

**QUARTERLY STATEMENT  
OF THE  
SOUTHWEST CREDIT LIFE, INC.**

**of  
Gallup  
in the state of  
New Mexico**

**TO THE  
Insurance Department  
OF THE STATE OF  
New Mexico**

**FOR THE QUARTER ENDED  
JUNE 30, 2017**

**2017**



# QUARTERLY STATEMENT AS OF JUNE 30, 2017 OF THE CONDITION AND AFFAIRS OF THE SOUTHWEST CREDIT LIFE, INC.

NAIC Group Code	0000	0000	NAIC Company Code	91448	Employer's ID Number	85-0274677
	(Current Period)	(Prior Period)				
Organized under the Laws of	New Mexico		State of Domicile or Port of Entry	NM		
Country of Domicile	United States of America					
Incorporated/Organized	01/15/1979		Commenced Business	06/14/1979		
Statutory Home Office	701 West Coal Avenue		Gallup, NM, US 87301			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	701 West Coal Avenue		Gallup, NM, US 87301			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Mail Address	P.O. Box 1377		Gallup, NM, US 87305			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	701 West Coal Avenue		Gallup, NM, US 87301			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Internet Web Site Address	N/A		(505)722-6621			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Statutory Statement Contact	Cynthia Gail Knight		(505)722-6621-1003			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	cindyk@gurleymotor.com		(505)863-9091			
	(E-Mail Address)		(Fax Number)			

## OFFICERS

Name	Title
Steven Patrick Gurley	President
Cynthia Gail Knight	Vice-President
Cynthia Gail Knight	Treasurer
Loretta Mescal	Secretary

## OTHERS

### DIRECTORS OR TRUSTEES

Steven Patrick Gurley	Cynthia Gail Knight
Loretta Mescal	Burke Stansberry
Salvador Murillo	Donna Swoboda

State of           New Mexico            
County of           McKinley           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.

(Signature)	(Signature)	(Signature)
Steven Patrick Gurley	Cynthia Gail Knight	Loretta Mescal
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Vice President/Treasurer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017

- a. Is this an original filing?  
b. If no, 1. State the amendment number  
2. Date filed  
3. Number of pages attached

Yes[X] No[ ]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Notary Public Signature)

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	406,101		406,101	301,953
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....179,318), cash equivalents (\$.....0) and short-term investments (\$.....0) .....	179,318		179,318	309,226
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	585,419		585,419	611,179
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	547		547	208
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....	355		355	369
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustments in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....0) and other amounts receivable .....				
25. Aggregate write-ins for other-than-invested assets .....				
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	586,321		586,321	611,756
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	586,321		586,321	611,756
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....560 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve) .....	560	938
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve) .....		
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve) .....		
4. Contract claims:		
4.1 Life .....	5,000	5,000
4.2 Accident and health .....		
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid .....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco) .....		
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 & health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums .....		
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 .....	62	125
10. Commissions to agents due or accrued-life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0 .....		
11. Commissions and expense allowances payable on reinsurance assumed .....		
12. General expenses due or accrued .....		
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 .....	(1,614)	(1,614)
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses) .....		
15.2 Net deferred tax liability .....		
16. Unearned investment income .....		
17. Amounts withheld or retained by company as agent or trustee .....		
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 .....		0
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 .....		
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) .....	4,008	4,449
27. From Separate Accounts Statement .....		
28. Total Liabilities (Lines 26 and 27) .....	4,008	4,449
29. Common capital stock .....	604,440	604,440
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus notes .....		
33. Gross paid in and contributed surplus .....	66,728	66,728
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	985,681	1,010,675
36. Less treasury stock, at cost:		
36.1 .....650 shares common (value included in Line 29 \$.....299,000) .....	1,074,536	1,074,536
36.2 .....0 shares preferred (value included in Line 30 \$.....0) .....		
37. Surplus (Total Lines 31 to 35, Less 36) (including \$.....0 in Separate Accounts Statement) .....	(22,127)	2,867
38. Totals of Lines 29, 30 and 37 .....	582,313	607,307
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....	586,321	611,756
<b>DETAILS OF WRITE-INS</b>		
2501. ....		
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....		
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....		
3199. TOTALS (Lines 3101 through 3103 plus 3198) (Line 31 above) .....		
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page .....		
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....		

