

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? MICHIGAN
- 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 [X] No []
- 2.2 If yes, date of change: 03/24/2004
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2000
- 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. 12/31/2000
- 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). 02/21/2002
- 3.4 By what department or departments?
MICHIGAN - OFFICE OF FINANCIAL AND INSURANCE SERVICES
- 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 [X] No []
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 this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) 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 [X] No []
- 7.2 If yes,
7.21 State the percentage of foreign control; 100.0 %
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
UNITED KINGDOM	CORPORATION

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY
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 location (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
JACKSON NATIONAL LIFE DISTRIBUTORS, INC.	DENVER, CO					YES
SII INVESTMENTS, INC.	APPLETON, WI					YES
NATIONAL PLANNING CORPORATION	SANTA MONICA, CA					YES
INVESTMENT CENTERS OF AMERICA, INC.	BISMARCK, ND					YES
INVEST FINANCIAL CORPORATION	TAMPA, FL					YES
CURIAN CAPITAL, LLC	DENVER, CO					YES
JACKSON NATIONAL ASSET MANAGEMENT, LLC	CHICAGO, IL					YES
BH CLEARING, LLC	LANSING, MI					YES

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

KPMG LLP, 303 EAST WACKER DRIVE, CHICAGO, IL 60601-5212

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

RICHARD D. ASH, 1 CORPORATE WAY, LANSING, MI 48951, VICE PRESIDENT/ACTUARY

11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
NOT APPLICABLE

11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

11.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

BOARD OF DIRECTORS

12. 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 []

13. 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 []

14. 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 which is in or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

	15.11 To directors or other officers.....	\$	0
	15.12 To stockholders not officers.....	\$	0
	15.13 Trustees, supreme or grand (Fraternal Only)	\$	0

15.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

	15.21 To directors or other officers.....	\$	0
	15.22 To stockholders not officers.....	\$	0
	15.23 Trustees, supreme or grand (Fraternal Only)	\$	0

16.1 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 this statement? Yes [] No [X]

16.2 If yes, state the amount thereof at December 31 of the current year:

	16.21 Rented from others.....	\$	0
	16.22 Borrowed from others.....	\$	0
	16.23 Leased from others	\$	0
	16.24 Other	\$	0

Disclose in Notes to Financial Statements the nature of each obligation.

17.1 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]

17.2 If answer is yes,

	17.21 Amount paid as losses or risk adjustment \$		0
	17.22 Amount paid as expenses	\$	0
	17.23 Other amounts paid	\$	0

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

INVESTMENT

18. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited? Yes [] No [X]	6 Are Dividends Cumulative? Yes [] No [X]
Preferred	0	0	0.000	0	XXX	XXX
Common	850,000	515,000	100.000	XXX	XXX	XXX

19.1 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, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No []

19.2 If no, give full and complete information relating thereto:

20.1 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, except as shown on the Schedule E - Part 3 - Special Deposits, 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 16.1). Yes [] No [X]

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21 Loaned to others	\$	0
20.22 Subject to repurchase agreements	\$	0
20.23 Subject to reverse repurchase agreements	\$	0
20.24 Subject to dollar repurchase agreements	\$	0
20.25 Subject to reverse dollar repurchase agreements	\$	0
20.26 Pledged as collateral	\$	0
20.27 Placed under option agreements	\$	0
20.28 Letter stock or other securities restricted as to sale	\$	0
20.29 Other	\$	0

20.3 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

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

22.1 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]

22.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

INVESTMENT

23. 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 Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

23.01 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
THE BANK OF NEW YORK	ONE WALL STREET, 14TH FLOOR, NEW YORK, NY 10286 ...

23.02 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)
.....

23.03 Has there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?

Yes [] No [X]

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

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

23.05 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
DEPOSITORY TRUST CORPORATION	PPM AMERICA, INC.	225 W. WACKER, SUITE 100, CHICAGO, IL 60606

24.1 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]

24.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
9999999 - Total		0

24.3 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 2004 OF THE BROOKE LIFE INSURANCE COMPANY
GENERAL INTERROGATORIES

INVESTMENT

25. 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	2	3
	Statement (Admitted)	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
	Value		
25.1 Bonds	197,918,321	208,748,030	10,829,709
25.2 Preferred stocks	0	0	0
25.3 Totals	197,918,321	208,748,030	10,829,709

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

Fair value sources for publicly traded securities include independent pricing services, broker quotes and other independent sources. Fair values for private placement securities and for securities otherwise not available from independent sources are derived using a matrix pricing model developed by the Company's investment manager which considers appropriate interest rates, spreads to treasury securities, credit quality of issuers and durations.

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

26.2 If no, list exceptions:

OTHER

27.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?\$13,000

27.2 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
A.M. BEST COMPANY, INC.	13,000
.....	

28.1 Amount of payments for legal expenses, if any?\$0

28.2 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
.....	
.....	

29.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$0

29.2 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
.....	
.....	

