affiliates			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
0699999	Total General Account - Life and Annuity Non-Affiliates			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
0799999	Total General Account Life and Annuity			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
1099999	Total General Account - Accident and Health Affiliates			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
00000	AA-5340310	10/01/2011	General Insurance Corporation of India	0	0	0	0	0			0	0	0	0	0	0
00000	AA-1126510	10/01/2011	Lloyd's Syndicate # 0510 KLN (Kiln)	0	0	0	0	0			0	0	0	0	0	0
00000	AA-1127400	10/01/2011	Lloyd's Syndicate # 1400 DRE (Alterra)	0	0	0	0	0			0	0	0	0	0	0
00000	AA-1128001	10/01/2011	Lloyd's Syndicate # 2001 AML (Amlin)	0	0	0	0	0			0	0	0	0	0	0
00000	AA-1126623	07/01/2009	Lloyd's Syndicate # 3623 AFB (Beazley)	0	0	0	0	0			0	0	0	0	0	0
1299999	General Account - Accident and Health Non-U.S. Non-Affiliates			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
1399999	Total General Account - Accident and Health Non-Affiliates			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
1499999	Total General Account Accident and Health			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
1599999	Total General Account			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
1899999	Total Separate Accounts - Affiliates			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
2199999	Total Separate Accounts - Non-Affiliates			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
2299999	Total Separate Accounts			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
2399999	Total U.S. (Sum of 0199999, 0499999, 0899999, 1199999, 1699999 and 1999999)			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
2499999	Total Non-U.S. (Sum of 0299999, 0599999, 0999999, 1299999, 1799999 and 2099999)			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0
2599999	Total			0	0	0	0	0	XXX	XXX	XXX	0	0	0	0	0

(a)

Code	American Bankers Association (ABA) Routing Number	Bank Name

Schedule S - Part 5

**N O N E**

Schedule S - Part 5 - Bank Footnote

**N O N E**



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE S - PART 6**

Five Year Exhibit of Reinsurance Ceded Business  
(000 OMITTED)

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>A. OPERATIONS ITEMS</b>					
1. Premiums and annuity considerations for life and accident and health contracts .....	290,994	141,337	140,967	115,729	131,810
2. Commissions and reinsurance expense allowances .....	20,020	17,755	18,868	16,907	16,290
3. Contract claims .....	215,004	75,511	71,308	74,651	63,333
4. Surrender benefits and withdrawals for life contracts .....	0	0	0	0	0
5. Dividends to policyholders .....	0	0	0	0	0
6. Reserve adjustments on reinsurance ceded .....	0	0	0	0	0
7. Increase in aggregate reserve for life and accident and health contracts .....	24,019	14,212	5,933	(12,985)	15,900
<b>B. BALANCE SHEET ITEMS</b>					
8. Premiums and annuity considerations for life and accident and health contracts deferred and uncollected .....	14,877	11,784	11,902	8,230	10,961
9. Aggregate reserves for life and accident and health contracts .....	936,023	912,004	897,792	891,859	904,844
10. Liability for deposit-type contracts .....	0	0	0	0	0
11. Contract claims unpaid .....	11,371	8,083	8,453	7,747	7,551
12. Amounts recoverable on reinsurance .....	5,691	6,047	5,928	5,097	4,477
13. Experience rating refunds due or unpaid .....	1,615	15	17	1,794	1,148
14. Policyholders' dividends (not included in Line 10) .....	0	0	0	0	0
15. Commissions and reinsurance expense allowances due .....	2,730	0	0	0	0
16. Unauthorized reinsurance offset .....	0	0	0	439	0
17. Offset for reinsurance with Certified Reinsurers .....	0	XXX	XXX	XXX	XXX
<b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
18. Funds deposited by and withheld from (F) .....	0	0	0	0	0
19. Letters of credit (L) .....	0	0	0	0	0
20. Trust agreements (T) .....	0	0	0	0	0
21. Other (O) .....	0	0	0	0	0
<b>D. REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
22. Multiple Beneficiary Trust .....	0	XXX	XXX	XXX	XXX
23. Funds deposited by and withheld from (F) .....	0	XXX	XXX	XXX	XXX
24. Letters of credit (L) .....	0	XXX	XXX	XXX	XXX
25. Trust agreements (T) .....	0	XXX	XXX	XXX	XXX
26. Other (O) .....	0	XXX	XXX	XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE S - PART 7**

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 12) .....	11,755,787,588	0	11,755,787,588
2. Reinsurance (Line 16) .....	10,035,564	(10,035,564)	0
3. Premiums and considerations (Line 15) .....	123,888,499	14,877,132	138,765,631
4. Net credit for ceded reinsurance .....	XXX	969,812,129	969,812,129
5. All other admitted assets (balance) .....	206,270,708	0	206,270,708
6. Total assets excluding Separate Accounts (Line 26) .....	12,095,982,359	974,653,697	13,070,636,056
7. Separate Account assets (Line 27) .....	5,154,297,609	0	5,154,297,609
8. Total assets (Line 28) .....	17,250,279,968	974,653,697	18,224,933,665
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
9. Contract reserves (Lines 1 and 2) .....	9,647,501,723	913,541,181	10,561,042,904
10. Liability for deposit-type contracts (Line 3) .....	531,687,658	22,481,553	554,169,211
11. Claim reserves (Line 4) .....	159,222,434	11,371,289	170,593,723
12. Policyholder dividends/reserves (Lines 5 through 7) .....	123,172	27,123,681	27,246,853
13. Premium & annuity considerations received in advance (Line 8) .....	11,136,814	135,993	11,272,807
14. Other contract liabilities (Line 9) .....	56,865,251	0	56,865,251
15. Reinsurance in unauthorized companies (Line 24.02 minus inset amount) .....	0	0	0
16. Funds held under reinsurance treaties with unauthorized reinsurers (Line 24.03 minus inset amount) .....	0	0	0
17. Reinsurance with Certified Reinsurers (Line 24.02 inset amount) .....	0	0	0
18. Funds held under reinsurance treaties with Certified Reinsurers (Line 24.03 inset amount) .....	0	0	0
19. All other liabilities (balance) .....	499,179,728	0	499,179,728
20. Total liabilities excluding Separate Accounts (Line 26) .....	10,905,716,780	974,653,697	11,880,370,477
21. Separate Account liabilities (Line 27) .....	5,154,297,609	0	5,154,297,609
22. Total liabilities (Line 28) .....	16,060,014,389	974,653,697	17,034,668,086
23. Capital & surplus (Line 38) .....	1,190,265,579	XXX	1,190,265,579
24. Total liabilities, capital & surplus (Line 39) .....	17,250,279,968	974,653,697	18,224,933,665
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
25. Contract reserves .....	913,541,181		
26. Claim reserves .....	11,371,289		
27. Policyholder dividends/reserves .....	27,123,681		
28. Premium & annuity considerations received in advance .....	135,993		
29. Liability for deposit-type contracts .....	22,481,553		
30. Other contract liabilities .....	0		
31. Reinsurance ceded assets .....	10,035,564		
32. Other ceded reinsurance recoverables .....	0		
33. Total ceded reinsurance recoverables .....	984,689,261		
34. Premiums and considerations .....	14,877,132		
35. Reinsurance in unauthorized companies .....	0		
36. Funds held under reinsurance treaties with unauthorized reinsurers .....	0		
37. Reinsurance with Certified Reinsurers .....	0		
38. Funds held under reinsurance treaties with Certified Reinsurers .....	0		
39. Other ceded reinsurance payables/offsets .....	0		
40. Total ceded reinsurance payable/offsets .....	14,877,132		
41. Total net credit for ceded reinsurance .....	969,812,129		

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY**  
**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**

