



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2007
OF THE CONDITION AND AFFAIRS OF THE

Standard Life Insurance Company of New York

NAIC Group Code 1348 1348 NAIC Company Code 89009 Employer's ID Number 13-4119477
(Current) (Prior)

Organized under the Laws of New York, State of Domicile or Port of Entry New York

Country of Domicile United States of America

Incorporated/Organized 04/24/2000 Commenced Business 01/01/2001

Statutory Home Office 360 Hamilton Avenue, Suite 210, White Plains, NY 10601-1871
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 360 Hamilton Avenue, Suite 210
(Street and Number)
White Plains, NY 10601-1871, 914-989-4400
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 5031, White Plains, NY 10602-5031
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 360 Hamilton Avenue, Suite 210
(Street and Number)
White Plains, NY 10601-1871, 971-321-7550
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.standard-ny.com

Statutory Statement Contact Will Fundak, 971-321-7550
(Name) (Area Code) (Telephone Number)
wfundak@standard.com, 971-321-7540
(E-mail Address) (FAX Number)

OFFICERS

President & Chief Executive Officer John Gregory Ness Controller Robert Michael Erickson CMA #
Secretary Allison Tonia Stumbo JD Appointed Actuary Sally Ann Manafi FSA

OTHER

DIRECTORS OR TRUSTEES

| | | |
|-------------------------------|--------------------------------|-------------------------------|
| <u>Virginia Lynn Anderson</u> | <u>Marian Jane Barbarino #</u> | <u>Stanley Russel Fallis</u> |
| <u>Wanda Gayle Henton</u> | <u>Stanley John Kulesa</u> | <u>John Gregory Ness</u> |
| <u>Eric Edmond Parsons</u> | <u>Ralph Randall Peterson</u> | <u>John Salvatore Rivello</u> |
| <u>Michael Glenn Thorne</u> | | |

State of Oregon SS:
County of Multnomah

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

John Gregory Ness
President & Chief Executive Officer

Robert Michael Erickson CMA
Controller

Allison Tonia Stumbo JD
Secretary

Subscribed and sworn to before me this
19th day of February 2008

- 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.....

Jessica Durand
Notary Public
04/03/2010

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK

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) | 66,470,412 | 0 | 66,470,412 | 41,055,355 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | 0 | 0 | 0 | 0 |
| 2.2 Common stocks | 0 | 0 | 0 | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | 63,570,711 | 0 | 63,570,711 | 45,677,690 |
| 3.2 Other than first liens | 0 | 0 | 0 | 0 |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$0 encumbrances) | 0 | 0 | 0 | 0 |
| 4.2 Properties held for the production of income (less \$0 encumbrances) | 0 | 0 | 0 | 0 |
| 4.3 Properties held for sale (less \$0 encumbrances) | 0 | 0 | 0 | 0 |
| 5. Cash (\$(1,125,046) , Schedule E - Part 1), cash equivalents (\$0 , Schedule E - Part 2) and short-term investments (\$5,383,706 , Schedule DA) | 4,258,660 | 0 | 4,258,660 | 5,676,467 |
| 6. Contract loans (including \$0 premium notes) | 0 | 0 | 0 | 0 |
| 7. Other invested assets (Schedule BA) | 0 | 0 | 0 | 0 |
| 8. Receivables for securities | 0 | 0 | 0 | 0 |
| 9. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) | 134,299,783 | 0 | 134,299,783 | 92,409,512 |
| 11. Title plants less \$0 charged off (for Title insurers only) | 0 | 0 | 0 | 0 |
| 12. Investment income due and accrued | 1,252,403 | 0 | 1,252,403 | 820,839 |
| 13. Premiums and considerations: | | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | 3,386,068 | 0 | 3,386,068 | 3,078,233 |
| 13.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums) | 14,721 | 0 | 14,721 | 4,830 |
| 13.3 Accrued retrospective premiums | 273,875 | 0 | 273,875 | 225,792 |
| 14. Reinsurance: | | | | |
| 14.1 Amounts recoverable from reinsurers | 1,306,855 | 0 | 1,306,855 | 1,015,402 |
| 14.2 Funds held by or deposited with reinsured companies | 0 | 0 | 0 | 0 |
| 14.3 Other amounts receivable under reinsurance contracts | 483,240 | 0 | 483,240 | 860,751 |
| 15. Amounts receivable relating to uninsured plans | 7,111 | 0 | 7,111 | 19,059 |
| 16.1 Current federal and foreign income tax recoverable and interest thereon | 14,617 | 0 | 14,617 | 291,806 |
| 16.2 Net deferred tax asset | 1,476,159 | 1,302,893 | 173,266 | 236,539 |
| 17. Guaranty funds receivable or on deposit | 0 | 0 | 0 | 0 |
| 18. Electronic data processing equipment and software | 46,095 | 46,095 | 0 | 3,409 |
| 19. Furniture and equipment, including health care delivery assets (\$0) | 456,678 | 456,678 | 0 | 0 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 | 0 | 0 |
| 21. Receivables from parent, subsidiaries and affiliates | 226,869 | 0 | 226,869 | 0 |
| 22. Health care (\$0) and other amounts receivable | 0 | 0 | 0 | 0 |
| 23. Aggregate write-ins for other than invested assets | 136,791 | 90,989 | 45,802 | 47,157 |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) | 143,381,265 | 1,896,655 | 141,484,610 | 99,013,329 |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 | 0 |
| 26. Total (Lines 24 and 25) | 143,381,265 | 1,896,655 | 141,484,610 | 99,013,329 |
| DETAILS OF WRITE-INS | | | | |
| 0901. | | | | |
| 0902. | | | | |
| 0903. | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above) | 0 | 0 | 0 | 0 |
| 2301. Other assets | 136,791 | 90,989 | 45,802 | 47,157 |
| 2302. | 0 | 0 | 0 | 0 |
| 2303. | | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 0 | 0 | 0 | 0 |
| 2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) | 136,791 | 90,989 | 45,802 | 47,157 |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| 1. Aggregate reserve for life contracts \$10,433,190 (Exh. 5, Line 9999999) less \$0 included in Line 6.3 (including \$4,173,275 Modco Reserve) | 10,433,190 | 6,062,012 |
| 2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$30,207,709 Modco Reserve) | 75,519,274 | 50,684,417 |
| 3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$0 Modco Reserve) | 1,692,790 | 1,098,094 |
| 4. Contract claims: | | |
| 4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) | 3,133,012 | 2,168,217 |
| 4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) | 1,619,020 | 1,540,508 |
| 5. Policyholders' dividends \$0 and coupons \$0 due and unpaid (Exhibit 4, Line 10) | 0 | 0 |
| 6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts: | | |
| 6.1 Dividends apportioned for payment (including \$0 Modco) | 0 | 0 |
| 6.2 Dividends not yet apportioned (including \$0 Modco) | 0 | 0 |
| 6.3 Coupons and similar benefits (including \$0 Modco) | 0 | 0 |
| 7. Amount provisionally held for deferred dividend policies not included in Line 6 | 0 | 0 |
| 8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$0 discount; including \$56,547 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14) | 124,734 | 48,144 |
| 9. Contract liabilities not included elsewhere: | | |
| 9.1 Surrender values on canceled contracts | 0 | 0 |
| 9.2 Provision for experience rating refunds, including \$2,380,949 accident and health experience rating refunds | 2,380,949 | 301,721 |
| 9.3 Other amounts payable on reinsurance including \$0 assumed and \$5,865,917 ceded | 5,865,917 | 1,620,308 |
| 9.4 Interest maintenance reserve (IMR, Line 6) | 0 | 0 |
| 10. Commissions to agents due or accrued-life and annuity contracts \$163,079 accident and health \$598,417 and deposit-type contract funds \$0 | 761,496 | 760,271 |
| 11. Commissions and expense allowances payable on reinsurance assumed | 0 | 0 |
| 12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6) | 4,541,191 | 2,949,708 |
| 13. Transfers to Separate Accounts due or accrued (net) (including \$0 accrued for expense allowances recognized in reserves, net of reinsured allowances) | 0 | 0 |
| 14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) | 4,675 | 7,887 |
| 15.1 Current federal and foreign income taxes including \$0 on realized capital gains (losses) | 494,631 | 0 |
| 15.2 Net deferred tax liability | 0 | 0 |
| 16. Unearned investment income | 0 | 0 |
| 17. Amounts withheld or retained by company as agent or trustee | 125,222 | 62,472 |
| 18. Amounts held for agents' account, including \$0 agents' credit balances | 473 | 0 |
| 19. Remittances and items not allocated | 355,661 | 197,488 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 |
| 21. Liability for benefits for employees and agents if not included above | 0 | 0 |
| 22. Borrowed money \$0 and interest thereon \$0 | 0 | 0 |
| 23. Dividends to stockholders declared and unpaid | 0 | 0 |
| 24. Miscellaneous liabilities: | | |
| 24.1 Asset valuation reserve (AVR, Line 16, Col. 7) | 769,680 | 595,465 |
| 24.2 Reinsurance in unauthorized companies | 0 | 0 |
| 24.3 Funds held under reinsurance treaties with unauthorized reinsurers | 0 | 0 |
| 24.4 Payable to parent, subsidiaries and affiliates | 18,122 | 52,148 |
| 24.5 Drafts outstanding | 0 | 0 |
| 24.6 Liability for amounts held under uninsured plans | 5,034 | 5,034 |
| 24.7 Funds held under coinsurance | 0 | 0 |
| 24.8 Payable for securities | 0 | 0 |
| 24.9 Capital notes \$0 and interest thereon \$0 | 0 | 0 |
| 25. Aggregate write-ins for liabilities | 213,374 | 112,124 |
| 26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) | 108,058,445 | 68,266,018 |
| 27. From Separate Accounts Statement | 0 | 0 |
| 28. Total Liabilities (Lines 26 and 27) | 108,058,445 | 68,266,018 |
| 29. Common capital stock | 2,000,000 | 2,000,000 |
| 30. Preferred capital stock | 0 | 0 |
| 31. Aggregate write-ins for other than special surplus funds | 0 | 0 |
| 32. Surplus notes | 0 | 0 |
| 33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) | 38,450,000 | 33,450,000 |
| 34. Aggregate write-ins for special surplus funds | 0 | 0 |
| 35. Unassigned funds (surplus) | (7,023,835) | (4,702,689) |
| 36. Less treasury stock, at cost: | | |
| 36.10 shares common (value included in Line 29 \$0) | 0 | 0 |
| 36.20 shares preferred (value included in Line 30 \$0) | 0 | 0 |
| 37. Surplus (Total Lines 31+32+33+34+35-36) (including \$0 in Separate Accounts Statement) | 31,426,165 | 28,747,311 |
| 38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) | 33,426,165 | 30,747,311 |
| 39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3) | 141,484,610 | 99,013,329 |
| DETAILS OF WRITE-INS | | |
| 2501. Other liabilities | 213,374 | 112,124 |
| 2502. | | |
| 2503. | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 213,374 | 112,124 |
| 3101. | | |
| 3102. | | |
| 3103. | | |
| 3198. Summary of remaining write-ins for Line 31 from overflow page | 0 | 0 |
| 3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) | 0 | 0 |
| 3401. | | |
| 3402. | | |
| 3403. | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | 0 | 0 |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) | 0 | 0 |

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) | 51,409,474 | 44,431,170 |
| 2. Considerations for supplementary contracts with life contingencies | 0 | 0 |
| 3. Net investment income (Exhibit of Net Investment Income, Line 17) | 6,163,385 | 3,855,784 |
| 4. Amortization of interest maintenance reserve (IMR, Line 5) | 445 | 2,456 |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | 0 | 0 |
| 6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1) | 0 | 0 |
| 7. Reserve adjustments on reinsurance ceded | 10,202,004 | 8,431,771 |
| 8. Miscellaneous Income: | | |
| 8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts | 0 | 0 |
| 8.2 Charges and fees for deposit-type contracts | 0 | 0 |
| 8.3 Aggregate write-ins for miscellaneous income | 324 | 0 |
| 9. Total (Lines 1 to 8.3) | 67,775,632 | 56,721,181 |
| 10. Death benefits | 9,699,377 | 6,818,405 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | 0 | 0 |
| 12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) | 0 | 0 |
| 13. Disability benefits and benefits under accident and health contracts | 14,723,401 | 11,703,373 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | 0 | 0 |
| 15. Surrender benefits and withdrawals for life contracts | 85 | 0 |
| 16. Group conversions | 0 | 0 |
| 17. Interest and adjustments on contract or deposit-type contract funds | 213,555 | 182,532 |
| 18. Payments on supplementary contracts with life contingencies | 0 | 0 |
| 19. Increase in aggregate reserves for life and accident and health contracts | 28,502,214 | 22,450,281 |
| 20. Totals (Lines 10 to 19) | 53,138,632 | 41,154,591 |
| 21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) | 4,321,320 | 2,900,817 |
| 22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) | 0 | 0 |
| 23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4) | 8,840,516 | 6,314,807 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3) | 2,188,609 | 1,946,459 |
| 25. Increase in loading on deferred and uncollected premiums | 19,298 | (94,537) |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | 0 | 0 |
| 27. Aggregate write-ins for deductions | 9,608 | 2,686 |
| 28. Totals (Lines 20 to 27) | 68,517,983 | 52,224,823 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | (742,351) | 4,496,358 |
| 30. Dividends to policyholders | 0 | 0 |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | (742,351) | 4,496,358 |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) | 762,955 | 632,551 |
| 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) | (1,505,306) | 3,863,807 |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$(19,094) (excluding taxes of \$4,476 transferred to the IMR) | (156,497) | (37,162) |
| 35. Net income (Line 33 plus Line 34) | (1,661,803) | 3,826,645 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) | 30,747,311 | 24,151,846 |
| 37. Net income (Line 35) | (1,661,803) | 3,826,645 |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$0 | 0 | 0 |
| 39. Change in net unrealized foreign exchange capital gain (loss) | 0 | 0 |
| 40. Change in net deferred income tax | 946,267 | (939,270) |
| 41. Change in nonadmitted assets and related items | (1,009,103) | 20,648 |
| 42. Change in liability for reinsurance in unauthorized companies | 0 | 0 |
| 43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exh. 5A, Line 9999999, Col. 4) | (703,821) | 0 |
| 44. Change in asset valuation reserve | (174,215) | (312,558) |
| 45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1) | 0 | 0 |
| 46. Surplus (contributed to) withdrawn from Separate Accounts during period | 0 | 0 |
| 47. Other changes in surplus in Separate Accounts Statement | 0 | 0 |
| 48. Change in surplus notes | 0 | 0 |
| 49. Cumulative effect of changes in accounting principles | 0 | 0 |
| 50. Capital changes: | | |
| 50.1 Paid in | 0 | 0 |
| 50.2 Transferred from surplus (Stock Dividend) | 0 | 0 |
| 50.3 Transferred to surplus | 0 | 0 |
| 51. Surplus adjustment: | | |
| 51.1 Paid in | 5,000,000 | 4,000,000 |
| 51.2 Transferred to capital (Stock Dividend) | 0 | 0 |
| 51.3 Transferred from capital | 0 | 0 |
| 51.4 Change in surplus as a result of reinsurance | 0 | 0 |
| 52. Dividends to stockholders | 0 | 0 |
| 53. Aggregate write-ins for gains and losses in surplus | 281,528 | 0 |
| 54. Net change in capital and surplus for the year (Lines 37 through 53) | 2,678,854 | 6,595,465 |
| 55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) | 33,426,165 | 30,747,311 |
| DETAILS OF WRITE-INS | | |
| 08.301. Miscellaneous income | 324 | 0 |
| 08.302. | | |
| 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) | 324 | 0 |
| 2701. Fines and penalties | 9,598 | 374 |
| 2702. Miscellaneous expenses | 10 | 2,312 |
| 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) | 9,608 | 2,686 |
| 5301. Change in Modco ceded on account of change in valuation basis | 281,528 | 0 |
| 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) | 281,528 | 0 |

CASH FLOW

| | 1 | 2 |
|---|--------------|--------------|
| | Current Year | Prior Year |
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | 53,557,696 | 44,456,417 |
| 2. Net investment income | 6,095,297 | 4,087,892 |
| 3. Miscellaneous income | 324 | 0 |
| 4. Total (Lines 1 through 3) | 59,653,317 | 48,544,309 |
| 5. Benefit and loss related payments | 9,436,951 | 11,873,046 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 13,758,609 | 9,928,319 |
| 8. Dividends paid to policyholders | 0 | 0 |
| 9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses) | (23,482) | 1,067,010 |
| 10. Total (Lines 5 through 9) | 23,172,078 | 22,868,375 |
| 11. Net cash from operations (Line 4 minus Line 10) | 36,481,239 | 25,675,934 |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 1,639,505 | 2,745,477 |
| 12.2 Stocks | 0 | 0 |
| 12.3 Mortgage loans | 3,195,307 | 1,172,908 |
| 12.4 Real estate | 0 | 0 |
| 12.5 Other invested assets | 0 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 0 | 0 |
| 12.7 Miscellaneous proceeds | 0 | 0 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 4,834,812 | 3,918,385 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 27,286,529 | 8,308,151 |
| 13.2 Stocks | 0 | 0 |
| 13.3 Mortgage loans | 21,383,970 | 25,840,238 |
| 13.4 Real estate | 0 | 0 |
| 13.5 Other invested assets | 0 | 0 |
| 13.6 Miscellaneous applications | 0 | 307,987 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 48,670,499 | 34,456,376 |
| 14. Net increase (decrease) in contract loans and premium notes | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (43,835,687) | (30,537,991) |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock | 5,000,000 | 4,000,000 |
| 16.3 Borrowed funds | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 594,696 | 485,526 |
| 16.5 Dividends to stockholders | 0 | 0 |
| 16.6 Other cash provided (applied) | 341,945 | (1,014,701) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 5,936,641 | 3,470,825 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (1,417,807) | (1,391,232) |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 5,676,467 | 7,067,699 |
| 19.2 End of year (Line 18 plus Line 19.1) | 4,258,660 | 5,676,467 |

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

| | | |
|-------------------------|--|--|
| | | |
|-------------------------|--|--|