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY

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	0	0
2.2 Premium Denominator	37,659,905	41,943,017
2.3 Premium Ratio (2.1/2.2)	0.000	0.000
2.4 Reserve Numerator	0	0
2.5 Reserve Denominator	198,196,307	167,535,108
2.6 Reserve Ratio (2.4/2.5)	0.000	0.000

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 []

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 [X]

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

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 \$ 428,049

4.22 Received \$ 0

5.1 Does the reporting entity write any guaranteed interest contacts? 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: \$ 1,197,030,270

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

7.11 Cash \$ 993,912,171

7.12 Stock \$ 0

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

8.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 8.11 Name of real estate holding company
 8.12 Number of parcels involved 0
 8.13 Total book/adjusted carrying value\$0

8.2 If, yes provide explanation:

9.1 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.

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

9.3 If 9.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
9.31 Earned premium .....	.0	.0	.0
9.32 Paid claims .....	.0	.0	.0
9.33 Claim liability and reserve (beginning of year) .....	.0	.0	.0
9.34 Claim liability and reserve (end of year) .....	.0	.0	.0
9.35 Incurred claims .....	.0	.0	.0

9.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 9.31 and 9.34 for Column (1) are:

	Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
9.41	<\$25,000	.0	.0
9.42	\$25,000 - 99,999	.0	.0
9.43	\$100,000 - 249,999	.0	.0
9.44	\$250,000 - 999,999	.0	.0
9.45	\$1,000,000 or more	.0	.0

