



ANNUAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2006
 OF THE CONDITION AND AFFAIRS OF THE
AMERICAN SAVINGS LIFE INSURANCE COMPANY

NAIC Group Code 0000, , NAIC Company Code 91910 Employer's ID Number 86-0113763
(Current Period) (Prior Period)

Organized under the Laws of ARIZONA, State of Domicile or Port of Entry Arizona

Country of Domicile US

Incorporated/Organized April 6, 1954 Commenced Business April 24, 1954

Statutory Home Office 935 E. MAIN STREET, SUITE 100, MESA, Arizona 85203-8849
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 935 E. MAIN STREET, SUITE 100, MESA, Arizona 85203-8849 480-835-5000
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 935 E. MAIN STREET, SUITE 100, MESA, Arizona 85203-8849
(Street and Number or P.O. Box, City or Town, State and Zip Code)

Primary Location of Books and Records 935 E. MAIN STREET, SUITE 100, MESA, Arizona 85203-8849
(Street and Number, City or Town, State and Zip Code)
480-835-5000
(Area Code) (Telephone Number)

Internet Website Address americansavingslife.com

Statutory Statement Contact RANDAL WADE JONES 480-835-5000
(Name) (Area Code) (Telephone Number) (Extension)
rjones@americansavingslife.com 480-835-5355
(E-Mail Address) (Fax Number)

Policyowner Relations Contact 935 E. MAIN STREET, SUITE 100, MESA, Arizona 85203-8849 480-835-5000
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

1. BYRON FRIHOFF ALLEN (President)
2. CLARK ELIJAH ALLEN (Secretary/Treasurer)

OTHER OFFICERS

ROBERT ELIJAH ALLEN (Vice President)

DIRECTORS OR TRUSTEES

DAVID KAY ALLEN
 FRIHOFF GRANT ALLEN
 CLARK ELIJAH ALLEN
 BYRON FRIHOFF ALLEN
 WILFORD RENEER CARDON
 GERALD EDWIN DUNBAR
 STEVEN LAURENCE STAPLEY

State of Arizona }
 County of MARICOPA } SS

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.

 BYRON FRIHOFF ALLEN
 President

 CLARK ELIJAH ALLEN
 Secretary/Treasurer

Subscribed and sworn to before me this
 28th day of February, 2007

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	500,000		500,000	500,000
2. Stocks (Schedule D):				
2.1 Preferred stocks	6,911		6,911	6,911
2.2 Common stocks	39,438		39,438	29,879
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	16,945,088		16,945,088	17,112,130
3.2 Other than first liens	99,598		99,598	138,690
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	530,507		530,507	539,576
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)	741,976	551,976	190,000	311,116
5. Cash (\$ 923,552, Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 1,168,094, Schedule DA)	2,091,646		2,091,646	1,613,535
6. Contract loans (including \$ premium notes)	97,599		97,599	117,464
7. Other invested assets (Schedule BA)				34,181
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Line 1 through Line 9)	21,052,763	551,976	20,500,787	20,403,482
11. Title plants less \$ charged off (for Title insurers only)				
12. Investment income due and accrued	157,751		157,751	247,942
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	220		220	170
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	14,669		14,669	12,872
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit	125		125	125
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	7,596	7,466	130	3,700
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	21,233,124	559,442	20,673,682	20,668,291
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. TOTALS (Line 24 and Line 25)	21,233,124	559,442	20,673,682	20,668,291
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)				
2301. OTHER RECEIVABLES AND DEPOSITS	130		130	3,700
2302. LOANS ON COMPANY STOCK	1,640	1,640		
2303. EMPLOYEE EDUCATION LOAN	5,826	5,826		
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	7,596	7,466	130	3,700