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 Total | 2 Industrial Life | Ordinary | | | 6 Credit Life (Group and Individual) | Group | | Accident and Health | | | 12 Aggregate of All Other Lines of Business |
|--|-------------|----------------------|---------------------|---------------------------|------------------------------|---|-------------------------|----------------|---------------------|-------------------------------------|-------------|--|
| | | | 3 Life Insurance | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance (a) | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other | |
| 1. Premiums and annuity considerations for life and accident and health contracts | 51,409,474 | 0 | 96,033 | 0 | 0 | 0 | 16,732,819 | 0 | 34,580,622 | 0 | 0 | 0 |
| 2. Considerations for supplementary contracts with life contingencies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Net investment income | 6,163,383 | 0 | 80,124 | 0 | 0 | 0 | 807,403 | 0 | 5,275,856 | 0 | 0 | 0 |
| 4. Amortization of Interest Maintenance Reserve (IMR) | 446 | 0 | 6 | 0 | 0 | 0 | 58 | 0 | 382 | 0 | 0 | 0 |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Commissions and expense allowances on reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Reserve adjustments on reinsurance ceded | 10,202,004 | 0 | 168,842 | 0 | 0 | 0 | 1,444,667 | 0 | 8,588,495 | 0 | 0 | 0 |
| 8. Miscellaneous Income: | | | | | | | | | | | | |
| 8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.2 Charges and fees for deposit-type contracts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.3 Aggregate write-ins for miscellaneous income | 325 | 0 | 4 | 0 | 0 | 0 | 42 | 0 | 279 | 0 | 0 | 0 |
| 9. Totals (Lines 1 to 8.3) | 67,775,632 | 0 | 345,009 | 0 | 0 | 0 | 18,984,989 | 0 | 48,445,634 | 0 | 0 | 0 |
| 10. Death benefits | 9,699,377 | 0 | 87,966 | 0 | 0 | 0 | 9,611,411 | 0 | 0 | 0 | 0 | 0 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Annuity benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Disability benefits and benefits under accident and health contracts | 14,723,401 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,723,401 | 0 | 0 | 0 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Surrender benefits and withdrawals for life contracts | 85 | 0 | 85 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. Group conversions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Interest and adjustments on contract or deposit-type contract funds | 213,555 | 0 | 1,104 | 0 | 0 | 0 | 132,503 | 0 | 79,948 | 0 | 0 | 0 |
| 18. Payments on supplementary contracts with life contingencies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Increase in aggregate reserves for life and accident and health contracts | 28,502,214 | 0 | 473,575 | 0 | 0 | 0 | 3,193,782 | 0 | 24,834,857 | 0 | 0 | 0 |
| 20. Totals (Lines 10 to 19) | 53,138,632 | 0 | 562,730 | 0 | 0 | 0 | 12,937,696 | 0 | 39,638,206 | 0 | 0 | 0 |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) | 4,321,320 | 0 | 0 | 0 | 0 | 0 | 1,421,569 | 0 | 2,899,751 | 0 | 0 | 0 |
| 22. Commissions and expense allowances on reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. General insurance expenses | 8,840,516 | 0 | 12,782 | 0 | 0 | 0 | 1,314,292 | 0 | 7,513,442 | 0 | 0 | 0 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes | 2,188,608 | 0 | 6,094 | 0 | 0 | 0 | 533,930 | 0 | 1,648,584 | 0 | 0 | 0 |
| 25. Increase in loading on deferred and uncollected premiums | 19,298 | 0 | 5,609 | 0 | 0 | 0 | 13,689 | 0 | 0 | 0 | 0 | 0 |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 27. Aggregate write-ins for deductions | 9,608 | 0 | 125 | 0 | 0 | 0 | 1,258 | 0 | 8,225 | 0 | 0 | 0 |
| 28. Totals (Lines 20 to 27) | 68,517,982 | 0 | 587,340 | 0 | 0 | 0 | 16,222,434 | 0 | 51,708,208 | 0 | 0 | 0 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | (742,350) | 0 | (242,331) | 0 | 0 | 0 | 2,762,555 | 0 | (3,262,574) | 0 | 0 | 0 |
| 30. Dividends to policyholders | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | (742,350) | 0 | (242,331) | 0 | 0 | 0 | 2,762,555 | 0 | (3,262,574) | 0 | 0 | 0 |
| 32. Federal income taxes incurred (excluding tax on capital gains) | 762,955 | 0 | 8,972 | 0 | 0 | 0 | 1,136,790 | 0 | (382,807) | 0 | 0 | 0 |
| 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) | (1,505,305) | 0 | (251,303) | 0 | 0 | 0 | 1,625,765 | 0 | (2,879,767) | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | | | | |
| 08.301. Miscellaneous income | 325 | 0 | 4 | 0 | 0 | 0 | 42 | 0 | 279 | 0 | 0 | 0 |
| 08.302. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 08.303. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) | 325 | 0 | 4 | 0 | 0 | 0 | 42 | 0 | 279 | 0 | 0 | 0 |
| 2701. Miscellaneous expenses | 9,608 | 0 | 125 | 0 | 0 | 0 | 1,258 | 0 | 8,225 | 0 | 0 | 0 |
| 2702. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2703. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) | 9,608 | 0 | 125 | 0 | 0 | 0 | 1,258 | 0 | 8,225 | 0 | 0 | 0 |

(a) Includes the following amounts for FEGLI/SGLI: Line 10, Line 100, Line 160, Line 230, Line 240

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

| | 1 Total | 2 Industrial Life | Ordinary | | | 6 Credit Life (Group and Individual) | Group | |
|--|------------|----------------------|---------------------|---------------------------|------------------------------|---|---------------------|----------------|
| | | | 3 Life Insurance | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance | 8 Annuities |
| Involving Life or Disability Contingencies (Reserves) | | | | | | | | |
| (Net of Reinsurance Ceded) | | | | | | | | |
| 1. Reserve December 31, prior year | 6,062,012 | 0 | 499,880 | 0 | 0 | 0 | 5,562,132 | 0 |
| 2. Tabular net premiums or considerations | 23,151,369 | 0 | 142,186 | 0 | 0 | 0 | 23,009,183 | 0 |
| 3. Present value of disability claims incurred | 3,269,747 | 0 | 0 | 0 | XXX | 0 | 3,269,747 | 0 |
| 4. Tabular interest | 686,416 | 0 | 62,647 | 0 | 0 | 0 | 623,769 | 0 |
| 5. Tabular less actual reserve released | 644,769 | 0 | 0 | 0 | 0 | 0 | 644,769 | 0 |
| 6. Increase in reserve on account of change in valuation basis | 703,821 | 0 | 703,821 | 0 | 0 | 0 | 0 | 0 |
| 7. Other increases (net) | 1,176,294 | 0 | 1,176,294 | 0 | 0 | 0 | 0 | 0 |
| 8. Totals (Lines 1 to 7) | 35,694,428 | 0 | 2,584,828 | 0 | 0 | 0 | 33,109,600 | 0 |
| 9. Tabular cost | 23,600,538 | 0 | 246,217 | 0 | XXX | 0 | 23,354,321 | 0 |
| 10. Reserves released by death | 691,193 | 0 | 18,429 | XXX | XXX | 0 | 672,764 | XXX |
| 11. Reserves released by other terminations (net) | 969,506 | 0 | 642,906 | 0 | 0 | 0 | 326,600 | 0 |
| 12. Annuity, supplementary contract and disability payments involving life contingencies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Net transfers to or (from) Separate Accounts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Total Deductions (Lines 9 to 13) | 25,261,237 | 0 | 907,552 | 0 | 0 | 0 | 24,353,685 | 0 |
| 15. Reserve December 31, current year | 10,433,191 | 0 | 1,677,276 | 0 | 0 | 0 | 8,755,915 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
EXHIBIT OF NET INVESTMENT INCOME

| | | 1 | 2 |
|-----------------------------|---|-----------------------|--------------------|
| | | Collected During Year | Earned During Year |
| 1. | U.S. Government bonds | (a) 114,076 | 114,076 |
| 1.1 | Bonds exempt from U.S. tax | (a) 0 | 0 |
| 1.2 | Other bonds (unaffiliated) | (a) 2,298,338 | 2,625,148 |
| 1.3 | Bonds of affiliates | (a) 0 | 0 |
| 2.1 | Preferred stocks (unaffiliated) | (b) 0 | 0 |
| 2.11 | Preferred stocks of affiliates | (b) 0 | 0 |
| 2.2 | Common stocks (unaffiliated) | 0 | 0 |
| 2.21 | Common stocks of affiliates | 0 | 0 |
| 3. | Mortgage loans | (c) 3,306,844 | 3,410,948 |
| 4. | Real estate | (d) 0 | 0 |
| 5. | Contract loans | 0 | 0 |
| 6. | Cash, cash equivalents and short-term investments | (e) 216,540 | 217,191 |
| 7. | Derivative instruments | (f) 0 | 0 |
| 8. | Other invested assets | 112 | 112 |
| 9. | Aggregate write-ins for investment income | 0 | 0 |
| 10. | Total gross investment income | 5,935,910 | 6,367,475 |
| 11. | Investment expenses | | (g) 71,849 |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g) 0 |
| 13. | Interest expense | | (h) 0 |
| 14. | Depreciation on real estate and other invested assets | | (i) 0 |
| 15. | Aggregate write-ins for deductions from investment income | | 132,241 |
| 16. | Total deductions (Lines 11 through 15) | | 204,090 |
| 17. | Net investment income (Line 10 minus Line 16) | | 6,163,385 |
| DETAILS OF WRITE-INS | | | |
| 0901. | | | |
| 0902. | | | |
| 0903. | | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | 0 | 0 |
| 1501. | Mortgage loan service fee expense | | 132,241 |
| 1502. | | | |
| 1503. | | | |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page | | 0 |
| 1599. | Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) | | 132,241 |

- (a) Includes \$ 69,673 accrual of discount less \$ 289,670 amortization of premium and less \$ 234,209 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ (142,873) accrual of discount less \$ 606 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1 | 2 | 3 | 4 | 5 |
|-----------------------------|--|--|-------------------------------|--|--|---|
| | | Realized Gain (Loss) On Sales or Maturity | Other Realized Adjustments | Total Realized Capital Gain (Loss) (Columns 1 + 2) | Change in Unrealized Capital Gain (Loss) | Change in Unrealized Foreign Exchange Capital Gain (Loss) |
| 1. | U.S. Government bonds | 0 | 0 | 0 | 0 | 0 |
| 1.1 | Bonds exempt from U.S. tax | 0 | 0 | 0 | 0 | 0 |
| 1.2 | Other bonds (unaffiliated) | (3,992) | (7,978) | (11,970) | 0 | 0 |
| 1.3 | Bonds of affiliates | 0 | 0 | 0 | 0 | 0 |
| 2.1 | Preferred stocks (unaffiliated) | 0 | 0 | 0 | 0 | 0 |
| 2.11 | Preferred stocks of affiliates | 0 | 0 | 0 | 0 | 0 |
| 2.2 | Common stocks (unaffiliated) | 0 | 0 | 0 | 0 | 0 |
| 2.21 | Common stocks of affiliates | 0 | 0 | 0 | 0 | 0 |
| 3. | Mortgage loans | (152,163) | 0 | (152,163) | 0 | 0 |
| 4. | Real estate | 0 | 0 | 0 | 0 | 0 |
| 5. | Contract loans | 0 | 0 | 0 | 0 | 0 |
| 6. | Cash, cash equivalents and short-term investments | 0 | 0 | 0 | 0 | 0 |
| 7. | Derivative instruments | 0 | 0 | 0 | 0 | 0 |
| 8. | Other invested assets | 0 | 0 | 0 | 0 | 0 |
| 9. | Aggregate write-ins for capital gains (losses) | 0 | 0 | 0 | 0 | 0 |
| 10. | Total capital gains (losses) | (156,155) | (7,978) | (164,133) | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | |
| 0901. | | | | | | |
| 0902. | | | | | | |
| 0903. | | | | | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 | 0 |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | 0 | 0 | 0 | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
EXHIBIT - 1 PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

| | 1 Total | 2 Industrial Life | Ordinary | | 5 Credit Life (Group and Individual) | Group | | Accident and Health | | | 11 Aggregate of All Other Lines of Business |
|---|-------------|----------------------|---------------------|------------------------------|--|---------------------|----------------|---------------------|---------------------------------------|-------------|--|
| | | | 3 Life Insurance | 4 Individual Annuities | | 6 Life Insurance | 7 Annuities | 8 Group | 9 Credit (Group and Individual) | 10 Other | |
| FIRST YEAR (other than single) | | | | | | | | | | | |
| 1. Uncollected | (222) | 0 | (222) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Deferred and accrued | 18,092 | 0 | 18,092 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Deferred, accrued and uncollected: | | | | | | | | | | | |
| 3.1 Direct | 18,892 | 0 | 18,892 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.3 Reinsurance ceded | 1,022 | 0 | 1,022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.4 Net (Line 1 + Line 2) | 17,870 | 0 | 17,870 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Advance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Line 3.4 - Line 4 | 17,870 | 0 | 17,870 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Collected during year: | | | | | | | | | | | |
| 6.1 Direct | 59,352 | 0 | 59,352 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.3 Reinsurance ceded | 24,125 | 0 | 24,125 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.4 Net | 35,227 | 0 | 35,227 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Line 5 + Line 6.4 | 53,097 | 0 | 53,097 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Prior year (uncollected + deferred and accrued - advance) | 2,347 | 0 | 2,347 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. First year premiums and considerations: | | | | | | | | | | | |
| 9.1 Direct | 74,742 | 0 | 74,742 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.3 Reinsurance ceded | 23,992 | 0 | 23,992 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.4 Net (Line 7 - Line 8) | 50,750 | 0 | 50,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SINGLE | | | | | | | | | | | |
| 10. Single premiums and considerations: | | | | | | | | | | | |
| 10.1 Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RENEWAL | | | | | | | | | | | |
| 11. Uncollected | (2,150,166) | 0 | (924) | 0 | 0 | (1,469,953) | 0 | (679,289) | 0 | 0 | 0 |
| 12. Deferred and accrued | (2,376,885) | 0 | 4,064 | 0 | 0 | 0 | 0 | (2,380,949) | 0 | 0 | 0 |
| 13. Deferred, accrued and uncollected: | | | | | | | | | | | |
| 13.1 Direct | 2,486,334 | 0 | 4,428 | 0 | 0 | 975,274 | 0 | 1,506,632 | 0 | 0 | 0 |
| 13.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13.3 Reinsurance ceded | 7,013,386 | 0 | 1,289 | 0 | 0 | 2,445,227 | 0 | 4,566,870 | 0 | 0 | 0 |
| 13.4 Net (Line 11 + Line 12) | (4,527,052) | 0 | 3,139 | 0 | 0 | (1,469,953) | 0 | (3,060,238) | 0 | 0 | 0 |
| 14. Advance | 124,734 | 0 | 17 | 0 | 0 | 68,170 | 0 | 56,547 | 0 | 0 | 0 |
| 15. Line 13.4 - Line 14 | (4,651,786) | 0 | 3,122 | 0 | 0 | (1,538,123) | 0 | (3,116,785) | 0 | 0 | 0 |
| 16. Collected during year: | | | | | | | | | | | |
| 16.1 Direct | 79,395,651 | 0 | 74,818 | 0 | 0 | 25,780,961 | 0 | 53,539,872 | 0 | 0 | 0 |
| 16.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16.3 Reinsurance ceded | 22,004,609 | 0 | 30,412 | 0 | 0 | 7,419,594 | 0 | 14,554,603 | 0 | 0 | 0 |
| 16.4 Net | 57,391,042 | 0 | 44,406 | 0 | 0 | 18,361,367 | 0 | 38,985,269 | 0 | 0 | 0 |
| 17. Line 15 + Line 16.4 | 52,739,256 | 0 | 47,528 | 0 | 0 | 16,823,244 | 0 | 35,868,484 | 0 | 0 | 0 |
| 18. Prior year (uncollected + deferred and accrued - advance) | 1,380,533 | 0 | 2,246 | 0 | 0 | 90,425 | 0 | 1,287,862 | 0 | 0 | 0 |
| 19. Renewal premiums and considerations: | | | | | | | | | | | |
| 19.1 Direct | 77,693,054 | 0 | 74,928 | 0 | 0 | 25,990,045 | 0 | 51,628,081 | 0 | 0 | 0 |
| 19.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19.3 Reinsurance ceded | 26,334,330 | 0 | 29,645 | 0 | 0 | 9,257,226 | 0 | 17,047,459 | 0 | 0 | 0 |
| 19.4 Net (Line 17 - Line 18) | 51,358,724 | 0 | 45,283 | 0 | 0 | 16,732,819 | 0 | 34,580,622 | 0 | 0 | 0 |
| TOTAL | | | | | | | | | | | |
| 20. Total premiums and annuity considerations: | | | | | | | | | | | |
| 20.1 Direct | 77,767,796 | 0 | 149,670 | 0 | 0 | 25,990,045 | 0 | 51,628,081 | 0 | 0 | 0 |
| 20.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20.3 Reinsurance ceded | 26,358,322 | 0 | 53,637 | 0 | 0 | 9,257,226 | 0 | 17,047,459 | 0 | 0 | 0 |
| 20.4 Net (Lines 9.4 + 10.4 + 19.4) | 51,409,474 | 0 | 96,033 | 0 | 0 | 16,732,819 | 0 | 34,580,622 | 0 | 0 | 0 |