9.5 What portion of earned premium reported in 9.31, Column 1 was assumed from pools?\$0

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

10.2 If 10.1 is yes, complete the following table for each type of guaranteed benefit.

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

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY

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 2004	2 2003	3 2002	4 2001	5 2000
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4)	146,071	156,544	169,176	181,953	198,354
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	78,869	86,970	98,910	109,775	116,312
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)	269,600	263,291	234,780	162,439	158,598
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)	494,540	506,805	502,866	454,167	473,264
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2)	0	0	0	0	0
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)	0	0	0	0	0
10. Credit life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	45,219	67,645	103,172	25,945	93,620
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	45,219	67,645	103,172	25,945	93,620
Premium Income - Lines of Business					
14. Industrial life (Exhibit 1-Part 1, Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary-life insurance (Exhibit 1-Part 1, Line 20.4, Col. 3)	445,483	472,926	529,033	597,186	615,982
15.2 Ordinary-individual annuities (Exhibit 1-Part 1, Line 20.4, Col. 4)	36,713,930	41,007,196	45,493,804	27,418,420	7,659,580
16. Credit life (group and individual) (Exhibit 1-Part 1, Line 20.4, Col. 5)	0	0	0	0	0
17.1 Group life insurance (Exhibit 1-Part 1, Line 20.4, Col. 6)	500,492	462,896	400,088	290,045	243,014
17.2 Group annuities (Exhibit 1-Part 1, Line 20.4, Col. 7)	0	0	0	0	0
18.1 A & H-group (Exhibit 1-Part 1, Line 20.4, Col. 8)	0	0	0	0	0
18.2 A & H-credit (group and individual) (Exhibit 1-Part 1, Line 20.4, Col. 9)	0	0	0	0	0
18.3 A & H-other (Exhibit 1-Part 1, Line 20.4, Col. 10)	0	0	0	0	0
19. Aggregate of all other lines of business (Exhibit 1-Part 1, Line 20.4, Col. 11)	0	0	0	0	0
20. Deposit-type funds	XXX	XXX	XXX	XXX	0
21. Total	37,659,905	41,943,018	46,422,925	28,305,651	8,518,576
Balance Sheet Items (Pages 2 & 3)					
22. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3)	3,345,957,086	3,173,068,182	3,028,367,087	2,552,659,999	2,300,393,905
23. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	1,435,358,769	1,411,621,444	1,374,278,462	905,204,843	704,351,532
24. Aggregate life reserves (Page 3, Line 1)	197,050,810	166,587,413	129,526,938	87,298,124	63,356,518
25. Aggregate A & H reserves (Page 3, Line 2)	0	0	0	0	0
26. Deposit-type contract funds (Page 3, Line 3)	3,278,976	3,216,727	3,296,883	3,443,442	XXX
27. Asset valuation reserve (Page 3, Line 24.1)	544,792	0	0	874,440	368,397
28. Capital (Page 3, Lines 29 and 30)	51,500,000	51,500,000	51,500,000	51,500,000	51,500,000
29. Surplus (Page 3, Line 37)	1,859,098,317	1,709,946,739	1,602,588,626	1,595,955,156	1,544,542,373
Risk-Based Capital Analysis					
30. Total adjusted capital	1,911,184,533	1,761,495,102	1,654,147,625	1,849,239,300	2,037,482,120
31. Authorized control level risk - based capital	399,891,286	476,985,536	441,320,545	390,769,941	576,072,783
Percentage Distribution of Assets					
(Page 2, Col. 3) (Line No. /Page 2, Line 10, Col. 3) x 100.0					
32. Bonds (Line 1)	5.7	5.1	3.8	3.5	2.9
33. Stocks (Lines 2.1 and 2.2)	94.0	94.6	95.5	96.3	96.7
34. Mortgage loans on real estate(Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
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)	0.2	0.1	0.6	0.0	0.2
37. Premium notes	XXX	XXX	0.0	0.0	0.0
38. Contract loans (Line 6)	0.1	0.1	0.1	0.2	0.2
39. Other invested assets (Line 7)	0.0	0.0	0.0	0.0	0.0
40. Receivable for securities (Line 8)	0.0	0.0	0.0	0.0	0.0
41. Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	0.0
42. Cash and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2004	2 2003	3 2002	4 2001	5 2000
Investments in Parent, Subsidiaries and Affiliates					
43. Affiliated bonds (Schedule D Summary, Line 25, Col. 1)	0	0	0	0	0
44. Affiliated preferred stocks (Schedule D Summary, Line 39, Col. 1)	0	0	0	0	0
45. Affiliated common stocks (Schedule D Summary Line 53, Col. 2),	3,140,683,432	2,999,031,739	2,888,882,103	2,450,094,716	2,221,924,610
46. Affiliated short-term investments (Subtotals included in Schedule DA Part 2 Col. 5, Line 11)	0	0	0	0	0
47. Affiliated mortgage loans on real estate	0	0	0	0	0
48. All other affiliated	0	0	0	0	0
49. Total of above Lines 43 to 48	3,140,683,432	2,999,031,739	2,888,882,103	2,450,094,716	2,221,924,610
Total Nonadmitted and Admitted Assets					
50. Total nonadmitted assets (Page 2, Line 26, Col. 2)	346,364	0	11,178	5,126	28,394
51. Total admitted assets (Page 2, Line 26, Col. 3)	3,345,957,086	3,173,068,182	3,028,367,087	2,552,659,999	2,300,393,905
Investment Data					
52. Net investment income (Exhibit of Net Investment Income)	44,169,000	6,733,954	80,776,528	78,245,716	121,723,388
53. Realized capital gains (losses)	219,588	(2,964,347)	(4,522,912)	0	0
54. Unrealized capital gains (losses)	141,651,693	90,149,636	(151,212,613)	(52,297,072)	(38,849,258)
55. Total of above Lines 52, 53 & 54	186,040,281	93,919,243	(74,958,997)	25,948,644	82,874,130
Benefits and Reserve Increases (Page 6)					
56. 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)	9,852,792	6,658,510	3,631,498	1,564,558	2,278,680
57. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	0	0	0	0	0
58. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3)	(1,733,052)	(1,374,166)	(1,583,013)	(2,671,844)	(3,090,919)
59. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	0	0	0	0	0
60. Dividends to policyholders (Line 30, Col. 1)	39,788	37,296	37,380	90,346	122,332
Operating Percentages					
61. 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	6.3	6.2	6.9	6.7	7.7
62. 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	6.5	8.2	7.1	6.1	9.5
63. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2)	0.0	0.0	0.0	0.0	0.0
64. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2)	0.0	XXX	XXX	XXX	XXX
65. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2)	0.0	0.0	0.0	0.0	0.0
A & H Claim Reserve Adequacy					
66. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2)	0	0	0	0	0
67. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2)	0	0	0	0	0
68. 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
69. 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)					
70. Industrial life (Col. 2)	0	0	0	0	0
71. Ordinary - life (Col. 3)	7,116,825	307,230	76,132,726	76,649,269	120,736,543
72. Ordinary - individual annuities (Col. 4)	30,257,291	367,744	156,353	(1,304,351)	180,134
73. Ordinary-supplementary contracts (Col. 5)	0	0	0	0	8,255
74. Credit life (Col. 6)	0	0	0	0	0
75. Group life (Col. 7)	214,029	415,469	184,894	183,848	(202,405)
76. Group annuities (Col. 8)	0	0	0	0	0
77. A & H-group (Col. 9)	0	0	0	0	0
78. A & H-credit (Col. 10)	0	0	0	0	0
79. A & H-other (Col. 11)	0	0	0	0	0
80. Aggregate of all other lines of business (Col. 12)	0	0	0	0	0
81. Total (Col. 1)	37,588,145	1,090,443	76,473,973	75,528,766	120,722,527



ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY

DIRECT BUSINESS IN THE STATE OF Grand Total
 NAIC Group Code 0918

DURING THE YEAR 2004
 NAIC Company Code 78620

LIFE INSURANCE

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	12,893	0	500,192	0	513,085
2. Annuity considerations	36,705,077	0	0	0	36,705,077
3. Deposit-type contract funds	0	XXX	0	XXX	0
4. Other considerations	0	0	0	0	0
5. Totals (Sum of Lines 1 to 4)	36,717,970	0	500,192	0	37,218,162
DIRECT DIVIDENDS TO POLICYHOLDERS					
Life insurance:					
6.1 Paid in cash or left on deposit	0	0	0	0	0
6.2 Applied to pay renewal premiums	0	0	0	0	0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period	0	0	0	0	0
6.4 Other	0	0	0	0	0
6.5 Totals (sum of Line 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit	0	0	0	0	0
7.2 Applied to provide paid-up annuities	0	0	0	0	0
7.3 Other	0	0	0	0	0
7.4 Totals (sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
DIRECT CLAIMS AND BENEFITS PAID					
9. Death benefits	21,000	0	374,000	0	395,000
10. Matured endowments	0	0	0	0	0
11. Annuity benefits	5,045,422	0	0	0	5,045,422
12. Surrender values and withdrawals for life contracts	0	0	0	0	0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health	0	0	0	0	0
15. Totals	5,066,422	0	374,000	0	5,440,422
DETAILS OF WRITE-INS					
1301.					
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind.Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	5	21,000	0	0	3	374,000	0	0	8	395,000
Settled during current year:										
18.1 By payment in full	5	21,000	0	0	3	374,000	0	0	8	395,000
18.2 By payment on compromised claims	0	0	0	0	0	0	0	0	0	0
18.3 Totals paid	5	21,000	0	0	3	374,000	0	0	8	395,000
18.4 Reduction by compromise	0	0	0	0	0	0	0	0	0	0
18.5 Amount rejected	0	0	0	0	0	0	0	0	0	0
18.6 Total settlements	5	21,000	0	0	3	374,000	0	0	8	395,000
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
POLICY EXHIBIT										
20. In force December 31, prior year	105	1,492,561	0 (a)	0	1	263,291,000	0	0	106	264,783,561
21. Issued during year	0	0	0	0	0	45,219,000	0	0	0	45,219,000
22. Other changes to in force (Net)	(12)	(145,000)	0	0	0	(38,910,000)	0	0	(12)	(39,055,000)
23. In force December 31 of current year	93	1,347,561	0 (a)	0	1	269,600,000	0	0	94	270,947,561

(a) Includes Individual Credit Life Insurance: prior year \$ 0 current year \$ 0
 Includes Group Credit Life Insurance: Loans less than or equal to 60 months at issue, prior year \$ 0 current year \$ 0
 Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS, prior year \$ 0 current year \$ 0

ACCIDENT AND HEALTH INSURANCE

	1	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies (b)	0	0	0	0	0
24.1 Federal Employees Health Benefits Program premium (b)	0	0	0	0	0
24.2 Credit (Group and Individual)	0	0	0	0	0
24.3 Collectively Renewable Policies (b)	0	0	0	0	0
Other Individual Policies:					
25.1 Non-cancelable (b)	0	0	0	0	0
25.2 Guaranteed renewable (b)	0	0	0	0	0
25.3 Non-renewable for stated reasons only (b)	0	0	0	0	0
25.4 Other accident only	0	0	0	0	0
25.5 All other (b)	0	0	0	0	0
25.6 Totals (Sum of Lines 25.1 to 25.5)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons
 insured under indemnity only products 0

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY

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	14,090	243,514	0	0	1	2,225	263,291	506,805
2. Issued during year	0	0	0	0	0	0	0	309	45,219	45,219
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	0	0	0	0	0	0	0
6. Subtotals, Lines 2 to 5	0	0	0	0	0	0	0	309	45,219	45,219
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	14,090	243,514	0	0	1	2,534	308,510	552,024
Deductions during year:										
10. Death	0	0	299	3,427	0	0	XXX	3	374	3,801
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	0	0	0	0	0	469	38,536	38,536
14. Surrender	0	0	420	7,630	0	0	0	0	0	7,630
15. Lapse	0	0	474	7,517	0	0	0	0	0	7,517
16. Conversion	0	0	0	0	0	0	XXX	XXX	XXX	0
17. Decreased (net)	0	0	0	0	0	0	0	0	0	0
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	1,193	18,574	0	0	0	472	38,910	57,484
21. In force end of year, (Line 9 minus Line 20)	0	0	12,897	224,940	0	0	1	2,062	269,600	494,540
22. Reinsurance ceded end of year	XXX	0	XXX	181,472	XXX	0	XXX	XXX	0	181,472
23. Line 21 minus Line 22	XXX	0	XXX	43,468	XXX	(b)	XXX	XXX	269,600	313,068
DETAILS OF WRITE-INS										
0801.										
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.										
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

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY

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	0	XXX	833
25. Other paid-up insurance	0	0	3,590	27,272
26. Debit ordinary insurance	XXX	XXX	0	0

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term 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)
27. Term policies - decreasing	0	0	519	9,286
28. Term policies - other	0	0	2,010	69,023
29. Other term insurance - decreasing	XXX	0	XXX	0
30. Other term insurance	XXX	0	XXX	0
31. Totals, Line 27 to 30	0	0	2,529	78,309
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX	0	XXX	0
33. Totals, extended term insurance	XXX	XXX	127	559
34. Totals, whole life and endowment	0	0	10,241	146,071
35. Total (Lines 31 to 34)	0	0	12,897	224,939

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	2	3	4
	Non-Participating	Participating	Non-Participating	Participating
36. Industrial	0	0	0	0
37. Ordinary	0	0	196,637	28,302
38. Credit Life (Group and Individual)	0	0	0	0
39. Group	45,219	0	269,600	0
40. Totals (Line 36 to 39)	45,219	0	466,237	28,302

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	0
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis	0	XXX	0	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 ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	11,225
---	--------

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 CURRENT COMMUTED VALUES
47.2 WIFE - \$1,000 PER UNIT, CHILD'S RIDER AND CHILDREN'S BENEFITS UNDER FAMILY RIDERS - \$2500 PER UNIT

