



ANNUAL STATEMENT

For the Year Ended December 31, 2014
of the Condition and Affairs of the

American Savings Life Insurance Company

| | | |
|---|--|--|
| NAIC Group Code..... 0, 0 <small>(Current Period) (Prior Period)</small> | NAIC Company Code..... 91910 | Employer's ID Number..... 860113763 |
| 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 AZ US 85203 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small> | |
| Main Administrative Office | 935 E. Main Street, Suite 100..... Mesa AZ US..... 85203 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small> | 480-835-5000 <small>(Area Code) (Telephone Number)</small> |
| Mail Address | 935 E. Main Street, Suite 100..... Mesa AZ US 85203 <small>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</small> | |
| Primary Location of Books and Records | 935 E. Main Street, Suite 100..... Mesa AZ US 85203 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small> | 480-835-5000 <small>(Area Code) (Telephone Number)</small> |
| Internet Web Site Address | email@americansavingslife.com | |
| Statutory Statement Contact | RANDAL WADE JONES <small>(Name)</small> rjones@americansavingslife.com <small>(E-Mail Address)</small> | 480-835-5000 <small>(Area Code) (Telephone Number) (Extension)</small> 480-835-5355 <small>(Fax Number)</small> |

OFFICERS

| Name | Title | Name | Title |
|------------------------|-----------------------|------------------------|----------------|
| 1. BYRON FRIHOFF ALLEN | President | 2. ROBERT ELIJAH ALLEN | Vice President |
| 3. TRACY CLARK ALLEN | Secretary / Treasurer | 4. | |

OTHER

DIRECTORS OR TRUSTEES

| | | | |
|-----------------------|-------------------------|---------------------|---------------------|
| DAVID KAY ALLEN | FRIHOFF GRANT ALLEN | TRACY CLARK ALLEN # | BYRON FRIHOFF ALLEN |
| WILFORD RENEER CARDON | STEVEN LAURENCE STAPLEY | HEBER EVERETT ALLEN | |

State of..... ARIZONA
County of..... MARICOPA

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

| | | |
|---|---|--|
| _____ (Signature) BYRON FRIHOFF ALLEN | _____ (Signature) ROBERT ELIJAH ALLEN | _____ (Signature) TRACY CLARK ALLEN |
| 1. (Printed Name) President | 2. (Printed Name) Vice President | 3. (Printed Name) Secretary / Treasurer |
| _____ (Title) | _____ (Title) | _____ (Title) |

Subscribed and sworn to before me
This _____ day of _____ 2015

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

| | |
|-------------------------------|-------|
| 1. State the amendment number | _____ |
| 2. Date filed | _____ |
| 3. Number of pages attached | _____ |

ASSETS

| | Current Year | | | Prior Year |
|--|--------------|----------------------------|--|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 Net Admitted Assets |
| 1. Bonds (Schedule D)..... | 2,793,930 | | 2,793,930 | 3,031,800 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks..... | | | 0 | |
| 2.2 Common stocks..... | 954,658 | 396,812 | 557,846 | 545,810 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens..... | 33,399,409 | | 33,399,409 | 31,598,032 |
| 3.2 Other than first liens..... | 669,466 | | 669,466 | 737,242 |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances)..... | 466,247 | | 466,247 | 478,050 |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances)..... | | | 0 | |
| 4.3 Properties held for sale (less \$.....0 encumbrances)..... | 5,252,707 | 1,194,508 | 4,058,199 | 3,995,136 |
| 5. Cash (\$.....6,383,805, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....231,370, Schedule DA)..... | 6,615,175 | | 6,615,175 | 5,340,854 |
| 6. Contract loans (including \$.....0 premium notes)..... | 68,011 | | 68,011 | 81,872 |
| 7. Derivatives (Schedule DB)..... | | | 0 | |
| 8. Other invested assets (Schedule BA)..... | 1,250,115 | 370,115 | 880,000 | 1,261,522 |
| 9. Receivables for securities..... | | | 0 | |
| 10. Securities lending reinvested collateral assets (Schedule DL)..... | | | 0 | |
| 11. Aggregate write-ins for invested assets..... | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11)..... | 51,469,720 | 1,961,434 | 49,508,285 | 47,070,318 |
| 13. Title plants less \$.....0 charged off (for Title insurers only)..... | | | 0 | |
| 14. Investment income due and accrued..... | 454,920 | 61,132 | 393,788 | 381,162 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection..... | 155 | | 155 | 223 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....11,529 earned but unbilled premiums)..... | 11,529 | | 11,529 | 11,785 |
| 15.3 Accrued retrospective premiums..... | | | 0 | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers..... | | | 0 | |
| 16.2 Funds held by or deposited with reinsured companies..... | | | 0 | |
| 16.3 Other amounts receivable under reinsurance contracts..... | | | 0 | |
| 17. Amounts receivable relating to uninsured plans..... | | | 0 | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon..... | 77,216 | | 77,216 | |
| 18.2 Net deferred tax asset..... | 533,310 | 428,208 | 105,102 | |
| 19. Guaranty funds receivable or on deposit..... | 1,858 | | 1,858 | 1,867 |
| 20. Electronic data processing equipment and software..... | | | 0 | |
| 21. Furniture and equipment, including health care delivery assets (\$.....0)..... | | | 0 | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates..... | | | 0 | |
| 23. Receivables from parent, subsidiaries and affiliates..... | | | 0 | |
| 24. Health care (\$.....0) and other amounts receivable..... | | | 0 | |
| 25. Aggregate write-ins for other than invested assets..... | 5,395 | 5,265 | 130 | 130 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)..... | 52,554,104 | 2,456,039 | 50,098,064 | 47,465,485 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | | 0 | |
| 28. TOTALS (Lines 26 and 27)..... | 52,554,104 | 2,456,039 | 50,098,064 | 47,465,485 |