EXHIBIT - 1 PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)

| | 1 Total | 2 Industrial Life | Ordinary | | 5 Credit Life (Group and Individual) | Group | | Accident and Health | | | 11 Aggregate of All Other Lines of Business |
|--|------------|----------------------|---------------------|---------------------------|---|---------------------|----------------|---------------------|------------------------------------|-------------|--|
| | | | 3 Life Insurance | 4 Individual Annuities | | 6 Life Insurance | 7 Annuities | 8 Group | 9 Credit (Group and Individual) | 10 Other | |
| DIVIDENDS AND COUPONS APPLIED (included in Part 1) | | | | | | | | | | | |
| 21. To pay renewal premiums | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. All other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED | | | | | | | | | | | |
| 23. First year (other than single): | | | | | | | | | | | |
| 23.1 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23.3 Net ceded less assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24. Single: | | | | | | | | | | | |
| 24.1 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24.3 Net ceded less assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25. Renewal: | | | | | | | | | | | |
| 25.1 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25.3 Net ceded less assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26. Totals: | | | | | | | | | | | |
| 26.1 Reinsurance ceded (Page 6, Line 6) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26.2 Reinsurance assumed (Page 6, Line 22) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26.3 Net ceded less assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COMMISSIONS INCURRED (direct business only) | | | | | | | | | | | |
| 27. First year (other than single) | 1,822,297 | 0 | 0 | 0 | 0 | 727,815 | 0 | 1,094,482 | 0 | 0 | 0 |
| 28. Single | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29. Renewal | 2,499,023 | 0 | 0 | 0 | 0 | 693,754 | 0 | 1,805,269 | 0 | 0 | 0 |
| 30. Deposit-type contract funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31. Totals (to agree with Page 6, Line 21) | 4,321,320 | 0 | 0 | 0 | 0 | 1,421,569 | 0 | 2,899,751 | 0 | 0 | 0 |

**ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
EXHIBIT 2 - GENERAL EXPENSES**

| | Insurance | | | | 5 Investment | 6 Total |
|--|-----------|--------------------------|----------------|----------------------------------|-----------------|------------|
| | 1 Life | 2 Accident and Health | | 4 All Other Lines of Business | | |
| | | 2 Cost Containment | 3 All Other | | | |
| 1. Rent | 153,023 | 0 | 592,607 | 0 | 2,637 | 748,267 |
| 2. Salaries and wages | 747,114 | 0 | 3,315,489 | 0 | 32,808 | 4,095,411 |
| 3.11 Contributions for benefit plans for employees | 134,351 | 0 | 812,700 | 0 | 5,662 | 952,713 |
| 3.12 Contributions for benefit plans for agents | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.21 Payments to employees under non-funded benefit plans | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.22 Payments to agents under non-funded benefit plans | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.31 Other employee welfare | 15,420 | 0 | 77,786 | 0 | 454 | 93,660 |
| 3.32 Other agent welfare | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.1 Legal fees and expenses | 20 | 0 | 456 | 0 | 178 | 654 |
| 4.2 Medical examination fees | 14,870 | 0 | 145,888 | 0 | 0 | 160,758 |
| 4.3 Inspection report fees | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4 Fees of public accountants and consulting actuaries | 16,249 | 0 | 92,416 | 0 | (179) | 108,486 |
| 4.5 Expense of investigation and settlement of policy claims | 1,511 | 0 | 1,729,028 | 0 | 136 | 1,730,675 |
| 5.1 Traveling expenses | 36,638 | 0 | 60,833 | 0 | 2,053 | 99,524 |
| 5.2 Advertising | 43,330 | 0 | 103,642 | 0 | 622 | 147,594 |
| 5.3 Postage, express, telegraph and telephone | 23,103 | 0 | 118,364 | 0 | 693 | 142,160 |
| 5.4 Printing and stationery | 64,007 | 0 | 114,632 | 0 | 930 | 179,569 |
| 5.5 Cost or depreciation of furniture and equipment | 15,936 | 0 | 80,551 | 0 | 602 | 97,089 |
| 5.6 Rental of equipment | 89 | 0 | 867 | 0 | 0 | 956 |
| 5.7 Cost or depreciation of EDP equipment and software | 2,731 | 0 | 16,234 | 0 | 6,563 | 25,528 |
| 6.1 Books and periodicals | 194 | 0 | 2,350 | 0 | 1,122 | 3,666 |
| 6.2 Bureau and association fees | 8,334 | 0 | 47,913 | 0 | 184 | 56,431 |
| 6.3 Insurance, except on real estate | 4,315 | 0 | 26,573 | 0 | 2,899 | 33,787 |
| 6.4 Miscellaneous losses | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.5 Collection and bank service charges | 22,260 | 0 | 132,324 | 0 | 122 | 154,706 |
| 6.6 Sundry general expenses | 2,155 | 0 | 8,751 | 0 | 6,369 | 17,275 |
| 6.7 Group service and administration fees | 13,968 | 0 | 93,891 | 0 | 0 | 107,859 |
| 6.8 Reimbursements by uninsured plans | 0 | 0 | (80,939) | 0 | 0 | (80,939) |
| 7.1 Agency expense allowance | 0 | 0 | 0 | 0 | 0 | 0 |
| 7.2 Agents' balances charged off (less \$ recovered) | 15 | 0 | 89 | 0 | 0 | 104 |
| 7.3 Agency conferences other than local meetings | 1,415 | 0 | 3,501 | 0 | 0 | 4,916 |
| 9.1 Real estate expenses | 291 | 0 | 2,442 | 0 | 7,994 | 10,727 |
| 9.2 Investment expenses not included elsewhere | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.3 Aggregate write-ins for expenses | 5,735 | 0 | 15,054 | 0 | 0 | 20,789 |
| 10. General expenses incurred | 1,327,074 | 0 | 7,513,442 | 0 | 71,849 | 8,912,365 |
| 11. General expenses unpaid December 31, prior year | 76,690 | 0 | 2,873,018 | 0 | 0 | 2,949,708 |
| 12. General expenses unpaid December 31, current year | 653,932 | 0 | 3,887,259 | 0 | 0 | 4,541,191 |
| 13. Amounts receivable relating to uninsured plans, prior year | 0 | 0 | 19,058 | 0 | 0 | 19,058 |
| 14. Amounts receivable relating to uninsured plans, current year | 0 | 0 | 7,111 | 0 | 0 | 7,111 |
| 15. General expenses paid during year (Lines 10+11-12-13+14) | 749,832 | 0 | 6,487,254 | 0 | 71,849 | 7,308,935 |
| DETAILS OF WRITE-INS | | | | | | |
| 09.301. Misc Expenses | 5,735 | 0 | 15,054 | 0 | 0 | 20,789 |
| 09.302. | | | | | | |
| 09.303. | | | | | | |
| 09.398. Summary of remaining write-ins for Line 9.3 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 |
| 09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above) | 5,735 | 0 | 15,054 | 0 | 0 | 20,789 |

(a) Includes management fees of \$ 443,606 to affiliates and \$ 0 to non-affiliates.

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

| | Insurance | | | 4 Investment | 5 Total |
|---|-----------|--------------------------|----------------------------------|-----------------|------------|
| | 1 Life | 2 Accident and Health | 3 All Other Lines of Business | | |
| 1. Real estate taxes | 0 | 0 | 0 | 0 | 0 |
| 2. State insurance department licenses and fees | 41,302 | 246,458 | 0 | 0 | 287,760 |
| 3. State taxes on premiums | 441,563 | 908,054 | 0 | 0 | 1,349,617 |
| 4. Other state taxes, including \$ for employee benefits | 1 | 9 | 0 | 0 | 10 |
| 5. U.S. Social Security taxes | 57,105 | 493,742 | 0 | 0 | 550,847 |
| 6. All other taxes | 54 | 321 | 0 | 0 | 375 |
| 7. Taxes, licenses and fees incurred | 540,025 | 1,648,584 | 0 | 0 | 2,188,609 |
| 8. Taxes, licenses and fees unpaid December 31, prior year | 1,057 | 6,830 | 0 | 0 | 7,887 |
| 9. Taxes, licenses and fees unpaid December 31, current year | 673 | 4,002 | 0 | 0 | 4,675 |
| 10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9) | 540,409 | 1,651,412 | 0 | 0 | 2,191,821 |

EXHIBIT 4 - DIVIDENDS OR REFUNDS

| | 1 Life | 2 Accident and Health |
|---|-----------|--------------------------|
| 1. Applied to pay renewal premiums | | |
| 2. Applied to shorten the endowment or premium-paying period | | |
| 3. Applied to provide paid-up additions | | |
| 4. Applied to provide paid-up annuities | | |
| 5. Total Lines 1 through 4 | | |
| 6. Paid in cash | | |
| 7. Left on deposit | | |
| 8. Aggregate write-ins for dividend or refund options | | |
| 9. Total Lines 5 through 8 | | |
| 10. Amount due and unpaid | | |
| 11. Provision for dividends or refunds payable in the following calendar year | | |
| 12. Terminal dividends | | |
| 13. Provision for deferred dividend contracts | | |
| 14. Amount provisionally held for deferred dividend contracts not included in Line 13 | | |
| 15. Total Lines 10 through 14 | | |
| 16. Total from prior year | | |
| 17. Total dividends or refunds (Lines 9 + 15 - 16) | | |
| DETAILS OF WRITE-INS | | |
| 0801. | | |
| 0802. | | |
| 0803. | | |
| 0898. Summary of remaining write-ins for Line 8 from overflow page | | |
| 0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) | | |

NONE

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [] No [X]
- 1.2 If not, state which kind is issued.
 Non-participating
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts?..... Yes [] No [X]
- 2.2 If not, state which kind is issued.
 Non-participating
3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?..... Yes [] No [X]
 If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes [] No [X]
 If so, state:
 4.1 Amount of insurance? \$ 0
 4.2 Amount of reserve? \$ 0
 4.3 Basis of reserve:

 4.4 Basis of regular assessments:

 4.5 Basis of special assessments:

 4.6 Assessments collected during the year \$ 0
5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.

6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [] No [X]
- 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$ 0
- 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$ 0
- Attach statement of methods employed in their valuation.
7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes [] No [X]
- 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements \$ 0
- 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:

- 7.3 State the amount of reserves established for this business: \$ 0
- 7.4 Identify where the reserves are reported in the blank:

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

| 1 Description of Valuation Class | Valuation Basis | | 4 Increase in Actuarial Reserve Due to Change |
|---|---|---|--|
| | 2 Changed From | 3 Changed To | |
| Ordinary Life Insurance - Group Conversion Reserves | 1959 - 1967 Group Conversion Mortality - Modified | 1967 - 1977 Group Conversion Mortality - Modified | 703,821 |
| 0199999. Subtotal (Page 7, Line 6) | XXX | XXX | 703,821 |
| | | | |
| | | | |
| 9999999 - Total (Column 4, only) | | | 703,821 |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
EXHIBIT 6 - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS

| | 1 Total | 2 Group Accident and Health | 3 Credit Accident and Health (Group and Individual) | 4 Collectively Renewable | Other Individual Contracts | | | | |
|---|------------|-----------------------------------|--|--------------------------------|----------------------------|------------------------------|---|--------------------------|----------------|
| | | | | | 5 Non-Cancelable | 6 Guaranteed Renewable | 7 Non-Renewable for Stated Reasons Only | 8 Other Accident Only | 9 All Other |
| ACTIVE LIFE RESERVE | | | | | | | | | |
| 1. Unearned premium reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Additional contract reserves (a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Additional actuarial reserves-Asset/Liability analysis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Reserve for future contingent benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Reserve for rate credits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Aggregate write-ins for reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Totals (Gross) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Totals (Net) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CLAIM RESERVE | | | | | | | | | |
| 10. Present value of amounts not yet due on claims | 76,115,295 | 76,115,295 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Additional actuarial reserves-Asset/Liability analysis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Reserve for future contingent benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Aggregate write-ins for reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Totals (Gross) | 76,115,295 | 76,115,295 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Reinsurance ceded | 596,021 | 596,021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. Totals (Net) | 75,519,274 | 75,519,274 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. TOTAL (Net) | 75,519,274 | 75,519,274 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. TABULAR FUND INTEREST | 2,623,701 | 2,623,701 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 0601. | | | | | | | | | |
| 0602. | | | | | | | | | |
| 0603. | | | | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1301. | | | | | | | | | |
| 1302. | | | | | | | | | |
| 1303. | | | | | | | | | |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--|-----------|----------------------------------|-------------------|---------------------------|---|---------------------------------------|
| | Total | Guaranteed Interest Contracts | Annuities Certain | Supplemental Contracts | Dividend Accumulations or Refunds | Premium and Other Deposit Funds |
| 1. Balance at the beginning of the year before reinsurance | 1,098,094 | 0 | 0 | 0 | 0 | 1,098,094 |
| 2. Deposits received during the year | 516,938 | 0 | 0 | 0 | 0 | 516,938 |
| 3. Investment earnings credited to the account | 77,776 | 0 | 0 | 0 | 0 | 77,776 |
| 4. Other net change in reserves | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Fees and other charges assessed | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Surrender charges | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Net surrender or withdrawal payments | 18 | 0 | 0 | 0 | 0 | 18 |
| 8. Other net transfers to or (from) Separate Accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) | 1,692,790 | 0 | 0 | 0 | 0 | 1,692,790 |
| 10. Reinsurance balance at the beginning of the year | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Net change in reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net change in reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Reinsurance balance at the end of the year (Lines 10+11-12) | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Net balance at the end of current year after reinsurance (Lines 9 + 13) | 1,692,790 | 0 | 0 | 0 | 0 | 1,692,790 |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

| | 1 Total | 2 Industrial Life | Ordinary | | | 6 Credit Life (Group and Individual) | Group | | Accident and Health | | |
|-----------------------------|------------|----------------------|---------------------|---------------------------|------------------------------|---|---------------------|----------------|---------------------|-------------------------------------|-------------|
| | | | 3 Life Insurance | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other |
| 1. Due and unpaid: | | | | | | | | | | | |
| 1.1 Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. In course of settlement: | | | | | | | | | | | |
| 2.1 Resisted | | | | | | | | | | | |
| 2.11 Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.12 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.13 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.14 Net | 0 | 0 | (b) 0 | (b) 0 | 0 | (b) 0 | (b) 0 | 0 | 0 | 0 | 0 |
| 2.2 Other | | | | | | | | | | | |
| 2.21 Direct | 833,910 | 0 | 0 | 0 | 0 | 0 | 646,153 | 0 | 187,757 | 0 | 0 |
| 2.22 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.23 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.24 Net | 833,910 | 0 | (b) 0 | (b) 0 | 0 | (b) 0 | (b) 646,153 | 0 | (b) 187,757 | (b) 0 | (b) 0 |
| 3. Incurred but unreported: | | | | | | | | | | | |
| 3.1 Direct | 3,952,075 | 0 | 1,000 | 0 | 0 | 0 | 2,503,911 | 0 | 1,447,164 | 0 | 0 |
| 3.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.3 Reinsurance ceded | 33,953 | 0 | 0 | 0 | 0 | 0 | 18,052 | 0 | 15,901 | 0 | 0 |
| 3.4 Net | 3,918,122 | 0 | (b) 1,000 | (b) 0 | 0 | (b) 0 | (b) 2,485,859 | 0 | (b) 1,431,263 | (b) 0 | (b) 0 |
| 4. TOTALS | | | | | | | | | | | |
| 4.1 Direct | 4,785,985 | 0 | 1,000 | 0 | 0 | 0 | 3,150,064 | 0 | 1,634,921 | 0 | 0 |
| 4.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded | 33,953 | 0 | 0 | 0 | 0 | 0 | 18,052 | 0 | 15,901 | 0 | 0 |
| 4.4 Net | 4,752,032 | (a) 0 | (a) 1,000 | 0 | 0 | 0 | (a) 3,132,012 | 0 | 1,619,020 | 0 | 0 |

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

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$0 Individual Annuities \$0, Credit Life (Group and Individual) \$0, and Group Life \$8,755,915, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$75,519,274 Credit (Group and Individual) Accident and Health \$0, and Other Accident and Health \$0 are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

| | 1 Total | 2 Industrial Life (a) | Ordinary | | | 6 Credit Life (Group and Individual) | Group | | Accident and Health | | |
|--|------------|-----------------------------|----------------------------|---------------------------|---------------------------------|--|----------------------------|----------------|---------------------|--|-------------|
| | | | 3 Life Insurance (b) | 4 Individual Annuities | 5 Supplementary Contracts | | 7 Life Insurance (c) | 8 Annuities | 9 Group | 10 Credit (Group and Individual) | 11 Other |
| 1. Settlements During the Year: | | | | | | | | | | | |
| 1.1 Direct | 39,091,529 | 0 | 145,000 | 0 | 0 | 0 | 14,412,695 | 0 | 24,533,834 | 0 | 0 |
| 1.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.3 Reinsurance ceded | 15,420,605 | 0 | 58,034 | 0 | 0 | 0 | 5,731,488 | 0 | 9,631,083 | 0 | 0 |
| 1.4 Net (d) | 23,670,924 | 0 | 86,966 | 0 | 0 | 0 | 8,681,207 | 0 | 14,902,751 | 0 | 0 |
| 2. Liability December 31, current year from Part 1: | | | | | | | | | | | |
| 2.1 Direct | 4,785,985 | 0 | 1,000 | 0 | 0 | 0 | 3,150,064 | 0 | 1,634,921 | 0 | 0 |
| 2.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.3 Reinsurance ceded | 33,953 | 0 | 0 | 0 | 0 | 0 | 18,052 | 0 | 15,901 | 0 | 0 |
| 2.4 Net | 4,752,032 | 0 | 1,000 | 0 | 0 | 0 | 3,132,012 | 0 | 1,619,020 | 0 | 0 |
| 3. Amounts recoverable from reinsurers December 31, current year | 1,306,855 | 0 | 0 | 0 | 0 | 0 | 381,835 | 0 | 925,020 | 0 | 0 |
| 4. Liability December 31, prior year: | | | | | | | | | | | |
| 4.1 Direct | 3,729,872 | 0 | 0 | 0 | 0 | 0 | 2,179,094 | 0 | 1,550,778 | 0 | 0 |
| 4.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded | 21,147 | 0 | 0 | 0 | 0 | 0 | 10,877 | 0 | 10,270 | 0 | 0 |
| 4.4 Net | 3,708,725 | 0 | 0 | 0 | 0 | 0 | 2,168,217 | 0 | 1,540,508 | 0 | 0 |
| 5. Amounts recoverable from reinsurers December 31, prior year | 1,015,402 | 0 | 0 | 0 | 0 | 0 | 348,244 | 0 | 667,158 | 0 | 0 |
| 6. Incurred Benefits | | | | | | | | | | | |
| 6.1 Direct | 40,147,642 | 0 | 146,000 | 0 | 0 | 0 | 15,383,665 | 0 | 24,617,977 | 0 | 0 |
| 6.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.3 Reinsurance ceded | 15,724,864 | 0 | 58,034 | 0 | 0 | 0 | 5,772,254 | 0 | 9,894,576 | 0 | 0 |
| 6.4 Net | 24,422,778 | 0 | 87,966 | 0 | 0 | 0 | 9,611,411 | 0 | 14,723,401 | 0 | 0 |

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

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

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

(d) Includes \$0 premiums waived under total and permanent disability benefits.