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 2,450,312 (Exhibit 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	2,450,312	2,402,612
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Column 1) (including \$ Modco Reserve)	1,880,410	2,210,460
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Column 1) (including \$ Modco Reserve)		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10 and 11)	9,050	9,050
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10 and 11)		
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)	23,411	21,635
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Line 4 and Line 14)	5,676	6,526
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on cancelled contracts		
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ ceded		
9.4 Interest Maintenance Reserve (IMR, Line 6)	276,756	270,893
10. Commissions to agents due or accrued-life and annuity contracts \$ accident and health \$ and deposit-type contract funds \$		
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Column 6)	60,337	44,211
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Column 5)	22,775	47,011
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)	4,360	25,798
15.2 Net deferred tax liability		
16. Unearned investment income	2,052	4,684
17. Amounts withheld or retained by company as agent or trustee	365,504	335,238
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated		
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR, Line 16, Column 7)	964,458	1,067,238
24.2 Reinsurance in unauthorized companies		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates		
24.5 Drafts outstanding		
24.6 Liability for amounts held under uninsured plans		
24.7 Funds held under coinsurance		
24.8 Payable for securities		
24.9 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding Separate Accounts business (Line 1 to Line 25)	6,065,101	6,445,356
27. From Separate Accounts statement		
28. Total liabilities (Line 26 and Line 27)	6,065,101	6,445,356
29. Common capital stock	914,933	914,933
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1)	2,205,412	2,205,412
34. Aggregate write-ins for special surplus funds		(14,853)
35. Unassigned funds (surplus)	16,269,009	15,803,125
36. Less treasury stock, at cost:		
36.1 4,046,694 shares common (value included in Line 29 \$ 404,669)	4,780,773	4,685,682
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ in Separate Accounts Statement)	13,693,648	13,308,002
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	14,608,581	14,222,935
39. Totals of Lines 28 and 38 (Page 2, Line 26, Column 3)	20,673,682	20,668,291
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)		
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Line 3101 through Line 3103 plus Line 3198) (Line 31 above)		
3401. PAID IN SURPLUS NON ADMISSABLE		(14,853)
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)		(14,853)