DETAILS OF WRITE-INS

| | | | | |
|--|-------|-------|-----|-----|
| 1101..... | | | 0 | |
| 1102..... | | | 0 | |
| 1103..... | | | 0 | |
| 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. OTHER RECEIVABLES AND DEPOSITS..... | 130 | | 130 | 130 |
| 2502. EMPLOYEE EDUCATION LOAN..... | 5,265 | 5,265 | 0 | |
| 2503..... | | | 0 | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | 5,395 | 5,265 | 130 | 130 |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| 1. Aggregate reserve for life contracts \$.....25,738,646 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve)..... | 25,738,646 | 23,677,003 |
| 2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve)..... | | |
| 3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve)..... | 7,182,218 | 6,357,586 |
| 4. Contract claims: | | |
| 4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)..... | 9,050 | 24,106 |
| 4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)..... | | |
| 5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10)..... | | |
| 6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts: | | |
| 6.1 Dividends apportioned for payment (including \$.....0 Modco)..... | 40,206 | 36,856 |
| 6.2 Dividends not yet apportioned (including \$.....0 Modco)..... | | |
| 6.3 Coupons and similar benefits (including \$.....0 Modco)..... | | |
| 7. Amount provisionally held for deferred dividend policies not included in Line 6..... | | |
| 8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)..... | 6,067 | 5,572 |
| 9. Contract liabilities not included elsewhere: | | |
| 9.1 Surrender values on canceled contracts..... | | |
| 9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act..... | | |
| 9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded..... | | |
| 9.4 Interest Maintenance Reserve (IMR, Line 6)..... | 98,174 | 107,186 |
| 10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0..... | 7,641 | 650 |
| 11. Commissions and expense allowances payable on reinsurance assumed..... | | |
| 12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)..... | 82,927 | 86,669 |
| 13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 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, Col. 5)..... | 105,165 | 93,397 |
| 15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses)..... | | 245,100 |
| 15.2 Net deferred tax liability..... | | |
| 16. Unearned investment income..... | 4,812 | 4,042 |
| 17. Amounts withheld or retained by company as agent or trustee..... | 687,844 | 941,832 |
| 18. Amounts held for agents' account, including \$.....0 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 \$.....0 and interest thereon \$.....0..... | | |
| 23. Dividends to stockholders declared and unpaid..... | | |
| 24. Miscellaneous liabilities: | | |
| 24.01 Asset valuation reserve (AVR Line 16, Col. 7)..... | 1,474,747 | 1,182,745 |
| 24.02 Reinsurance in unauthorized and certified (\$.....0) companies..... | | |
| 24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers..... | | |
| 24.04 Payable to parent, subsidiaries and affiliates..... | | |
| 24.05 Drafts outstanding..... | | |
| 24.06 Liability for amounts held under uninsured plans..... | | |
| 24.07 Funds held under coinsurance..... | | |
| 24.08 Derivatives..... | | |
| 24.09 Payable for securities..... | | |
| 24.10 Payable for securities lending..... | | |
| 24.11 Capital notes \$.....0 and interest thereon \$.....0..... | | |
| 25. Aggregate write-ins for liabilities..... | C | C |
| 26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)..... | 35,437,498 | 32,762,743 |
| 27. From Separate Accounts Statement..... | | |
| 28. Total liabilities (Line 26 and 27)..... | 35,437,498 | 32,762,743 |
| 29. Common capital stock..... | 926,230 | 924,657 |
| 30. Preferred capital stock..... | | |
| 31. Aggregate write-ins for other than special surplus funds..... | C | C |
| 32. Surplus notes..... | | |
| 33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)..... | 2,540,611 | 2,486,066 |
| 34. Aggregate write-ins for special surplus funds..... | C | C |
| 35. Unassigned funds (surplus)..... | 17,377,229 | 17,291,972 |
| 36. Less treasury stock, at cost: | | |
| 36.10.000 shares common (value included in Line 29 \$.....0)..... | 6,183,502 | 5,999,952 |
| 36.20.000 shares preferred (value included in Line 30 \$.....0)..... | | |
| 37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement)..... | 13,734,337 | 13,778,086 |
| 38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)..... | 14,660,567 | 14,702,742 |
| 39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)..... | 50,098,065 | 47,465,485 |

DETAILS OF WRITE-INS

| | | |
|--|---|---|
| 2501. | | |
| 2502. | | |
| 2503. | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | C | C |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | C | C |
| 3101. | | |
| 3102. | | |
| 3103. | | |
| 3198. Summary of remaining write-ins for Line 31 from overflow page..... | C | C |
| 3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)..... | C | C |
| 3401. | | |
| 3402. | | |
| 3403. | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | C | C |
| 3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)..... | C | C |