EXHIBIT OF NON-ADMITTED ASSETS

| | 1 | 2 | 3 |
|---|--|--|--|
| | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) | 0 | 0 | 0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | 0 | 0 | 0 |
| 2.2 Common stocks | 0 | 0 | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | 0 | 0 | 0 |
| 3.2 Other than first liens | 0 | 0 | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | 0 | 0 | 0 |
| 4.2 Properties held for the production of income | 0 | 0 | 0 |
| 4.3 Properties held for sale | 0 | 0 | 0 |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) | 0 | 0 | 0 |
| 6. Contract loans | 0 | 0 | 0 |
| 7. Other invested assets (Schedule BA) | 0 | 0 | 0 |
| 8. Receivables for securities | 0 | 0 | 0 |
| 9. Aggregate write-ins for invested assets | 0 | 0 | 0 |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) | 0 | 0 | 0 |
| 11. Title plants (for Title insurers only) | 0 | 0 | 0 |
| 12. Investment income due and accrued | 0 | 0 | 0 |
| 13. Premiums and considerations: | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | 0 | 0 | 0 |
| 13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | 0 | 0 | 0 |
| 13.3 Accrued retrospective premiums | 0 | 0 | 0 |
| 14. Reinsurance: | | | |
| 14.1 Amounts recoverable from reinsurers | 0 | 0 | 0 |
| 14.2 Funds held by or deposited with reinsured companies | 0 | 0 | 0 |
| 14.3 Other amounts receivable under reinsurance contracts | 0 | 0 | 0 |
| 15. Amounts receivable relating to uninsured plans | 0 | 0 | 0 |
| 16.1 Current federal and foreign income tax recoverable and interest thereon | 0 | 0 | 0 |
| 16.2 Net deferred tax asset | 1,302,893 | 293,353 | (1,009,540) |
| 17. Guaranty funds receivable or on deposit | 0 | 0 | 0 |
| 18. Electronic data processing equipment and software | 46,095 | 0 | (46,095) |
| 19. Furniture and equipment, including health care delivery assets | 456,678 | 470,094 | 13,416 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 | 0 |
| 21. Receivables from parent, subsidiaries and affiliates | 0 | 0 | 0 |
| 22. Health care and other amounts receivable | 0 | 0 | 0 |
| 23. Aggregate write-ins for other than invested assets | 90,989 | 124,105 | 33,116 |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) | 1,896,655 | 887,552 | (1,009,103) |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 |
| 26. Total (Lines 24 and 25) | 1,896,655 | 887,552 | (1,009,103) |
| DETAILS OF WRITE-INS | | | |
| 0901. | | | |
| 0902. | | | |
| 0903. | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above) | 0 | 0 | 0 |
| 2301. Other non-admitted assets | 90,989 | 124,105 | 33,116 |
| 2302. | | | |
| 2303. | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 0 | 0 | 0 |
| 2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) | 90,989 | 124,105 | 33,116 |

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The Standard Life Insurance Company of New York (the Company) is a stock life insurance company domiciled in the State of New York and licensed to do business in New York. The Company markets group life, dental and disability income insurance products through brokers and its own representatives.

The accompanying financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the New York Department of Insurance (the Department). Only statutory accounting practices so prescribed or permitted by the State of New York can be used in determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under New York Insurance Law.

The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, version effective March, 2006 (Accounting Manual) has been adopted by the Department as a component of prescribed or permitted accounting practices under Regulation 172, Financial Statement Filings and Accounting Practices and Procedures, Part 83 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York dated December 27, 2000, and revised December 2006. The Accounting Manual contains Statements of Statutory Accounting Principles (SSAP). Section 83.4 of Regulation 172 (the Insurance Law) details those SSAPs or sections of the SSAPs that conflict with New York Insurance Law. The Company is affected by some, but not all, of the conflicts detailed in Section 83.4. Those that could have an effect on the Company include the following:

- 1) SSAP No. 6, *Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers*, paragraph 9(a) is adopted except that Section 1301(a)(11) of the Insurance Law provides that overdue premiums due from the United States government or any of its instrumentalities shall be admitted assets.
- 2) SSAP No. 10, *Income Taxes*, paragraph 8 is not adopted. A tax refund due should be collectible within a short period after the statement date to be an admitted asset. For the years ended on or after December 31, 2002, deferred tax assets are reported as admitted assets, subject to the provisions prescribed in SSAP No. 10.
- 3) SSAP No. 16, *Electronic Data Processing Equipment and Software*, is not adopted. Section 1301(a)(18) of the Insurance Law shall apply. Electronic data processing equipment constituting a data processing, record keeping, or accounting system shall be an admitted asset if the cost of such system exceeds \$50,000. The cost may be amortized over a period not to exceed 10 years. Non-operating system software shall be non-admitted and depreciated over the lesser of its useful life or 5 years.
- 4) SSAP No. 20, *Non-Admitted Assets*, paragraph 4(c) is adopted except that Section 1411(f)(1) and (2) of the Insurance Law prohibits loans to officers or directors.
- 5) SSAP No. 25, *Accounting for Disclosures about Transactions with Affiliates and Other Related Parties*, paragraph 5 is not adopted. Section 1501(c) of the Insurance Law provides that the superintendent may determine upon application that any person does not, or will not upon the taking of some proposed action, control another person. In addition, paragraph 7 is adopted except that Insurance Law prohibits loans to officers or directors.
- 6) SSAP No. 29, *Prepaid Expenses*, is not adopted. Sections 1301(a)(9) and 1302(a)(2) of the Insurance Law shall apply. The unaccrued portion of real estate property taxes paid prior to the due date shall be an admitted asset.
- 7) SSAP No. 34, *Investment Income Due and Accrued*, paragraphs 5 and 6 are not adopted. Sections 1301(a)(4), 1301(a)(5), 1301(a)(6), and 1301(a)(7) of the Insurance Law shall apply.
- 8) SSAP No. 37, *Mortgage Loans*, paragraph 14 is not adopted. Section 1301(a)(7) of the Insurance Law shall apply. Interest due or accrued on any real estate mortgage loan which is an admitted asset, in an amount not exceeding the excess of the value of the property (less delinquent taxes) over the unpaid principal amount of the loan unless such interest or taxes due are in default more than 18 months, is an admitted asset.
- 9) SSAP No. 40, *Real Estate Investments*, paragraph 8 is not adopted. Depreciation on real estate investments owned by life insurers shall be computed at a rate no greater than two and one-half percent per annum, in accordance with Section 1405(b)(1)(C) of the Insurance Law.
- 10) SSAP No. 88, *Investments in Subsidiary, Controlled, and Affiliated Entities*, paragraph 6 is not adopted. Section 1501(c) of the Insurance Law provides that the superintendent may determine upon application that any person does not, or will not upon the taking of some proposed action, control another person.
- 11) SSAP No. 61, *Life, Deposit-Type and Accident and Health Reinsurance*, paragraph 53 is not adopted. Under Section 1302(a)(1) of the Insurance Law, all goodwill resulting from assumption reinsurance transactions shall be non-admitted.

The Superintendent of Insurance of the State of New York has the right to permit other specific accounting practices that deviate from prescribed practices. The Company has no specific permitted accounting practices.

A reconciliation of the Company's net income and capital and surplus between the NAIC Statutory Accounting Principles (NAIC SAP) and practices prescribed and permitted by the State of New York in accordance with Appendix A-205 of the Accounting Manual is shown below:

| | <u>2007</u> | <u>2006</u> |
|---|-----------------------|----------------------|
| Statutory gain from operations, New York basis | <u>\$ (1,661,802)</u> | <u>\$ 3,826,645</u> |
| Gain from operations in conformity with NAIC SAP | <u>\$ (1,661,802)</u> | <u>\$ 3,826,645</u> |
| Statutory capital and surplus, New York basis | <u>\$ 33,426,165</u> | <u>\$ 30,747,311</u> |
| Statutory capital and surplus in conformity with NAIC SAP | <u>\$ 33,426,165</u> | <u>\$ 30,747,311</u> |

B. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

C. Accounting Policies

Life premiums are recognized as income over the premium-paying period of the related policies. Accident and health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The Company uses the following additional accounting policies:

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds not backed by other loans and structured securities are stated at amortized cost using the constant yield method.
- 3) The Company owns no common stocks.
- 4) The Company owns no preferred stocks.
- 5) Mortgage loans are stated at the unpaid principal balances adjusted for unamortized discounts, premiums and deferred commitment fees.
- 6) Loan backed securities are stated at amortized cost using the constant yield method with capitalized prepayments.
- 7) The Company does not own investments in any subsidiaries, controlled and affiliated companies.
- 8) The Company has no investments in any joint ventures, partnerships or limited liability companies.
- 9) The Company holds no derivatives.
- 10) Should the Company determine the need for premium deficiency reserves, investment income would be anticipated as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, *Individual and Group Accident and Health Contracts*.
- 11) Claim liabilities for accident and health policies are established using a combination of industry morbidity tables and company adjusted formulas. The present value of future benefits is calculated for each claim reported and approved. Interest rates are reviewed annually as determined by the Department and NAIC model guidelines. Incurred but not reported (IBNR) reserves are established at the policy level and formulas are reviewed as appropriate to ensure that reserve run outs demonstrate sufficient adequacy. Claim adjustment expenses for accident and health policies are developed using estimates of expected claim duration and administration costs. Future costs are adjusted for inflation.
- 12) Effective October 1, 2002, the Company replaced an existing reinsurance agreement with its affiliate, Standard Insurance Company (SIC) with a modified coinsurance (Modco) agreement. In accordance with the Modco agreement, the Company cedes 40% of its liability on all reinsured policies including pre-October 1, 2002, policies; however, the Company will maintain all assets necessary to support the reserves for the original policies. Accordingly, the Company received from SIC \$402,620, representing the reserves as of September 30, 2002. The amount was recorded as "Reserve adjustments on reinsurance ceded" (Page 4, line 7), offset by the same amount in "Increase in Reserves" (Page 4, line 19) in the Company's Summary of Operations. Beginning October 1, 2002, the Company records all ceded premiums, benefit payments, and the change in reserves. The reserve liability is recorded as a component of "Aggregate reserve for life contracts" and "Aggregate reserve for accident and health contracts" on Page 3, lines 1 and 2, respectively. The Modco amounts are included in the insets for both lines. The above accounting treatment follows the guidelines in paragraph 30 of SSAP 61, *Life, Deposit-Type and Accident and Health Reinsurance*.
- 13) For all investments, an impairment is recorded when it is determined that the decline in fair value of an investment below its amortized cost basis is other than temporary. The Company reflects impairment charges in net realized capital gains or losses and permanently adjusts the book value of the investment to reflect the impairment. Factors considered in evaluating whether a decline is other than temporary include: (i) the length of time and the extent to which the fair value has been less than amortized cost, (ii) the financial conditions and near-term prospects of the issuer, and (iii) the intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value. In addition, for securities expected to be sold, an other than temporary impairment charge is recognized if the Company does not expect the realizable market value of the security to recover to amortized cost prior to the expected date of sale. Once an impairment charge has been recorded, the Company continues to review the other than temporarily impaired securities for further potential impairment on an ongoing basis.
- 14) The liability for experience rated refunds is estimated at the end of each reporting period for retrospectively rated contracts based on the loss experience of the insured group during the term of the policy (including loss development after the term of the policy) and the stipulated formula set forth in the policy. The change in the liability for experience rated refunds is recorded as an adjustment to premium income for the reported period.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

A. Accounting Changes and Corrections of Errors

As a result of a 2007 analysis of company mortality experience and industry experience data, a change was made to the reserve assumptions for individual life policies. The change in basis of valuation resulted in an increase in reserves of \$703,821 as of January 1, 2007. This amount was reported as a surplus adjustment on line 43 of Page 4 – Summary of Operations.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable

4. DISCONTINUED OPERATIONS

Not applicable

NOTES TO FINANCIAL STATEMENTS

5. INVESTMENTS

A. Mortgage Loans

- 1) The maximum and minimum lending rates for mortgage loans during 2007 were:

| | |
|--------------------------|-----------------|
| Farm mortgages | N/A |
| Residential mortgages | N/A |
| Commercial mortgages | 7.25% and 6.00% |
| Purchase money mortgages | N/A |
| Cash flow mortgages | N/A |

- 2) The Company did not reduce interest rates on any outstanding mortgage loans during 2007.

- 3) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was 75%.

| | <u>2007</u> | <u>2006</u> |
|---|-------------|-------------|
| 4) Mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest, as of year end | \$ - | \$ - |
| a. Total interest due on mortgages with interest more than 180 days past due, as of year end | \$ - | \$ - |
| 5) Taxes, assessments and any amounts advanced and not included in mortgage loan total, as of year end | \$ - | \$ - |
| 6) Impaired loans with a related allowance for credit losses, as of year end | \$ - | \$ - |
| a. Related allowance for credit losses | \$ - | \$ - |
| 7) Impaired Mortgage loans without an allowance for credit losses as of year end | \$ - | \$ - |
| 8) Average recorded investment in impaired loans | \$ - | \$ - |
| 9) Interest income recognized during the period the loans were impaired | \$ - | \$ - |
| 10) Amount of interest income recognized on a cash basis during the period the loans were impaired | \$ - | \$ - |
| 11) Allowance for credit losses | | |
| a. Balance at beginning of year | \$ - | \$ - |
| b. Additions charged to operations | 152,163 | - |
| c. Direct write-downs charged against the allowances | 152,163 | - |
| d. Recoveries of amounts previously charged off | - | - |
| e. Balance at end of year | <u>\$ -</u> | <u>\$ -</u> |

- 12) If the Company had impaired loans, interest income would be recognized and recorded upon receipt.

B. Debt Restructuring

| | <u>2007</u> | <u>2006</u> |
|---|-------------|-------------|
| 1) The total recorded investment in restructured loans, as of year end | \$ - | \$ - |
| 2) The realized capital losses related to these loans | \$ - | \$ - |
| 3) Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings | \$ - | \$ - |
| 4) The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis. | | |

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

- 1) Asset backed securities totaled \$399,899 at December 31, 2007 and are reported at book value.
- 2) Prepayment assumptions for single class asset-backed securities were obtained from the BNY Mellon.

E. Repurchase Agreements

Not applicable

F. Real Estate

- 1 and 2) The Company holds no real estate investments.
- 3 and 4) The Company holds no retail land sales operations.

NOTES TO FINANCIAL STATEMENTS

G. Low-income Housing Tax Credits

The Company does not have any low-income housing tax credits.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable

7. INVESTMENT INCOME

A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due.

B. No investment income was excluded in 2007.

8. DERIVATIVE INSTRUMENTS

The Company holds no derivative instruments.

9. INCOME TAXES

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

| | <u>2007</u> | <u>2006</u> |
|--|---------------------|-------------------|
| Total of all deferred tax assets (admitted and non admitted) | \$ 1,509,835 | \$ 590,425 |
| Total of all deferred tax liabilities | 33,676 | 60,533 |
| Net deferred tax asset | 1,476,159 | 529,892 |
| Deferred tax assets non admitted | 1,302,893 | 293,354 |
| Net admitted deferred tax assets | <u>\$ 173,266</u> | <u>\$ 236,538</u> |
| Increase (decrease) in non admitted deferred tax assets | <u>\$ 1,009,539</u> | <u>\$ 65,154</u> |

B. Deferred tax liabilities are not recognized for the following amounts:

Not applicable

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

| | <u>2007</u> | <u>2006</u> |
|---|-------------------|-------------------|
| Federal income taxes | \$ 762,955 | \$ 632,551 |
| Federal income tax on net capital gains | (14,617) | (10,843) |
| Federal income taxes incurred | <u>\$ 748,338</u> | <u>\$ 621,708</u> |

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

Deferred tax assets:

| | <u>2007</u> | <u>2006</u> |
|--|-------------|-------------|
| Policyholder liabilities | \$ 989,333 | \$ 266,857 |
| Policy acquisition costs | 345,042 | 214,922 |
| Other assets | 65,217 | 7,974 |
| Non-admitted assets | 110,243 | 100,672 |
| Total deferred tax assets | 1,509,835 | 590,425 |
| Total deferred tax assets non-admitted | 1,302,893 | 293,354 |
| Admitted deferred tax assets | 206,942 | 297,071 |

Deferred tax liabilities:

| | | |
|--------------------------------|--------|--------|
| Bonds | 29,555 | 8,733 |
| Accrued expenses | 4,121 | 51,800 |
| Total deferred tax liabilities | 33,676 | 60,533 |

Net admitted deferred tax assets \$ 173,266 \$ 236,538

The change in net deferred income taxes is comprised of the following:

| | <u>2007</u> | <u>2006</u> | <u>Changes</u> |
|---|---------------------|-------------------|-------------------|
| Total deferred tax assets | \$ 1,509,835 | \$ 590,425 | \$ 919,410 |
| Total deferred tax liabilities | 33,676 | 60,533 | (26,857) |
| Net deferred tax asset | <u>\$ 1,476,159</u> | <u>\$ 529,892</u> | \$ 946,267 |
| Tax effect of unrealized gains (losses) | | | - |
| Change in net deferred income taxes | | | <u>\$ 946,267</u> |

NOTES TO FINANCIAL STATEMENTS

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference at December 31, 2007, are as follows:

| | |
|--|---------------------|
| Provision computed at statutory rate | \$ (319,712) |
| Meals, entertainment & nondeductible expense | 18,789 |
| Reinsurance surplus adjustment | 98,535 |
| Other miscellaneous expenses | <u>4,459</u> |
| Total statutory income taxes | <u>\$ (197,929)</u> |
| Federal income tax expense incurred | \$ 748,338 |
| (Increase)/Decrease in net deferred income taxes | <u>(946,267)</u> |
| Total statutory income taxes | <u>\$ (197,929)</u> |

E. Additional Disclosures

- At December 31, 2007, the Company had no net operating loss carryforwards.
- The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2007 - \$639,014
2006 - \$614,195
2005 - \$0

F. Consolidated Federal Income Tax Return

- The Company is a member of an affiliated group and included in the consolidated federal income tax return of StanCorp Financial Group, Inc. (StanCorp). In addition to the Company, other subsidiaries included in the consolidated StanCorp return are Standard Insurance Company (SIC), Standard Retirement Services, Inc., StanCorp Investment Advisers, Inc. (SIA), Standard Management, Inc., StanCorp Equities, Inc. and StanCorp Trust Company.
- The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. The tax liability is allocated in the ratio of the subsidiary's tax liability on a separate return basis to the total taxes of all the members on a separate return basis. Each member is required to use current operating losses and credits first without considering the current year's profits and losses of other members of the affiliated group. StanCorp is required to pay the Company for excess tax credits and losses to the extent they are utilized in the consolidated return. Inter-company tax balances are settled within 30 days of receiving such allocation from StanCorp.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

A-C. Mortgage loans totaling \$21,382,150 were purchased from SIC during 2007. Mortgage loans totaling \$1,418,677 were sold to StanCorp Mortgage Investors, LLC (SMI).