Allocated by States and Territories

States, Etc.	1	Direct Business Only						
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts	
		2 Life Insurance Premiums	3 Annuity Considerations					
Active Status								
1. Alabama	AL	L	8,907,104	20,870,105	13,899,956	15,194,274	58,871,439	139,558
2. Alaska	AK	L	3,344,210	1,023,800	2,437,460	10,063,289	16,868,759	0
3. Arizona	AZ	L	9,552,145	6,578,510	19,092,316	22,453,390	57,676,361	184,770
4. Arkansas	AR	L	3,382,718	1,667,246	5,829,662	1,428,254	12,307,880	55,165
5. California	CA	L	99,930,863	27,188,643	216,109,959	153,984,233	497,213,698	821,894
6. Colorado	CO	L	19,553,692	2,765,688	38,375,136	57,821,648	118,516,164	247,269
7. Connecticut	CT	L	11,345,028	4,066,153	20,428,501	5,007,707	40,847,389	2,826,911
8. Delaware	DE	L	748,370	2,236,798	2,212,265	2,679,903	7,877,336	57,524
9. District of Columbia	DC	L	11,896,002	181,029	9,976,859	2,206,379	24,260,269	0
10. Florida	FL	L	45,919,660	20,476,335	75,363,646	67,077,548	208,837,189	1,572,910
11. Georgia	GA	L	20,816,932	9,224,664	40,983,570	13,923,494	84,948,660	72,990
12. Hawaii	HI	L	2,222,582	2,077,082	2,175,246	1,231,619	7,706,529	114,733
13. Idaho	ID	L	10,569,795	521,073	9,346,503	11,624,517	32,061,888	0
14. Illinois	IL	L	23,551,960	21,215,844	39,700,896	20,043,333	104,512,033	358,901
15. Indiana	IN	L	8,291,426	7,648,915	12,160,294	68,717,696	96,818,331	567,647
16. Iowa	IA	L	6,580,274	2,169,814	11,118,206	1,593,007	21,461,301	256,205
17. Kansas	KS	L	6,404,921	1,166,818	9,551,606	8,569,801	25,693,146	650,044
18. Kentucky	KY	L	5,220,345	4,762,234	9,437,529	34,334,376	53,754,484	131,556
19. Louisiana	LA	L	7,884,430	3,758,536	15,190,168	51,795,878	78,629,012	0
20. Maine	ME	L	2,525,092	235,574	6,399,357	1,207,376	10,367,399	0
21. Maryland	MD	L	15,591,906	4,750,736	13,706,427	2,499,992	36,549,061	611,209
22. Massachusetts	MA	L	14,555,670	8,163,383	29,863,845	3,278,264	55,861,162	9,234,563
23. Michigan	MI	L	8,271,133	9,823,580	14,707,830	20,352,430	53,154,973	437,948
24. Minnesota	MN	L	23,232,237	13,286,498	37,192,917	2,581,033	76,292,685	0
25. Mississippi	MS	L	2,454,270	2,181,774	7,480,065	2,692,385	14,808,494	0
26. Missouri	MO	L	30,477,710	4,945,275	26,781,501	84,167,345	146,371,831	2,675,613
27. Montana	MT	L	6,612,814	848,413	4,114,891	457,101	12,033,219	0
28. Nebraska	NE	L	2,746,740	1,081,868	8,603,249	980,407	13,412,264	182,881
29. Nevada	NV	L	6,322,227	1,991,730	17,505,893	3,936,038	29,755,888	178,602
30. New Hampshire	NH	L	1,670,216	2,376,729	4,463,817	2,363,541	10,874,303	236,037
31. New Jersey	NJ	L	8,893,585	8,954,467	26,477,175	22,156,281	66,481,508	0
32. New Mexico	NM	L	26,536,176	1,274,433	7,695,308	2,892,532	38,398,449	72,776
33. New York	NY	N	6,351,681	251,429	5,611,073	69	12,214,252	0
34. North Carolina	NC	L	14,680,205	9,389,081	22,647,392	5,400,862	52,117,540	350,865
35. North Dakota	ND	L	1,854,547	697,468	4,581,790	215,291	7,349,096	0
36. Ohio	OH	L	20,462,713	11,724,142	24,593,994	62,411,516	119,192,365	598,190
37. Oklahoma	OK	L	12,482,274	2,012,189	9,746,494	28,886,636	53,127,593	0
38. Oregon	OR	L	54,579,025	13,239,863	73,053,875	199,286,285	340,159,048	2,125,837
39. Pennsylvania	PA	L	30,098,121	16,635,277	41,901,110	21,894,618	110,529,126	249,057
40. Rhode Island	RI	L	3,615,717	538,150	5,235,826	724	9,390,417	106,823
41. South Carolina	SC	L	6,041,982	3,798,182	15,461,254	8,351,093	33,652,511	192,131
42. South Dakota	SD	L	961,776	1,135,229	2,191,504	294,268	4,582,777	124,903
43. Tennessee	TN	L	11,494,931	11,302,045	16,849,038	2,918,891	42,564,905	0
44. Texas	TX	L	80,778,334	12,587,060	97,849,444	154,726,920	345,941,758	1,148,341
45. Utah	UT	L	7,977,899	1,638,170	13,740,322	27,319,969	50,676,360	0
46. Vermont	VT	L	2,295,192	400,368	5,159,974	3,097,214	10,952,748	0
47. Virginia	VA	L	13,292,858	7,419,918	26,162,779	10,950,198	57,825,753	403,663
48. Washington	WA	L	37,183,845	8,201,783	98,425,944	64,330,486	208,142,058	9,506,542
49. West Virginia	WV	L	3,646,822	875,678	9,942,609	1,784,855	16,249,964	32,206
50. Wisconsin	WI	L	11,201,096	4,979,069	15,700,841	3,574,351	35,455,357	23,517
51. Wyoming	WY	L	576,145	1,428,993	1,954,360	279,444	4,238,942	0
52. American Samoa	AS	N	0	0	11,363	0	11,363	0
53. Guam	GU	L	7,711,819	0	3,005,066	0	10,716,885	0
54. Puerto Rico	PR	N	5,627	0	98,653	0	104,280	0
55. U.S. Virgin Islands	VI	L	1,425	0	599,087	0	600,512	0
56. Northern Mariana Islands	MP	N	1,478	0	0	0	1,478	0
57. Canada	CAN	N	263,086	1,810	205,354	0	470,250	0
58. Aggregate Other Alien	OT	XXX	243,557	0	135,731	0	379,288	0
59. Subtotal	(a)	52	783,814,388	307,769,651	1,253,246,930	1,295,038,761	3,639,869,730	36,549,781
90. Reporting entity contributions for employee benefits plans	XXX		617,793	0	3,171,263	0	3,789,056	0
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX		21,071,697	0	0	0	21,071,697	0
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX		0	0	0	0	0	0
93. Premium or annuity considerations waived under disability or other contract provisions	XXX		177,380	0	0	0	177,380	0
94. Aggregate or other amounts not allocable by State	XXX		0	0	0	0	0	0
95. Totals (Direct Business)	XXX		805,681,258	307,769,651	1,256,418,193	1,295,038,761	3,664,907,863	36,549,781
96. Plus reinsurance assumed	XXX		3,659,225	0	101,067,116	0	104,726,341	0
97. Totals (All Business)	XXX		809,340,483	307,769,651	1,357,485,309	1,295,038,761	3,769,634,204	36,549,781
98. Less reinsurance ceded	XXX		195,605,315	0	93,959,761	0	289,565,076	0
99. Totals (All Business) less Reinsurance Ceded	XXX		613,735,168	307,769,651	(b) 1,263,525,548	1,295,038,761	3,480,069,128	36,549,781
<b>DETAILS OF WRITE-INS</b>								
58001. Other	XXX		64,857	0	55,904	0	120,761	0
58002. Papua New Guinea	XXX		26,022	0	2,186	0	28,208	0
58003. Brazil	XXX		16,846	0	3,567	0	20,413	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX		135,832	0	74,074	0	209,906	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		243,557	0	135,731	0	379,288	0
9401.	XXX							
9402.	XXX							
9403.	XXX							
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX		0	0	0	0	0	0
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX		0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

Individual insurance premiums, annuity and other considerations are allocated to the state to which the premium statements are mailed. Group insurance premiums (for groups with less than 500 lives) are allocated to the state to which the billing statements are mailed. For groups with 500 or more lives, insurance premiums are allocated among the states where the insureds reside or work, based upon data furnished by the policyholder.

(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, 10, or with Schedule H, Part 1, Line 1, indicate which: Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

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

Allocated by States and Territories

		Direct Business Only					6 Totals
		1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
States, Etc.							
1. Alabama	AL	8,907,104	20,870,105	0	0	139,558	29,916,767
2. Alaska	AK	3,344,210	1,023,800	0	0	0	4,368,010
3. Arizona	AZ	9,552,145	6,578,510	0	0	184,770	16,315,425
4. Arkansas	AR	3,382,718	1,667,246	0	0	55,165	5,105,129
5. California	CA	99,930,863	27,188,643	0	0	821,894	127,941,400
6. Colorado	CO	19,553,692	2,765,688	0	0	247,269	22,566,649
7. Connecticut	CT	11,345,028	4,066,153	0	0	2,826,911	18,238,092
8. Delaware	DE	748,370	2,236,798	0	0	57,524	3,042,692
9. District of Columbia	DC	11,896,002	181,029	0	0	0	12,077,031
10. Florida	FL	45,919,660	20,476,335	0	0	1,572,910	67,968,905
11. Georgia	GA	20,816,932	9,224,664	0	0	72,990	30,114,586
12. Hawaii	HI	2,222,582	2,077,082	0	0	114,733	4,414,397
13. Idaho	ID	10,569,795	521,073	0	0	0	11,090,868
14. Illinois	IL	23,551,960	21,215,844	0	0	358,901	45,126,705
15. Indiana	IN	8,291,426	7,648,915	0	0	567,647	16,507,988
16. Iowa	IA	6,580,274	2,169,814	0	0	256,205	9,006,293
17. Kansas	KS	6,404,921	1,166,818	0	0	650,044	8,221,783
18. Kentucky	KY	5,220,345	4,762,234	0	0	131,556	10,114,135
19. Louisiana	LA	7,884,430	3,758,536	0	0	0	11,642,966
20. Maine	ME	2,525,092	235,574	0	0	0	2,760,666
21. Maryland	MD	15,591,906	4,750,736	0	0	611,209	20,953,851
22. Massachusetts	MA	14,555,670	8,163,383	0	0	9,234,563	31,953,616
23. Michigan	MI	8,271,133	9,823,580	0	0	437,948	18,532,661
24. Minnesota	MN	23,232,237	13,286,498	0	0	0	36,518,735
25. Mississippi	MS	2,454,270	2,181,774	0	0	0	4,636,044
26. Missouri	MO	30,477,710	4,945,275	0	0	2,675,613	38,098,598
27. Montana	MT	6,612,814	848,413	0	0	0	7,461,227
28. Nebraska	NE	2,746,740	1,081,868	0	0	182,881	4,011,489
29. Nevada	NV	6,322,227	1,991,730	0	0	178,602	8,492,559
30. New Hampshire	NH	1,670,216	2,376,729	0	0	236,037	4,282,982
31. New Jersey	NJ	8,893,585	8,954,467	0	0	0	17,848,052
32. New Mexico	NM	26,536,176	1,274,433	0	0	72,776	27,883,385
33. New York	NY	6,351,681	251,429	0	0	0	6,603,110
34. North Carolina	NC	14,680,205	9,389,081	0	0	350,865	24,420,151
35. North Dakota	ND	1,854,547	697,468	0	0	0	2,552,015
36. Ohio	OH	20,462,713	11,724,142	0	0	598,190	32,785,045
37. Oklahoma	OK	12,482,274	2,012,189	0	0	0	14,494,463
38. Oregon	OR	54,579,025	13,239,863	0	0	2,125,837	69,944,725
39. Pennsylvania	PA	30,098,121	16,635,277	0	0	249,057	46,982,455
40. Rhode Island	RI	3,615,717	538,150	0	0	106,823	4,260,690
41. South Carolina	SC	6,041,982	3,798,182	0	0	192,131	10,032,295
42. South Dakota	SD	961,776	1,135,229	0	0	124,903	2,221,908
43. Tennessee	TN	11,494,931	11,302,045	0	0	0	22,796,976
44. Texas	TX	80,778,334	12,587,060	0	0	1,148,341	94,513,735
45. Utah	UT	7,977,899	1,638,170	0	0	0	9,616,069
46. Vermont	VT	2,295,192	400,368	0	0	0	2,695,560
47. Virginia	VA	13,292,858	7,419,918	0	0	403,663	21,116,439
48. Washington	WA	37,183,845	8,201,783	0	0	9,506,542	54,892,170
49. West Virginia	WV	3,646,822	875,678	0	0	32,206	4,554,706
50. Wisconsin	WI	11,201,096	4,979,069	0	0	23,517	16,203,682
51. Wyoming	WY	576,145	1,428,993	0	0	0	2,005,138
52. American Samoa	AS	0	0	0	0	0	0
53. Guam	GU	7,711,819	0	0	0	0	7,711,819
54. Puerto Rico	PR	5,627	0	0	0	0	5,627
55. U.S. Virgin Islands	VI	1,425	0	0	0	0	1,425
56. Northern Mariana Islands	MP	1,478	0	0	0	0	1,478
57. Canada	CAN	263,086	1,810	0	0	0	264,896
58. Aggregate Other Alien	OT	243,557	0	0	0	0	243,557
59. Total		783,814,388	307,769,651	0	0	36,549,781	1,128,133,820