## SUMMARY OF OPERATIONS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	(9)	(638)	(1,175)
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	667	5,018	5,363
4. Amortization of Interest Maintenance Reserve (IMR)	63	191	382
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded			
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			
9. Totals (Lines 1 to 8.3)	721	4,571	4,570
10. Death benefits			(5,000)
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits			
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			
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds			
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health contracts	(378)	(4,006)	(10,436)
20. TOTALS (Lines 10 to 19)	(378)	(4,006)	(15,436)
21. Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only)			
22. Commissions and expense allowances on reinsurance assumed			
23. General insurance expenses	25,249	13,854	47,731
24. Insurance taxes, licenses and fees, excluding federal income taxes	830	899	1,099
25. Increase in loading on deferred and uncollected premiums			
26. Net transfers to or (from) Separate Accounts, net of reinsurance			
27. Aggregate write-ins for deductions			
28. Totals (Lines 20 to 27)	25,701	10,747	33,394
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(24,980)	(6,176)	(28,824)
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(24,980)	(6,176)	(28,824)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	14	75	391
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)	(24,994)	(6,251)	(29,215)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$.....0 transferred to the IMR)			
35. Net income (Line 33 plus Line 34)	(24,994)	(6,251)	(29,215)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year	607,307	635,493	635,493
37. Net Income (Line 35)	(24,994)	(6,251)	(29,215)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0			
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax			
41. Change in nonadmitted assets			
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		20	1,029
45. Change in treasury stock			
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			
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			
53. Aggregate write-ins for gains and losses in surplus			
54. Net change in capital and surplus (Lines 37 through 53)	(24,994)	(6,231)	(28,186)
55. Capital and surplus as of statement date (Lines 36 + 54)	582,313	629,262	607,307
<b>DETAILS OF WRITE-INS</b>			
08.301.			
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)			
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)			
5301.			
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above)			

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	(9)	(638)	(1,175)
2. Net investment income .....	1,397	7,029	8,532
3. Miscellaneous income .....			
4. TOTAL (Lines 1 to 3) .....	1,388	6,391	7,357
5. Benefit and loss related payments .....			
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	26,079	14,755	48,830
8. Dividends paid to policyholders .....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....			
10. TOTAL (Lines 5 through 9) .....	26,079	14,755	48,830
11. Net cash from operations (Line 4 minus Line 10) .....	(24,691)	(8,364)	(41,473)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....		250,000	300,000
12.2 Stocks .....			
12.3 Mortgage loans .....			
12.4 Real estate .....			
12.5 Other invested assets .....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....			
12.7 Miscellaneous proceeds .....			
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....		250,000	300,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	105,217	252,906	303,217
13.2 Stocks .....			
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			
13.6 Miscellaneous applications .....			
13.7 TOTAL investments acquired (Lines 13.1 to 13.6) .....	105,217	252,906	303,217
14. Net increase (or decrease) in contract loans and premium notes .....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(105,217)	(2,906)	(3,217)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			
16.2 Capital and paid in surplus, less treasury stock .....			
16.3 Borrowed funds .....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....			
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied) .....		(153)	(181)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....		(153)	(181)
<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) .....	(129,908)	(11,423)	(44,871)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	309,226	354,097	354,097
19.2 End of period (Line 18 plus Line 19.1) .....	179,318	342,674	309,226

**Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:**

20.0001				
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## EXHIBIT 1

### DIRECT PREMIUMS AND DEPOSIT - TYPE CONTRACTS

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1.	Industrial life .....			
2.	Ordinary life insurance .....			
3.	Ordinary individual annuities .....			
4.	Credit life (group and individual) .....	(9)	(638)	(1,175)
5.	Group life insurance .....			
6.	Group annuities .....			
7.	A & H - group .....			
8.	A & H - credit (group and individual) .....			
9.	A & H - other .....			
10.	Aggregate of all other lines of business .....			
11.	Subtotal .....	(9)	(638)	(1,175)
12.	Deposit-type contracts .....			
13.	Total .....	(9)	(638)	(1,175)
<b>DETAILS OF WRITE-INS</b>				
1001.	.....			
1002.	.....			
1003.	.....			
1098.	Summary of remaining write-ins for Line 10 from overflow page .....			
1099.	Totals (Lines 1001 through 1003 plus 1098) (Line 10 above) .....			

## Notes to Financial Statement

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

#### A. Accounting Practices

The financial statements of Southwest Credit Life, Inc. are presented on the basis of accounting practices prescribed or permitted by the New Mexico Division of Insurance.