POLICIES WITH DISABILITY PROVISIONS

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	1,596	28,126	0	0	0	0
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	1,596	(b) 28,126	0	(b) 0	0	(b) 0

(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 2004 OF THE BROOKE LIFE INSURANCE COMPANY
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 Individual Life Contingencies	2 Not Involving Life Contingencies	3 Individual 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				
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 .....	.90	5,036	0	0
2. Issued during year	0	1,209	0	0
3. Reinsurance assumed	0	0	0	0
4. Increased during year (net)	10	0	0	0
5. Total (Lines 1 to 4)	100	6,245	0	0
Deductions during year:				
6. Decreased (net)	6	234	0	0
7. Reinsurance	0	0	0	0
8. Totals (Lines 6 and 7)	6	234	0	0
9. In force end of year .....	.94	6,011	0	0
Income now payable:				
10. Amount of income payable	(a) 289,539	XXX	XXX	(a) 0
Deferred fully paid:				
11. Account balance	XXX	(a) 165,867,801	XXX	(a) 0
Deferred not fully paid:				
12. Account balance	XXX	(a) 0	XXX	(a) 0

ACCIDENT AND HEALTH INSURANCE

	Ordinary		Group		Credit	
	1 Policies	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year						
2. Issued during year						
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Total (Lines 1 to 4)		XXX		XXX		XXX
Deductions during year:						
6. Conversions	XXX	XXX		XXX	XXX	XXX
7. Decreased (net)		XXX		XXX		XXX
8. Reinsurance		XXX		XXX		XXX
9. Totals (Lines 6 to 8)		XXX		XXX		XXX
10. In force end of year		(a)		(a)		(a)

NONE

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year	7	3,085
2. Issued during year	0	0
3. Reinsurance assumed	0	0
4. Increased during year (net)	0	0
5. Totals (Lines 1 to 4)	7	3,085
Deductions During Year:		
6. Decreased (net)	0	171
7. Reinsurance	0	0
8. Totals (Lines 6 and 7)	0	171
9. In force end of year	7	2,914
10. Amount of account balance	(a) 13,224	(a) 3,182,947

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

**ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY
FORM FOR CALCULATING THE INTEREST MAINTENANCE RESERVE**

INTEREST MAINTENANCE RESERVE

	1 Amount
1. Reserve as of December 31, Prior Year	(593,396)
2. Current Year's Realized Pre-Tax Capital Gains/(Losses) of \$ 219,588 transferred into the Reserve Net of Taxes of \$ 0	219,587
3. Adjustment for Current Year's Liability Gains/(Losses) released from the reserve	0
4. Balance before Reduction for Amount Transferred to Summary of Operations (Line 1 + Line 2 + Line 3)	(373,809)
5. Current Year's Amortization Released to Summary of Operations (Amortization, Line 1, Column 4)	(48,485)
6. Reserve as of December 31, Current Year (Line 4 minus Line 5)	(325,324)

AMORTIZATION

Year of Amortization	1 Reserve as of December 31, Prior Year	2 Current Year's Realized Capital Gains/(Losses) Transferred into the Reserve Net of Taxes	3 Adjustment for Current Year's Liability Gains/(Losses) Released From the Reserve	4 Balance Before Reduction for Current Year's Amortization (Cols. 1 + 2 + 3)
1. 2004	(76,581)	28,096	0	(48,485)
2. 2005	(79,834)	55,727	0	(24,107)
3. 2006	(85,537)	49,522	0	(36,015)
4. 2007	(92,277)	37,464	0	(54,813)
5. 2008	(89,292)	25,043	0	(64,249)
6. 2009	(71,788)	11,571	0	(60,217)
7. 2010	(53,308)	4,213	0	(49,095)
8. 2011	(33,406)	3,398	0	(30,008)
9. 2012	(11,372)	2,480	0	(8,892)
10. 2013	0	1,563	0	1,563
11. 2014	0	510	0	510
12. 2015	0	0	0	0
13. 2016	0	0	0	0
14. 2017	0	0	0	0
15. 2018	0	0	0	0
16. 2019	0	0	0	0
17. 2020	0	0	0	0
18. 2021	0	0	0	0
19. 2022	0	0	0	0
20. 2023	0	0	0	0
21. 2024	0	0	0	0
22. 2025	0	0	0	0
23. 2026	0	0	0	0
24. 2027	0	0	0	0
25. 2028	0	0	0	0
26. 2029	0	0	0	0
27. 2030	0	0	0	0
28. 2031	0	0	0	0
29. 2032	0	0	0	0
30. 2033	0	0	0	0
31. 2034 and Later	0	0	0	0
32. Total (Lines 1 to 31)	(593,395)	219,587	0	(373,808)

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE BROOKE LIFE INSURANCE COMPANY