Annual Statement for the year 2014 of the **American Savings Life Insurance Company**
SUMMARY OF OPERATIONS

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| 1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11) | 2,355,043 | 6,743,321 |
| 2. Considerations for supplementary contracts with life contingencies | | |
| 3. Net investment income (Exhibit of Net Investment Income, Line 17) | 3,580,808 | 3,481,394 |
| 4. Amortization of Interest Maintenance Reserve (IMR) (Line 5) | 43,881 | 44,836 |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | | |
| 6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1) | | |
| 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 | 8,822 | 14,759 |
| 9. Totals (Lines 1 to 8.3) | 5,988,554 | 10,284,310 |
| 10. Death benefits | 52,390 | 70,194 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | | |
| 12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) | 963,500 | 1,872,335 |
| 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 | 56,548 | 147,415 |
| 16. Group conversions | | |
| 17. Interest and adjustments on contract or deposit-type contract funds | 912,784 | 1,003,075 |
| 18. Payments on supplementary contracts with life contingencies | | |
| 19. Increase in aggregate reserves for life and accident and health contracts | 1,341,752 | 3,706,930 |
| 20. Totals (Lines 10 to 19) | 3,326,974 | 6,799,949 |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) | 49,058 | 120,538 |
| 22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) | | |
| 23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4) | 705,186 | 622,601 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3) | 71,760 | 66,772 |
| 25. Increase in loading on deferred and uncollected premiums | (169) | 127 |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | | |
| 27. Aggregate write-ins for deductions | 0 | 0 |
| 28. Totals (Lines 20 to 27) | 4,152,809 | 7,609,986 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | 1,835,745 | 2,674,324 |
| 30. Dividends to policyholders | 40,242 | 36,980 |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | 1,795,503 | 2,637,344 |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) | 159,002 | 294,448 |
| 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) | 1,636,500 | 2,342,896 |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$....4,099 (excluding taxes of \$....8,717 transferred to the IMR) | 16,396 | 451,408 |
| 35. Net income (Line 33 plus Line 34) | 1,652,896 | 2,794,304 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) | 14,702,742 | 12,218,921 |
| 37. Net income (Line 35) | 1,652,896 | 2,794,304 |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 | 39,315 | 16,811 |
| 39. Change in net unrealized foreign exchange capital gain (loss) | | |
| 40. Change in net deferred income tax | 533,310 | |
| 41. Change in nonadmitted assets | (748,104) | 130,481 |
| 42. Change in liability for reinsurance in unauthorized and certified companies | | |
| 43. Change in reserve on account of change in valuation basis, (increase) or decrease | | |
| 44. Change in asset valuation reserve | (292,003) | 706,502 |
| 45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1) | (183,550) | (178,876) |
| 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 effect of changes in accounting principles | | |
| 50. Capital changes: | | |
| 50.1 Paid in | 1,573 | 840 |
| 50.2 Transferred from surplus (Stock Dividend) | | |
| 50.3 Transferred to surplus | | |
| 51. Surplus adjustment: | | |
| 51.1 Paid in | 54,545 | 26,265 |
| 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 | (1,100,157) | (1,012,506) |
| 53. Aggregate write-ins for gains and losses in surplus | 0 | 0 |
| 54. Net change in capital and surplus for the year (Lines 37 through 53) | (42,175) | 2,483,821 |
| 55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) | 14,660,567 | 14,702,742 |

DETAILS OF WRITE-INS

| | | |
|--|-------|--------|
| 08.301. Profit Sharing Plan management fee | 7,511 | 6,108 |
| 08.302. Computer consulting fees | 1,311 | 8,651 |
| 08.303. | | |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | 0 | 0 |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) | 8,822 | 14,759 |
| 2701. | | |
| 2702. | | |
| 2703. | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | 0 | 0 |
| 2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) | 0 | 0 |
| 5301. | | |
| 5302. | | |
| 5303. | | |
| 5398. Summary of remaining write-ins for Line 53 from overflow page | 0 | 0 |
| 5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above) | 0 | 0 |