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMEBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATION CHART**

<b>Company</b>	<b>FEIN</b>	<b>NAIC</b>	<b>State</b>	<b>Ownership</b>
StanCorp Financial Group, Inc ("SFG")	93-1253576		OR	
Standard Insurance Company	93-0242990	69019	OR	100% owned by SFG
The Standard Life Insurance Company of New York	13-4119477	89009	NY	100% owned by SFG
Standard Management, Inc. ("SM, Inc.")	93-0928203		OR	100% owned by SFG
Emerald Fuel LLC	27-2896556		OR	100% owned by SM, Inc.
Emerald Retail LLC	27-2896675		OR	100% owned by SM, Inc.
StanCorp Equities, Inc.	93-0930972		OR	100% owned by SFG
StanCorp Investment Advisers, Inc.	93-1296382		OR	100% owned by SFG
Standard Retirement Services, Inc.	25-1838406		OR	100% owned by SFG
Stancorp Mortgage Investors, LLC ("SMI")	93-1191029		OR	100% owned by SFG
StanCorp Mortgage Investors Pass-Through, LLC	26-1758088		OR	100% owned by SMI
StanCorp Real Estate, LLC ("SRE")	93-1191030		OR	100% owned by SFG
Stonemill Business Park	93-1289767		OR	100% owned by SRE
7 Upper Newport Plaza LLC	27-3026658		OR	100% owned by SRE
7924 Victoria Drive LLC	27-1433940		OR	66% owned by SRE
1300 Westwood Avenue LLC	45-4432062		OR	100% owned by SRE
1901-1915 Whitcomb Street LLC	27-1430092		OR	51% owned by SRE
580 Parkson Road LLC	27-0444732		OR	26.01% owned by SRE
2716 South Sixth Avenue LLC	27-1261902		OR	26.01% owned by SRE
74824 Lennon Place LLC	27-1561612		OR	51% owned by SRE
1801 Chamberlayne Avenue LLC	27-1561807		OR	81.44% owned by SRE
1160 South Elm Road LLC	27-1460055		OR	100% owned by SRE
3501 Lapeer Road LLC	27-1460023		OR	100% owned by SRE
2429 Nicollet Avenue South LLC	27-1071824		OR	100% owned by SRE
2301 Avenue J LLC	27-0469845		OR	100% owned by SRE
8910 Astronaut Boulevard LLC	27-3016823		OR	75.5% owned by SRE
7076 Corporate Way LLC	45-4412758		OR	100% owned by SRE
835 Beachway Drive LLC	27-3633174		OR	51% owned by SRE
811 South Brawley Avenue LLC	27-0442855		OR	57.5% owned by SRE
4696 Overland Road LLC	27-4067623		OR	100% owned by SRE
1701 Dalton Road LLC	27-4120143		OR	51% owned by SRE
1353 Ransom Road LLC	27-1071735		OR	100% owned by SRE
100 Ville Drive LLC	27-4419403		OR	100% owned by SRE
8195 Dexter Road LLC	27-4420364		OR	100% owned by SRE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMEBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATION CHART**

<b>Company</b>	<b>FEIN</b>	<b>NAIC</b>	<b>State</b>	<b>Ownership</b>
16200 East River Road LLC	27-4593098		OR	100% owned by SRE
4688 Golden Pond Park Court LLC	27-0444658		OR	51% owned by SRE
333 Buckhead Avenue LLC	27-5447799		OR	51% owned by SRE
16000 West 9 Mile Road LLC	45-2323959		OR	100% owned by SRE
1627 East 18th Street and 1808 N Boise Avenue LLC	45-2440011		OR	51% owned by SRE
Commercial Office Union Street South LLC	45-2591776		OR	51% owned by SRE
9 and 17-21 Union Street North LLC	45-2493973		OR	80% owned by SRE
West Congress Office, LLC	45-2439866		OR	51% owned by SRE
220 South Claybrook Street LLC	45-2585116		OR	100% owned by SRE
2560 28th Street LLC	45-2592371		OR	51% owned by SRE
1301 Riverwoods Drive LLC	45-2754808		OR	100% owned by SRE
5701 Shingle Creek Parkway LLC	45-2876368		OR	51% owned by SRE
8910 Research Blvd LLC	45-3193763		OR	51% owned by SRE
13091 Pond Springs Road LLC	45-3193834		OR	51% owned by SRE
854 Rockaway Avenue LLC	26-4600874		OR	51% owned by SRE
5439 South Decatur Boulevard LLC	45-4345308		OR	100% owned by SRE
4120 15th Street LLC	45-3850451		OR	100% owned by SRE
14250 Burnhaven Drive LLC	45-2606175		OR	69.23% owned by SRE
2716 Dixie Highway LLC	45-3707942		OR	51% owned by SRE
651 North Cherokee Lane LLC	45-3322846		OR	51% owned by SRE
21 Lawrence Paquette Industrial Drive LLC	27-4330298		OR	100% owned by SRE
1381-1399 Florin Road LLC	45-3789788		OR	100% owned by SRE
425 Peachtree Hills Avenue Units 11 and 12 LLC	45-3642881		OR	80% owned by SRE
425 Peachtree Hills Avenue Units 29C, 30C, 31C and 31B LLC	45-3647008		OR	80% owned by SRE
425 Peachtree Hills Avenue Units 29A, 30B, and 31A LLC	45-3649739		OR	80% owned by SRE
9109 Pippin Road LLC	45-4778576		OR	51% owned by SRE
1751 East Ohio Pike LLC	45-4778632		OR	51% owned by SRE
2169 Tuley Road LLC	45-4778668		OR	51% owned by SRE
5747 State Route 128 LLC	45-4783675		OR	51% owned by SRE
5942 Peoples Lane LLC	45-4789789		OR	51% owned by SRE
4011 Bramblewood Drive LLC	45-4789829		OR	51% owned by SRE
711 North Main Street LLC	45-4806242		OR	100% owned by SRE
1427-1515 SE 122nd Avenue LLC	45-5222646		OR	65.7% owned by SRE
5305 East 18th Street LLC	45-5222606		OR	100% owned by SRE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMEBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATION CHART**

<b>Company</b>	<b>FEIN</b>	<b>NAIC</b>	<b>State</b>	<b>Ownership</b>
10605-10710 Deme Drive LLC	45-4789896		OR	100% owned by SRE
5817 and 5841 Thunderbird Road LLC	45-4789863		OR	100% owned by SRE
1425 Richmond Road LLC	45-5114517		OR	65.7% owned by SRE
3393 Warrensville Center Road LLC	27-0442567		OR	26.01% owned by SRE
349 Northern Boulevard LLC	45-4979444		OR	51% owned by SRE
2500 Industrial Avenue LLC	45-5248741		OR	51% owned by SRE
2570 Industrial Way LLC	45-5248641		OR	100% owned by SRE
7200 State Road 52 LLC	45-5530914		OR	100% owned by SRE
4260 Sisk Road LLC	46-0548523		OR	100% owned by SRE
8652 Jake Carlton Road LLC	45-5520043		OR	100% owned by SRE
9449 Science Center Drive LLC	46-1087814		OR	51% owned by SRE
Winsted Road 150-160 LLC	46-1668759		OR	65% owned by SRE
10250 SW 56th Street LLC	45-5451470		OR	51% owned by SRE
651 Cincinnati-Batavia Road LLC	46-1248492		OR	100% owned by SRE
5 Buildings on Main Street LLC	45-4715590		OR	100% owned by SRE
2760 Avalon Boulevard LLC	27-3422189		OR	100% owned by SRE
20373 W Central Avenue LLC	27-3428556		OR	100% owned by SRE
3301 S. Ferdon Boulevard LLC	27-3422636		OR	100% owned by SRE
5661 Highway 4 LLC	27-3422779		OR	100% owned by SRE
2902 Pat Thomas Parkway LLC	00-0000000		OR	100% owned by SRE
4062 W Lafayette LLC	27-3428027		OR	100% owned by SRE
3040 North W Street LLC	27-3428284		OR	100% owned by SRE
Adaptu, LLC	27-3296886		OR	100% owned by SFG
Standard Insurance Company Continuing Health & Welfare Benefits Trust	93-1097066		OR	100% owned by SFG
Standard Insurance Company Employee Health & Welfare Benefits Trust	93-1097064		OR	100% owned by SFG
The Standard Charitable Foundation	20-3997125		OR	100% owned by SFG