The New Mexico Division of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of New Mexico for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New Mexico Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of New Mexico. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. In addition, the Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of New Mexico is shown below:

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
(1) Net Income New Mexico basis	\$(24,994)	\$(29,215)
(2) State Prescribed Practices (Income):	NONE	NONE
(3) State Permitted Practices (Income):	NONE	NONE
(4) Net Income, NAIC SAP	\$(24,994)	\$(29,215)
(5) Statutory Surplus New Mexico basis	\$582,313	\$607,307
(6) State Prescribed Practices (Surplus):	NONE	NONE
(7) State Permitted Practices (Surplus):	NONE	NONE
(8) Statutory Surplus, NAIC SAP	\$582,313	\$607,307

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

No Change.

#### C. Accounting Policy

No Change.

#### D. Going Concern

No Change.

### 2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

A. Accounting Changes: None

B. Correction of Errors: None

### 3. BUSINESS COMBINATIONS AND GOODWILL

No Change.

### 4. DISCONTINUED OPERATIONS

No Change.

### 5. INVESTMENTS

A.-C.: No Change.

D. Loan-Backed Securities: The Company does not have loan backed securities.

E. Repurchase Agreements & Securities Lending - The Company has no investments in



## Notes to Financial Statement

repurchase agreements or securities lending transactions.

All Others: No Change.

### 6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No Change.

### 7. INVESTMENT INCOME

No Change.

### 8. DERIVATIVE INSTRUMENTS

No Change.

### 9. INCOME TAXES

No Change.

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

No Change.

### 11. DEBT

No Change.

### 12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

A. Defined Benefit Plans: N/A

All Others: No Change.

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

No Change.

### 14. CONTINGENCIES

No Change.

### 15. LEASES

No Change.

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

No Change.

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

A. Transfers of Receivables Reported as Sales: No Change.

B. Transfer and Servicing of Financial Assets: NONE.

C. Wash Sales: NONE.

### 18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

No Change.

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

No Change.

### 20. FAIR VALUE MEASUREMENTS

Not Applicable.

## Notes to Financial Statement

21. OTHER ITEMS

No Change.

22. EVENTS SUBSEQUENT

No Change.

23. REINSURANCE

No Change.

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

No Change.

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

The Company had no material change in the provision for incurred loss and loss adjustment expenses attributable to insured events of prior years.

26. INTERCOMPANY POOLING ARRANGEMENTS

No Change.

27. STRUCTURED SETTLEMENTS

No Change.

28. HEALTH CARE RECEIVABLES

No Change.

29. PARTICIPATING POLICIES

No Change.

30. PREMIUM DEFICIENCY RESERVES

No Change.

31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

No Change.

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

No Change.

33. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

No Change.

34. SEPARATE ACCOUNTS

No Change.

35. LOSS/CLAIM ADJUSTMENT EXPENSES

No Change.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[ ] No[ ] N/A[X]
  
- 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 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[ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[ ] No[X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
  
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[ ] No[ ] N/A[X]  
If yes, attach an explanation.
  
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2012 .....
- 6.2 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. ..... 12/31/2012 .....
- 6.3 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). ..... 10/24/2013 .....
- 6.4 By what department or departments?  
NEW MEXICO DEPARTMENT OF INSURANCE
- 6.5 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]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]
  
- 7.1 Has this 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]
- 7.2 If yes, give full information
  
- 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[ ] No[X]
- 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
.....	.....	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

- 9.1 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.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[ ] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 0

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[ ] No[X]
- 11.2 If yes, give full and complete information relating thereto:
  
- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ ..... 0
- 13. Amount of real estate and mortgages held in short-term investments: \$ ..... 0

## GENERAL INTERROGATORIES (Continued)

### INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes  No

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....		
14.22 Preferred Stock .....		
14.23 Common Stock .....		
14.24 Short-Term Investments .....		
14.25 Mortgages Loans on Real Estate .....		
14.26 All Other .....		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....		
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes  No

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

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

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

17. 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

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

1 Name of Custodian(s)	2 Custodian Address
Morgan Stanley Smith Barney LLC .....	6565 Americas Pkwy NE, Albuquerque, NM 87110 ...

