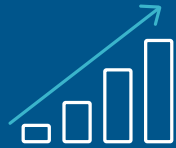


# 2016 FINANCIALS



13 CONSECUTIVE YEARS  
OF STRONG EARNINGS



EXCELLENT BALANCE  
SHEET WITH LOW RISK  
AND HIGH QUALITY



SURPLUS HAS MORE THAN  
DOUBLED IN THE LAST 8 YEARS



\$20 BILLION LIFE  
INSURANCE IN-FORCE

We proudly stood behind our family, paying over \$115 million in policy benefits. In our 13th consecutive year of strong earnings, we had a strong balance sheet with high quality assets, low risk liabilities, and good surplus growth, along with sound risk management and investment strategies.

Dollars in Thousands

## INCOME

Year Ended December 31

	2016	2015
Premium income	\$188,077	\$185,692
Net investment income	55,650	54,568
Other income	13,020	12,903
<b>TOTAL INCOME</b>	<b>256,747</b>	<b>253,163</b>
<b>POLICYHOLDER BENEFITS AND EXPENSES</b>		
Life insurance benefits	66,072	67,383
Accident & health benefits	15,475	15,006
Other policy benefits	35,051	36,300
Increase in reserves	36,742	30,281
Commissions	34,125	34,071
General expenses	43,538	43,573
Taxes other than federal income taxes	7,318	7,312
Dividends to policyholders	1,522	1,488
<b>TOTAL BENEFITS &amp; EXPENSES</b>	<b>239,843</b>	<b>235,414</b>
<b>GAIN FROM OPERATIONS</b>	<b>\$16,904</b>	<b>\$17,749</b>

## LIABILITIES

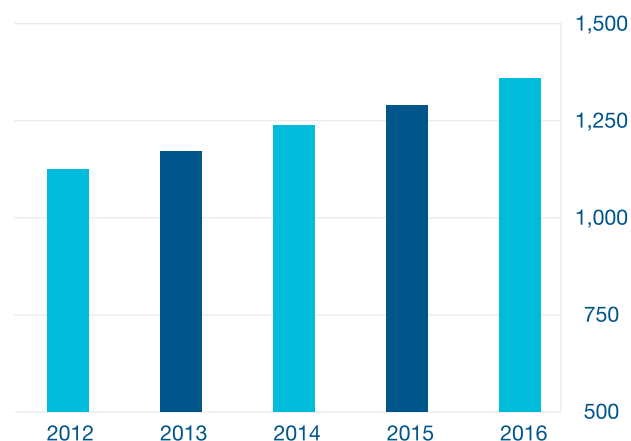
Dollars in Thousands

Year Ended December 31

	2016	2015
Policy reserves	\$1,053,271	\$1,017,579
Policy & contract claims	17,047	15,924
Deposit-type contracts	16,426	16,398
Other policyholder funds	3,886	3,296
Other liabilities	60,772	70,431
Interest maintenance reserve (IMR)	17,930	3,964
Asset valuation reserve	12,386	10,406
<b>TOTAL LIABILITIES</b>	<b>1,181,718</b>	<b>1,137,998</b>
<b>SURPLUS</b>	<b>177,994</b>	<b>159,091</b>
<b>TOTAL LIABILITIES &amp; SURPLUS</b>	<b>\$1,359,712</b>	<b>\$1,297,089</b>

Dollars in Millions

## ASSETS



Dollars in Thousands

## ASSETS

Year Ended December 31

	2016	2015
Bonds	\$807,936	\$781,310
Preferred stocks	0	0
Common stocks	65,125	56,576
Mortgage loans	183,155	165,444
Real estate	8,695	8,531
Policy loans	154,407	148,162
Cash & short term securities	5,770	8,112
Premiums deferred and uncollected	45,612	45,101
Other assets	89,012	83,853
<b>TOTAL ADMITTED ASSETS</b>	<b>\$1,359,712</b>	<b>\$1,297,089</b>