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
1348	StanCorp Financial Group, Inc.	69019	93-1253576		0000879088	New York Stock Exchange	StanCorp Financial Group, Inc.	OR			Board of Directors	0.000	StanCorp Financial Group, Inc.	
1348	StanCorp Financial Group, Inc.	69019	93-0242990				Standard Insurance Company	OR	IA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
1348	StanCorp Financial Group, Inc.	89009	13-4119477				The Standard Life Insurance Company of New York	NY	IA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			93-0928203				Standard Management, Inc.	OR	NIA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			93-0930972				StanCorp Equities, Inc.	OR	NIA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			93-1191029				StanCorp Mortgage Investors, LLC	OR	NIA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			93-1296382				StanCorp Investment Advisers, Inc.	OR	NIA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			25-1838406				Standard Retirement Services	OR	NIA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-3296886				Adaptu, LLC	OR	NIA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			93-1191030				StanCorp Real Estate, LLC	OR	NIA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			93-1097066				Standard Insurance Company Continuing Health & Welfare Benefits Trust	OR	NIA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			93-1097064				Standard Insurance Company Employee Health & Welfare Benefits Trust	OR	NIA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			20-3997125				The Standard Charitable Foundation	OR	NIA	StanCorp Financial Group, Inc.	Ownership	100.000	StanCorp Financial Group, Inc.	
			26-1758088				StanCorp Mortgage Investors Pass-Through, LLC	OR	NIA	StanCorp Mortgage Investors, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			93-1289767				Stonemill Business Park, LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-3026658				7 Upper Newport Plaza LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-1433940				7924 Victoria Drive LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	66.000	StanCorp Financial Group, Inc.	
			45-4432062				1300 Westwood Avenue LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-1430092				1901-1915 Whitcomb Street LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			27-044732				580 Parkson Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	26.010	StanCorp Financial Group, Inc.	
			27-1261902				2716 South Sixth Avenue LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	26.010	StanCorp Financial Group, Inc.	
			27-1561612				74824 Lennon Place LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			27-1561807				1801 Chamberlayne Avenue LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	81.440	StanCorp Financial Group, Inc.	
			27-1460055				1160 South Elm Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-1460023				3501 Lapeer Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-1071824				2429 Nicollet Avenue South LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-0469845				2301 Avenue J LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-3016823				8910 Astronaut Boulevard LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	75.500	StanCorp Financial Group, Inc.	
			45-4412758				7076 Corporate Way LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-3633174				835 Beachway Drive LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			27-0442855				811 South Brawley Avenue LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	57.500	StanCorp Financial Group, Inc.	
			27-4067623				4696 Overland Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-4120143				1701 Dalton Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			27-1071735				1353 Ransom Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-4419403				100 Ville Drive LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-4420364				8195 Dexter Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-4593098				16200 East River Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-0444658				4688 Golden Pond Park Court LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			27-5447799				333 Buckhead Avenue LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-2323959				16000 West 9 Mile Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-2440011				1627 East 18th Street and 1808 N Boise Avenue LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-2591776				Commercial Office Union Street South LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-2493973				9 and 17-21 Union Street North LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	80.000	StanCorp Financial Group, Inc.	
			45-2439866				West Congress Office, LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-2585116				220 South Claybrook Street LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**SCHEDULE Y**  
**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
			45-2592371				2560 28th Street LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-2754808				1301 Riverwoods Drive LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-2876368				5701 Shingle Creek Parkway LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-3193763				8910 Research Blvd LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-3193834				13091 Pond Springs Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			26-4600874				854 Rockaway Avenue LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-4345308				5439 South Decatur Boulevard LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-3850451				4120 15th Street LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-2606175				14250 Burnhaven Drive LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	69.230	StanCorp Financial Group, Inc.	
			45-3707942				2716 Dixie Highway LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-3322846				651 North Cherokee Lane LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			27-4330298				21 Lawrence Paquette Industrial Drive LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-3789788				1381-1399 Florin Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-3642881				425 Peachtree Hills Avenue Units 11 and 12 LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	80.000	StanCorp Financial Group, Inc.	
			45-3647008				425 Peachtree Hills Avenue Units 29C, 30C, 31C and 31B LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	80.000	StanCorp Financial Group, Inc.	
			45-3649739				425 Peachtree Hills Avenue Units 29A, 30B, and 31A LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	80.000	StanCorp Financial Group, Inc.	
			45-4778576				9109 Pippin Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-4778632				1751 East Ohio Pike LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-4778668				2169 Tuley Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-4783675				5747 State Route 128 LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-4789789				5942 Peoples Lane LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-4789829				4011 Bramblewood Drive LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-4806242				711 North Main Street LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-5222646				1427-1515 SE 122nd Avenue LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	65.700	StanCorp Financial Group, Inc.	
			45-5222606				5305 East 18th Street LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-4789896				10605-10710 Deme Drive LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-4789863				5817 and 5841 Thunderbird Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-5114517				1425 Richmond Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	65.700	StanCorp Financial Group, Inc.	
			27-0442567				3393 Warrensville Center Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	26.010	StanCorp Financial Group, Inc.	
			45-4979444				349 Northern Boulevard LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-5248741				2500 Industrial Avenue LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			45-5248641				2570 Industrial Way LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-5530914				7200 State Road 52 LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			46-0548523				4260 Sisk Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-5520043				8652 Jake Carlton Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			46-1087814				9449 Science Center Drive LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			46-1668759				Winsted Road 150-160 LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	65.000	StanCorp Financial Group, Inc.	
			45-5451470				10250 SW 56th Street LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	51.000	StanCorp Financial Group, Inc.	
			46-1248492				651 Cincinnati-Batavia Road LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			45-4715590				5 Buildings on Main Street LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-3422189				2760 Avalon Boulevard LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-3428556				20373 W Central Avenue LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-3422636				3301 S. Ferdon Boulevard LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-3422779				5661 Highway 4 LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			00-0000000				2902 Pat Thomas Parkway LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-3428027				4062 W Lafayette LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-3428284				3040 North W Street LLC	OR	NIA	StanCorp Real Estate, LLC	Ownership	100.000	StanCorp Financial Group, Inc.	
			27-2896556				Emerald Fuel LLC	OR	NIA	Standard Management, Inc	Ownership	100.000	StanCorp Financial Group, Inc.	

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
			27-2896675				Emerald Retail LLC	OR	NIA	Standard Management, Inc	Ownership	100.000	StanCorp Financial Group, Inc.	

Asterisk	Explanation

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE Y**

**PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES**

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred Under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
	93-1253576	StanCorp Financial Group, Inc.	328,650,000	(8,421,903)	0	0	(1,169,406)	0		(250,000,000)	69,058,691	0
69019	93-0242990	Standard Insurance Company	(320,000,000)	1,221,903	(1,125,930,890)	0	41,880,391	0		250,000,000	(1,152,828,596)	0
89009	13-4119477	The Standard Life Insurance Company of New York	0	10,000,000	(15,242,597)	0	940,492	0		0	(4,302,105)	0
	93-0928203	Standard Management, Inc.	0	(4,300,000)	0	0	0	0		0	(4,300,000)	0
	93-0930972	StanCorp Equities, Inc.	0	(1,000,000)	0	0	(6,034,354)	0		0	(7,034,354)	0
	93-1191029	StanCorp Mortgage Investors, LLC	(4,000,000)	0	1,150,587,905	0	(7,184,459)	0		0	1,139,403,446	0
	93-1191030	StanCorp Real Estate, LLC	0	0	(9,414,418)	0	0	0		0	(9,414,418)	0
	93-1296382	StanCorp Investment Advisers, Inc	(4,650,000)	0	0	0	(8,846,541)	0		0	(13,496,541)	0
	25-1838406	Standard Retirement Services	0	(2,000,000)	0	0	(19,586,123)	0		0	(21,586,123)	0
	27-3296886	Adaptu, LLC	0	4,500,000	0	0	0	0		0	4,500,000	0
9999999	Control Totals		0	0	0	0	0	0	XXX	0	0	0

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	<u>Responses</u>
<b>MARCH FILING</b>	
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? .....	YES
2. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? .....	YES
3. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1? .....	YES
4. Will an actuarial opinion be filed by March 1? .....	YES
<b>APRIL FILING</b>	
5. Will Management's Discussion and Analysis be filed by April 1? .....	YES
6. Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1? .....	YES
7. Will the Adjustment Form (if required) be filed with the state of domicile and the NAIC by April 1? .....	YES
8. Will the Supplemental Investment Risks Interrogatories be filed by April 1? .....	YES
<b>JUNE FILING</b>	
9. Will an audited financial report be filed by June 1? .....	YES
10. Will Accountant's Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? .....	YES
<b>AUGUST FILING</b>	
11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? .....	YES

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

<b>MARCH FILING</b>	
12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? .....	NO
13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? .....	NO
14. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1? .....	NO
15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 to Exhibit 5 be filed with the state of domicile and electronically with the NAIC by March 1? .....	SEE EXPLANATION
16. Will the actuarial opinion on non-guaranteed elements as required in interrogatory #3 to Exhibit 5 be filed with the state of domicile and electronically with the NAIC by March 1? .....	YES
17. Will the actuarial opinion on X-Factors be filed with the state of domicile and electronically with the NAIC by March 1? .....	NO
18. Will the actuarial opinion on Separate Accounts Funding Guaranteed Minimum Benefit be filed with the state of domicile and electronically with the NAIC by March 1? .....	NO
19. Will the actuarial opinion on Synthetic Guaranteed Investment Contracts be filed with the state of domicile and electronically with the NAIC by March 1? .....	NO
20. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC by March 1? .....	NO
21. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC by March 1? .....	YES
22. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC by March 1? .....	NO
23. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC by March 1? .....	NO
24. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC by March 1? .....	NO
25. Will the C-3 RBC Certifications required under C-3 Phase I be filed with the state of domicile and electronically with the NAIC by March 1? .....	YES
26. Will the C-3 RBC Certifications required under C-3 Phase II be filed with the state of domicile and electronically with the NAIC by March 1? .....	NO

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

- |     |   |     |
|-----|---|-----|
| 27. | Will the Actuarial Certifications Related to Annuity Nonforfeiture Ongoing Compliance for Equity Indexed Annuities be filed with the state of domicile and electronically with the NAIC by March 1? .....   | YES |
| 28. | Will the actuarial opinion required by the Modified Guaranteed Annuity Model Regulation be filed with the state of domicile and electronically with the NAIC by March 1? .....  | NO  |
| 29. | Will the Actuarial Certifications Related to Hedging required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1? .....   | NO  |
| 30. | Will the Financial Officer Certification Related to Clearly Defined Hedging Strategy required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1? .....   | NO  |
| 31. | Will the Management Certification That the Valuation Reflects Management's Intent required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1? .....  | NO  |
| 32. | Will the Actuarial Certification Related to the Reserves required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1? .....   | NO  |
| 33. | Will the Actuarial Certification regarding the use of 2001 Preferred Class Tables required by the Model Regulation Permitting the Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities be filed with the state of domicile and electronically with the NAIC by March 1? ..... | NO  |
| 34. | Will the Worker's Compensation Carve-Out Supplement be filed by March 1? .....  | NO  |
| 35. | Will Supplemental Schedule O be filed with the state of domicile and the NAIC by March 1? .....   | YES |
| 36. | Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? .....   | NO  |
| 37. | Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? .....  | NO  |
| 38. | Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? .....  | NO  |
| 39. | Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? .....  | NO  |