17.2 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)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes  No

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

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

17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [" that have access to the investment accounts"; " handle securities"]

1 Name of Firm or Individual	2 Affiliation
Morgan Stanley Smith Barney, LLC, Clifford Gramer .....	U .....

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes  No

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes  No

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
149777 .....	Morgan Stanley Smith Barney, LLC, Clifford Gramer .....		Securities Exchange Commission .....	DS .....

## **GENERAL INTERROGATORIES (Continued)**

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?  
18.2 If no, list exceptions:

Yes[X] No[ ]

**GENERAL INTERROGATORIES****PART 2 - LIFE & HEALTH**

	<b>Amount</b>
1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:	
1.1 Long-Term Mortgages in Good Standing	
1.11 Farm Mortgages	\$ ..... 0
1.12 Residential Mortgages	\$ ..... 0
1.13 Commercial Mortgages	\$ ..... 0
1.14 Total Mortgages in Good Standing	\$ ..... 0
1.2 Long-Term Mortgages in Good Standing with Restructured Terms	
1.21 Total Mortgages in Good Standing with Restructured Terms	\$ ..... 0
1.3 Long-Term Mortgage Loans upon which Interest is Overdue more than Three Months	
1.31 Farm Mortgages	\$ ..... 0
1.32 Residential Mortgages	\$ ..... 0
1.33 Commercial Mortgages	\$ ..... 0
1.34 Total Mortgages with Interest Overdue more than Three Months	\$ ..... 0
1.4 Long-Term Mortgage Loans in Process of Foreclosure	
1.41 Farm Mortgages	\$ ..... 0
1.42 Residential Mortgages	\$ ..... 0
1.43 Commercial Mortgages	\$ ..... 0
1.44 Total Mortgages in Process of Foreclosure	\$ ..... 0
1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)	\$ ..... 0
1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61 Farm Mortgages	\$ ..... 0
1.62 Residential Mortgages	\$ ..... 0
1.63 Commercial Mortgages	\$ ..... 0
1.64 Total Mortgages Foreclosed and Transferred to Real Estate	\$ ..... 0
2. Operating Percentages:	
2.1 A&H loss percent	..... 0.000%
2.2 A&H cost containment percent	..... 0.000%
2.3 A&H expense percent excluding cost containment expenses	..... 0.000%
3.1 Do you act as a custodian for health savings accounts?	Yes[ ] No[X]
3.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$ ..... 0
3.3 Do you act as an administrator for health savings accounts?	Yes[ ] No[X]
3.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$ ..... 0

**SCHEDULE S - CEDED REINSURANCE**  
**Showing All New Reinsurance Treaties - Current Year to Date**

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
			<b>N O N E</b>					

# SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

## Current Year To Date - Allocated by States and Territories

	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				
States, Etc.	Active Status						
1. Alabama (AL)	N						
2. Alaska (AK)	N						
3. Arizona (AZ)	N						
4. Arkansas (AR)	N						
5. California (CA)	N						
6. Colorado (CO)	N						
7. Connecticut (CT)	N						
8. Delaware (DE)	N						
9. District of Columbia (DC)	N						
10. Florida (FL)	N						
11. Georgia (GA)	N						
12. Hawaii (HI)	N						
13. Idaho (ID)	N						
14. Illinois (IL)	N						
15. Indiana (IN)	N						
16. Iowa (IA)	N						
17. Kansas (KS)	N						
18. Kentucky (KY)	N						
19. Louisiana (LA)	N						
20. Maine (ME)	N						
21. Maryland (MD)	N						
22. Massachusetts (MA)	N						
23. Michigan (MI)	N						
24. Minnesota (MN)	N						
25. Mississippi (MS)	N						
26. Missouri (MO)	N						
27. Montana (MT)	N						
28. Nebraska (NE)	N						
29. Nevada (NV)	N						
30. New Hampshire (NH)	N						
31. New Jersey (NJ)	N						
32. New Mexico (NM)	L	(9)				(9)	
33. New York (NY)	N						
34. North Carolina (NC)	N						
35. North Dakota (ND)	N						
36. Ohio (OH)	N						
37. Oklahoma (OK)	N						
38. Oregon (OR)	N						
39. Pennsylvania (PA)	N						
40. Rhode Island (RI)	N						
41. South Carolina (SC)	N						
42. South Dakota (SD)	N						
43. Tennessee (TN)	N						
44. Texas (TX)	N						
45. Utah (UT)	N						
46. Vermont (VT)	N						
47. Virginia (VA)	N						
48. Washington (WA)	N						
49. West Virginia (WV)	N						
50. Wisconsin (WI)	N						
51. Wyoming (WY)	N						
52. American Samoa (AS)	N						
53. Guam (GU)	N						
54. Puerto Rico (PR)	N						
55. U.S. Virgin Islands (VI)	N						
56. Northern Mariana Islands (MP)	N						
57. Canada (CAN)	N						
58. Aggregate other alien (OT)	X X X						
59. Subtotal	(a) 1	(9)				(9)	
90. Reporting entity contributions for employee benefits plans	X X X						
91. Dividends or refunds applied to purchase paid-up additions and annuities	X X X						
92. Dividends or refunds applied to shorten endowment or premium paying period	X X X						
93. Premium or annuity considerations waived under disability or other contract provisions	X X X						
94. Aggregate other amounts not allocatable by State	X X X						
95. Totals (Direct Business)	X X X	(9)				(9)	
96. Plus Reinsurance Assumed	X X X						
97. Totals (All Business)	X X X	(9)				(9)	
98. Less Reinsurance Ceded	X X X						
99. Totals (All Business) less Reinsurance Ceded	X X X	(9)				(9)	
<b>DETAILS OF WRITE-INS</b>							
58001	X X X						
58002	X X X						
58003	X X X						
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999. TOTAL (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X						
9401	X X X						
9402	X X X						
9403	X X X						
9498. Summary of remaining write-ins for Line 94 from overflow page	X X X						
9499. TOTAL (Lines 9401 through 9403 plus 9498) (Line 94 above)	X X X						