D. At December 31, 2006, the Company reported the following amounts due to (from) its parent and affiliates:

| | <u>2007</u> | <u>2006</u> |
|----------------------------------|-------------------|--------------------|
| Standard Insurance Company | \$ 226,869 | \$ (52,148) |
| StanCorp Mortgage Investors, LLC | <u>(1,026)</u> | <u>-</u> |
| | <u>\$ 225,843</u> | <u>\$ (52,148)</u> |

A MODCO agreement between the Company and SIC resulted in an additional \$5,158,313 and \$736,027 due from SIC for the years ended 2007 and 2006, respectively.

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

- The Company has made no guarantee or agreement for the benefit of an affiliate which results in material contingent exposure of the Company's assets or liability.
- The Company has entered into an Administrative Services Agreement with its affiliate SIC whereby SIC will provide at the Company's request and direction the following services: distribution and producer management, marketing support, product development and administration, reinsurance, underwriting, policyholder services, claims processing and payment, actuarial and financial services, information technology services, legal services, government relations, general services, human resources and administrative services only (ASO). The Company reimburses SIC for such services in accordance with the applicable laws and regulations of the State of New York.

The Company has entered into an Administrative Services Agreement with its affiliate SIC whereby the Company will perform certain claims processing and payment services on certain new and on-going claims incurred under group policies issued, reinsured or administered by SIC. SIC reimburses the Company for all services provided under the agreement at cost and in accordance with the applicable laws and regulations of the State of New York.

The Company has an Administrative Services Agreement with its affiliates SMI and SIC whereby SMI will provide mortgage services at the Company's request and direction. The Company reimburses SMI for such services in accordance with the applicable laws and regulations of the State of New York.

- All outstanding shares of the Company are owned by its parent, StanCorp, an insurance holding company domiciled in the State of Oregon.

NOTES TO FINANCIAL STATEMENTS

- H. The Company does not own any share of the stock of its parent, StanCorp.
 - I. The Company holds no investments in its parent, subsidiaries and affiliates that exceed 10% of its admitted assets.
 - J. The Company holds no investments in impaired subsidiary, controlled or affiliated companies.
 - K. The Company holds no investments in a foreign insurance subsidiary.
 - L. The Company holds no investments in a downstream noninsurance holding company.
11. DEBT
- The Company has no outstanding debt at December 31, 2007.
12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS
- A. Defined Benefit Plans
Not applicable
 - B. Defined Contribution Plans
Not applicable
 - C. Multiemployer Plans
Not applicable
 - D. Consolidated/Holding Company Plans
Standard Insurance Company, an affiliate of the Company, administers the preceding defined benefit and contribution employee benefit plans on behalf of StanCorp and all its subsidiaries including the Company. Costs are allocated between the members of the affiliated group based on number of employees. The Company's allocated costs were approximately 4.0% of total plan costs for 2007 and 2006.
 - E. Postemployment Benefits and Compensated Absences
Not applicable
 - F. Impact of Medicare Modernization Act on Postretirement Benefits
Not applicable
13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS
- A. The Company has 200,000 shares authorized, issued and outstanding. All shares are owned by its parent company, StanCorp.
 - B. The Company has no preferred stock outstanding.
 - C. Dividends to shareholders are limited by the laws of the Company's state of incorporation, New York.
 - D. Within the limitations of (C) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to its parent company.
 - E. There were no restrictions placed on the Company's surplus.
 - F. There were no advances to surplus not repaid in 2007.
 - G. No stock is held by the Company, including stock of affiliated companies, for special purposes.
 - H. The Company has no special surplus funds at year end.
 - I. Unassigned funds (surplus) was not reduced by any unrealized gains or losses.
 - J. The Company does not have any surplus debentures or similar obligations.
 - K. Impact of any restatement due to prior quasi-reorganization
Not applicable
 - L. The effective date(s) of all quasi-reorganizations in the prior 10 years is/are
Not applicable
 - M. The Company received additional paid-in capital totaling \$5 million from its parent company, StanCorp, on August 14, 2007.

NOTES TO FINANCIAL STATEMENTS

14. CONTINGENCIES

A. Contingent Commitments

None

B. Guaranty Fund and Other Assessments

The Company has not received any notification that may result in a guaranty fund assessment.

C. Gain Contingencies

None

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

The Company had no claims related extra contractual obligation and bad faith losses stemming from lawsuits.

E. All Other Contingencies

In the normal course of business, the Company is involved in various legal actions and other state and Federal proceedings. A number of these actions or proceedings were pending as of December 31, 2007. In some instances, lawsuits may include claims for punitive damages and similar types of relief in unspecified or substantial amounts, in addition to amounts for alleged contractual liability or other compensatory damages. In the opinion of management, the ultimate liability, if any, arising from these actions or proceedings is not expected to have a material adverse effect on the Company's business, financial position, results of operations, or cash flows.

Years currently open for audit by the Internal Revenue Service are 2004 through 2007.

In addition to product-specific reinsurance arrangements, we maintain reinsurance coverage for certain catastrophe losses related to group life and AD&D. This agreement excludes nuclear, biological and chemical acts of terrorism. Through a combination of this agreement and our participation in a catastrophe reinsurance pool discussed below, we have coverage of up to \$453 million per event.

We have entered into a catastrophe reinsurance pool with other insurance companies. This pool spreads catastrophe losses on group life and AD&D over approximately 29 participating members. As a member of the pool, we are exposed to maximum potential losses experienced by other participating members of up to \$2 million for a single event for losses submitted by a single company, and a maximum of \$4 million for a single event for losses submitted by multiple companies. The Company's percentage share of losses experienced by pool members will change over time as it is a function of our group life and AD&D in force relative to the total group life and AD&D in force for all pool participants. The reinsurance pool does not exclude war, or nuclear, biological and chemical acts of terrorism.

15. LEASES

A. Lessee Leasing Agreements

1) General description of the lessees leasing arrangements

- a. The Company leases certain buildings under non-cancellable operating lease agreements that expire in 2008 and 2010 with a five year renewal option on one of the leases. Rental expense for 2007 and 2006 was \$1,463,562 and \$1,422,128, respectively.

2) Leases having initial or remaining non-cancellable lease terms in excess of one year

- a. At January 1, 2008, the minimum aggregate rental commitments are as follows:

| <u>Year Ending December 31</u> | <u>Operating Leases (Dollars in thousands)</u> |
|--------------------------------|--|
| 2008 | \$ 932 |
| 2009 | 924 |
| 2010 | 543 |
| 2011 | - |
| 2012 | - |
| Total | <u>\$ 2,399</u> |

- b. There are no sublease transactions.

3) The Company is not involved in any material sale-leaseback transactions.

B. Lessor Leases

The Company has no lessor leases or leveraged lease transactions.

NOTES TO FINANCIAL STATEMENTS

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

A. Financial Instrument With Off-Balance Sheet Risk

Not applicable

B. Financial Instruments With Concentrations of Credit Risks

Our fixed maturity securities totaled \$66,470,412 at December 31, 2007. Our corporate bond industry diversification targets are based on the Lehman Investment Grade Credit Index, which is reasonably reflective of the mix of issuers broadly available in the market. We also target a specified level of government, agency and municipal securities in our portfolio for credit quality and additional liquidity. The overall credit quality of our fixed maturity investment securities was A (Standard and Poor's) at December 31, 2007. The percentage of fixed maturity securities below investment grade was 1.2% and 1.4% at December 31, 2007 and 2006, respectively. At December 31, 2007, there were no valuation concerns regarding our fixed maturity security holdings. Should the credit quality of our fixed maturity securities decline, there could be a material adverse effect on the Company's business, financial position, results of operations or cash flows.

At December 31, 2007, commercial mortgage loans in our investment portfolio totaled \$63,570,711. Commercial mortgage loans in California accounted for 22.1% of our commercial loans portfolio at December 31, 2007. Through this concentration, we are exposed to potential losses resulting from the risk of an economic downturn in California as well as to certain catastrophes, such as earthquakes, that may affect the state. Although we diversify our commercial mortgage loan portfolio within California by both location and type of property in an effort to reduce certain catastrophe and economic exposure, such diversification may not eliminate the risk of such losses. In addition, we do not require earthquake insurance for properties on which we make commercial mortgage loans, but do consider the potential for earthquake loss based upon seismic surveys and structural information specific to each property when new loans are underwritten. We do not expect the exposure to catastrophe or earthquake damage to the properties in our commercial mortgage loan portfolio located in California to have a material adverse effect on our business, financial position, results of operations or cash flows. However, if economic conditions in California decline, we could experience a higher delinquency rate on the portion of our commercial loan portfolio located in California, which could have a material adverse effect of the Company's business, financial position, results of operations or cash flows.

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfer and Servicing of Financial Assets

Not applicable

C. Wash Sales

- 1) In the course of the company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the company's yield on its investment portfolio.
- 2) No wash sales occurred during the year ended December 31, 2007.

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

A. ASO Plans

Administration fees from services provided to uninsured A&H (disability income) plans were \$80,939. Expenses were not segregated. The net gain or loss from administrative services contracts was considered not material.

B. ASC Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

Not applicable

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

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

NOTES TO FINANCIAL STATEMENTS

20. OTHER ITEMS

A. Extraordinary Items

None

B. Troubled Debt Restructuring

Not applicable

C. Other Disclosures

Assets in the amount of \$450,517 and \$450,607 at December 31, 2007 and 2006, respectively, were on deposit with government authorities or trustees as required by law.

Gross and discounted group accident and health reserves at December 31, 2007:

| <u>Exhibit 6</u> | <u>Gross</u> | <u>Discounted</u> |
|-----------------------|----------------------|----------------------|
| Long-term Disability | \$ 94,509,579 | \$ 72,325,718 |
| Short-term Disability | 3,191,858 | 3,191,858 |
| Dental | <u>1,698</u> | <u>1,698</u> |
| | <u>97,703,135</u> | <u>75,519,274</u> |
| | | |
| <u>Exhibit 8</u> | | |
| Long-term Disability | 927,325 | 907,139 |
| Short-term Disability | 563,270 | 563,270 |
| AD&D | 116,357 | 116,357 |
| Dental | <u>32,254</u> | <u>32,254</u> |
| | <u>1,639,206</u> | <u>1,619,020</u> |
| | <u>\$ 99,342,341</u> | <u>\$ 77,138,294</u> |

D. Balance That is Reasonably Possible to be Uncollectible

At December 31, 2007 and 2006, the Company had admitted assets of \$3,386,068 and \$3,078,233, respectively, in accounts receivable for uncollected premiums and amounts due from agents. The Company routinely assesses the collectibility of these receivables. Based upon the Company's experience, the potential loss is not material to the Company's financial condition.

E. Business Interruption Insurance Recoveries

Not applicable

F. State Transferable Tax Credits

Not applicable

G. Aggregate Amount of Deposits Admitted Under Section 6603 of the Internal Revenue Services Code

Not applicable

H. Hybrid Securities

Not applicable

I. Subprime Mortgage Related Risk Exposure

1) Direct exposure through investments in subprime mortgage loans:

| | |
|--|------|
| a. Book adjusted carrying value (excluding accrued interest) – | None |
| b. Fair value – | None |
| c. Value of land and buildings – | None |
| d. Default rate for the subprime portion of the loan portfolio – | N/A |

2) Indirect exposure to subprime mortgage risk through investments in the following securities:

| | |
|--|---------------|
| a. Residential mortgage backed securities - | None |
| b. Collateralized debt obligations – | None |
| c. Structured securities (including principal protected notes) – | None |
| d. Debt securities of companies with significant subprime exposure - | \$2.4 million |
| e. Equity securities of companies with significant subprime exposure – | None |
| f. Other assets – | None |

For investments in the above securities, the aggregate for debt securities of companies with significant subprime exposure is as follows:

| | |
|---|---------------|
| a. Actual cost - | \$2.3 million |
| b. Book adjusted carrying value - | \$2.4 million |
| c. Fair value - | \$2.2 million |
| d. Any other than temporary impairment recognized to date - | None |

3) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty coverage, Financial Guaranty coverage, Directors and Officers liability coverage, or Errors and Omissions liability coverage.

| | |
|--|------|
| a. Aggregate amount of subprime related losses paid in 2007 - | None |
| b. Aggregate amount of subprime related losses incurred in 2007 - | None |
| c. Aggregate amount of subprime related case reserves at year end 2007 - | None |
| d. Aggregate amount of subprime related IBNR reserves at year end 2007 - | None |

NOTES TO FINANCIAL STATEMENTS

- 4) The Company considered all direct and indirect exposure to subprime assets in completing this analysis. The Company's investment portfolio consists of no direct exposure to the subprime mortgage sector. The portfolio has indirect exposure to subprime assets through investments in debt securities issued by bond insurers, mortgage insurers, mortgage lenders, investment banks and commercial banks. The difference between book adjusted carrying value and fair value represents unrealized losses due to the drop in the market value of these securities.

Bonds issued by Merrill Lynch and Citibank, and all rated 1FE, represent \$1.3 million of the \$2.4 million disclosed on line 2(d) of this note.

21. EVENTS SUBSEQUENT

Type I None

Type II None

22. REINSURANCE

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- 1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either direct by the company or by any representative, officer, trustee, or director of the company?

Yes () No (X)

If yes, give full details.

Not applicable

- 2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X)

If yes, give full details.

Not applicable

Section 2 – Ceded Reinsurance Report – Part A

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

Yes () No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of December 31, 2007, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued?

Not applicable

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction in liability, for these agreements in this statement?

Not applicable

- 2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the policies?

Yes () No (X)

If yes, give full details.

Not applicable

Section 3 – Ceded Reinsurance Report – Part B

- 1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected above) of termination of all reinsurance agreements, by either party, as of the date of this statement?

None

NOTES TO FINANCIAL STATEMENTS

- 2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes (X) No ()

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments?

The amount of the credit is \$0.

- B. Uncollectible Reinsurance

Not applicable

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

Not applicable

23. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

- A. The Company estimates accrued retrospective premium adjustments for its group accident and health insurance business through a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.

- B. The amount of net premiums written by the Company at December 31, 2006 that are subject to retrospective rating features was \$25.5 million, that represented 30.9% of the total net premiums written for the group accident and health and no other net premiums written by the Company are subject to retrospective rating features.

24. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

There is no provision for incurred loss and loss adjustment expenses attributable to insured events of prior years. Incurred But Not Reported (IBNR) reserves are intended to cover all past insured events.

25. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable

26. STRUCTURES SETTLEMENTS

Not applicable

27. HEALTH CARE RECEIVABLES

Not applicable

28. PARTICIPATING POLICIES

Not applicable

29. PREMIUM DEFICIENCY RESERVES

Not applicable

30. RESERVES FOR LIFE CONTRACTS AND DEPOSIT-TYPE CONTRACTS

1. For ordinary life insurance, the Company waives deduction of deferred fractional premiums and returns unearned premium beyond the month of death. Continuous reserves are used to account for these benefits. There are no surrender benefits in excess of the legally computed reserves. Incurred but not reported reserves associated with group life waiver business are based upon the reserve development experience of the Standard Insurance Company affiliate.

2. The Company does not have any substandard policies.

3. The amount of insurance for which the gross premiums are less than the net premiums according to valuation standards

Not applicable

4. The tabular interest (Page 7, Line 4) has been determined by formula.

The tabular less actual reserve released has been calculated by formula.

The tabular cost (Page 7, part A, Line 5) has been determined by formula.

5. The method of determination of tabular interest on funds not involving life contingencies

Not applicable

NOTES TO FINANCIAL STATEMENTS

6. The details for other changes:

| 1 | 2 | 3 | ORDINARY | | | 7 | GROUP | |
|----------------|-------------|-----------------|----------------|----------------------|-------------------------|----------------------------------|----------------|-----------|
| | | | 4 | 5 | 6 | | 8 | 9 |
| ITEM | Total | Industrial Life | Life Insurance | Individual Annuities | Supplementary Contracts | Credit Life Group and Individual | Life Insurance | Annuities |
| See Note Below | \$1,176,294 | | \$1,176,294 | | | | | |

Note: An increase in Life Insurance reflects additional reserves for extra mortality on group conversion policies issued in 2007.