ASSET VALUATION RESERVE

	Default Component			Equity Component			7 Total Amount (Cols. 3 + 6)
	1 Other Than Mortgage Loans	2 Mortgage Loans	3 Total (Cols. 1 + 2)	4 Common Stock	5 Real Estate and Other Invested Assets	6 Total (Cols. 4 + 5)	
1. Reserve as of December 31, Prior Year	0	0	0	0	0	0	0
2. Realized Capital Gains/(Losses) Net of Taxes - General Account	0	0	0	0	0	0	0
3. Realized Capital Gains/(Losses) Net of Taxes - Separate Accounts	0	0	0	0	0	0	0
4. Unrealized Capital Gains/(Losses) Net of Deferred Taxes - General Account	0	0	0	0	0	0	0
5. Unrealized Capital Gains/(Losses) Net of Deferred Taxes - Separate Accounts	0	0	0	0	0	0	0
6. Capital gains credited/(losses charged) to contract benefits, payments or reserves	0	0	0	0	0	0	0
7. Basic Contribution	387,549	0	387,549	0	0	0	387,549
8. Accumulated Balances (Lines 1 through 5 - 6 + 7)	387,549	0	387,549	0	0	0	387,549
9. Maximum Reserve	1,746,950	0	1,746,950	0	0	0	1,746,950
10. Reserve Objective	1,173,765	0	1,173,765	0	0	0	1,173,765
11. 20% of (Line 10 - Line 8)	157,243	0	157,243	0	0	0	157,243
12. Balance Before Transfers (Lines 8 + 11)	544,792	0	544,792	0	0	0	544,792
13. Transfers	0	0	0	0	0	0	XXX
14. Voluntary Contribution	0	0	0	0	0	0	0
15. Adjustment down to Maximum/up to Zero	0	0	0	0	0	0	0
16. Reserve as of December 31, Current Year (Lines 12 + 13 + 14 + 15)	544,792	0	544,792	0	0	0	544,792

ASSET VALUATION RESERVE
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
LONG-TERM BONDS												
1.		Exempt Obligations	330,631	XXX	XXX	330,631	0.0000	0	0.0000	0	0.0000	0
2.	1	Highest Quality	71,584,313	XXX	XXX	71,584,313	0.0004	28,634	0.0023	164,644	0.0030	214,753
3.	2	High Quality	102,952,755	XXX	XXX	102,952,755	0.0019	195,610	0.0058	597,126	0.0090	926,575
4.	3	Medium Quality	16,636,730	XXX	XXX	16,636,730	0.0093	154,722	0.0230	382,645	0.0340	565,649
5.	4	Low Quality	287,943	XXX	XXX	287,943	0.0213	6,133	0.0530	15,261	0.0750	21,596
6.	5	Lower Quality	0	XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
7.	6	In or Near Default	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
8.		Total Unrated Multi-class Securities Acquired by Conversion	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
9.		Total Bonds (Sum of Lines 1 through 8) (Page 2, Line 1, Net Admitted Asset)	191,792,372	XXX	XXX	191,792,372	XXX	385,099	XXX	1,159,676	XXX	1,728,572
PREFERRED STOCK												
10.	1	Highest Quality	0	XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
11.	2	High Quality	0	XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
12.	3	Medium Quality	0	XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
13.	4	Low Quality	0	XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
14.	5	Lower Quality	0	XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
15.	6	In or Near Default	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
16.		Affiliated Life with AVR	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
17.		Total Preferred Stocks (Sum of Lines 10 through 16) (Page 2, Line 2.1, Net Admitted Asset)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
SHORT - TERM BONDS												
18.		Exempt Obligations	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
19.	1	Highest Quality	6,125,949	XXX	XXX	6,125,949	0.0004	2,450	0.0023	14,090	0.0030	18,378
20.	2	High Quality	0	XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
21.	3	Medium Quality	0	XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
22.	4	Low Quality	0	XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
23.	5	Lower Quality	0	XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
24.	6	In or Near Default	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
25.		Total Short - Term Bonds (Sum of lines 18 through 24)	6,125,949	XXX	XXX	6,125,949	XXX	2,450	XXX	14,090	XXX	18,378