(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.

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



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

**A. SOUTHWEST CREDIT LIFE, INC.**

(NAIC Company Code: 91448, Federal ID No. 85-0274677)

<u>Name</u>	<u>Title</u>	<u>Ownership Percentage</u>
Steven P. Gurley	Pres./Dir.	25.00%
Erin A. Ingalls		25.00%
Shannon M. O'Donnell		25.00%
Lauren L. Kellerman		25.00%

**B. SOUTHWEST GENERAL INSURANCE COMPANY**

(NAIC Company Code: 27499, Federal ID No. 85-0168089)

<u>Name</u>	<u>Title</u>	<u>Ownership Percentage</u>
Patrick J. Gurley & Carolee Gurley Irrevocable Trust		50.40%
Steven P. Gurley	Pres./Dir.	12.40%
Erin A. Ingalls		12.40%
Shannon M. O'Donnell		12.40%
Lauren L. Kellerman		12.40%

**C. RED ROCK INVESTMENT COMPANY**

(Federal ID No. 85-0086708)

<u>Name</u>	<u>Title</u>	<u>Ownership Percentage</u>
Steven P. Gurley	Pres./Dir.	24.58%
Erin A. Ingalls		24.58%
Shannon M. O'Donnell		24.58%
Lauren L. Kellerman		24.58%
Burke Stansberry		1.68%

**D. GURLEY MOTOR COMPANY**

(Federal ID No. 85-0165743)

<u>Name</u>	<u>Title</u>	<u>Ownership Percentage</u>
Steven P. Gurley	Pres./Dir.	52.00%
Erin A. Ingalls		16.00%
Shannon M. O'Donnell		16.00%
Lauryn L. Kellerman		16.00%

## 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	16
Group Code	Group Name	NAIC Company Code	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)	Is an SCA Filing Required? (Y/N)	*
.....	.....	27499	85-0168089	.....	.....	.....	Southwest General Insurance Company	NM	IA	SEE SCHED Y PART 1	Board of Directors, Management, Influence	.....	SEE SCHED Y PART 1	N	.....
.....	.....	00000	85-0086708	.....	.....	.....	Gurley Motor Company	NM	NIA	SEE SCHED Y PART 1	Board of Directors, Management, Influence	.....	SEE SCHED Y PART 1	N	.....
.....	.....	00000	85-0165743	.....	.....	.....	Red Rock Investment Co.	NM	NIA	SEE SCHED Y PART 1	Board of Directors, Management, Influence	.....	SEE SCHED Y PART 1	N	.....
.....	.....	91448	85-0274677	.....	.....	.....	Southwest Credit Life, Inc.	NM	RE	SEE SCHED Y PART 1	Board of Directors, Management, Influence	.....	SEE SCHED Y PART 1	N	.....

Asterisk	Explanation
0000001	.....

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your 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.