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

Withdrawal Characteristics of Annuity Actuarial Reserves and Deposit - Type Contract Funds and other Liabilities Without Life or Disability Contingencies

| | (1) Total | (2) % of Amount |
|--|--------------|--------------------|
| A. Subject to discretionary withdrawal: | | |
| 1) With fair value adjustment | \$ - | - |
| 2) At book value less current surrender charge of 5% or more | - | - |
| 3) At fair value | - | - |
| 4) Total with adjustment or at fair value (Total of 1 through 3) | - | - |
| 5) At book value without adjustment (minimal or no charge or adjustment) | 118,601 | 7.0% |
| B. Not subject to discretionary withdrawal | 1,574,189 | 93.0% |
| C. Total (Gross: Direct + Assumed) | 1,692,790 | 100.0% |
| D. Reinsurance ceded | - | |
| E. Total (net)* (C) - (D) | \$ 1,692,790 | |

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

| | |
|--|--------------|
| F. Life & accident & health annual statement: | |
| 1) Exhibit 5, annuities section, total (net) | \$ - |
| 2) Exhibit 5, supplementary contracts with life contingencies section, total (net) | - |
| 3) Exhibit 7 deposit-type contracts, line 14, column 1 | 1,692,790 |
| 4) Subtotal | 1,692,790 |
| Separate accounts annual statement: | |
| 5) Exhibit 3, line 0299999, column 2 | - |
| 6) Exhibit 3, line 0399999, column 2 | - |
| 7) Policyholder dividend and coupon accumulations | - |
| 8) Policyholder premiums | - |
| 9) Guaranteed interest contracts | - |
| 10) Other contract deposit funds | - |
| 11) Subtotal | - |
| 12) Combined total | \$ 1,692,790 |

32. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2007, were as follows:

| Type | (1) Gross | (2) Net of Loading |
|--------------------------|----------------|-----------------------|
| 1) Industrial | \$ - | \$ - |
| 2) Ordinary new business | 17,870 | 10,490 |
| 3) Ordinary renewal | 3,139 | 1,919 |
| 4) Credit Life | - | - |
| 5) Group Life | (1,469,953) | (1,525,302) |
| 6) Group Annuity | - | - |
| 7) Totals | \$ (1,448,944) | \$ (1,512,893) |

33. SEPARATE ACCOUNTS

Not applicable

NOTES TO FINANCIAL STATEMENTS

34. Loss/Claim Adjustment Expenses

The balance in the liability for unpaid accident and health claim adjustment expenses was \$3,560,576 as of December 31, 2007, and \$2,365,116 as of December 31, 2006.

The Company incurred total loss adjustment expenses of \$3,917,463, including \$3,799,207 for the current year and an increase of \$118,256 for prior years.

The Company paid total loss adjustment expenses of \$2,722,003, including \$2,269,548 for the current year and \$452,455 for prior years.

None of the claim adjustment expenses are subject to salvage or subrogation.

SUMMARY INVESTMENT SCHEDULE

| Investment Categories | Gross Investment Holdings | | Admitted Assets as Reported in the Annual Statement | |
|---|---------------------------|-----------------|---|-----------------|
| | 1 Amount | 2 Percentage | 3 Amount | 4 Percentage |
| 1. Bonds: | | | | |
| 1.1 U.S. treasury securities | 1,456,673 | 1.085 | 1,456,673 | 1.085 |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities): | | | | |
| 1.21 Issued by U.S. government agencies | 0 | 0.000 | 0 | 0.000 |
| 1.22 Issued by U.S. government sponsored agencies | 1,236,262 | 0.921 | 1,236,262 | 0.921 |
| 1.3 Foreign government (including Canada, excluding mortgaged-backed securities) | 0 | 0.000 | 0 | 0.000 |
| 1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S. : | | | | |
| 1.41 States, territories and possessions general obligations | 100,250 | 0.075 | 100,250 | 0.075 |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations | 0 | 0.000 | 0 | 0.000 |
| 1.43 Revenue and assessment obligations | 0 | 0.000 | 0 | 0.000 |
| 1.44 Industrial development and similar obligations | 0 | 0.000 | 0 | 0.000 |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS): | | | | |
| 1.51 Pass-through securities: | | | | |
| 1.511 Issued or guaranteed by GNMA | 0 | 0.000 | 0 | 0.000 |
| 1.512 Issued or guaranteed by FNMA and FHLMC | 0 | 0.000 | 0 | 0.000 |
| 1.513 All other | 0 | 0.000 | 0 | 0.000 |
| 1.52 CMOs and REMICs: | | | | |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA | 0 | 0.000 | 0 | 0.000 |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | 0 | 0.000 | 0 | 0.000 |
| 1.523 All other | 0 | 0.000 | 0 | 0.000 |
| 2. Other debt and other fixed income securities (excluding short-term): | | | | |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) | 60,296,597 | 44.897 | 60,296,597 | 44.897 |
| 2.2 Unaffiliated foreign securities | 3,380,630 | 2.517 | 3,380,630 | 2.517 |
| 2.3 Affiliated securities | 0 | 0.000 | 0 | 0.000 |
| 3. Equity interests: | | | | |
| 3.1 Investments in mutual funds | 0 | 0.000 | 0 | 0.000 |
| 3.2 Preferred stocks: | | | | |
| 3.21 Affiliated | 0 | 0.000 | 0 | 0.000 |
| 3.22 Unaffiliated | 0 | 0.000 | 0 | 0.000 |
| 3.3 Publicly traded equity securities (excluding preferred stocks): | | | | |
| 3.31 Affiliated | 0 | 0.000 | 0 | 0.000 |
| 3.32 Unaffiliated | 0 | 0.000 | 0 | 0.000 |
| 3.4 Other equity securities: | | | | |
| 3.41 Affiliated | 0 | 0.000 | 0 | 0.000 |
| 3.42 Unaffiliated | 0 | 0.000 | 0 | 0.000 |
| 3.5 Other equity interests including tangible personal property under lease: | | | | |
| 3.51 Affiliated | 0 | 0.000 | 0 | 0.000 |
| 3.52 Unaffiliated | 0 | 0.000 | 0 | 0.000 |
| 4. Mortgage loans: | | | | |
| 4.1 Construction and land development | 0 | 0.000 | 0 | 0.000 |
| 4.2 Agricultural | 0 | 0.000 | 0 | 0.000 |
| 4.3 Single family residential properties | 0 | 0.000 | 0 | 0.000 |
| 4.4 Multifamily residential properties | 0 | 0.000 | 0 | 0.000 |
| 4.5 Commercial loans | 63,570,711 | 47.335 | 63,570,711 | 47.335 |
| 4.6 Mezzanine real estate loans | 0 | 0.000 | 0 | 0.000 |
| 5. Real estate investments: | | | | |
| 5.1 Property occupied by the company | 0 | 0.000 | 0 | 0.000 |
| 5.2 Property held for the production of income (including \$0 of property acquired in satisfaction of debt) | 0 | 0.000 | 0 | 0.000 |
| 5.3 Property held for sale (including \$0 property acquired in satisfaction of debt) | 0 | 0.000 | 0 | 0.000 |
| 6. Contract loans | 0 | 0.000 | 0 | 0.000 |
| 7. Receivables for securities | 0 | 0.000 | 0 | 0.000 |
| 8. Cash, cash equivalents and short-term investments | 4,258,660 | 3.171 | 4,258,660 | 3.171 |
| 9. Other invested assets | 0 | 0.000 | 0 | 0.000 |
| 10. Total invested assets | 134,299,783 | 100.000 | 134,299,783 | 100.000 |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
GENERAL INTERROGATORIES

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? New York
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2003
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/23/2004
- 3.4 By what department or departments?
New York Insurance Department
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide 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 |
|---------------------|------------------------|------------------------|
| | | |
| | | |
| | | |

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control; 0.0 %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

| 1 Nationality | 2 Type of Entity |
|------------------|---------------------|
| | |
| | |
| | |

**ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), 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 OTS | 6 FDIC | 7 SEC |
|---|-----------------------------|----------|----------|----------|-----------|----------|
| StanCorp Equities, Inc | Portland, OR | NO | NO | NO | NO | YES |
| StanCorp Investment Advisers, Inc | Portland, OR | NO | NO | NO | NO | YES |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte and Touche, LLP
111 SW Fifth Avenue
Suite 3900
Portland, OR 97204
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Sally Ann Manafi, FSA
1100 SW Sixth Avenue
Portland, OR 97204
Officer of The Standard Life Insurance Company of New York
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved 0
- 11.13 Total book/adjusted carrying value \$ 0
- 11.2 If, yes provide explanation:
.....
- 12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 13.1 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.
- 13.11 If the response to 13.1 is No, please explain:
.....
- 13.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
.....
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).
.....

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
15. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No []

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
GENERAL INTERROGATORIES

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers.....\$0
 - 18.12 To stockholders not officers.....\$0
 - 18.13 Trustees, supreme or grand (Fraternal Only).....\$0
- 18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers.....\$0
 - 18.22 To stockholders not officers.....\$0
 - 18.23 Trustees, supreme or grand (Fraternal Only).....\$0
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others.....\$0
 - 19.22 Borrowed from others.....\$0
 - 19.23 Leased from others.....\$0
 - 19.24 Other.....\$0
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 20.2 If answer is yes,
- 20.21 Amount paid as losses or risk adjustment \$0
 - 20.22 Amount paid as expenses.....\$0
 - 20.23 Other amounts paid.....\$0
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount?\$0

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? Yes [X] No []
- 22.2 If no, give full and complete information relating thereto:
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1). Yes [X] No []
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Loaned to others.....\$0
 - 23.22 Subject to repurchase agreements.....\$0
 - 23.23 Subject to reverse repurchase agreements.....\$0
 - 23.24 Subject to dollar repurchase agreements.....\$0
 - 23.25 Subject to reverse dollar repurchase agreements.....\$0
 - 23.26 Pledged as collateral.....\$0
 - 23.27 Placed under option agreements.....\$0
 - 23.28 Letter stock or other securities restricted as to sale.....\$0
 - 23.29 On deposit with state or other regulatory body.....\$450,517
 - 23.291 Other.....\$0

23.3 For category (23.28) provide the following:

| 1 Nature of Restriction | 2 Description | 3 Amount |
|----------------------------|------------------|-------------|
| | | |
| | | |
| | | |

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
 If no, attach a description with this statement.
- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 25.2 If yes, state the amount thereof at December 31 of the current year.\$0

**ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
GENERAL INTERROGATORIES**

26. Excluding items in Schedule E, 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 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

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

| 1 Nature of Custodian(s) | 2 Custodian's Address |
|-----------------------------|---|
| BNY Mellon | One Wall Street New York, NY 10286 |

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1 Name(s) | 2 Location(s) | 3 Complete Explanation(s) |
|--------------|------------------|------------------------------|
| | | |

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [X] No []

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

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 Reason |
|------------------------|--------------------|---------------------|--------------------------------------|
| Bank of New York | BNY Mellon | 07/01/2007 | Name change due to bank merger |

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| 1 Central Registration Depository Number(s) | 2 Name | 3 Address |
|---|-----------|--------------|
| | | |

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

27.2 If yes, complete the following schedule:

| 1 CUSIP # | 2 Name of Mutual Fund | 3 Book/Adjusted Carrying Value |
|-----------------|--------------------------|--------------------------------------|
| | | |
| 27.2999 - Total | | 0 |

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

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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
GENERAL INTERROGATORIES

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

| | 1 Statement (Admitted) Value | 2 Fair Value | 3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|-----------------------------|------------------------------------|-----------------|---|
| 28.1 Bonds | 71,854,118 | 71,805,657 | (48,461) |
| 28.2 Preferred stocks | .0 | .0 | .0 |
| 28.3 Totals | 71,854,118 | 71,805,657 | (48,461) |

28.4 Describe the sources or methods utilized in determining the fair values:

Market values are provided by BNY Mellon via various pricing vendors that they subscribe to. Market value data was also supplied by Cantor Fitzgerald, KeyBanc Capital Markets, Morgan Stanley, Merrill Lynch, Allison-Williams and J P Morgan.

29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

29.2 If no, list exceptions:

OTHER

30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$33,619

30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

| 1 Name | 2 Amount Paid |
|---------------|------------------|
| Fitch | 11,000 |
| AM Best | 8,600 |

31.1 Amount of payments for legal expenses, if any?\$2,166

31.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1 Name | 2 Amount Paid |
|--|------------------|
| Life Insurance Council of New York | 1,509 |
| Barbara Shelby Beatz | .658 |

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$10,581

32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

| 1 Name | 2 Amount Paid |
|--|------------------|
| Life Insurance Council of New York | 10,581 |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U.S. business only \$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
 1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0

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

1.6 Individual policies:

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

1.7 Group policies:

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

2. Health Test:

| | 1 Current Year | 2 Prior Year |
|-----------------------------------|-------------------|-----------------|
| 2.1 Premium Numerator | 182,243 | 194,235 |
| 2.2 Premium Denominator | 51,409,474 | 44,431,170 |
| 2.3 Premium Ratio (2.1/2.2) | 0.004 | 0.004 |
| 2.4 Reserve Numerator | 1,619,020 | 1,540,508 |
| 2.5 Reserve Denominator | 90,704,496 | 60,455,154 |
| 2.6 Reserve Ratio (2.4/2.5) | 0.018 | 0.025 |

3.1 Does this reporting entity have Separate Accounts? Yes [] No [X]

3.2 If yes, has a Separate Accounts Statement been filed with this Department? Yes [] No [] N/A [X]

3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$ 0

3.4 State the authority under which Separate Accounts are maintained:

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No []

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No []

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?" 0

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [X] No []

4.2 Net reimbursement of such expenses between reporting entities:

| | |
|---------------------|--------------------|
| 4.21 Paid | \$ 1,764,025 |
| 4.22 Received | \$ 7,895,451 |

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

5.2 If yes, what amount pertaining to these lines is included in:

| | |
|---------------------------|------------|
| 5.21 Page 3, Line 1 | \$ 0 |
| 5.22 Page 4, Line 1 | \$ 0 |

6. FOR STOCK REPORTING ENTITIES ONLY:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$ 38,450,000

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

| | |
|------------------|------------|
| 7.11 Cash | \$ 0 |
| 7.12 Stock | \$ 0 |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
GENERAL INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes [] No []

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

| | 1 Reinsurance Assumed | 2 Reinsurance Ceded | 3 Net Retained |
|--|-----------------------------|---------------------------|----------------------|
| 8.31 Earned premium | .0 | .0 | .0 |
| 8.32 Paid claims | .0 | .0 | .0 |
| 8.33 Claim liability and reserve (beginning of year) | .0 | .0 | .0 |
| 8.34 Claim liability and reserve (end of year) | .0 | .0 | .0 |
| 8.35 Incurred claims | .0 | .0 | .0 |

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

| | Attachment Point | 1 Earned Premium | 2 Claim Liability and Reserve |
|------|---------------------|------------------------|-------------------------------------|
| 8.41 | <\$25,000 | .0 | .0 |
| 8.42 | \$25,000 - 99,999 | .0 | .0 |
| 8.43 | \$100,000 - 249,999 | .0 | .0 |
| 8.44 | \$250,000 - 999,999 | .0 | .0 |
| 8.45 | \$1,000,000 or more | .0 | .0 |

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

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

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

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

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 2007 | 2 2006 | 3 2005 | 4 2004 | 5 2003 |
|--|-------------|------------|------------|------------|------------|
| Life Insurance in Force (Exhibit of Life Insurance) | | | | | |
| 1. Ordinary - whole life and endowment (Line 34, Col. 4) | 1,749 | 1,111 | 820 | 0 | 0 |
| 2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) | 4,720 | 3,321 | 2,261 | 0 | 0 |
| 3. Credit life (Line 21, Col. 6) | 0 | 0 | 0 | 0 | 0 |
| 4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4) | 11,836,841 | 7,969,025 | 5,858,230 | 2,578,924 | 757,714 |
| 5. Industrial (Line 21, Col. 2) | 0 | 0 | 0 | 0 | 0 |
| 6. FEGLI/SGLI (Lines 43 & 44, Col. 4) | 0 | 0 | 0 | 0 | 0 |
| 7. Total (Line 21, Col. 10) | 11,843,310 | 7,973,457 | 5,861,311 | 2,578,924 | 757,714 |
| New Business Issued (Exhibit of Life Insurance) | | | | | |
| 8. Ordinary - whole life and endowment (Line 34, Col. 2) | 975 | 424 | 1,089 | 0 | 0 |
| 9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2) | 8,242 | 3,057 | 3,836 | 0 | 0 |
| 10. Credit life (Line 2, Col. 6) | 0 | 0 | 0 | 0 | 0 |
| 11. Group (Line 2, Col. 9) | 4,678,024 | 2,077,771 | 475,518 | 2,973,711 | 683,813 |
| 12. Industrial (Line 2, Col. 2) | 0 | 0 | 0 | 0 | 0 |
| 13. Total (Line 2, Col. 10) | 4,687,241 | 2,081,252 | 480,443 | 2,973,711 | 683,813 |
| Premium Income - Lines of Business (Exhibit 1 - Part 1) | | | | | |
| 14. Industrial life (Line 20.4, Col. 2) | 0 | 0 | 0 | 0 | 0 |
| 15.1 Ordinary-life insurance (Line 20.4, Col. 3) | 96,033 | 67,090 | 76,399 | 0 | 0 |
| 15.2 Ordinary-individual annuities (Line 20.4, Col. 4) | 0 | 0 | 0 | 0 | 0 |
| 16. Credit life (group and individual) (Line 20.4, Col. 5) | 0 | 0 | 0 | 0 | 0 |
| 17.1 Group life insurance (Line 20.4, Col. 6) | 16,732,819 | 11,279,403 | 9,930,366 | 3,696,951 | 802,124 |
| 17.2 Group annuities (Line 20.4, Col. 7) | 0 | 0 | 0 | 0 | 0 |
| 18.1 A & H-group (Line 20.4, Col. 8) | 34,580,622 | 33,084,677 | 27,918,555 | 14,003,234 | 4,436,782 |
| 18.2 A & H-credit (group and individual) (Line 20.4, Col. 9) | 0 | 0 | 0 | 0 | 0 |
| 18.3 A & H-other (Line 20.4, Col. 10) | 0 | 0 | 0 | 0 | 0 |
| 19. Aggregate of all other lines of business (Line 20.4, Col. 11) | 0 | 0 | 0 | 0 | 0 |
| 20. Total | 51,409,474 | 44,431,170 | 37,925,320 | 17,700,185 | 5,238,906 |
| Balance Sheet (Pages 2 & 3) | | | | | |
| 21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3) | 141,484,610 | 99,013,329 | 71,107,815 | 35,413,802 | 12,787,452 |
| 22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) | 108,058,445 | 68,266,018 | 46,955,969 | 19,109,789 | 7,391,207 |
| 23. Aggregate life reserves (Page 3, Line 1) | 10,433,190 | 6,062,012 | 3,440,908 | 649,853 | 295,617 |
| 24. Aggregate A & H reserves (Page 3, Line 2) | 75,519,274 | 50,684,417 | 30,855,241 | 13,323,577 | 4,467,057 |
| 25. Deposit-type contract funds (Page 3, Line 3) | 1,692,790 | 1,098,094 | 612,568 | 61,250 | 0 |
| 26. Asset valuation reserve (Page 3, Line 24.1) | 769,680 | 595,465 | 282,907 | 102,146 | 68,828 |
| 27. Capital (Page 3, Lines 29 and 30) | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| 28. Surplus (Page 3, Line 37) | 31,426,165 | 28,747,311 | 22,151,846 | 14,304,013 | 3,396,245 |
| Cash Flow (Page 5) | | | | | |
| 29. Net Cash from Operations (Line 11) | 36,481,239 | 25,675,934 | 26,532,393 | 4,306,656 | 1,633,392 |
| Risk-Based Capital Analysis | | | | | |
| 30. Total adjusted capital | 34,195,845 | 31,342,776 | 24,434,753 | 16,406,159 | 5,465,073 |
| 31. Authorized control level risk - based capital | 5,292,935 | 4,721,087 | 3,626,138 | 1,688,197 | 778,132 |
| Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 10, Col. 3) x 100.0 | | | | | |
| 32. Bonds (Line 1) | 49.5 | 44.4 | 55.8 | 50.6 | 46.8 |
| 33. Stocks (Lines 2.1 and 2.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 34. Mortgage loans on real estate(Lines 3.1 and 3.2) | 47.3 | 49.4 | 33.1 | 12.5 | 34.4 |
| 35. Real estate (Lines 4.1, 4.2 and 4.3) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 36. Cash, cash equivalents and short-term investments (Line 5) | 3.2 | 6.1 | 11.0 | 36.8 | 18.8 |
| 37. Contract loans (Line 6) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 38. Other invested assets (Line 7) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 39. Receivables for securities (Line 8) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 40. Aggregate write-ins for invested assets (Line 9) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 41. Cash, cash equivalents and invested assets (Line 10) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