**APRIL FILING**

- |     |  |     |
|-----|--|-----|
| 40. | Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? .....  | NO  |
| 41. | Will the Interest-Sensitive Life Insurance Products Report Forms be filed with the state of domicile and the NAIC by April 1? .....                                  | NO  |
| 42. | Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1? .....  | NO  |
| 43. | Will the Accident and Health Policy Experience Exhibit be filed by April 1? .....  | YES |
| 44. | Will the Analysis of Annuity Operations by Lines of Business be filed with the state of domicile and the NAIC by April 1? .....                                      | YES |
| 45. | Will the Analysis of Increase in Annuity Reserves During the Year be filed with the state of domicile and the NAIC by April 1? .....                                 | YES |
| 46. | Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? .....                                      | NO  |
| 47. | Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1? ..... | NO  |

**AUGUST FILING**

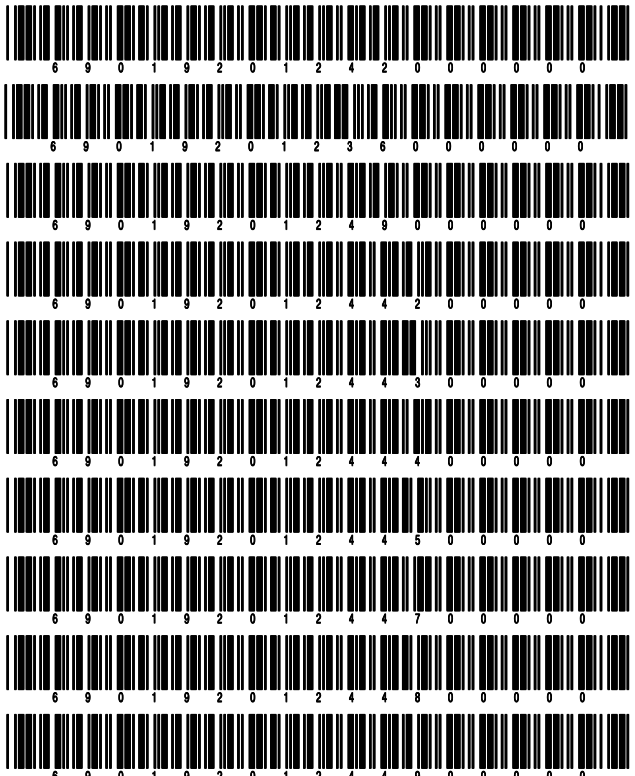
- |     |  |     |
|-----|--|-----|
| 48. | Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? ..... | YES |
|-----|--|-----|

Explanations:

- |     |   |
|-----|---|
| 12. |   |
| 13. |   |
| 14. |   |
| 15. | See Attachment to Exhibit 5 - Interrogatories 1 & 2 |
| 17. |   |
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| 47. |   |

Bar Codes:

- |     |  |
|-----|--|
| 12. | SIS Stockholder Information Supplement [Document Identifier 420]   |
| 13. | Medicare Supplement Insurance Experience Exhibit [Document Identifier 360]   |
| 14. | Trusteed Surplus Statement [Document Identifier 490]   |
| 17. | Actuarial Opinion on X-Factors [Document Identifier 442]   |
| 18. | Actuarial Opinion on Separate Accounts Funding Guaranteed Minimum Benefit [Document Identifier 443]  |
| 19. | Actuarial Opinion on Synthetic Guaranteed Investment Contracts [Document Identifier 444]   |
| 20. | Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 445]   |
| 22. | Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI [Document Identifier 447]     |
| 23. | Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI [Document Identifier 448]                        |
| 24. | Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) [Document Identifier 449] |



**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

26. C-3 RBC Certifications Required Under C-3 Phase II [Document Identifier 451]



28. Modified Guaranteed Annuity Model Regulation [Document Identifier 453]



29. Actuarial Certifications Related to Hedging required by Actuarial Guideline XLIII [Document Identifier 436]



30. Financial Officer Certification Related to Clearly Defined Hedging Strategy required by Actuarial Guideline XLIII [Document Identifier 437]



31. Management Certification That the Valuation Reflects Management's Intent required by Actuarial Guideline XLIII [Document Identifier 438]



32. Actuarial Certification Related to the Reserves required by Actuarial Guideline XLIII [Document Identifier 439]



33. Actuarial Certification regarding the use of 2001 Preferred Class Tables required by the Model Regulation Permitting the Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities [Document Identifier 454]



34. Workers' Compensation Carve-Out Supplement [Document Identifier 495]



36. Medicare Part D Coverage Supplement [Document Identifier 365]



37. Relief from the five-year rotation requirement for lead audit partner [Document Identifier 224]



38. Relief from the one-year cooling off period for independent CPA [Document Identifier 225]



39. Relief from the Requirements for Audit Committees [Document Identifier 226]



40. Long-Term Care Experience Reporting Forms [Document Identifier 306]



41. Interest-Sensitive Life Insurance Products Report Forms [Document Identifier 280]



42. Credit Insurance Experience Exhibit [Document Identifier 230]



46. Supplemental Health Care Exhibit (Parts 1, 2 and 3) [Document Identifier 216]



47. Supplemental Health Care Exhibit's Expense Allocation Report [Document Identifier 217]



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. Mortgage participations - excess interest retained .....	1,693,522	1,693,522	0	0
2505. State Tax Credits - Transferable .....	1,692,500	0	1,692,500	0
2597. Summary of remaining write-ins for Line 25 from overflow page	3,386,022	1,693,522	1,692,500	0

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Funds held for escheatment .....	383,075	323,135
2505. Other miscellaneous .....	11,533	0
2597. Summary of remaining write-ins for Line 25 from overflow page	394,608	323,135

Additional Write-ins for Summary of Operations Line 53

	1 Current Year	2 Prior Year
5304. Special Surplus associated with SSAP 10R .....	0	(8,853,957)
5397. Summary of remaining write-ins for Line 53 from overflow page	0	(8,853,957)

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Mortgage participation - excess interest retained .....	1,693,522	2,239,532	546,010
2597. Summary of remaining write-ins for Line 25 from overflow page	1,693,522	2,239,532	546,010

Additional Write-ins for Schedule T Line 58

States, Etc.	1 Active Status	Life Contracts		Direct Business Only			7 Deposit-Type Contracts
		2 Life Insurance Premiums	3 Annuity Considerations	4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	
58004. Japan .....	XXX	12,920	0	4,450	0	17,370	0
58005. United Kingdom .....	XXX	10,351	0	7,968	0	18,319	0
58006. Venezuela .....	XXX	10,843	0	911	0	11,754	0
58007. Bolivia .....	XXX	8,915	0	749	0	9,664	0
58008. Indonesia .....	XXX	8,439	0	957	0	9,396	0
58009. Australia .....	XXX	7,063	0	999	0	8,062	0
58010. Philippines .....	XXX	7,740	0	908	0	8,648	0
58011. Panama .....	XXX	6,265	0	526	0	6,791	0
58012. Paraguay .....	XXX	6,024	0	506	0	6,530	0
58013. Senegal .....	XXX	4,930	0	706	0	5,636	0
58014. Thailand .....	XXX	4,578	0	385	0	4,963	0
58015. France .....	XXX	3,716	0	965	0	4,681	0
58016. Cote D'Ivoire .....	XXX	3,855	0	324	0	4,179	0
58017. Costa Rica .....	XXX	3,641	0	191	0	3,832	0
58018. Netherlands .....	XXX	3,746	0	3,033	0	6,779	0
58019. Chile .....	XXX	2,959	0	891	0	3,850	0
58020. Kenya .....	XXX	2,822	0	923	0	3,745	0
58021. Colombia .....	XXX	2,650	0	223	0	2,873	0
58022. Guinea .....	XXX	2,650	0	223	0	2,873	0
58023. Italy .....	XXX	2,259	0	382	0	2,641	0
58024. Taiwan .....	XXX	2,686	0	955	0	3,641	0
58025. New Zealand .....	XXX	2,174	0	4,639	0	6,813	0
58026. Mexico .....	XXX	2,149	0	2,189	0	4,338	0
58027. Spain .....	XXX	1,612	0	573	0	2,185	0
58028. Russia .....	XXX	1,501	0	272	0	1,773	0
58029. Ecuador .....	XXX	1,211	0	350	0	1,561	0
58030. Germany .....	XXX	1,074	0	547	0	1,621	0
58031. Argentina .....	XXX	1,074	0	382	0	1,456	0
58032. South Africa .....	XXX	1,074	0	382	0	1,456	0
58033. Hong Kong .....	XXX	869	0	191	0	1,060	0
58034. Singapore .....	XXX	762	0	521	0	1,283	0
58035. Mongolia .....	XXX	723	0	61	0	784	0
58036. Cameroon .....	XXX	537	0	191	0	728	0
58037. Estonia .....	XXX	537	0	191	0	728	0
58038. Ghana .....	XXX	537	0	191	0	728	0
58039. Mali .....	XXX	537	0	191	0	728	0
58040. China .....	XXX	259	0	3,353	0	3,612	0
58041. Cambodia .....	XXX	150	0	0	0	150	0
58042. Armed Forces - Europe .....	XXX	0	0	15,669	0	15,669	0
58043. Armed Forces - Pacific .....	XXX	0	0	15,543	0	15,543	0
58044. Denmark .....	XXX	0	0	929	0	929	0
58045. Norway .....	XXX	0	0	318	0	318	0
58046. Israel .....	XXX	0	0	216	0	216	0
58997. Summary of remaining write-ins for Line 58 from overflow page	XXX	135,832	0	74,074	0	209,906	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	6,905,537	0.059	6,905,537	0	6,905,537	0.059
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	17,118,686	0.146	17,118,686	0	17,118,686	0.146
1.22 Issued by U.S. government sponsored agencies	282,036,815	2.399	282,036,815	0	282,036,815	2.399
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities)	61,281,698	0.521	61,281,698	0	61,281,698	0.521
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S. :						
1.41 States, territories and possessions general obligations	148,031,837	1.259	148,031,837	0	148,031,837	1.259
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	0	0.000	0	0	0	0.000
1.43 Revenue and assessment obligations	0	0.000	0	0	0	0.000
1.44 Industrial development and similar obligations	0	0.000	0	0	0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	0	0.000	0	0	0	0.000
1.512 Issued or guaranteed by FNMA and FHLMC	16,728,384	0.142	16,728,384	0	16,728,384	0.142
1.513 All other	26,462,733	0.225	26,462,733	0	26,462,733	0.225
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	0	0.000	0	0	0	0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	0	0.000	0	0	0	0.000
1.523 All other	0	0.000	0	0	0	0.000
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	4,551,054,122	38.713	4,551,054,122	0	4,551,054,122	38.713
2.2 Unaffiliated non-U.S. securities (including Canada)	1,269,671,052	10.800	1,269,671,052	0	1,269,671,052	10.800
2.3 Affiliated securities	0	0.000	0	0	0	0.000
3. Equity interests:						
3.1 Investments in mutual funds	0	0.000	0	0	0	0.000
3.2 Preferred stocks:						
3.21 Affiliated	0	0.000	0	0	0	0.000
3.22 Unaffiliated	93,322	0.001	93,322	0	93,322	0.001
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated	0	0.000	0	0	0	0.000
3.32 Unaffiliated	0	0.000	0	0	0	0.000
3.4 Other equity securities:						
3.41 Affiliated	0	0.000	0	0	0	0.000
3.42 Unaffiliated	0	0.000	0	0	0	0.000
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated	0	0.000	0	0	0	0.000
3.52 Unaffiliated	0	0.000	0	0	0	0.000
4. Mortgage loans:						
4.1 Construction and land development	14,282,173	0.121	14,282,173	0	14,282,173	0.121
4.2 Agricultural	0	0.000	0	0	0	0.000
4.3 Single family residential properties	1,204,527	0.010	1,204,527	0	1,204,527	0.010
4.4 Multifamily residential properties	0	0.000	0	0	0	0.000
4.5 Commercial loans	5,143,891,901	43.756	5,143,891,901	0	5,143,891,901	43.756
4.6 Mezzanine real estate loans	0	0.000	0	0	0	0.000
5. Real estate investments:						
5.1 Property occupied by company	32,917,024	0.280	32,917,024	0	32,917,024	0.280
5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)	2,125,976	0.018	2,125,976	0	2,125,976	0.018
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)	972,758	0.008	972,758	0	972,758	0.008
6. Contract loans	2,936,635	0.025	2,936,635	0	2,936,635	0.025
7. Derivatives	11,329,110	0.096	11,329,110	0	11,329,110	0.096
8. Receivables for securities	15,698,186	0.134	15,698,186	0	15,698,186	0.134
9. Securities Lending (Line 10, Asset Page reinvested collateral)	0	0.000	0	XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	48,391,589	0.412	48,391,589	0	48,391,589	0.412
11. Other invested assets	102,653,523	0.873	102,653,523	0	102,653,523	0.873
12. Total invested assets	11,755,787,588	100.000	11,755,787,588	0	11,755,787,588	100.000