	RESPONSES
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	No
2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	No
3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	No
4. Will the Reasonableness of Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	No
5. 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?	No
6. 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?	No
7. 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?	No

Explanations:

Bar Codes:

Trusteed Surplus Statement



Medicare Part D Coverage Supplement



Reasonableness 1 - Assumptions



Reasonableness 2 - Consistency



Reasonableness 3 - Implied Guarantee



Reasonableness 4 - Ave. Market Value



Reasonableness 5 - Market Value





**SCHEDULE A - VERIFICATION****Real Estate**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other-than-temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10) .....		

**NONE****SCHEDULE B - VERIFICATION****Mortgage Loans**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and mortgage interest points .....		
9. Total foreign exchange change in book value/recorded investment .....		
10. Deduct current year's other-than-temporary impairment recognized .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		
12. Total valuation allowance .....		
13. Subtotal (Line 11 plus Line 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14) .....		

**NONE****SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value .....		
10. Deduct current year's other-than-temporary impairment recognized .....		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....		

**NONE****SCHEDULE D - VERIFICATION****Bonds and Stocks**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	301,953	300,345
2. Cost of bonds and stocks acquired .....	105,217	303,217
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration for bonds and stocks disposed of .....		300,000
7. Deduct amortization of premium .....	1,069	1,609
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) .....	406,101	301,953
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	406,101	301,953

## SCHEDULE D - PART 1B

**Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation**

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	301,420	105,217		(536)	301,420	406,101		301,953
2. NAIC 2 (a) .....								
3. NAIC 3 (a) .....								
4. NAIC 4 (a) .....								
5. NAIC 5 (a) .....								
6. NAIC 6 (a) .....								
7. Total Bonds .....	301,420	105,217		(536)	301,420	406,101		301,953
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....								
9. NAIC 2 .....								
10. NAIC 3 .....								
11. NAIC 4 .....								
12. NAIC 5 .....								
13. NAIC 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	301,420	105,217		(536)	301,420	406,101		301,953

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

QS102

**SCHEDULE DA - PART 1****Short - Term Investments**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals .....		X X X			

**SCHEDULE DA - Verification****Short-Term Investments**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		351,318
2. Cost of short-term investments acquired .....		
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....		351,318
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) .....		

**SI04 Schedule DB - Part A Verification ..... NONE**

**SI04 Schedule DB - Part B Verification ..... NONE**

**SI05 Schedule DB Part C Section 1 ..... NONE**

**SI06 Schedule DB Part C Section 2 ..... NONE**

**SI07 Schedule DB - Verification ..... NONE**

**SI08 Schedule E - Verification (Cash Equivalentents) ..... NONE**



**E01 Schedule A Part 2 ..... NONE**

**E01 Schedule A Part 3 ..... NONE**

**E02 Schedule B Part 2 ..... NONE**

**E02 Schedule B Part 3 ..... NONE**

**E03 Schedule BA Part 2 ..... NONE**

**E03 Schedule BA Part 3 ..... NONE**

## SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>									
3130A8RY1	FEDERAL HOME LOAN BANK		05/04/2017	MORGAN STANLEY	X X X	100,203	100,000	220	1FE
3133EFVC8	FEDERAL FARM CREDIT BANK		06/19/2017	MORGAN STANLEY	X X X	5,014	5,000	21	1FE
0599999	Subtotal - Bonds - U.S. Governments				X X X	105,217	105,000	241	X X X
8399997	Subtotal - Bonds - Part 3				X X X	105,217	105,000	241	X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	105,217	105,000	241	X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	105,217	X X X	241	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

**E05 Schedule D Part 4 ..... NONE**

**E06 Schedule DB Part A Section 1 ..... NONE**

**E07 Schedule DB Part B Section 1 ..... NONE**

**E08 Schedule DB Part D Section 1 ..... NONE**

**E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity ..... NONE**

**E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity ..... NONE**

**E10 Schedule DL - Part 1 - Securities Lending Collateral Assets ..... NONE**

**E11 Schedule DL - Part 2 - Securities Lending Collateral Assets ..... NONE**

**SCHEDULE E - PART 1 - CASH****Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
<b>open depositories</b>									
PINNACLE BANK NEW MEXICO .....	GALLUP, NEW MEXICO .....					4,973	3,383	2,713	X X X
MORGAN STANLEY .....	ALBUQUERQUE, NEW MEXICO .....		0.010	6		289,561	289,152	176,605	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories .....		X X X	X X X						X X X
0199999 Totals - Open Depositories .....		X X X	X X X	6		294,534	292,535	179,318	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories .....		X X X	X X X						X X X
0299999 Totals - Suspended Depositories .....		X X X	X X X						X X X
0399999 Total Cash On Deposit .....		X X X	X X X	6		294,534	292,535	179,318	X X X
0499999 Cash in Company's Office .....		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash .....		X X X	X X X	6		294,534	292,535	179,318	X X X

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
N O N E							
8699999 Total - Cash Equivalents .....							