FIVE-YEAR HISTORICAL DATA

(Continued)

| | 1 2007 | 2 2006 | 3 2005 | 4 2004 | 5 2003 |
|--|-------------|------------|------------|-------------|-------------|
| Investments in Parent, Subsidiaries and Affiliates | | | | | |
| 42. Affiliated bonds (Schedule D Summary, Line 25, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 43. Affiliated preferred stocks (Schedule D Summary, Line 39, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 44. Affiliated common stocks (Schedule D Summary Line 53, Col. 1), | 0 | 0 | 0 | 0 | 0 |
| 45. Affiliated short-term investments (subtotal included in Schedule DA Part 2 Col. 5, Line 7) | 0 | 0 | 0 | 0 | 0 |
| 46. Affiliated mortgage loans on real estate | 0 | 0 | 0 | 0 | 0 |
| 47. All other affiliated | 0 | 0 | 0 | 0 | 0 |
| 48. Total of above Lines 42 to 47 | 0 | 0 | 0 | 0 | 0 |
| Total Nonadmitted and Admitted Assets | | | | | |
| 49. Total nonadmitted assets (Page 2, Line 26, Col. 2) | 1,896,655 | 887,552 | 908,200 | 2,801,307 | 2,332,723 |
| 50. Total admitted assets (Page 2, Line 26, Col. 3) | 141,484,610 | 99,013,329 | 71,107,815 | 35,413,802 | 12,787,452 |
| Investment Data | | | | | |
| 51. Net investment income (Exhibit of Net Investment Income) | 6,163,385 | 3,855,784 | 1,980,462 | 670,880 | 647,367 |
| 52. Realized capital gains (losses) | (164,133) | (40,510) | (16,169) | 0 | 0 |
| 53. Unrealized capital gains (losses) | 0 | 0 | 0 | 0 | 0 |
| 54. Total of above Lines 51, 52 and 53 | 5,999,252 | 3,815,274 | 1,964,293 | 670,880 | 647,367 |
| Benefits and Reserve Increases (Page 6) | | | | | |
| 55. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11, 12, 13, 14 and 15 Cols. 9, 10 and 11) | 9,699,462 | 6,818,405 | 5,415,111 | 2,108,912 | 852,965 |
| 56. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11) | 14,723,401 | 11,703,373 | 9,137,523 | 5,635,850 | 1,189,378 |
| 57. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3) | 473,575 | 158,145 | 341,735 | 0 | 0 |
| 58. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11) | 24,834,857 | 19,829,176 | 17,531,664 | 8,856,520 | 3,326,074 |
| 59. Dividends to policyholders (Line 30, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| Operating Percentages | | | | | |
| 60. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0 | 25.6 | 20.7 | 25.8 | 41.5 | 100.7 |
| 61. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0 | 54.8 | 8.6 | 7.9 | 0.0 | 0.0 |
| 62. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2) | 114.4 | 95.3 | 95.5 | 107.8 | 101.8 |
| 63. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2) | 0.0 | 0.0 | 0.0 | 0.0 | XXX |
| 64. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2) | 34.9 | 25.4 | 33.1 | 53.7 | 115.8 |
| A & H Claim Reserve Adequacy | | | | | |
| 65. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2) | 52,473,767 | 30,721,550 | 12,594,789 | 4,128,048 | 1,213,740 |
| 66. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2) | 52,224,925 | 31,982,548 | 13,906,969 | 4,721,217 | 1,192,691 |
| 67. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2) | 0 | 0 | 0 | 0 | 0 |
| 68. Prior years' claim liability and reserve-health other than Group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2) | 0 | 0 | 0 | 0 | 0 |
| Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33) | | | | | |
| 69. Industrial life (Col. 2) | 0 | 0 | 0 | 0 | 0 |
| 70. Ordinary - life (Col. 3) | (251,303) | (62,927) | (135,203) | 0 | 0 |
| 71. Ordinary - individual annuities (Col. 4) | 0 | 0 | 0 | 0 | 0 |
| 72. Ordinary-supplementary contracts (Col. 5) | 0 | 0 | 0 | 0 | 0 |
| 73. Credit life (Col. 6) | 0 | 0 | 0 | 0 | 0 |
| 74. Group life (Col. 7) | 1,625,765 | 548,480 | 389,887 | 482,969 | (488,894) |
| 75. Group annuities (Col. 8) | 0 | 0 | 0 | 0 | 0 |
| 76. A & H-group (Col. 9) | (2,879,767) | 3,378,254 | 1,704,885 | (3,954,248) | (3,077,364) |
| 77. A & H-credit (Col. 10) | 0 | 0 | 0 | 0 | 0 |
| 78. A & H-other (Col. 11) | 0 | 0 | 0 | 0 | 0 |
| 79. Aggregate of all other lines of business (Col. 12) | 0 | 0 | 0 | 0 | 0 |
| 80. Total (Col. 1) | (1,505,305) | 3,863,807 | 1,959,569 | (3,471,279) | (3,566,258) |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK

EXHIBIT OF LIFE INSURANCE

| | Industrial | | Ordinary | | Credit Life (Group and Individual) | | Group | | | 10 Total Amount of Insurance (a) |
|---|--------------------|-------------------------|--------------------|-------------------------|--|-------------------------|---------------|-------------------|-------------------------|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | Number of | | 9 | |
| | Number of Policies | Amount of Insurance (a) | Number of Policies | Amount of Insurance (a) | Number of Individual Policies and Group Certificates | Amount of Insurance (a) | 7 Policies | 8 Certificates | Amount of Insurance (a) | |
| 1. In force end of prior year | 0 | 0 | 56 | 4,432 | 0 | 0 | 272 | 102,883 | 7,969,025 | 7,973,457 |
| 2. Issued during year | 0 | 0 | 50 | 9,217 | 0 | 0 | 162 | 48,771 | 4,678,024 | 4,687,241 |
| 3. Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Revived during year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Increased during year (net) | 0 | 0 | 0 | 5 | 0 | 0 | (1) | 937 | 207,898 | 207,903 |
| 6. Subtotals, Lines 2 to 5 | 0 | 0 | 50 | 9,222 | 0 | 0 | 161 | 49,708 | 4,885,922 | 4,895,144 |
| 7. Additions by dividends during year | XXX | 0 | XXX | 0 | XXX | 0 | XXX | XXX | 0 | 0 |
| 8. Aggregate write-ins for increases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Totals (Lines 1 and 6 to 8) | 0 | 0 | 106 | 13,654 | 0 | 0 | 433 | 152,591 | 12,854,947 | 12,868,601 |
| Deductions during year: | | | | | | | | | | |
| 10. Death | 0 | 0 | 4 | 145 | 0 | 0 | XXX | 392 | 14,414 | 14,559 |
| 11. Maturity | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0 | 0 |
| 12. Disability | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0 | 0 |
| 13. Expiry | 0 | 0 | 22 | 4,064 | 0 | 0 | 0 | 0 | 0 | 4,064 |
| 14. Surrender | 0 | 0 | 1 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| 15. Lapse | 0 | 0 | 19 | 2,976 | 0 | 0 | 37 | 10,010 | 1,003,692 | 1,006,668 |
| 16. Conversion | 0 | 0 | 0 | 0 | 0 | 0 | XXX | XXX | XXX | 0 |
| 17. Decreased (net) | 0 | 0 | (3) | (10) | 0 | 0 | 0 | 0 | 0 | (10) |
| 18. Reinsurance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Aggregate write-ins for decreases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Totals, (Lines 10 to 19) | 0 | 0 | 43 | 7,185 | 0 | 0 | 37 | 10,402 | 1,018,106 | 1,025,291 |
| 21. In force end of year, (Line 9 minus Line 20) | 0 | 0 | 63 | 6,469 | 0 | 0 | 396 | 142,189 | 11,836,841 | 11,843,310 |
| 22. Reinsurance ceded end of year | XXX | 0 | XXX | 2,588 | XXX | 0 | XXX | XXX | 4,767,525 | 4,770,113 |
| 23. Line 21 minus Line 22 | XXX | 0 | XXX | 3,881 | XXX | (b) | XXX | XXX | 7,069,316 | 7,073,197 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0801. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0802. | | | | | | | | | | |
| 0803. | | | | | | | | | | |
| 0898. Summary of remaining write-ins for Line 8 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1901. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1902. | | | | | | | | | | |
| 1903. | | | | | | | | | | |
| 1998. Summary of remaining write-ins for Line 19 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) Group \$0 ; Individual \$0

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

| | Industrial | | Ordinary | |
|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) |
| 24. Additions by dividends | XXX | | XXX | |
| 25. Other paid-up insurance | | | | |
| 26. Debit ordinary insurance | XXX | XXX | | |

NONE

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

| | Issued During Year (Included in Line 2) | | In Force End of Year (Included in Line 21) | |
|---|--|------------------------------|---|------------------------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) |
| Term Insurance Excluding Extended Term Insurance | | | | |
| 27. Term policies - decreasing | 0 | 0 | 0 | 0 |
| 28. Term policies - other | 31 | 8,242 | 23 | 4,720 |
| 29. Other term insurance - decreasing | XXX | 0 | XXX | 0 |
| 30. Other term insurance | XXX | 0 | XXX | 0 |
| 31. Totals, Lines 27 to 30 | 31 | 8,242 | 23 | 4,720 |
| Reconciliation to Lines 2 and 21: | | | | |
| 32. Term additions | XXX | 0 | XXX | 0 |
| 33. Totals, extended term insurance | XXX | XXX | 0 | 0 |
| 34. Totals, whole life and endowment | 19 | 975 | 40 | 1,749 |
| 35. Totals (Lines 31 to 34) | 50 | 9,217 | 63 | 6,469 |

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

| | Issued During Year (Included in Line 2) | | In Force End of Year (Included in Line 21) | |
|--|--|--------------------|---|--------------------|
| | 1 Non-Participating | 2 Participating | 3 Non-Participating | 4 Participating |
| 36. Industrial | 0 | 0 | 0 | 0 |
| 37. Ordinary | 9,217 | 0 | 6,469 | 0 |
| 38. Credit Life (Group and Individual) | 0 | 0 | 0 | 0 |
| 39. Group | 4,678,024 | 0 | 11,836,841 | 0 |
| 40. Totals (Lines 36 to 39) | 4,687,241 | 0 | 11,843,310 | 0 |

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

| | Credit Life | | Group | |
|--|---|------------------------------|-----------------------------|------------------------------|
| | 1 Number of Individual Policies and Group Certificates | 2 Amount of Insurance (a) | 3 Number of Certificates | 4 Amount of Insurance (a) |
| 41. Amount of insurance included in Line 2 ceded to other companies | XXX | 0 | XXX | 2,482,649 |
| 42. Number in force end of year if the number under shared groups is counted on a pro-rata basis | 0 | XXX | 142,189 | XXX |
| 43. Federal Employees' Group Life Insurance included in Line 21 | 0 | 0 | 0 | 0 |
| 44. Servicemen's Group Life Insurance included in Line 21 | 0 | 0 | 0 | 0 |
| 45. Group Permanent Insurance included in Line 21 | 0 | 0 | 0 | 0 |

ADDITIONAL INFORMATION ON ACCIDENTAL DEATH BENEFITS

| | |
|---|--|
| 46. Amount of additional accidental death benefits in force end of year under ordinary policies (a) | |
|---|--|

NONE

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

| | |
|--|--|
| 47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above. | |
| 47.1 | |
| 47.2 | |

NONE

POLICIES WITH DISABILITY PROVISIONS

| | Industrial | | Ordinary | | Credit | | Group | |
|-----------------------|-------------------------|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|-----------------------------|------------------------------|
| | 1 Number of Policies | 2 Amount of Insurance (a) | 3 Number of Policies | 4 Amount of Insurance (a) | 5 Number of Policies | 6 Amount of Insurance (a) | 7 Number of Certificates | 8 Amount of Insurance (a) |
| 48. Waiver of Premium | 0 | 0 | 0 | 0 | 0 | 0 | 377 | 10,450,327 |
| 49. Disability Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 50. Extended Benefits | 0 | 0 | XXX | XXX | 0 | 0 | 0 | 0 |
| 51. Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 52. Total | 0 | (b) 0 | 0 | (b) 0 | 0 | (b) 0 | 377 | (b) 10,450,327 |

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

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

**ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME
PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY
CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES**

SUPPLEMENTARY CONTRACTS

| | Ordinary | | Group | |
|--------------------------------------|--------------------------------------|--|--------------------------------------|--|
| | 1 Involving Life Contingencies | 2 Not Involving Life Contingencies | 3 Involving Life Contingencies | 4 Not Involving Life Contingencies |
| 1. In force end of prior year | | | | |
| 2. Issued during year | | | | |
| 3. Reinsurance assumed | | | | |
| 4. Increased during year (net) | | | | |
| 5. Total (Lines 1 to 4) | | | | |
| Deductions during year: | | | | |
| 6. Decreased (net) | | | | |
| 7. Reinsurance ceded | | | | |
| 8. Totals (Lines 6 and 7) | | | | |
| 9. In force end of year | | | | |
| 10. Amount on deposit | | (a) | | (a) |
| 11. Income now payable | | | | |
| 12. Amount of income payable | (a) | (a) | (a) | (a) |

NONE

ANNUITIES

| | Ordinary | | Group | |
|--------------------------------------|----------------|---------------|----------------|-------------------|
| | 1 Immediate | 2 Deferred | 3 Contracts | 4 Certificates |
| 1. In force end of prior year | | | | |
| 2. Issued during year | | | | |
| 3. Reinsurance assumed | | | | |
| 4. Increased during year (net) | | | | |
| 5. Total (Lines 1 to 4) | | | | |
| Deductions during year: | | | | |
| 6. Decreased (net) | | | | |
| 7. Reinsurance ceded | | | | |
| 8. Totals (Lines 6 and 7) | | | | |
| 9. In force end of year | | | | |
| 10. Amount of income payable | (a) | XXX | XXX | (a) |
| Deferred fully paid: | | | | |
| 11. Account balance | XXX | (a) | XXX | (a) |
| Deferred not fully paid: | | | | |
| 12. Account balance | XXX | (a) | XXX | (a) |

NONE

ACCIDENT AND HEALTH INSURANCE

| | Group | | Credit | | Other | |
|--------------------------------------|-------------------|------------------------|---------------|------------------------|---------------|------------------------|
| | 1 Certificates | 2 Premiums in Force | 3 Policies | 4 Premiums in Force | 5 Policies | 6 Premiums in Force |
| 1. In force end of prior year | 462 | 49,783,535 | 0 | 0 | 0 | 0 |
| 2. Issued during year | 178 | 8,920,303 | 0 | 0 | 0 | 0 |
| 3. Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Increased during year (net) | 51 | XXX | 0 | XXX | 0 | XXX |
| 5. Total (Lines 1 to 4) | 691 | XXX | 0 | XXX | 0 | XXX |
| Deductions during year: | | | | | | |
| 6. Conversions | 0 | XXX | XXX | XXX | XXX | XXX |
| 7. Decreased (net) | 86 | XXX | 0 | XXX | 0 | XXX |
| 8. Reinsurance ceded | 0 | XXX | 0 | XXX | 0 | XXX |
| 9. Total (Lines 6 to 8) | 86 | XXX | 0 | XXX | 0 | XXX |
| 10. In force end of year | 605 | (a) 53,349,410 | 0 | (a) 0 | 0 | (a) 0 |

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

| | 1 | 2 |
|--------------------------------------|----------------------------|--|
| | Deposit Funds Contracts | Dividend Accumulations Contracts |
| 1. In force end of prior year | 3 | 0 |
| 2. Issued during year | 0 | 0 |
| 3. Reinsurance assumed | 0 | 0 |
| 4. Increased during year (net) | 0 | 0 |
| 5. Total (Lines 1 to 4) | 3 | 0 |
| Deductions During Year: | | |
| 6. Decreased (net) | 0 | 0 |
| 7. Reinsurance ceded | 0 | 0 |
| 8. Total (Lines 6 and 7) | 0 | 0 |
| 9. In force end of year | 3 | 0 |
| 10. Amount of account balance | (a) 1,692,790 | (a) 0 |

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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK