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE A - VERIFICATION BETWEEN YEARS**

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year .....	36,905,815
2.	Cost of acquired:	
2.1	Actual cost at time of acquisition (Part 2, Column 6) .....	0
2.2	Additional investment made after acquisition (Part 2, Column 9) .....	2,117,844
		2,117,844
3.	Current year change in encumbrances:	
3.1	Totals, Part 1, Column 13 .....	0
3.2	Totals, Part 3, Column 11 .....	0
		0
4.	Total gain (loss) on disposals, Part 3, Column 18 .....	0
5.	Deduct amounts received on disposals, Part 3, Column 15 .....	0
6.	Total foreign exchange change in book/adjusted carrying value:	
6.1	Totals, Part 1, Column 15 .....	0
6.2	Totals, Part 3, Column 13 .....	0
		0
7.	Deduct current year's other than temporary impairment recognized:	
7.1	Totals, Part 1, Column 12 .....	0
7.2	Totals, Part 3, Column 10 .....	0
		0
8.	Deduct current year's depreciation:	
8.1	Totals, Part 1, Column 11 .....	3,007,901
8.2	Totals, Part 3, Column 9 .....	0
		3,007,901
9.	Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	36,015,758
10.	Deduct total nonadmitted amounts .....	0
11.	Statement value at end of current period (Line 9 minus Line 10) .....	36,015,758

**SCHEDULE B - VERIFICATION BETWEEN YEARS**

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year .....	4,797,806,835
2.	Cost of acquired:	
2.1	Actual cost at time of acquisition (Part 2, Column 7) .....	1,164,810,681
2.2	Additional investment made after acquisition (Part 2, Column 8) .....	24,073,859
		1,188,884,540
3.	Capitalized deferred interest and other:	
3.1	Totals, Part 1, Column 12 .....	0
3.2	Totals, Part 3, Column 11 .....	52,791
		52,791
4.	Accrual of discount .....	217,142
5.	Unrealized valuation increase (decrease):	
5.1	Totals, Part 1, Column 9 .....	0
5.2	Totals, Part 3, Column 8 .....	0
		0
6.	Total gain (loss) on disposals, Part 3, Column 18 .....	(6,998,459)
7.	Deduct amounts received on disposals, Part 3, Column 15 .....	813,679,137
8.	Deduct amortization of premium and mortgage interest points and commitment fees .....	9,586
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest:	
9.1	Totals, Part 1, Column 13 .....	0
9.2	Totals, Part 3, Column 13 .....	0
		0
10.	Deduct current year's other than temporary impairment recognized:	
10.1	Totals, Part 1, Column 11 .....	0
10.2	Totals, Part 3, Column 10 .....	95,250
		95,250
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	5,166,178,875
12.	Total valuation allowance .....	(6,800,274)
13.	Subtotal (Line 11 plus 12) .....	5,159,378,601
14.	Deduct total nonadmitted amounts .....	0
15.	Statement value of mortgages owned at end of current period (Line 13 minus Line 14) .....	5,159,378,601

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year .....	58,239,335
2.	Cost of acquired:	
2.1	Actual cost at time of acquisition (Part 2, Column 8) .....	7,132,224
2.2	Additional investment made after acquisition (Part 2, Column 9) .....	53,910,530
		61,042,754
3.	Capitalized deferred interest and other:	
3.1	Totals, Part 1, Column 16 .....	0
3.2	Totals, Part 3, Column 12 .....	0
		0
4.	Accrual of discount .....	0
5.	Unrealized valuation increase (decrease):	
5.1	Totals, Part 1, Column 13 .....	(33,828)
5.2	Totals, Part 3, Column 9 .....	0
		(33,828)
6.	Total gain (loss) on disposals, Part 3, Column 19 .....	62,581
7.	Deduct amounts received on disposals, Part 3, Column 16 .....	476,457
8.	Deduct amortization of premium and depreciation .....	15,614,390
9.	Total foreign exchange change in book/adjusted carrying value:	
9.1	Totals, Part 1, Column 17 .....	0
9.2	Totals, Part 3, Column 14 .....	0
		0
10.	Deduct current year's other than temporary impairment recognized:	
10.1	Totals, Part 1, Column 15 .....	566,472
10.2	Totals, Part 3, Column 11 .....	0
		566,472
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	102,653,523
12.	Deduct total nonadmitted amounts .....	0
13.	Statement value at end of current period (Line 11 minus Line 12) .....	102,653,523

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year .....	6,091,230,502
2.	Cost of bonds and stocks acquired, Part 3, Column 7 .....	1,233,279,340
3.	Accrual of discount .....	5,716,899
4.	Unrealized valuation increase (decrease):	
4.1	Part 1, Column 12 .....	0
4.2	Part 2, Section 1, Column 15 .....	0
4.3	Part 2, Section 2, Column 13 .....	0
4.4	Part 4, Column 11 .....	0
		0
5.	Total gain (loss) on disposals, Part 4, Column 19 .....	16,808,010
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....	940,762,498
7.	Deduct amortization of premium .....	23,664,995
8.	Total foreign exchange change in book/adjusted carrying value:	
8.1	Part 1, Column 15 .....	0
8.2	Part 2, Section 1, Column 19 .....	0
8.3	Part 2, Section 2, Column 16 .....	0
8.4	Part 4, Column 15 .....	0
		0
9.	Deduct current year's other than temporary impairment recognized:	
9.1	Part 1, Column 14 .....	932,816
9.2	Part 2, Section 1, Column 17 .....	0
9.3	Part 2, Section 2, Column 14 .....	0
9.4	Part 4, Column 13 .....	2,290,256
		3,223,072
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	6,379,384,186
11.	Deduct total nonadmitted amounts .....	0
12.	Statement value at end of current period (Line 10 minus Line 11) .....	6,379,384,186

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE D - SUMMARY BY COUNTRY**

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	306,061,040	362,231,039	314,937,256	298,224,678
	2. Canada .....	27,007,670	30,582,265	27,809,623	26,500,000
	3. Other Countries	34,274,028	41,495,335	36,466,037	32,295,000
	4. Totals	367,342,738	434,308,639	379,212,916	357,019,678
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	148,031,837	164,731,975	149,402,900	146,697,798
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
U.S. Special revenue and special assessment obligations and all non- guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	43,191,117	48,308,424	43,124,710	43,536,226
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States .....	4,551,054,122	5,021,823,651	4,596,318,177	4,492,546,114
	9. Canada .....	262,300,638	287,066,672	262,881,099	259,801,017
	10. Other Countries	1,007,370,412	1,086,224,203	1,014,173,073	998,184,002
	11. Totals	5,820,725,172	6,395,114,526	5,873,372,349	5,750,531,133
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	6,379,290,864	7,042,463,564	6,445,112,875	6,297,784,835
<b>PREFERRED STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	14. United States .....	93,322	225,896	93,322	
	15. Canada .....	0	0	0	
	16. Other Countries	0	0	0	
	17. Totals	93,322	225,896	93,322	
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	
	19. Total Preferred Stocks	93,322	225,896	93,322	
<b>COMMON STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	20. United States .....	0	0	0	
	21. Canada .....	0	0	0	
	22. Other Countries	0	0	0	
	23. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	24. Totals	0	0	0	
	25. Total Common Stocks	0	0	0	
	26. Total Stocks	93,322	225,896	93,322	
	27. Total Bonds and Stocks	6,379,384,186	7,042,689,460	6,445,206,197	