## **INDEX TO LIFE AND ACCIDENT AND HEALTH QUARTERLY STATEMENT**

Accident and Health; Q3; Q4; Q6; Q11; QSupp3  
Accounting Changes and Corrections of Errors; Q4; Q7, Note 2  
Accounting Practices and Policies; Q7, Note 1  
Admitted Assets; Q2; Q8; QSI01; QSI03; QSI08; QSupp2  
Affiliated Transactions; Q2; Q3; Q7, Note 10; Q8; Q8.1  
Annuities; Q3; Q4; Q6; Q11; QSupp3  
Annuity Actuarial Reserves; Q7, Note 32  
Annuity Benefits; Q4  
Asset Valuation Reserve; Q3; Q4  
Bonds; Q2; Q5; Q8.1; Q8.2; QSI01; QSI02; QE04; QE05; QSupp2  
Business Combinations and Goodwill; Q7, Note 3  
Capital Gains (Losses); Q3; Q4; Q5  
Capital Stock; Q3; Q4; Q7, Note 13  
Capital Notes; Q3; Q5; Q7, Note 11  
Caps; QE06; QSI04  
Cash; Q2; Q5; QSI04; QE12; QSupp2  
Cash Equivalents; Q2; Q5; QSI08; QE13  
Claim Adjustment Expenses; Q7, Note 35  
Claims; Q3; QSupp1  
Coinsurance; Q3  
Collars; QE06; QSI04  
Commissions; Q3; Q4; Q5  
Common Stock; Q2; Q3; Q5; Q7, Note 13; Q8.1; Q8.2; QSI01; QE04; QE05; QSupp2  
Contract Loans; Q2; Q5  
Contingencies; Q7, Note 14  
Counterparty Exposure; Q7, Note 8; QE06; QE08  
Coupons; Q3; Q4  
Credit Life; Q6  
Death Benefits; Q4  
Debt; Q7, Note 11  
Deferred Compensation; Q7, Note 12  
Deposit Liabilities by Withdrawal Characteristics; Q7, Note 32  
Derivative Instruments; Q7, Note 8; QSI04; QSI05; QSI06; QSI07; QE06; QE07; QE08  
Deposit-Type Contracts; Q3; Q4; Q5; Q6; Q11  
Disability Benefits; Q11  
Discontinued Operations; Q7, Note 4  
Dividends or Refunds; Q5; Q11  
Electronic Data Processing Equipment; Q2  
Exchange or Counterparty; QE06; QE07; QE08  
Expenses; Q3; Q4; Q5; QE01  
Experience Rating Refunds; Q3; Q4  
Extinguishment of Liabilities; Q7, Note 17  
Extraordinary Items; Q7, Note 21  
Fair Value; Q7, Note 20  
Federal ID Number; Q10  
Federal Reserve Board; Q8  
Floors; QE06; QSI04  
Foreign Exchange; Q2; Q3; Q4; QSI01; QSI03; QSI08; QE01; QE02; QE03; QE05  
Forwards; QE06; QSI04  
Furniture and Equipment; Q2  
Futures Contracts; QE07; QSI04  
General Insurance Expenses; Q4  
Group Life Insurance; Q6  
Guaranty Fund; Q2  
Health Care Receivables; Q2; Q7, Note 28  
Holding Company; Q8; Q12; Q13  
Income; Q2; Q3; Q4; Q5; QE01; QE03; QE06; QE07; QSupp2  
Income Generation Transactions; QE06; QE07  
Income Taxes; Q2; Q3; Q4; Q5; Q7, Note 9  
Incurred Losses and Loss Adjustment Expenses; Q7, Note 25  
Individual Annuities; Q6  
Industrial Life; Q6  
Insurance Futures Options; QE07  
Intercompany Pooling; Q7, Note 26  
Interest Maintenance Reserve; Q3; Q4  
Investment Income; Q3; Q7, Note 7; QE13  
    Accrued; Q2; QSupp2  
    Earned; Q4  
    Received; Q5  
Investments; Q2; Q3; Q4; Q5; Q7, Note 5; Q8.1; Q8.2; QSI01; QSI03; QSI08; QE01; QE02; QE03; QE04; QE05; QE06; QE07; QE08; QE12; QE13; QSupp2  
Joint Venture; Q7, Note 6; QE03