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
DERIVATIVE INSTRUMENTS												
26.		Exchange Traded	0	XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
27.	1	Highest Quality	0	XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
28.	2	High Quality	0	XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
29.	3	Medium Quality	0	XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
30.	4	Low Quality	0	XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
31.	5	Lower Quality	0	XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
32.	6	In or Near Default	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
33.		Total Derivative Instruments	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
34.		TOTAL (Line 9 + 17 + 25 + 33)	197,918,321	XXX	XXX	197,918,321	XXX	387,549	XXX	1,173,765	XXX	1,746,950
MORTGAGE LOANS												
In Good Standing:												
35.		Farm Mortgages	0	0	XXX	0	0.0063 (a)	0	0.0120 (a)	0	0.0190 (a)	0
36.		Residential Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0003	0	0.0006	0	0.0010	0
37.		Residential Mortgages - All Other	0	0	XXX	0	0.0013	0	0.0030	0	0.0040	0
38.		Commercial Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0003	0	0.0006	0	0.0010	0
39.		Commercial Mortgages - All Other	0	0	XXX	0	0.0063 (a)	0	0.0120 (a)	0	0.0190 (a)	0
40.		In Good Standing With Restructured Terms	0	0	XXX	0	0.2800 (b)	0	0.6200 (b)	0	1.0000 (b)	0
Overdue, Not in Process:												
41.		Farm Mortgages	0	0	XXX	0	0.0420	0	0.0760	0	0.1200	0
42.		Residential Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0005	0	0.0012	0	0.0020	0
43.		Residential Mortgages - All Other	0	0	XXX	0	0.0025	0	0.0058	0	0.0090	0
44.		Commercial Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0005	0	0.0012	0	0.0020	0
45.		Commercial Mortgages - All Other	0	0	XXX	0	0.0420	0	0.0760	0	0.1200	0
In Process of Foreclosure:												
46.		Farm Mortgages	0	0	XXX	0	0.0000	0	0.1700	0	0.1700	0
47.		Residential Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0000	0	0.0040	0	0.0040	0
48.		Residential Mortgages - All Other	0	0	XXX	0	0.0000	0	0.0130	0	0.0130	0
49.		Commercial Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0000	0	0.0040	0	0.0040	0
50.		Commercial Mortgages - All Other	0	0	XXX	0	0.0000	0	0.1700	0	0.1700	0
51.		Total Schedule B Mortgages (Sum of Lines 35 through 50) (Page 2, Line 3, Net Admitted Asset)	0	0	XXX	0	XXX	0	XXX	0	XXX	0
52.		Schedule DA Mortgages	0	0	XXX	0	0.0000 (c)	0	0.0000 (c)	0	0.0000 (c)	0
53.		Total Mortgage Loans on Real Estate (Line 51 + 52)	0	0	XXX	0	XXX	0	XXX	0	XXX	0

(a) Times the company's Experience Adjustment Factor (EAF).

(b) Column 9 is the greater of 6.4% without any EAF adjustments or a company's EAF adjusted In Good Standing (IGS) factor plus 150 basis points. Columns 5 and 7 are 28% and 62% respectively of Column 9.

(c) Determined using the same factors and breakdowns used for directly owned mortgage loans.

ASSET VALUATION RESERVE
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
COMMON STOCK												
1.		Unaffiliated - Public	0	XXX	XXX	0	0.0000	0	0.1300 (d)	0	0.1300 (d)	0
2.		Unaffiliated - Private	0	XXX	XXX	0	0.0000	0	0.1600	0	0.1600	0
3.		Federal Home Loan Bank	0	XXX	XXX	0	0.0000	0	0.0050	0	0.0080	0
4.		Affiliated - Life with AVR	3,140,683,432	XXX	XXX	3,140,683,432	0.0000	0	0.0000	0	0.0000	0
Affiliated - Investment Subsidiary:												
5.		Fixed Income - Exempt Obligations	0	0	0	0	XXX	0	XXX	0	XXX	0
6.		Fixed Income - Highest Quality	0	0	0	0	XXX	0	XXX	0	XXX	0
7.		Fixed Income - High Quality	0	0	0	0	XXX	0	XXX	0	XXX	0
8.		Fixed Income - Medium Quality	0	0	0	0	XXX	0	XXX	0	XXX	0
9.		Fixed Income - Low Quality	0	0	0	0	XXX	0	XXX	0	XXX	0
10.		Fixed Income - Lower Quality	0	0	0	0	XXX	0	XXX	0	XXX	0
11.		Fixed Income - In/Near Default	0	0	0	0	XXX	0	XXX	0	XXX	0
12.		Unaffiliated Common Stock - Public	0	0	0	0	0.0000	0	0.1300 (d)	0	0.1300 (d)	0
13.		Unaffiliated Common Stock - Private	0	0	0	0	0.0000	0	0.1600	0	0.1600	0
14.		Mortgage Loans	0	0	0	0	0.0000 (c)	0	0.0000 (c)	0	0.0000 (c)	0
15.		Real Estate	0	0	0	0	0.0000 (e)	0	0.0000 (e)	0	0.0000 (e)	0
16.		Affiliated - Certain Other (See SVO Purposes and Procedures Manual)	0	XXX	XXX	0	0.0000	0	0.1300	0	0.1300	0
17.		Affiliated - All Other	0	XXX	XXX	0	0.0000	0	0.1600	0	0.1600	0
18.		Total Common Stock (Sum of Lines 1 through 17)(Page 2, Line 2.2, Net Admitted Asset)	3,140,683,432	0	0	3,140,683,432	XXX	0	XXX	0	XXX	0
REAL ESTATE												
19.		Home Office Property (General Account only)	0	0	0	0	0.0000	0	0.0750	0	0.0750	0
20.		Investment Properties	0	0	0	0	0.0000	0	0.0750	0	0.0750	0
21.		Properties Acquired in Satisfaction of Debt	0	0	0	0	0.0000	0	0.1100	0	0.1100	0
22.		Total Real Estate (Sum of Lines 19 through 21)	0	0	0	0	XXX	0	XXX	0	XXX	0
OTHER INVESTED ASSETS												
Investments with the Underlying Characteristics of Bonds												
23.		Exempt Obligations	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
24.	1	Highest Quality	0	XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
25.	2	High Quality	0	XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
26.	3	Medium Quality	0	XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
27.	4	Low Quality	0	XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
28.	5	Lower Quality	0	XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
29.	6	In or Near Default	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
30.		Total with Bond characteristics (Sum of Lines 23 through 29)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS												
31.	1	Highest Quality	0	XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
32.	2	High Quality	0	XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
33.	3	Medium Quality	0	XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
34.	4	Low Quality	0	XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
35.	5	Lower Quality	0	XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
36.	6	In or Near Default	0	XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
37.		Affiliated Life with AVR	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
38.		Total with Preferred Stock characteristics(Sum of Lines 31 through 37)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS												
In Good Standing												
39.		Farm Mortgages	0	0	XXX	0	0.0063 (a)	0	0.0120 (a)	0	0.0190 (a)	0
40.		Residential Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0003	0	0.0006	0	0.0010	0
41.		Residential Mortgages - All Other	0	XXX	XXX	0	0.0013	0	0.0030	0	0.0040	0
42.		Commercial Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0003	0	0.0006	0	0.0010	0
43.		Commercial Mortgages - All Other	0	0	XXX	0	0.0063 (a)	0	0.0120 (a)	0	0.0190 (a)	0
44.		In Good Standing With Restructured Terms	0	0	XXX	0	0.2800 (b)	0	0.6200 (b)	0	1.0000 (b)	0
Overdue, Not in Process:												
45.		Farm Mortgages	0	0	XXX	0	0.0420	0	0.0760	0	0.1200	0
46.		Residential Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0005	0	0.0012	0	0.0020	0
47.		Residential Mortgages - All Other	0	0	XXX	0	0.0025	0	0.0058	0	0.0090	0
48.		Commercial Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0005	0	0.0012	0	0.0020	0
49.		Commercial Mortgages - All Other	0	0	XXX	0	0.0420	0	0.0760	0	0.1200	0
In Process of Foreclosure:												
50.		Farm Mortgages	0	0	XXX	0	0.0000	0	0.1700	0	0.1700	0
51.		Residential Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0000	0	0.0040	0	0.0040	0
52.		Residential Mortgages - All Other	0	0	XXX	0	0.0000	0	0.0130	0	0.0130	0
53.		Commercial Mortgages - Insured or Guaranteed	0	0	XXX	0	0.0000	0	0.0040	0	0.0040	0
54.		Commercial Mortgages - All Other	0	0	XXX	0	0.0000	0	0.1700	0	0.1700	0
55.		Total with Mortgage Loan Characteristics (Sum of Lines 39 through 54)	0	0	XXX	0	XXX	0	XXX	0	XXX	0