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, Column 1, less Column 11)	137,058	126,282
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	2,463,925	2,353,413
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5)	81,233	127,756
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Column 1)		
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	20,324	9,994
9. Totals (Line 1 to Line 8.3)	2,702,540	2,617,445
10. Death benefits	26,810	25,960
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Column 4 plus Column 8)		
13. Disability benefits and benefits under accident and health contracts		
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	41,369	46,538
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	87,195	85,996
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts	47,699	18,761
20. Totals (Line 10 to Line 19)	203,073	177,255
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	71	144
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2 Column 1)		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	722,757	640,077
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Column 1 plus Column 2 plus Column 3)	62,875	45,988
25. Increase in loading on deferred and uncollected premiums	285	(213)
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions		
28. Totals (Line 20 to Line 27)	989,061	863,251
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	1,713,479	1,754,194
30. Dividends to policyholders	23,411	21,273
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	1,690,068	1,732,921
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	229,328	216,490
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)	1,460,740	1,516,431
34. Net realized capital gains or (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 39,040 (excluding taxes of \$ 13,593 transferred to the IMR)	250,144	214,697
35. Net Income (Line 33 plus Line 34)	1,710,884	1,731,128
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	14,222,935	13,762,805
37. Net income (Line 35)	1,710,884	1,731,128
38. Change in net unrealized capital gains (losses)	9,560	10,418
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax		
41. Change in nonadmitted assets and related items	(318,087)	(84,249)
42. Change in liability for reinsurance in unauthorized companies		
43. Change in reserve on account of change in valuation bases, (increase) or decrease (Exhibit 5A, Line 9999999, Column 4)		
44. Change in asset valuation reserve	102,780	(205,360)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Column 2 minus Column 1)	(95,091)	(63,168)
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts statement		
48. Change in surplus notes		
49. Cumulative effects of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders	(1,024,399)	(928,639)
53. Aggregate write-ins for gains and losses in surplus		
54. Net change in capital and surplus for the year (Line 37 through Line 53)	385,646	460,130
55. Capital and surplus, December 31, current year (Line 36 plus Line 54) (Page 3, Line 38)	14,608,581	14,222,935
DETAILS OF WRITE-INS		
08.301. Profit Sharing Plan management fees	18,062	9,994
08.302. Fox Peterson	2,256	
08.303. Miscellaneous income	6	
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)	20,324	9,994
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)		
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. Totals (Line 5301 through Line 5303 plus Line 5398) (Line 53 above)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	134,076	127,121
2. Net investment income	2,581,139	2,357,520
3. Miscellaneous income	136,064	110,487
4. Total (Line 1 through Line 3)	2,851,279	2,595,128
5. Benefit and loss related payments	153,931	167,060
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	807,360	680,194
7. Commissions, expenses paid and aggregate write-ins for deductions	21,635	20,150
8. Dividends paid to policyholders	250,766	213,442
9. Federal and foreign income taxes paid (recovered) \$ 303,399 net of tax on capital gains (losses)	250,766	213,442
10. Total (Line 5 through Line 9)	1,233,692	1,080,846
11. Net cash from operations (Line 4 minus Line 10)	1,617,588	1,514,282
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		859,637
12.2 Stocks		1,757
12.3 Mortgage loans	6,144,825	4,742,679
12.4 Real estate	99,094	309,530
12.5 Other invested assets	34,181	37,838
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds	10,957	8,637
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	6,289,057	5,960,078
13. Cost of investments acquired (long-term only):		
13.1 Bonds		11,720
13.2 Stocks		
13.3 Mortgage loans	5,601,453	7,678,040
13.4 Real estate	310,211	398,221
13.5 Other invested assets		5,384
13.6 Miscellaneous applications		35
13.7 Total investments acquired (Line 13.1 through Line 13.6)	5,911,664	8,093,400
14. Net increase (decrease) in contract loans and premium notes	(19,865)	(1,429)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	397,258	(2,131,893)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(417,245)	183,630
16.5 Dividends to stockholders	1,024,399	928,639
16.6 Other cash provided (applied)	(95,091)	(63,169)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(1,536,735)	(808,178)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	478,111	(1,425,789)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	1,613,534	3,039,323
19.2 End of period (Line 18 plus Line 19.1)	2,091,645	1,613,534

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

20.001		
20.002		
20.003		
20.004		
20.005		
20.006		
20.007		
20.008		
20.009		
20.010		