CASH FLOW

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| CASH FROM OPERATIONS | | |
| 1. Premiums collected net of reinsurance..... | 2,356,030 | 6,742,881 |
| 2. Net investment income..... | 3,636,036 | 3,492,387 |
| 3. Miscellaneous income..... | 8,822 | |
| 4. Total (Lines 1 through 3)..... | 6,000,888 | 10,235,268 |
| 5. Benefit and loss related payments..... | 1,189,092 | 2,089,944 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions..... | 811,553 | 722,192 |
| 8. Dividends paid to policyholders..... | 36,893 | 36,980 |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....11,855 tax on capital gains (losses)..... | 494,134 | 153,148 |
| 10. Total (Lines 5 through 9)..... | 2,531,672 | 3,002,264 |
| 11. Net cash from operations (Line 4 minus Line 10)..... | 3,469,216 | 7,233,004 |
| CASH FROM INVESTMENTS | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds..... | 695,500 | 249,000 |
| 12.2 Stocks..... | 50,640 | 1,381,996 |
| 12.3 Mortgage loans..... | 8,873,656 | 8,291,100 |
| 12.4 Real estate..... | 166,087 | 766,682 |
| 12.5 Other invested assets..... | 11,407 | 208,095 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments..... | | |
| 12.7 Miscellaneous proceeds..... | | |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7)..... | 9,797,290 | 10,896,873 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds..... | 473,160 | 2,489,813 |
| 13.2 Stocks..... | 48,521 | 502,089 |
| 13.3 Mortgage loans..... | 10,694,500 | 13,107,000 |
| 13.4 Real estate..... | 1,087 | |
| 13.5 Other invested assets..... | | 910,888 |
| 13.6 Miscellaneous applications..... | | |
| 13.7 Total investments acquired (Lines 13.1 to 13.6)..... | 11,217,269 | 17,009,790 |
| 14. Net increase (decrease) in contract loans and premium notes..... | (13,861) | (21,116) |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)..... | (1,406,118) | (6,091,801) |
| 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..... | (127,432) | 29,078 |
| 16.3 Borrowed funds..... | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities..... | 660,535 | (62,740) |
| 16.5 Dividends to stockholders..... | 1,100,157 | 1,012,506 |
| 16.6 Other cash provided (applied)..... | (221,722) | (178,876) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | (788,777) | (1,225,044) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)..... | 1,274,321 | (83,840) |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year..... | 5,340,854 | 5,424,694 |
| 19.2 End of year (Line 18 plus Line 19.1)..... | 6,615,175 | 5,340,854 |

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

| | | |
|---------------|--|--|
| 20.0001 | | |
|---------------|--|--|

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 except that investments in stocks of subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis. Investment in affiliates not submitted to the SVO are non-admitted.
- (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.
- (7) Investments in subsidiaries are accounted for using the equity method.

2. N/A

3. N/A

4. N/A

5. Investments

A. Mortgage Loans

The maximum and minimum lending rates for mortgages during 2014 were 8.990% and 11.250% respectively. There was no loan exceeding 75% of the value of the security when the loan was originated. The Company held the following mortgages with interest over due 180 days or more on December 31, 2014 and December 31, 2013 respectively:

| | |
|-------------------------------|---------------------------------|
| December 31, 2014 | December 31, 2013 |
| Five mortgages | Eight mortgages |
| \$958,732 recorded investment | \$1,214,623 recorded investment |
| \$72,035 interest due | \$151,468 interest due |

B. Debt restructuring

The Company had two restructured loans with a recorded value of \$443,250 none of which had an other than temporary impairment or resulted in a capital loss as of December 31, 2014. The Company had one restructured loan with a recorded value of \$180,203 as of December 31, 2013.

C. N/A

D. N/A

E. N/A

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

7. Investment Income

A. Due and accrued income was excluded on the following basis: The default interest portion and normal interest deemed uncollectable by management on delinquent mortgage loans was excluded. No other interest was excluded.

- (1) \$36,031 of interest was excluded.

8. N/A

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

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

(1) Disclose for the current year, the prior year and the change between years by tax character (ordinary and capital) the following:

| | 2014 | | | 2013 | | | Change | | |
|--|-----------|-----------|-----------|----------|---------|-----------|-----------|-----------|-------------|
| | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Change |
| (a) Gross deferred tax assets | 1,021,603 | 418,010 | 1,439,613 | 854,753 | 446,105 | 1,300,858 | 166,850 | (28,096) | 138,754 |
| (b) Statutory valuation allowance adjustments | (648,910) | (249,264) | (898,174) | - | - | - | (648,910) | (249,264) | (898,174) |
| (c) Adjusted gross deferred tax assets (1a-1b) | 372,693 | 168,745 | 541,439 | 854,753 | 446,105 | 1,300,858 | (482,060) | (277,360) | (759,420) |
| (d) Deferred tax assets nonadmitted | (428,208) | - | (428,208) | - | - | - | (428,208) | - | (428,208) |
| (e) Net admitted deferred tax asset (1c-1d) | (55,515) | 168,745 | 113,231 | 854,753 | 446,105 | 1,300,858 | (910,268) | (277,360) | (1,187,628) |
| (f) Deferred tax liabilities | (8,128) | - | (8,128) | (2,188) | - | (2,188) | (5,940) | - | (5,940) |
| (g) Net admitted deferred tax assets / (liabilities) (1e-1f) | (63,643) | 168,745 | 105,103 | 852,565 | 446,105 | 1,298,670 | (916,208) | (277,360) | (1,193,568) |