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments</b>											
1.1 Class 1	28,248,983	170,031,685	36,786,523	58,411,749	12,582,098	306,061,038	4.8	329,794,220	5.4	305,779,984	281,054
1.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
1.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
1.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
1.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	28,248,983	170,031,685	36,786,523	58,411,749	12,582,098	306,061,038	4.8	329,794,220	5.4	305,779,984	281,054
<b>2. All Other Governments</b>											
2.1 Class 1	1,999,292	39,928,594	5,613,389	13,740,423	0	61,281,698	1.0	61,691,988	1.0	56,281,698	5,000,000
2.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	1,999,292	39,928,594	5,613,389	13,740,423	0	61,281,698	1.0	61,691,988	1.0	56,281,698	5,000,000
<b>3. U.S. States, Territories and Possessions etc., Guaranteed</b>											
3.1 Class 1	13,739,293	52,734,480	52,085,032	20,086,379	12,091,038	150,736,222	2.4	162,762,232	2.7	150,736,222	0
3.2 Class 2	0	900,000	0	0	0	900,000	0.0	900,000	0.0	900,000	0
3.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	13,739,293	53,634,480	52,085,032	20,086,379	12,091,038	151,636,222	2.4	163,662,232	2.7	151,636,222	0
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 Class 1	0	295,250	1,114,748	25,052,735	16,728,384	43,191,117	0.7	55,714,614	0.9	43,191,117	0
5.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
5.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	0	295,250	1,114,748	25,052,735	16,728,384	43,191,117	0.7	55,714,614	0.9	43,191,117	0

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Industrial &amp; Miscellaneous (Unaffiliated)</b>											
6.1 Class 1	435,202,298	1,458,414,122	1,067,304,732	349,571,722	204,908,333	3,515,401,207	54.8	3,600,486,807	58.9	2,998,400,920	517,000,287
6.2 Class 2	210,166,277	944,028,120	722,489,652	76,175,837	14,253,485	1,967,113,371	30.7	1,534,217,097	25.1	1,688,502,977	278,610,394
6.3 Class 3	14,106,477	68,559,890	130,398,772	15,187,538	0	228,252,677	3.6	247,105,251	4.0	198,807,194	29,445,483
6.4 Class 4	969,439	42,837,720	85,527,673	6,717,197	0	136,052,029	2.1	114,186,658	1.9	78,430,168	57,621,861
6.5 Class 5	0	141,794	1,239,621	0	0	1,381,415	0.0	3,782,529	0.1	397,000	984,415
6.6 Class 6	0	439,875	0	843,984	0	1,283,859	0.0	892,125	0.0	670,500	613,359
6.7 Totals	660,444,491	2,514,421,521	2,006,960,450	448,496,278	219,161,818	5,849,484,558	91.2	5,500,670,467	90.0	4,965,208,759	884,275,799
<b>7. Hybrid Securities</b>											
7.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
7.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
7.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
7.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
7.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
7.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>8. Parent, Subsidiaries and Affiliates</b>											
8.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
8.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
8.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>9. Total Bonds Current Year</b>											
9.1 Class 1	(d) 479,189,866	1,721,404,131	1,162,904,424	466,863,008	246,309,853	4,076,671,282	63.6	XXX	XXX	3,554,389,940	522,281,342
9.2 Class 2	(d) 210,166,277	944,928,120	722,489,652	76,175,837	14,253,485	1,968,013,371	30.7	XXX	XXX	1,689,402,977	278,610,394
9.3 Class 3	(d) 14,106,477	68,559,890	130,398,772	15,187,538	0	228,252,677	3.6	XXX	XXX	198,807,194	29,445,483
9.4 Class 4	(d) 969,439	42,837,720	85,527,673	6,717,197	0	136,052,029	2.1	XXX	XXX	78,430,168	57,621,861
9.5 Class 5	(d) 0	141,794	1,239,621	0	0	1,381,415	0.0	XXX	XXX	397,000	984,415
9.6 Class 6	(d) 0	439,875	0	843,984	0	1,283,859	0.0	XXX	XXX	670,500	613,359
9.7 Totals	704,432,059	2,778,311,530	2,102,560,142	565,787,564	260,563,338	(b) 6,411,654,633	100.0	XXX	XXX	5,522,097,780	889,556,853
9.8 Line 9.7 as a % of Col. 6	11.0	43.3	32.8	8.8	4.1	100.0	XXX	XXX	XXX	86.1	13.9
<b>10. Total Bonds Prior Year</b>											
10.1 Class 1	476,399,303	1,623,223,985	1,354,603,010	498,275,106	257,948,457	XXX	XXX	4,210,449,861	68.9	3,736,361,023	474,088,838
10.2 Class 2	154,160,842	777,270,526	530,713,665	59,460,672	13,511,392	XXX	XXX	1,535,117,097	25.1	1,330,030,160	205,086,937
10.3 Class 3	16,520,386	88,506,351	122,945,477	19,133,037	0	XXX	XXX	247,105,251	4.0	213,788,101	33,317,150
10.4 Class 4	2,195,850	45,888,268	63,525,272	2,577,268	0	XXX	XXX	114,186,658	1.9	91,408,696	22,777,962
10.5 Class 5	0	2,491,029	949,500	342,000	0	XXX	XXX	(c) 3,782,529	0.1	3,609,725	172,804
10.6 Class 6	0	892,125	0	0	0	XXX	XXX	(c) 892,125	0.0	0	892,125
10.7 Totals	649,276,381	2,538,272,284	2,072,736,924	579,788,083	271,459,849	XXX	XXX	(b) 6,111,533,521	100.0	5,375,197,705	736,335,816
10.8 Line 10.7 as a % of Col. 8	10.6	41.5	33.9	9.5	4.4	XXX	XXX	100.0	XXX	88.0	12.0
<b>11. Total Publicly Traded Bonds</b>											
11.1 Class 1	381,589,977	1,464,141,794	1,041,695,163	438,141,130	228,821,877	3,554,389,941	55.4	3,736,361,023	61.1	3,554,389,941	XXX
11.2 Class 2	191,715,044	772,866,832	643,849,425	70,817,198	10,154,479	1,689,402,978	26.3	1,330,030,160	21.8	1,689,402,978	XXX
11.3 Class 3	14,106,477	62,605,410	110,341,660	11,753,646	0	198,807,193	3.1	213,788,101	3.5	198,807,193	XXX
11.4 Class 4	969,439	33,933,306	36,810,226	6,717,197	0	78,430,168	1.2	91,408,696	1.5	78,430,168	XXX
11.5 Class 5	0	0	397,000	0	0	397,000	0.0	3,609,725	0.1	397,000	XXX
11.6 Class 6	0	439,875	0	230,625	0	670,500	0.0	0	0.0	670,500	XXX
11.7 Totals	588,380,937	2,333,987,217	1,833,093,474	527,659,796	238,976,356	5,522,097,780	86.1	5,375,197,705	88.0	5,522,097,780	XXX
11.8 Line 11.7 as a % of Col. 6	10.7	42.3	33.2	9.6	4.3	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	9.2	36.4	28.6	8.2	3.7	86.1	XXX	XXX	XXX	86.1	XXX
<b>12. Total Privately Placed Bonds</b>											
12.1 Class 1	97,599,889	257,262,337	121,209,261	28,721,878	17,487,976	522,281,341	8.1	474,088,838	7.8	XXX	522,281,341
12.2 Class 2	18,451,233	172,061,288	78,640,227	5,358,639	4,099,006	278,610,393	4.3	205,086,937	3.4	XXX	278,610,393
12.3 Class 3	0	5,954,480	20,057,112	3,433,892	0	29,445,484	0.5	33,317,150	0.5	XXX	29,445,484
12.4 Class 4	0	8,904,414	48,717,447	0	0	57,621,861	0.9	22,777,962	0.4	XXX	57,621,861
12.5 Class 5	0	141,794	842,621	0	0	984,415	0.0	172,804	0.0	XXX	984,415
12.6 Class 6	0	0	0	613,359	0	613,359	0.0	892,125	0.0	XXX	613,359
12.7 Totals	116,051,122	444,324,313	269,466,668	38,127,768	21,586,982	889,556,853	13.9	736,335,816	12.0	XXX	889,556,853
12.8 Line 12.7 as a % of Col. 6	13.0	49.9	30.3	4.3	2.4	100.0	XXX	XXX	XXX	XXX	100.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	1.8	6.9	4.2	0.6	0.3	13.9	XXX	XXX	XXX	XXX	13.9