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 2006	2 2005	3 2004	4 2003	5 2002
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Column 4)	12,154	11,642	10,965	10,971	9,847
2. Ordinary-term (Line 21, Column 4, less Line 34, Column 4)	1,515	1,693	1,852	1,845	1,946
3. Credit life (Line 21, Column 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Line 43 and Line 44, Column 4)					
5. Industrial (Line 21, Column 2)					
6. FEGLI/SGLI (Line 43 and Line 44, Column 4)					
7. Total (Line 21, Column 10)	13,669	13,335	12,817	12,816	11,793
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Column 2)	714	600	560	1,575	600
9. Ordinary-term (Line 2, Column 4, less Line 34, Column 2)					
10. Credit life (Line 2, Column 6)					
11. Group (Line 2, Column 9)					
12. Industrial (Line 2, Column 2)					
13. Total (Line 2, Column 10)	714	600	560	1,575	600
Premium Income-Lines of Business (Exhibit 1 - Part 1)					
14. Industrial life (Exhibit 1-Part 1, Line 20.4, Column 2)					
15.1 Ordinary life insurance (Exhibit 1-Part 1, Line 20.4, Column 3)	137,058	126,282	128,569	241,158	233,225
15.2 Ordinary individual annuities (Exhibit 1-Part 1, Line 20.4, Column 4)					
16. Credit life, (group and individual) (Exhibit 1-Part 1, Line 20.4, Column 5)					
17.1 Group life insurance (Exhibit 1-Part 1, Line 20.4, Column 6)					
17.2 Group annuities (Exhibit 1-Part 1, Line 20.4, Column 7)					
18.1 A & H-group (Exhibit 1-Part 1, Line 20.4, Column 8)					
18.2 A & H-credit (group and individual) (Exhibit 1-Part 1, Line 20.4, Column 9)					
18.3 A & H-other (Exhibit 1-Part 1, Line 20.4, Column 10)					
19. Aggregate of all other lines of business (Exhibit 1-Part 1, Line 20.4, Column 11)					
20. Total	137,058	126,282	128,569	241,158	233,225
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Column 3)	20,673,682	20,668,291	19,714,412	19,204,065	18,384,724
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	6,065,101	6,445,356	5,951,607	5,998,093	5,525,688
23. Aggregate life reserves (Page 3, Line 1)	2,450,312	2,402,612	2,383,851	2,405,116	2,337,721
24. Aggregate A & H reserves (Page 3, Line 2)					
25. Deposit-type contract funds (Page 3, Line 3)	1,880,410	2,210,460	1,940,833	1,582,247	1,256,097
26. Asset valuation reserve (Page 3, Line 24.1)	964,458	1,067,238	861,878	945,287	988,128
27. Capital (Page 3, Line 29 and Line 30)	914,933	914,933	914,933	914,933	914,933
28. Surplus (Page 3, Line 37)	13,693,648	13,308,002	12,847,872	12,291,039	11,944,103
Risk-Based Capital Analysis					
29. Total adjusted capital	15,584,745	15,300,991	14,634,939	14,160,753	13,853,970
30. Authorized control level risk-based capital	724,760	826,183	665,033	667,342	627,831
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Line No. / Page 2, Line 10, Column 3) x 100.0					
31. Bonds (Line 1)	2.4	2.5	6.9	4.1	7.7
32. Stocks (Line 2.1 and Line 2.2)	0.2	0.2	0.2	0.2	0.2
33. Mortgage loans on real estate (Line 3.1 and Line 3.2)	83.1	84.5	72.1	84.6	74.8
34. Real estate (Line 4.1, Line 4.2 and Line 4.3)	3.5	4.2	4.2	4.1	3.9
35. Cash, cash equivalents and short-term investments (Line 5)	10.2	7.9	15.6	5.8	1.0
36. Premium notes	XXX	XXX	XXX	XXX	
37. Contract loans (Line 6)	0.5	0.6	0.6	0.8	11.9
38. Other invested assets (Line 7)		0.2	0.3	0.3	0.6
39. Receivable for securities (Line 8)					
40. Aggregate write-ins for invested assets (Line 9)					
41. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2006	2 2005	3 2004	4 2003	5 2002
<u>Investments in Parent, Subsidiaries and Affiliates</u>					
42. Affiliated bonds (Schedule D Summary, Line 25, Column 1)					
43. Affiliated preferred stocks (Schedule D Summary, Line 39, Column 1)					
44. Affiliated common stocks (Schedule D Summary, Line 53, Column 2)					
45. Affiliated short-term investments (subtotal included in Schedule DA, Part 2, Column 5, Line 11)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Line 42 to Line 47					
<u>Total Nonadmitted and Admitted Assets</u>					
49. Total nonadmitted assets (Page 2, Line 26, Column 2)	559,442	241,355	157,444	80,942	107,446
50. Total admitted assets (Page 2, Line 26, Column 3)	20,673,682	20,668,291	19,714,412	19,204,065	18,384,724
<u>Investment Data</u>					
51. Net investment income (Exhibit of Net Investment Income)	2,464,621	2,353,413	2,064,235	2,034,824	1,842,537
52. Realized capital gains (losses)	389,872	364,715	333,452	141,820	141,338
53. Unrealized capital gains (losses)	9,560	10,418	(6,411)	(5,197)	(3,492)
54. Total of above Lines 51, Line 52 and Line 53	2,864,053	2,728,546	2,391,276	2,171,447	1,980,383
<u>Benefits and Reserve Increase</u> (Page 6)					
55. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and Line 15, Column 1 less Lines 10, 11, 12, 13, 14 and Line 15, Columns 9, 10 and 11)	68,179	72,498	196,456	163,003	265,066
56. Total contract benefits - A and H (Line 13 and Line 14, Columns 9, 10 and 11)					
57. Increase in life reserves - other than group and annuities (Line 19, Columns 2 and 3)	47,699	18,761	(21,265)	67,395	52,276
58. Increase in A & H Reserves (Line 19, Columns 9, 10 and 11)					
59. Dividends to policyholders (Line 30, Column 1)	23,411	21,273	20,443	18,840	13,599
<u>Operating Percentages</u>					
60. Insurance expense percent (Page 6, Column 1, Line 21, Line 22 and Line 23 less Line 6) / (Page 6, Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00	104.1	75.4	76.8	234.1	211.4
61. Lapse percent (ordinary only) ([(Exhibit of Life Insurance, Column 4, Line 14 and Line 15) / 1/2 (Exhibit of Life Insurance, Column 4, Line 1 and Line 21)] x 100.00)	2.4	3.7	2.6	3.1	4.4
62. A & H loss percent (Schedule H, Part 1, Line 5 and Line 6, Column 2)					
63. A & H cost containment percent (Schedule H, Part 1, Line 4, Column 2)				XXX	XXX
64. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Column 2)					
<u>A & H Claim Reserve Adequacy</u>					
65. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1, Column 2)					
66. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2)					
67. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Column 2)					
68. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Column 2)					
<u>Net Gains From Operations After Federal Income</u>					
<u>Taxes by Lines of Business</u> (Page 6, Line 33)					
69. Industrial life (Column 2)					
70. Ordinary-life (Column 3)	1,460,740	1,516,431	1,266,069	1,309,872	1,129,907
71. Ordinary-individual annuities (Column 4)					
72. Ordinary-supplementary contracts (Column 5)					
73. Credit life (Column 6)					
74. Group life (Column 7)					
75. Group annuities (Column 8)					
76. A & H-group (Column 9)					
77. A & H-credit (Column 10)					
78. A & H-other (Column 11)					
79. Aggregate of all other lines of business (Column 12)					
80. Total (Column 1)	1,460,740	1,516,431	1,266,069	1,309,872	1,129,907