(2) Admission calculation components per SSAP No. 101, Income Taxes - A Replacement of SSAP No. 10R and SSAP No. 10

| | 2014 | | | 2013 | | | Change | | |
|---|------------------|-----------------|-----------------|------------------|-----------------|---------------|------------------|-----------------|---------------|
| | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| (a) Federal taxes paid in prior years that can be recovered through loss carrybacks, by tax character | 105,103 | - | 105,103 | - | - | - | 105,103 | - | 105,103 |
| (b) Amount of adjusted gross DTAs expected to be realized (excluding amount of DTAs report in 9A(2)(a) above) after application of threshold limitation, by tax character (lesser of 2(b)1 and 2(b)2 below) | - | - | - | - | - | - | - | - | - |
| 1 Amount of adjusted gross DTAs, expected to be realized within the applicable period following the balance sheet date, by tax character (see Realization Threshold Limitation Table) | - | - | - | - | - | - | - | - | - |
| 2 Amount of applicable percentage of statutory capital and surplus as required to be shown on the statutory balance sheet adjusted to exclude any net DTAs, EDP equipment and operating system software and any net positive goodwill. (see Realization Threshold Limitation Table) | xxx | xxx | 2,226,097 | xxx | xxx | 4,000,000 | xxx | xxx | (1,773,903) |
| (c) Amount of adjusted gross DTAs (excluding amount of DTAs reported in 9A(2)a and 9A(2)b that can be offset against existing gross DTLs, by tax character | 8,128 | - | 8,128 | - | - | - | 8,128 | - | 8,128 |
| (d) Amount of DTAs admitted as result of application of SSAP No. 101 by tax character (the sum of 9A(2)a, 9A(2)b and 9A(2)c) | 113,231 | - | 113,231 | - | - | - | 113,231 | - | 113,231 |
| (3) | 2014 Percentage | | 2013 Percentage | | | | | | |
| (a) Ratio percentage used to determine recovery period and threshold limitation amount | 1236% | | | | | | | | |
| (b) Amount of adjusted capital & surplus used to determine recovery period and threshold limitation in 2(b)2 above | 16,240,672 | | | | | | | | |
| (4) Impact of Tax Planning Strategies on DTAs are as follows: | 2014 | | | 2013 | | | Change | | |
| | Ordinary Percent | Capital Percent | Total Percent | Ordinary Percent | Capital Percent | Total Percent | Ordinary Percent | Capital Percent | Total Percent |
| (a) Adjusted Gross DTAs (% of total adjusted gross DTAs) | 5% | 3% | 8% | 3% | 1% | 4% | 2% | 2% | 4% |
| (b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs) | 4% | 1% | 5% | 4% | 2% | 6% | 0% | -1% | -1% |

(c) The Company's tax-planning strategies include the use of reinsurance-related tax-planning strategies.

NOTES TO FINANCIAL STATEMENTS**B. Unrecognized deferred tax liabilities**

- (1) There are no temporary differences for which deferred tax liabilities are not recognized.
- (2) The cumulative amount of each type of temporary difference is zero.
- (3) The amount of unrecognized DTL for temporary differences related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration is zero.
- (4) The amount of the DTL for temporary differences other than those in item (3) above that is not recognized is zero.

| (1) Current income tax: | 2014 | 2013 | Change |
|--|------|------|--------|
| Foreign income taxes | - | - | - |
| Subtotal | - | - | - |
| Federal income tax on net capital gains | - | - | - |
| Utilization of capital loss carry-forwards | - | - | - |
| Utilization of operating loss carry-forwards | - | - | - |
| Other | - | - | - |
| Federal and foreign income taxes incurred | - | - | - |

- (2) Deferred income tax assets and liabilities consist of the following major components:

| | 2014 | 2013 | Change |
|--|------------------|------------------|--------------------|
| Deferred tax assets: | | | |
| Ordinary: | | | |
| Life Reserve Discounting | 36,524 | 26,333 | 10,192 |
| Deferred Acquisition Costs | 66,594 | 79,210 | (12,616) |
| Fixed Assets | 418,010 | 446,105 | (28,096) |
| AMT Credit | 230,812 | 170,303 | 60,509 |
| Non-Admitted Assets | 687,672 | 578,908 | 108,765 |
| Operating Loss Carryforward | - | - | - |
| Other | - | - | - |
| Subtotal | 1,439,613 | 1,300,858 | 138,754 |
| Statutory valuation allowance adjustments | (648,910) | - | (648,910) |
| Nonadmitted | (428,208) | - | (428,208) |
| Admitted Ordinary Deferred Tax Assets | 362,495 | 1,300,858 | (938,363) |
| | 249,264 | 1,300,858 | |
| Capital: | | | |
| OTI | - | - | - |
| Investments | - | - | - |
| Capital loss carryforward | - | - | - |
| Other | - | - | - |
| Subtotal | - | - | - |
| Statutory valuation allowance adjustments | (249,264) | - | (249,264) |
| Nonadmitted | - | - | - |
| Admitted Capital Deferred Tax Assets | (249,264) | - | (249,264) |
| Admitted Deferred Tax Assets: | 113,231 | 1,300,858 | (1,187,628) |

Deferred tax liabilities:
Ordinary:

NOTES TO FINANCIAL STATEMENTS

| | | | |
|--|---------|-----------|-------------|
| Life Reserve Discounting | - | - | - |
| Fixed Assets | - | - | - |
| Deferred and Uncollected Premiums | (8,128) | (2,188) | (5,940) |
| Other | - | - | - |
| Subtotal: | (8,128) | (2,188) | (5,940) |
| Capital: | | | |
| Investments | - | - | - |
| Other | - | - | - |
| Subtotal: | - | - | - |
| Deferred Tax Liability | (8,128) | (2,188) | (5,940) |
| Net admitted deferred tax asset (liability) | 105,103 | 1,298,670 | (1,193,568) |

The valuation allowance adjustment to gross deferred tax assets as of December 31, 2011 was \$199,250. The valuation allowance adjustment at 2012 decreased due to premium rate increases which are expected to create taxable income for 2011 and into the future. Previous valuation allowances were based on the lack of taxable income generated by the Company.