(a) Includes \$ 808,100,103 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 0 current year, \$ 0 prior year of bonds with Z designations and \$ 0, current year \$ 0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5\* designations and \$ 0, current year \$ 0 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the (SVO) in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 3,604,385 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments</b>											
1.1 Issuer Obligations	28,248,983	170,031,685	32,734,351	58,411,749	8,543,463	297,970,231	4.6	321,669,555	5.3	297,689,175	281,056
1.2 Residential Mortgage-Backed Securities	0	0	4,052,172	0	4,038,636	8,090,808	0.1	8,124,665	0.1	8,090,808	0
1.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
1.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
1.5 Totals	28,248,983	170,031,685	36,786,523	58,411,749	12,582,099	306,061,039	4.8	329,794,220	5.4	305,779,983	281,056
<b>2. All Other Governments</b>											
2.1 Issuer Obligations	1,999,292	39,928,594	5,613,389	13,740,423	0	61,281,698	1.0	61,691,988	1.0	56,281,698	5,000,000
2.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 Totals	1,999,292	39,928,594	5,613,389	13,740,423	0	61,281,698	1.0	61,691,988	1.0	56,281,698	5,000,000
<b>3. U.S. States, Territories and Possessions, Guaranteed</b>											
3.1 Issuer Obligations	13,739,293	53,634,480	52,085,032	20,086,379	12,091,038	151,636,222	2.4	163,662,232	2.7	151,636,222	0
3.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Totals	13,739,293	53,634,480	52,085,032	20,086,379	12,091,038	151,636,222	2.4	163,662,232	2.7	151,636,222	0
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed</b>											
5.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
5.2 Residential Mortgage-Backed Securities	0	295,250	1,114,748	25,052,735	16,728,384	43,191,117	0.7	55,714,614	0.9	43,191,117	0
5.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Totals	0	295,250	1,114,748	25,052,735	16,728,384	43,191,117	0.7	55,714,614	0.9	43,191,117	0
<b>6. Industrial and Miscellaneous</b>											
6.1 Issuer Obligations	660,371,845	2,488,322,919	1,992,316,363	445,597,017	215,662,957	5,802,271,101	90.5	5,467,204,928	89.5	4,923,540,065	878,731,036
6.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
6.3 Commercial Mortgage-Backed Securities	0	0	0	0	3,498,861	3,498,861	0.1	3,559,265	0.1	3,498,861	0
6.4 Other Loan-Backed and Structured Securities	72,646	26,098,602	14,644,087	2,899,260	0	43,714,595	0.7	29,906,274	0.5	38,169,832	5,544,763
6.5 Totals	660,444,491	2,514,421,521	2,006,960,450	448,496,277	219,161,818	5,849,484,557	91.2	5,500,670,467	90.0	4,965,208,758	884,275,799
<b>7. Hybrid Securities</b>											
7.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
7.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
7.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
7.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
7.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>8. Parent, Subsidiaries and Affiliates</b>											
8.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
8.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
8.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 2 (Continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>9. Total Bonds Current Year</b>											
9.1 Issuer Obligations	704,359,413	2,751,917,678	2,082,749,135	537,835,568	236,297,458	6,313,159,252	98.5	XXX	XXX	5,429,147,160	884,012,092
9.2 Residential Mortgage-Backed Securities	0	295,250	5,166,920	25,052,735	20,767,020	51,281,925	0.8	XXX	XXX	51,281,925	0
9.3 Commercial Mortgage-Backed Securities	0	0	0	0	3,498,861	3,498,861	0.1	XXX	XXX	3,498,861	0
9.4 Other Loan-Backed and Structured Securities	72,646	26,098,602	14,644,087	2,899,260	0	43,714,595	0.7	XXX	XXX	38,169,832	5,544,763
9.5 Totals	704,432,059	2,778,311,530	2,102,560,142	565,787,563	260,563,339	6,411,654,633	100.0	XXX	XXX	5,522,097,778	889,556,855
9.6 Line 9.5 as a % of Col. 6	11.0	43.3	32.8	8.8	4.1	100.0	XXX	XXX	XXX	86.1	13.9
<b>10. Total Bonds Prior Year</b>											
10.1 Issuer Obligations	645,203,184	2,515,232,300	2,066,379,462	548,201,917	239,211,840	XXX	XXX	6,014,228,703	98.4	5,280,007,096	734,221,607
10.2 Residential Mortgage-Backed Securities	4,975	436,619	4,622,328	30,086,613	28,688,744	XXX	XXX	63,839,279	1.0	63,839,279	0
10.3 Commercial Mortgage-Backed Securities	0	0	0	0	3,559,265	XXX	XXX	3,559,265	0.1	3,559,265	0
10.4 Other Loan-Backed and Structured Securities	4,068,222	22,603,365	1,735,134	1,499,553	0	XXX	XXX	29,906,274	0.5	27,792,065	2,114,209
10.5 Totals	649,276,381	2,538,272,284	2,072,736,924	579,788,083	271,459,849	XXX	XXX	6,111,533,521	100.0	5,375,197,705	736,335,816
10.6 Line 10.5 as a % of Col. 8	10.6	41.5	33.9	9.5	4.4	XXX	XXX	100.0	XXX	88.0	12.0
<b>11. Total Publicly Traded Bonds</b>											
11.1 Issuer Obligations	588,380,936	2,310,419,180	1,814,429,193	501,207,377	214,710,474	5,429,147,160	84.7	5,280,007,096	86.4	5,429,147,160	XXX
11.2 Residential Mortgage-Backed Securities	0	295,250	5,166,920	25,052,735	20,767,020	51,281,925	0.8	63,839,279	1.0	51,281,925	XXX
11.3 Commercial Mortgage-Backed Securities	0	0	0	0	3,498,861	3,498,861	0.1	3,559,265	0.1	3,498,861	XXX
11.4 Other Loan-Backed and Structured Securities	0	23,272,787	13,497,361	1,399,684	0	38,169,832	0.6	27,792,065	0.5	38,169,832	XXX
11.5 Totals	588,380,936	2,333,987,217	1,833,093,474	527,659,796	238,976,355	5,522,097,778	86.1	5,375,197,705	88.0	5,522,097,778	XXX
11.6 Line 11.5 as a % of Col. 6	10.7	42.3	33.2	9.6	4.3	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	9.2	36.4	28.6	8.2	3.7	86.1	XXX	XXX	XXX	86.1	XXX
<b>12. Total Privately Placed Bonds</b>											
12.1 Issuer Obligations	115,978,477	441,498,498	268,319,942	36,628,191	21,586,984	884,012,092	13.8	734,221,607	12.0	XXX	884,012,092
12.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.4 Other Loan-Backed and Structured Securities	72,646	2,825,815	1,146,726	1,499,576	0	5,544,763	0.1	2,114,209	0.0	XXX	5,544,763
12.5 Totals	116,051,123	444,324,313	269,466,668	38,127,767	21,586,984	889,556,855	13.9	736,335,816	12.0	XXX	889,556,855
12.6 Line 12.5 as a % of Col. 6	13.0	49.9	30.3	4.3	2.4	100.0	XXX	XXX	XXX	XXX	100.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	1.8	6.9	4.2	0.6	0.3	13.9	XXX	XXX	XXX	XXX	13.9



ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**SCHEDULE DA - VERIFICATION BETWEEN YEARS**

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year .....	20,396,344	20,396,344	0	0	0
2. Cost of short-term investments acquired .....	268,917,235	268,917,235	0	0	0
3. Accrual of discount .....	0	0	0	0	0
4. Unrealized valuation increase (decrease) .....	0	0	0	0	0
5. Total gain (loss) on disposals .....	0	0	0	0	0
6. Deduct consideration received on disposals .....	256,937,922	256,937,922	0	0	0
7. Deduct amortization of premium .....	11,888	11,888	0	0	0
8. Total foreign exchange change in book/adjusted carrying value .....	0	0	0	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0	0	0	0
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	32,363,769	32,363,769	0	0	0
11. Deduct total nonadmitted amounts .....	0	0	0	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	32,363,769	32,363,769	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY  
**SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS**

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/adjusted carrying value, December 31, prior year (Line 9, prior year)	7,166,524
2.	Cost paid/(consideration received) on additions:	
2.1	Current year paid/(consideration received) at time of acquisition, still open, Section 1, Column 12	9,526,496
2.2	Current year paid/(consideration received) at time of acquisition, terminated, Section 2, Column 14	0
3.	Unrealized valuation increase/(decrease):	
3.1	Section 1, Column 17	1,802,612
3.2	Section 2, Column 19	2,470,925
4.	Total gain (loss) on termination recognized, Section 2, Column 22	3,477,497
5.	Considerations received/(paid) on terminations, Section 2, Column 15	13,114,944
6.	Amortization:	
6.1	Section 1, Column 19	0
6.2	Section 2, Column 21	0
7.	Adjustment to the book/adjusted carrying value of hedged item:	
7.1	Section 1, Column 20	0
7.2	Section 2, Column 23	0
8.	Total foreign exchange change in book/adjusted carrying value:	
8.1	Section 1, Column 18	0
8.2	Section 2, Column 20	0
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6+7+8)	11,329,110
10.	Deduct nonadmitted assets	0
11.	Statement value at end of current period (Line 9 minus Line 10)	11,329,110

**SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS**

Futures Contracts

1.	Book/adjusted carrying value, December 31 of prior year	
2.	Net cash deposits (Section 1, Broker Name/Net Cash Deposits Footnote)	
3.1	Change in variation margin on open contracts:	
3.11	Section 1, Column 15, current year minus	
3.12	Section 1, Column 15, prior year	
3.2	Add:	
	Change in adjustment to basis of hedged item:	
3.21	Section 1, Column 17, current year to date minus	
3.22	Section 1, Column 17, prior year	
	Change in amount recognized:	
3.23	Section 1, Column 16, current year to date minus	
3.24	Section 1, Column 16, prior year	
3.3	Subtotal (Line 3.1 minus Line 3.2)	
4.1	Variation margin on terminated contracts during the year (Section 2, Column 16)	
4.2:	Less:	
4.21	Amount used to adjust basis of hedged item (Section 2, Column 17)	
4.22	Amount recognized (Section 2, Column 16)	
4.3	Subtotal (Line 4.1 minus Line 4.2)	
5.	Dispositions gains (losses) on contracts terminated in prior year:	
5.1	Recognized	
5.2	Used to adjust basis of hedged items	
6.	Book/adjusted carrying value at end of current period (Lines 1+2+3.3-4.3-5.1-5.2)	
7.	Deduct total nonadmitted amounts	
8.	Statement value at end of current period (Line 6 minus Line 7)	

**NONE**

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

**N O N E**

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE STANDARD INSURANCE COMPANY

**SCHEDULE DB - VERIFICATION**

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check
1.	Part A, Section 1, Column 14.....	11,329,110
2.	Part B, Section 1, Column 14.....	0
3.	Total (Line 1 plus Line 2).....	11,329,110
4.	Part D, Column 5.....	11,329,110
5.	Part D, Column 6.....	0
6.	Total (Line 3 minus Line 4 minus Line 5).....	0
		Fair Value Check
7.	Part A, Section 1, Column 16.....	11,329,110
8.	Part B, Section 1, Column 13.....	0
9.	Total (Line 7 plus Line 8).....	11,329,110
10.	Part D, Column 8.....	11,329,110
11.	Part D, Column 9.....	0
12.	Total (Line 9 minus Line 10 minus Line 11).....	0
		Potential Exposure Check
13.	Part A, Section 1, Column 21.....	11,329,110
14.	Part B, Section 1, Column 19.....	0
15.	Part D, Column 11.....	11,329,110
16.	Total (Line 13 plus Line 14 minus Line 15).....	0

**SCHEDULE E - VERIFICATION BETWEEN YEARS**

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year .....			
2. Cost of cash equivalents acquired .....			
3. Accrual of discount .....			
4. Unrealized valuation increase (decrease) .....			
5. Total gain (loss) on disposals .....			
6. Deduct consideration received on disposals .....			
7. Deduct amortization of premium .....			
8. Total foreign exchange change in book/adjusted carrying value .....			
9. Deduct current year's other than temporary impairment recognized .....			
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....			
11. Deduct total nonadmitted amounts .....			
12. Statement value at end of current period (Line 10 minus Line 11)			

**NONE**

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

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