NOTES TO FINANCIAL STATEMENTS

1. A. Accounting Practices

The accompanying financial statements have been prepared in conformity with the NAIC Annual Statement Instructions and NAIC Accounting Practices and Procedures manual.

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

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

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Expenses incurred in connection with acquiring new business, including acquisition costs such as sales commissions, are charged to operations incurred. The Company also uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the effective interest method.
- (3) Common Stocks are valued at market.
- (4) Preferred Stocks are stated at cost.
- (5) Mortgage Loans on real estate and Policy Loans are stated at the aggregate unpaid balance or at the amortized cost for loans purchased at a discount.

2. N/A

3. N/A

4. N/A

5. Investments

A. Mortgage Loans

The maximum and minimum lending rates for mortgages during 2006 were 14% and 7% respectively. There was no loan exceeding 75% of the value of the security. The Company held the following mortgages with interest over due 180 days or more on December 31, 2006 and December 31, 2005 respectively:

December 31, 2006	December 31, 2005
None	Two mortgages
	\$659,592 recorded investment
	\$45,660 interest due

B. Debt restructuring

The Company had no investment in restructured loans as of December 31, 2006 or December 31, 2005, respectively.

C. N/A

D. N/A

E. N/A

6. N/A

7. Investment Income

A. Due and accrued income was excluded on the following basis: The default interest portion of mortgage loans in process of foreclosure was excluded. Sales agreement interest on property received in satisfaction of debt more than twelve months delinquent or where collection of interest is uncertain. No other interest was excluded.

- (1) \$2,623 of interest was excluded.