D. The Company's income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 34% to income before income taxes as follows:

| | Statutory pre-tax net income | Amount | Effective tax rate (%) |
|---|------------------------------|-----------|------------------------|
| Provisions computed at statutory rate | 1,858,380 | 631,849 | 34.0% |
| Small company deduction | | (356,104) | -19.2% |
| Tax exempt interest deduction | | - | 0.0% |
| Dividends received deduction | | (2,626) | -0.1% |
| Proration of tax exempt investment income | | - | 0.0% |
| Disallowed travel and entertainment | | 742 | 0.0% |
| IMR in operating income | | - | 0.0% |
| Accrual adjustment - prior year | | - | 0.0% |
| Change in statutory valuation reserve | | 898,174 | 48.3% |
| Change in nonadmitted assets | | 108,765 | 5.9% |
| Other | | - | 0.0% |
| Totals | | 1,280,800 | 68.9% |
| Federal and foreign income taxes incurred | | - | 0.0% |
| Realized capital gains (losses) tax | | - | 0.0% |
| Change in net deferred income taxes | | 982,889 | 52.9% |
| Total statutory income taxes | | 982,889 | 52.9% |
| | | 297,911 | 0 |

E. Operating loss carryforward

| | |
|----|-----------|
| -1 | \$406,000 |
| -2 | \$270,285 |

or

The Company's federal income tax return is consolidated with the following entities:

Model Subsidiary Life
Leasing Company
Community Advisors
Financial Corporation

on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

NOTES TO FINANCIAL STATEMENTS

10. On February 15, 2007, American Savings Life Insurance Company purchased 325,000 shares as 100% ownership of 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 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 2014 plan contribution was \$64,099.
- In October 2007 the Company began an employee compensation in stock benefit plan available to employees, officers or directors. The terms of the plan allows employees, officers or directors to specify up to 50% of their total compensation to be taken as shares of Company stock. The allocation price of the stock is 100% of the (non-audited) GAAP book value for the month preceding enrollment. During 2014, 15,729 shares of American Savings Life Insurance Company common stock have been purchased under the plan for a total of \$56,118. The October 2014 enrollment stock price is \$3.642 per share.
13. Capital and Surplus
- (1) The Company has 10,000,000,000 shares authorized, 9,262,296 shares issued and 4,755,107 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 the lesser of 10% of its available surplus funds or 100% of the prior years net operating income of the business.
- (4) N/A
- (5) 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.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) N/A
- (8) N/A
- (9) N/A
- (10) The portion of surplus represented or reduced by each item below is as follows:
- | | | |
|--|----|-------------|
| a.. unrealized gains or losses | \$ | 69,398 |
| b. nonadmitted asset values | | (2,022,566) |
| c. separate account business | | -0- |
| d. asset valuation reserve | | (1,400,026) |
| e. reinsurance in unauthorized companies | | -0- |
- (11) N/A
- (12) N/A
- (13) N/A
14. N/A
15. N/A
16. N/A
17. N/A
18. N/A
19. N/A
20. Fair Value Measurements at 12/31/2014
- | Common Stock | Level 1 | Level 2 | Level 3 |
|--------------------|------------|---------|---------|
| Industrial & Misc. | \$ 557,840 | | |

NOTES TO FINANCIAL STATEMENTS

21. G. The Company defines subprime loans as loans with an interest rate above prime and an initial loan to property value above 50%. The Company does not lend above 65% loan to value using this buffer to reduce exposure to loss due to changes in asset value. All amounts held in subprime mortgage loans are:

| | Book Adj Value | Fair Value | Value of Land & Buildings |
|--|---------------------|---------------------|---------------------------|
| Subprime mortgages in process of foreclosure | \$ 357,916 | \$ 357,918 | \$ 500,000 |
| Subprime mortgages in good standing | <u>\$24,224,459</u> | <u>\$24,224,459</u> | <u>\$56,328,050</u> |
| Total subprime mortgages | \$24,582,375 | \$24,582,375 | \$56,828,050 |

One subprime loans with a balance of \$357,916 were in process of foreclosure at December 31, 2014 with no impairment losses. The current default rate for subprime loans is 1.46%

22. N/A

23. N/A

24. N/A

25. N/A

26. N/A

27. N/A

28. N/A

29. For the reporting period ended December 31, 2014, premiums under individual life participating policies were \$56,257 or 37.3% of total life 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 \$40,242 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. No policies have a gross premium less than required net premiums.