ASSET VALUATION RESERVE (Continued)
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS
EQUITY AND OTHER INVESTED ASSET COMPONENT

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols.4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK												
56.		Unaffiliated Public	0	XXX	XXX	0	0.0000	0	0.1300 (d)	0	0.1300 (d)	0
57.		Unaffiliated Private	0	XXX	XXX	0	0.0000	0	0.1600	0	0.1600	0
58.		Affiliated Life with AVR	0	XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
59.		Affiliated Certain Other (See SVO Purposes & Procedures Manual)	0	XXX	XXX	0	0.0000	0	0.1300	0	0.1300	0
60.		Affiliated Other – All Other	0	XXX	XXX	0	0.0000	0	0.1600	0	0.1600	0
61.		Total with Common Stock characteristics (Sum of Lines 56 through 60)	0	XXX	XXX	0	XXX	0	XXX	0	XXX	0
INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE												
62.		Home Office Property (General Account only)	0	0	0	0	0.0000	0	0.0750	0	0.0750	0
63.		Investment Properties	0	0	0	0	0.0000	0	0.0750	0	0.0750	0
64.		Properties Acquired in Satisfaction of Debt	0	0	0	0	0.0000	0	0.1100	0	0.1100	0
65.		Total with Real Estate characteristics of real estate (Lines 62 through 64)	0	0	0	0	XXX	0	XXX	0	XXX	0
ALL OTHER INVESTMENTS												
66.		Other Invested Assets – Schedule BA	0	XXX	0	0	0.0000	0	0.1300	0	0.1300	0
67.		Other Short-Term Invested Assets - Schedule DA	0	XXX	0	0	0.0000	0	0.1300	0	0.1300	0
68.		Total All Other (Sum of Lines 66 + 67)	0	XXX	0	0	XXX	0	XXX	0	XXX	0
69.		Total Other Invested Assets - Schedule BA & DA (Sum of Lines 30, 38, 55, 61, 65, and 68)	0	0	0	0	XXX	0	XXX	0	XXX	0

(a) Times the company's experience adjustment factor (EAF).

(b) Column 9 is the greater of 6.4% without any EAF adjustments or a company's EAF adjusted In Good Standing (IGS) factor plus 150 basis points. Columns 5 and 7 are 28% and 62% respectively of Column 9.

(c) Determined using the same factors and breakdowns used for directly owned mortgage loans.

(d) Times the company's weighted average portfolio beta (Minimum .10, Maximum .20).

(e) Determined using the same factors and breakdowns used for directly owned real estate.

Asset Valuation Reserve Replications (Synthetic) Assets

N O N E

Schedule A - Verification Between Years

N O N E

Schedule B - Verification Between Years

N O N E

Schedule BA - Verification Between Years

N O N E