8. N/A

9. N/A

NOTES TO FINANCIAL STATEMENTS

10. On February 15, 2007, American Savings Life Insurance Company purchased 325,000 shares as 100% ownership of the newly formed ASL Financial Group, Inc. for \$325,000 in cash and real estate mortgage loans. ASL Financial Group then purchased 300,000 shares as 100% ownership in the newly formed American Life Financial Corporation for \$300,000 in cash and real estate mortgages loans. American Life Financial Corporation has been formed to increase the company's mortgage investing opportunities and ASL Financial Group is a holding company, which at some future date could serve as a holding company for both American Savings Life Insurance Company as well as American Life Financial Corporation.
11. N/A
12. In 1993, the Company began to sponsor a qualified profit sharing plan available to employees who meet the plan's eligibility requirements. The plan calls for annual discretionary contributions by the Company as determined by the Board of Directors. The 2006 plan contribution was \$52,703.
13. Capital and Surplus
- (1) The Company has 10,000,000,000 shares authorized, 9,149,334 shares issued and 5,102,640 shares outstanding. All shares are American Savings Life Insurance Company common stock.
- (2) The Company has no preferred stock.
- (3) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Arizona to that part of its available surplus funds which is derived from the net realized profits of the business.
- (4) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) N/A
- (7) N/A
- (8) N/A
- (9) The portion of surplus represented or reduced by each item below is as follows:
- | | |
|--|-----------|
| a.. unrealized gains or losses | \$ 33,576 |
| b. nonadmitted asset values | 559,442 |
| c. separate account business | -0- |
| d. asset valuation reserve | 964,458 |
| e. reinsurance in unauthorized companies | -0- |
- (10) N/A
- (11) N/A
- (12) N/A
14. N/A
15. N/A
16. N/A
17. N/A
18. N/A
19. N/A
20. N/A
21. N/A
22. N/A
23. N/A
24. N/A
25. N/A

NOTES TO FINANCIAL STATEMENTS

26. N/A

27. N/A

28. N/A

29. For the reporting year ended 2006, premiums under individual life participating policies were \$41,894 or 31.3% of total premiums earned. The Company accounts for its policyholder dividends based upon a percentage of Company profits from insurance based on policy reserves. The Company paid dividends in the amount of \$23,411 to policyholders and did not allocate any additional income to such policyholders.

30. N/A

31. A. Unless specifically required by contract, the Company waives deferred fractional premiums subsequent to the death of an insured. Fractional premiums paid beyond the date of death are refunded only when paid in advance beyond a policy anniversary. No surrender value is promised in excess of the reserve as legally computed.

B. Substandard policies are valued at the equal reserve for the rated age (an age greater than the actual age) or where substandard extra premium is required, at the legal reserve plus one-half the annual substandard premium.

C. Policies with a face amount of \$430,000 have a gross premium less than required net premiums with a reserve of \$19,936 to cover the deficiency.

D. The tabular interest, tabular less actual reserve released and the tabular cost has been determined by formulas described in the instructions for page 7.

E. For the determination of tabular interest on funds not involving life contingencies under page 7, part B, line 3 for each valuation rate of interest, the tabular interest is calculated as one-hundredth of the product of such valuation rate of interest times the mean of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation. The total amount of all such products is entered under page 7, part B, line 3.

F. N/A

32. Withdrawal characteristics of deposit liabilities:

A. Subject to Discretionary Withdrawal - Without Adjustment	Amount	Percent of Total
(5) At book value (no charge or adjustment)	\$1,880,410	100%

Reconciliation of Total Deposit Fund Liabilities

(3) Exhibit of Deposit Contracts, line 14	\$1,880,410
---	-------------

33. A. Deferred and uncollected life insurance premiums as of December 31, 2006 were as follows:

Type	Deferred and Uncollected Premiums Gross	Net of Loading
(2) Ordinary new business	50	38
(3) Ordinary renewal	<u>17,652</u>	<u>14,851</u>
(7) Totals	\$17,702	\$14,889

34. N/A

35. N/A