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 |
|---|--------------|------------------|
| (2) At book value less current surrender charge of 5% or more | \$8,880,718 | 29.34% |
| (5) At book value (minimal or no charge or adjustment) | \$21,386,523 | 70.66% |

Reconciliation of Total Deposit Fund Liabilities

| | |
|---|--------------|
| (1) Exhibit 5, Annuities, Total (net) | \$23,085,022 |
| (3) Exhibit of Deposit Contracts, line 14 | \$7,182,218 |

33. A. Deferred and uncollected life insurance premiums as of December 31, 2014 were as follows:

| Type | Deferred and Uncollected Premiums Gross | Net of Loading |
|---------------------------|---|-----------------|
| (2) Ordinary new business | 977 | 819 |
| (3) Ordinary renewal | <u>\$13,551</u> | <u>\$10,866</u> |
| (7) Totals | \$14,528 | \$11,685 |

34. N/A

35. N/A

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 2014 | 2 2013 | 3 2012 | 4 2011 | 5 2010 |
|---|------------|------------|------------|------------|------------|
| Life Insurance in Force (Exhibit of Life Insurance) | | | | | |
| 1. Ordinary - whole life and endowment (Line 34, Col. 4)..... | 14,463 | 13,329 | 12,267 | 12,366 | 12,508 |
| 2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)..... | 1,164 | 1,164 | 1,175 | 1,156 | 1,169 |
| 3. Credit life (Line 21, Col. 6)..... | | | | | |
| 4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)..... | | | | | |
| 5. Industrial (Line 21, Col. 2)..... | | | | | |
| 6. FEGLI/SGLI (Lines 43 & 44, Col. 4)..... | | | | | |
| 7. Total (Line 21, Col. 10)..... | 15,627 | 14,493 | 13,442 | 13,522 | 13,677 |
| New Business Issued (Exhibit of Life Insurance) | | | | | |
| 8. Ordinary - whole life and endowment (Line 34, Col. 2)..... | 1,340 | 1,693 | 474 | 350 | 415 |
| 9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)..... | | | | | |
| 10. Credit life (Line 2, Col. 6)..... | | | | | |
| 11. Group (Line 2, Col. 9)..... | | | | | |
| 12. Industrial (Line 2, Col. 2)..... | | | | | |
| 13. Total (Line 2, Col. 10)..... | 1,340 | 1,693 | 474 | 350 | 415 |
| Premium Income - Lines of Business (Exhibit 1-Part 1) | | | | | |
| 14. Industrial life (Line 20.4, Col. 2)..... | | | | | |
| 15.1 Ordinary life insurance (Line 20.4, Col. 3)..... | 149,894 | 147,287 | 176,845 | 140,376 | 141,088 |
| 15.2 Ordinary individual annuities (Line 20.4, Col. 4)..... | 2,205,150 | 6,596,034 | 3,627,244 | 929,509 | 8,202,354 |
| 16. Credit life (group and individual) (Line 20.4, Col. 5)..... | | | | | |
| 17.1 Group life insurance (Line 20.4, Col. 6)..... | | | | | |
| 17.2 Group annuities (Line 20.4, Col. 7)..... | | | | | |
| 18.1 A&H - group (Line 20.4, Col. 8)..... | | | | | |
| 18.2 A&H - credit (group and individual) (Line 20.4, Col. 9)..... | | | | | |
| 18.3 A&H - other (Line 20.4, Col. 10)..... | | | | | |
| 19. Aggregate of all other lines of business (Line 20.4, Col. 11)..... | | | | | |
| 20. Total..... | 2,355,043 | 6,743,321 | 3,804,089 | 1,069,885 | 8,343,442 |
| Balance Sheet (Pages 2 and 3) | | | | | |
| 21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3).... | 50,098,064 | 47,465,485 | 40,852,059 | 36,403,921 | 34,724,215 |
| 22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)..... | 35,437,498 | 32,762,743 | 28,633,138 | 23,853,533 | 22,546,278 |
| 23. Aggregate life reserves (Page 3, Line 1)..... | 25,738,646 | 23,677,003 | 19,239,693 | 15,491,686 | 15,051,219 |
| 24. Aggregate A&H reserves (Page 3, Line 2)..... | | | | | |
| 25. Deposit-type contract funds (Page 3, Line 3)..... | 7,182,218 | 6,357,586 | 6,420,326 | 5,692,751 | 5,177,301 |
| 26. Asset valuation reserve (Page 3, Line 24.01)..... | 1,474,747 | 1,182,745 | 1,889,247 | 1,634,716 | 1,338,911 |
| 27. Capital (Page 3, Lines 29 & 30)..... | 926,230 | 924,657 | 923,839 | 923,283 | 922,607 |
| 28. Surplus (Page 3, Line 37)..... | 13,734,337 | 13,778,086 | 11,295,082 | 11,627,105 | 11,255,330 |
| Cash Flow (Page 5) | | | | | |
| 29. Net Cash from operations (Line 11)..... | 3,469,216 | 7,233,004 | 5,466,435 | 2,867,019 | 9,568,526 |
| Risk-Based Capital Analysis | | | | | |
| 30. Total adjusted capital..... | 16,135,314 | 15,885,487 | 14,108,168 | 14,185,104 | 13,516,848 |
| 31. Authorized control level risk-based capital..... | 1,445,965 | 1,313,571 | 1,197,275 | 1,002,971 | 1,049,544 |
| Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0 | | | | | |
| 32. Bonds (Line 1)..... | 5.6 | 6.4 | 5.4 | 1.4 | 1.5 |
| 33. Stocks (Lines 2.1 and 2.2)..... | 1.1 | 1.2 | 0.1 | 0.1 | 1.1 |
| 34. Mortgage loans on real estate (Lines 3.1 and 3.2)..... | 68.8 | 68.7 | 70.2 | 67.5 | 70.0 |
| 35. Real estate (Line 4.1, 4.2 and 4.3)..... | 9.1 | 9.5 | 9.2 | 10.9 | 9.2 |
| 36. Cash, cash equivalents and short-term investments (Line 5)..... | 13.4 | 11.3 | 13.4 | 19.7 | 18.0 |
| 37. Contract loans (Line 6)..... | 0.1 | 0.2 | 0.3 | 0.3 | 0.3 |
| 38. Derivatives (Line 7)..... | | | | | |
| 39. Other invested assets (Line 8)..... | 1.8 | 2.7 | 1.5 | | |
| 40. Receivables for securities (Line 9)..... | | | | | |
| 41. Securities lending reinvested collateral assets (Line 10)..... | | | | | |
| 42. Aggregate write-ins for invested assets (Line 11)..... | | | | | |
| 43. Cash, cash equivalents and invested assets (Line 12)..... | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Annual Statement for the year 2014 of the **American Savings Life Insurance Company**
FIVE-YEAR HISTORICAL DATA