SCHEDULE D - SUMMARY BY COUNTRY

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

| Description | | 1 Book/Adjusted Carrying Value | 2 Fair Value | 3 Actual Cost | 4 Par Value of Bonds |
|--|---------------------------|--------------------------------------|-----------------|------------------|-------------------------|
| BONDS | | | | | |
| Governments (Including all obligations guaranteed by governments) | 1. United States | 2,692,935 | 2,750,180 | 2,705,769 | 2,555,000 |
| | 2. Canada | 0 | 0 | 0 | 0 |
| | 3. Other Countries | 0 | 0 | 0 | 0 |
| | 4. Totals | 2,692,935 | 2,750,180 | 2,705,769 | 2,555,000 |
| States, Territories and Possessions (Direct and guaranteed) | 5. United States | 0 | 0 | 0 | 0 |
| | 6. Canada | 0 | 0 | 0 | 0 |
| | 7. Other Countries | 0 | 0 | 0 | 0 |
| | 8. Totals | 0 | 0 | 0 | 0 |
| Political Subdivisions of States, Territories and Possessions (Direct and guaranteed) | 9. United States | 0 | 0 | 0 | 0 |
| | 10. Canada | 0 | 0 | 0 | 0 |
| | 11. Other Countries | 0 | 0 | 0 | 0 |
| | 12. Totals | 0 | 0 | 0 | 0 |
| Special revenue and special assessment obligations and all non- guaranteed obligations of agencies and authorities of governments and their political subdivisions | 13. United States | 100,250 | 99,370 | 100,517 | 100,000 |
| | 14. Canada | 0 | 0 | 0 | 0 |
| | 15. Other Countries | 0 | 0 | 0 | 0 |
| | 16. Totals | 100,250 | 99,370 | 100,517 | 100,000 |
| Public Utilities (unaffiliated) | 17. United States | 7,222,136 | 7,220,971 | 7,260,065 | 7,203,000 |
| | 18. Canada | 1,583,513 | 1,557,185 | 1,587,684 | 1,567,000 |
| | 19. Other Countries | 0 | 0 | 0 | 0 |
| | 20. Totals | 8,805,649 | 8,778,156 | 8,847,749 | 8,770,000 |
| Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated) | 21. United States | 53,074,462 | 52,978,624 | 53,503,928 | 52,384,000 |
| | 22. Canada | 1,204,080 | 1,205,342 | 1,227,881 | 1,143,221 |
| | 23. Other Countries | 593,036 | 610,280 | 592,422 | 600,000 |
| | 24. Totals | 54,871,578 | 54,794,246 | 55,324,231 | 54,127,221 |
| Parent, Subsidiaries and Affiliates | 25. Totals | 0 | 0 | 0 | 0 |
| 26. Total Bonds | | 66,470,412 | 66,421,952 | 66,978,266 | 65,552,221 |
| PREFERRED STOCKS | | | | | |
| Public Utilities (unaffiliated) | 27. United States | 0 | 0 | 0 | 0 |
| | 28. Canada | 0 | 0 | 0 | 0 |
| | 29. Other Countries | 0 | 0 | 0 | 0 |
| | 30. Totals | 0 | 0 | 0 | 0 |
| Banks, Trust and Insurance Companies (unaffiliated) | 31. United States | 0 | 0 | 0 | 0 |
| | 32. Canada | 0 | 0 | 0 | 0 |
| | 33. Other Countries | 0 | 0 | 0 | 0 |
| | 34. Totals | 0 | 0 | 0 | 0 |
| Industrial and Miscellaneous (unaffiliated) | 35. United States | 0 | 0 | 0 | 0 |
| | 36. Canada | 0 | 0 | 0 | 0 |
| | 37. Other Countries | 0 | 0 | 0 | 0 |
| | 38. Totals | 0 | 0 | 0 | 0 |
| Parent, Subsidiaries and Affiliates | 39. Totals | 0 | 0 | 0 | 0 |
| 40. Total Preferred Stocks | | 0 | 0 | 0 | 0 |
| COMMON STOCKS | | | | | |
| Public Utilities (unaffiliated) | 41. United States | 0 | 0 | 0 | 0 |
| | 42. Canada | 0 | 0 | 0 | 0 |
| | 43. Other Countries | 0 | 0 | 0 | 0 |
| | 44. Totals | 0 | 0 | 0 | 0 |
| Banks, Trust and Insurance Companies (unaffiliated) | 45. United States | 0 | 0 | 0 | 0 |
| | 46. Canada | 0 | 0 | 0 | 0 |
| | 47. Other Countries | 0 | 0 | 0 | 0 |
| | 48. Totals | 0 | 0 | 0 | 0 |
| Industrial and Miscellaneous (unaffiliated) | 49. United States | 0 | 0 | 0 | 0 |
| | 50. Canada | 0 | 0 | 0 | 0 |
| | 51. Other Countries | 0 | 0 | 0 | 0 |
| | 52. Totals | 0 | 0 | 0 | 0 |
| Parent, Subsidiaries and Affiliates | 53. Totals | 0 | 0 | 0 | 0 |
| 54. Total Common Stocks | | 0 | 0 | 0 | 0 |
| 55. Total Stocks | | 0 | 0 | 0 | 0 |
| 56. Total Bonds and Stocks | | 66,470,412 | 66,421,952 | 66,978,266 | |

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

| | | | |
|--|------------|--|------------|
| 1. Book/adjusted carrying value of bonds and stocks, prior year | 41,055,355 | 7. Amortization of premium | 289,670 |
| 2. Cost of bonds and stocks acquired, Col. 7, Part 3 | 27,286,529 | 8. Foreign Exchange Adjustment: | |
| 3. Accrual of discount | 69,673 | 8.1 Col. 15, Part 1 | 0 |
| 4. Increase (decrease) by adjustment: | | 8.2 Col. 19, Part 2, Sec. 1 | 0 |
| 4.1 Col. 12 - 14, Part 1 | 0 | 8.3 Col. 16, Part 2, Sec. 2 | 0 |
| 4.2 Col. 15 - 17, Part 2, Sec. 1 | 0 | 8.4 Col. 15, Part 4 | 0 |
| 4.3 Col. 15, Part 2, Sec. 2 | 0 | 9. Book/adjusted carrying value at end of current period | 66,470,412 |
| 4.4 Col. 11 - 13, Part 4 | (7,978) | 10. Total valuation allowance | 0 |
| 5. Total gain (loss), Col. 19, Part 4 | (3,992) | 11. Subtotal (Lines 9 plus 10) | 66,470,412 |
| 6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 | 1,639,505 | 12. Total nonadmitted amounts | 0 |
| | | 13. Statement value of bonds and stocks, current period | 66,470,412 |

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE STANDARD LIFE INSURANCE COMPANY OF NEW YORK
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

| States, Etc. | 1 | Life Contracts | | Direct Business Only | | 6 | 7 |
|--|----------------------------------|-------------------------|------------------------|---|----------------------|---------------------------|------------------------|
| | | 2 | 3 | 4 | 5 | | |
| | Is Insurer Licensed? (Yes or No) | Life Insurance Premiums | Annuity Considerations | Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees | Other Considerations | Total Columns 2 through 5 | Deposit-Type Contracts |
| 1. Alabama | AL | .0 | .0 | .0 | .0 | .0 | .0 |
| 2. Alaska | AK | .0 | .0 | .0 | .0 | .0 | .0 |
| 3. Arizona | AZ | 1,809 | .0 | .0 | .0 | 1,809 | .0 |
| 4. Arkansas | AR | .0 | .0 | .0 | .0 | .0 | .0 |
| 5. California | CA | 460 | .0 | .0 | .0 | 460 | .0 |
| 6. Colorado | CO | .0 | .0 | .0 | .0 | .0 | .0 |
| 7. Connecticut | CT | 2,849 | .0 | .0 | .0 | 2,849 | .0 |
| 8. Delaware | DE | .0 | .0 | .0 | .0 | .0 | .0 |
| 9. District of Columbia | DC | .0 | .0 | .0 | .0 | .0 | .0 |
| 10. Florida | FL | 2,181 | .0 | .0 | .0 | 2,181 | .0 |
| 11. Georgia | GA | .0 | .0 | .0 | .0 | .0 | .0 |
| 12. Hawaii | HI | .0 | .0 | .0 | .0 | .0 | .0 |
| 13. Idaho | ID | .0 | .0 | .0 | .0 | .0 | .0 |
| 14. Illinois | IL | .0 | .0 | .0 | .0 | .0 | .0 |
| 15. Indiana | IN | .0 | .0 | .0 | .0 | .0 | .0 |
| 16. Iowa | IA | .0 | .0 | .0 | .0 | .0 | .0 |
| 17. Kansas | KS | .0 | .0 | .0 | .0 | .0 | .0 |
| 18. Kentucky | KY | .0 | .0 | .0 | .0 | .0 | .0 |
| 19. Louisiana | LA | .0 | .0 | .0 | .0 | .0 | .0 |
| 20. Maine | ME | .0 | .0 | .0 | .0 | .0 | .0 |
| 21. Maryland | MD | 174 | .0 | .0 | .0 | 174 | .0 |
| 22. Massachusetts | MA | 66 | .0 | .0 | .0 | 66 | .0 |
| 23. Michigan | MI | .0 | .0 | .0 | .0 | .0 | .0 |
| 24. Minnesota | MN | .0 | .0 | .0 | .0 | .0 | .0 |
| 25. Mississippi | MS | .0 | .0 | .0 | .0 | .0 | .0 |
| 26. Missouri | MO | .0 | .0 | .0 | .0 | .0 | .0 |
| 27. Montana | MT | .0 | .0 | .0 | .0 | .0 | .0 |
| 28. Nebraska | NE | .0 | .0 | .0 | .0 | .0 | .0 |
| 29. Nevada | NV | .0 | .0 | .0 | .0 | .0 | .0 |
| 30. New Hampshire | NH | .0 | .0 | .0 | .0 | .0 | .0 |
| 31. New Jersey | NJ | 7,150 | .0 | .0 | .0 | 7,150 | .0 |
| 32. New Mexico | NM | .0 | .0 | .0 | .0 | .0 | .0 |
| 33. New York | NY | 25,894,562 | .0 | 53,539,873 | .0 | 79,434,435 | .0 |
| 34. North Carolina | NC | 2,929 | .0 | .0 | .0 | 2,929 | .0 |
| 35. North Dakota | ND | .0 | .0 | .0 | .0 | .0 | .0 |
| 36. Ohio | OH | .0 | .0 | .0 | .0 | .0 | .0 |
| 37. Oklahoma | OK | .0 | .0 | .0 | .0 | .0 | .0 |
| 38. Oregon | OR | .0 | .0 | .0 | .0 | .0 | .0 |
| 39. Pennsylvania | PA | 226 | .0 | .0 | .0 | 226 | .0 |
| 40. Rhode Island | RI | .0 | .0 | .0 | .0 | .0 | .0 |
| 41. South Carolina | SC | 2,045 | .0 | .0 | .0 | 2,045 | .0 |
| 42. South Dakota | SD | .0 | .0 | .0 | .0 | .0 | .0 |
| 43. Tennessee | TN | .0 | .0 | .0 | .0 | .0 | .0 |
| 44. Texas | TX | 681 | .0 | .0 | .0 | 681 | .0 |
| 45. Utah | UT | .0 | .0 | .0 | .0 | .0 | .0 |
| 46. Vermont | VT | .0 | .0 | .0 | .0 | .0 | .0 |
| 47. Virginia | VA | .0 | .0 | .0 | .0 | .0 | .0 |
| 48. Washington | WA | .0 | .0 | .0 | .0 | .0 | .0 |
| 49. West Virginia | WV | .0 | .0 | .0 | .0 | .0 | .0 |
| 50. Wisconsin | WI | .0 | .0 | .0 | .0 | .0 | .0 |
| 51. Wyoming | WY | .0 | .0 | .0 | .0 | .0 | .0 |
| 52. American Samoa | AS | .0 | .0 | .0 | .0 | .0 | .0 |
| 53. Guam | GU | .0 | .0 | .0 | .0 | .0 | .0 |
| 54. Puerto Rico | PR | .0 | .0 | .0 | .0 | .0 | .0 |
| 55. U.S. Virgin Islands | VI | .0 | .0 | .0 | .0 | .0 | .0 |
| 56. Northern Mariana Islands | MP | .0 | .0 | .0 | .0 | .0 | .0 |
| 57. Canada | CN | .0 | .0 | .0 | .0 | .0 | .0 |
| 58. Aggregate Other Aliens | OT | .0 | .0 | .0 | .0 | .0 | .0 |
| 59. Subtotal | (a) 1 | 25,915,132 | .0 | 53,539,873 | .0 | 79,455,005 | .0 |
| 90. Reporting entity contributions for employee benefits plans | XXX | .0 | .0 | .0 | .0 | .0 | .0 |
| 91. Dividends or refunds applied to purchase paid-up additions and annuities | XXX | .0 | .0 | .0 | .0 | .0 | .0 |
| 92. Dividends or refunds applied to shorten endowment or premium paying period | XXX | .0 | .0 | .0 | .0 | .0 | .0 |
| 93. Premium or annuity considerations waived under disability or other contract provisions | XXX | .0 | .0 | .0 | .0 | .0 | .0 |
| 94. Aggregate or other amounts not allocable by State | XXX | .0 | .0 | .0 | .0 | .0 | .0 |
| 95. Totals (Direct Business) | XXX | 25,915,132 | .0 | 53,539,873 | .0 | 79,455,005 | .0 |
| 96. Plus reinsurance assumed | XXX | .0 | .0 | .0 | .0 | .0 | .0 |
| 97. Totals (All Business) | XXX | 25,915,132 | .0 | 53,539,873 | .0 | 79,455,005 | .0 |
| 98. Less reinsurance ceded | XXX | 7,474,131 | .0 | 14,554,602 | .0 | 22,028,733 | .0 |
| 99. Totals (All Business) less Reinsurance Ceded | XXX | 18,441,001 | 0 | (b) 38,985,271 | 0 | 57,426,272 | 0 |
| DETAILS OF WRITE-INS | | | | | | | |
| 5801. | XXX | | | | | | |
| 5802. | XXX | | | | | | |
| 5803. | XXX | | | | | | |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | XXX | .0 | .0 | .0 | .0 | .0 | .0 |
| 5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 9401. | XXX | | | | | | |
| 9402. | XXX | | | | | | |
| 9403. | XXX | | | | | | |
| 9498. Summary of remaining write-ins for Line 94 from overflow page | XXX | .0 | .0 | .0 | .0 | .0 | .0 |
| 9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 |

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

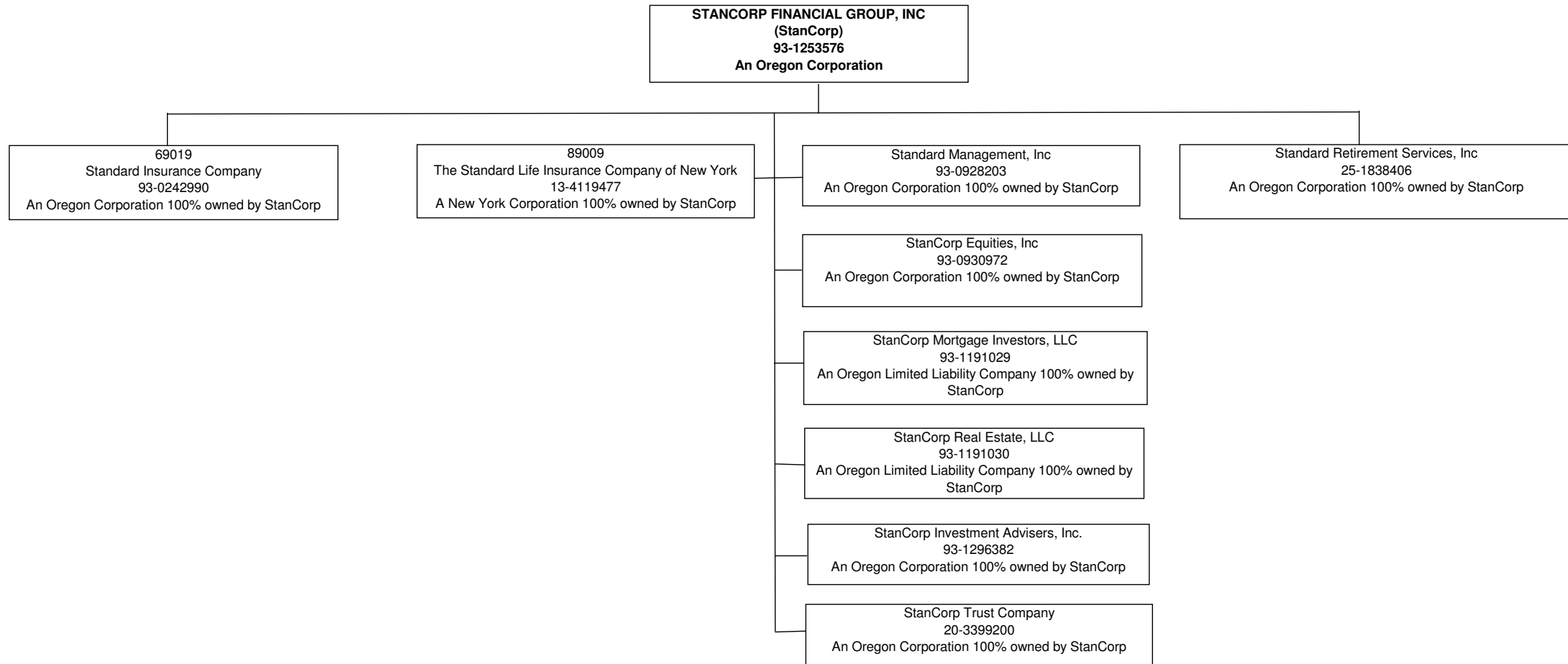
Individual insurance premiums are allocated to the state to which the premium statements are mailed. Group insurance premiums are allocated to the state in which the sale is made.

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

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10, or with Schedule H, Part 1, Line 1, indicate which:

Exhibit 1, Lines 6.4, 10.4, and 16.4,
Cols. 8, 9, 10

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



Overflow Page for Write-ins

NONE

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)

| | |
|--|-----|
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