## INDEX TO LIFE AND ACCIDENT AND HEALTH QUARTERLY STATEMENT

Leases; Q7, Note 15  
Licensing; Q3; Q4; Q8  
Limited Liability Company (LLC); Q7, Note 6; QE03  
Limited Partnership; Q7, Note 6; QE03  
Long-Term Invested Assets; Q5; Q9; QSI01; QE03; QE04; QE05  
Managing General Agents; Q7, Note 19; Q8  
Matured Endowments; Q4  
Medicare Part D Coverage; QSupp5  
Mergers; Q7, Note 3; Q8  
Modco Reserve; Q3  
Mortgage Loans; Q2; Q5; Q8.1; Q9; QSI01; QE02; QSupp2  
Nonadmitted Assets; Q2; Q4; QSI01; QSI03; QSI08  
Non-Cash Transactions; Q5  
Off-Balance Sheet Risk; Q7, Note 16  
Options; Q8.1; QE06; QSI04  
Ordinary Life Insurance; Q6  
Organizational Chart; Q8; Q12  
Other Derivative Transactions; QE06; QE07  
Parent, Subsidiaries and Affiliates; Q2; Q3; Q7, Note 10; Q8.1; Q12  
Participating Policies; Q7, Note 29  
Pharmaceutical Rebates; Q2; Q7, Note 28  
Policies; Q3; QSupp3  
Policyholder Dividends; Q3; Q4; Q5  
Postemployment Benefits; Q7, Note 12  
Postretirement Benefits; Q7, Note 12  
Preferred Stock; Q2; Q3; Q5; Q8.1; Q8.2; QSI01; QSI02; QE04; QE05; QSupp2  
Premium Deficiency Reserves; Q3; Q7, Note 30  
Premiums and Annuity Considerations; Q7, Note 33  
    Advance; Q3  
    Collected; Q4; Q5  
    Deferred; Q2; QSupp3  
    Direct; Q2; Q4; Q6; Q11  
    Uncollected; Q2; QSupp3  
Quasi Reorganizations; Q7, Note 13  
Real Estate; Q2; Q5; Q8.1; Q9; QSI01; QE01; QSupp2  
Redetermination, Contracts Subject to; Q7, Note 24  
Reinsurance; Q7, Note 23  
    Assumed; Q3; Q4; Q10  
    Ceded; Q3; Q4; Q11  
    Funds Held; Q2; Q3  
    Payable; Q3; Q4  
    Receivable; Q2; QSupp3  
    Unauthorized; Q3; Q4; QSupp3  
Replicated (Synthetic) Assets; QSI05; QSI06  
Reserves; Q7, Note 31  
    Accident and Health; Q3; Q4  
    Annuity; Q3  
    Claim; Q3  
    Life; Q3; Q4  
Retirement Plans; Q7, Note 12  
Retrospectively Rated Policies; Q7, Note 24  
Securities Lending; Q2; Q3; QE09; QE11  
Separate Accounts; Q2; Q3; Q4; Q5; Q7, Note 34  
Servicing of Financial Assets; Q7, Note 17  
Short-Term Investments; Q2; Q5; Q8.1; QSI03; QSupp2  
Special Deposits; QSupp2  
Stockholder Dividends; Q3; Q4; Q5  
Structured Settlements; Q7, Note 27  
Subsequent Events; Q7, Note 22  
Supplementary Contracts; Q4  
Surplus; Q3; Q4; Q5; Q7, Note 13; QSupp1; QSupp2; QSupp3  
Surplus Notes; Q3; Q4; Q5; QE03; Q7, Note 13  
Surrender Values; Q3; Q4  
Swaps; QE07; QSI04  
Taxes; Q2; Q3; Q4; Q5; QE01  
Third-Party Administrator; Q7, Note 19; Q8  
Treasury Stock; Q3; Q4; Q5  
Uninsured Accident and Health; Q2; Q3; Q7, Note 18  
Valuation Allowance; QSI01  
Wash Sales; Q7, Note 17