(continued)

| | 1 2014 | 2 2013 | 3 2012 | 4 2011 | 5 2010 |
|---|------------|-------------|------------|------------|------------|
| Investments in Parent, Subsidiaries and Affiliates | | | | | |
| 44. Affiliated bonds (Sch. D Summary, Line 12 Col. 1)..... | | | | | |
| 45. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1)..... | | | | | |
| 46. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1)..... | 396,812 | 367,101 | 333,615 | 317,153 | 349,979 |
| 47. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10)..... | | | | | |
| 48. Affiliated mortgage loans on real estate | | | | | |
| 49. All other affiliated..... | | | | | |
| 50. Total of above Lines 44 to 49..... | 396,812 | 367,101 | 333,615 | 317,153 | 349,979 |
| 51. Total investment in parent included in Lines 44 to 49 above..... | | | | | |
| Total Nonadmitted and Admitted Assets | | | | | |
| 52. Total nonadmitted assets (Page 2, Line 28, Col. 2)..... | 2,456,039 | 1,702,670 | 1,833,151 | 1,784,788 | 1,394,844 |
| 53. Total admitted assets (Page 2, Line 28, Col. 3)..... | 50,098,064 | 47,465,485 | 40,852,059 | 36,403,921 | 34,724,215 |
| Investment Data | | | | | |
| 54. Net investment income (Exhibit of Net Investment Income)..... | 3,580,808 | 3,481,394 | 2,953,163 | 2,578,762 | 2,171,928 |
| 55. Realized capital gains (losses) (Page 4, Line 34, Column 1)..... | 16,396 | 451,408 | 118,899 | 72,809 | 51,329 |
| 56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)..... | 39,315 | 16,811 | 46,782 | 247,262 | (445,867) |
| 57. Total of above Lines 54, 55 and 56..... | 3,636,519 | 3,949,613 | 3,118,844 | 2,898,833 | 1,777,389 |
| Benefits and Reserve Increase (Page 6) | | | | | |
| 58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11)..... | 1,072,438 | 2,089,944 | 627,697 | 548,515 | 195,359 |
| 59. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11)..... | | | | | |
| 60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3)..... | 38,557 | (1,058,834) | 82,381 | (698,330) | 31,405 |
| 61. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11)..... | | | | | |
| 62. Dividends to policyholders (Line 30, Col 1)..... | 40,242 | 36,980 | 37,109 | 33,270 | 36,047 |
| Operating Percentages | | | | | |
| 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 100.00..... | 22.2 | 9.1 | 11.2 | 23.8 | 5.7 |
| 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 100.00..... | 1.4 | 3.7 | 4.0 | 3.2 | 3.2 |
| 65. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)..... | | | | | |
| 66. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)..... | | | | | |
| 67. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)..... | | | | | |
| A&H Claim Reserve Adequacy | | | | | |
| 68. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2)..... | | | | | |
| 69. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2)..... | | | | | |
| 70. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2)..... | | | | | |
| 71. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2)..... | | | | | |
| Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33) | | | | | |
| 72. Industrial life (Col. 2)..... | | | | | |
| 73. Ordinary - life (Col. 3)..... | 1,246,957 | 2,097,201 | 1,050,388 | 1,556,972 | 725,041 |
| 74. Ordinary - individual annuities (Col. 4)..... | 389,543 | 245,695 | 164,587 | 214,695 | 235,644 |
| 75. Ordinary - supplementary contracts (Col. 5)..... | | | | | |
| 76. Credit life (Col. 6)..... | | | | | |
| 77. Group life (Col. 7)..... | | | | | |
| 78. Group annuities (Col. 8)..... | | | | | |
| 79. A&H - group (Col. 9)..... | | | | | |
| 80. A&H - credit (Col. 10)..... | | | | | |
| 81. A&H - other (Col. 11)..... | | | | | |
| 82. Aggregate of all other lines of business (Col. 12)..... | | | | | |
| 83. Total (Col. 1)..... | 1,636,500 | 2,342,896 | 1,214,976 | 1,771,667 | 960,684 |

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 [X]

If no, please explain: