



LIFE ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2005
OF THE CONDITION AND AFFAIRS OF THE

Brooke Life Insurance Company

NAIC Group Code 0918 0918 NAIC Company Code 78620 Employer's ID Number 38-2764383
(Current) (Prior)

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile United States of America

Incorporated/Organized 07/02/1987 Commenced Business 08/26/1987

Statutory Home Office 1 Corporate Way, Lansing, MI 48951
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1 Corporate Way
(Street and Number)
Lansing, MI 48951 517-381-5500
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1 Corporate Way, Lansing, MI 48951
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1 Corporate Way
(Street and Number)
Lansing, MI 48951 517-381-5500
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Robert Arthur Fritts, 517-381-5500
(Name) (Area Code) (Telephone Number)
stabclic@inli.com, 517-706-5505
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Policyowner Relations Contact 1 Corporate Way
(Street and Number)
Lansing, MI 48951 517-367-3679
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

OFFICERS

President Clark Preston Manning Jr. Treasurer Andrew Boutwell Hopping
Secretary Thomas John Meyer Actuary Richard David Ash

OTHER

<u>Michael Andrew Wells</u> Chief Operating Officer	<u>Clifford James Jack</u> Executive Vice President	<u>Julius George Napoles</u> Executive Vice President
<u>James Ronald Sopha</u> Executive Vice President	<u>Lisa Carol Drake</u> Senior Vice President	<u>Robert Arthur Fritts</u> Senior Vice President
<u>Stephen Anthony Hrapkiewicz Jr.</u> Senior Vice President	<u>Paul Chadwick Myers</u> Senior Vice President	<u>John Bruce Banez</u> Vice President
<u>James Patrick Binder</u> Vice President	<u>John Howard Brown</u> Vice President	<u>Joseph Mark Clark</u> Vice President
<u>Marianne Clone</u> Vice President	<u>James Bradley Croom</u> Vice President	<u>Gerald William Decius</u> Vice President
<u>Phillip Brian Eaves</u> # Vice President	<u>James Douglas Garrison</u> Vice President	<u>Timo Pentti Kokko</u> Vice President
<u>Everett William Kunzelman</u> Vice President	<u>Lynn Withers Lopes</u> Vice President	<u>Dean Michael Miller</u> # Vice President
<u>Keith Richard Moore</u> Vice President	<u>Jacky Morin</u> Vice President	<u>Mark Daniel Nerud</u> Vice President
<u>Russell Erwin Peck</u> Vice President	<u>Bradley Jay Powell</u> Vice President	<u>Laura Louene Prieskorn</u> Vice President
<u>James Brian Quinn</u> Vice President	<u>Kathleen Marie Smith</u> # Vice President	<u>Robert Marquis Tucker Jr.</u> Vice President

DIRECTORS OR TRUSTEES

Andrew Boutwell Hopping Clark Preston Manning Jr. Michael Andrew Wells

State of Michigan SS:
County of Ingham

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.

Clark Preston Manning, Jr.
President

Thomas John Meyer
Secretary

Andrew Boutwell Hopping
Treasurer

Subscribed and sworn to before me this 15th day of February 2006

Rhonda Phillips
Notary Public
November 10, 2011

- 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.....

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

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)	195,092,807	0	195,092,807	191,792,373
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	3,434,049,288	0	3,434,049,288	3,140,683,432
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
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 (\$(508,645) , Schedule E - Part 1), cash equivalents (\$591,794 , Schedule E - Part 2) and short-term investments (\$3,380,782 , Schedule DA)	3,463,931	0	3,463,931	6,271,518
6. Contract loans (including \$0 premium notes)	3,255,066	0	3,255,066	3,486,270
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)	3,635,861,092	0	3,635,861,092	3,342,233,593
11. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
12. Investment income due and accrued	2,990,003	0	2,990,003	3,036,993
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	25,512	9,938	15,574	20,825
13.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	129,095	0	129,095	119,613
13.3 Accrued retrospective premiums	0	0	0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	0	0	0	236,618
14.2 Funds held by or deposited with reinsured companies	0	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0	8,123
15. Amounts receivable relating to uninsured plans	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
16.2 Net deferred tax asset	0	0	0	0
17. Guaranty funds receivable or on deposit	0	0	0	20,183
18. Electronic data processing equipment and software	0	0	0	0
19. Furniture and equipment, including health care delivery assets (\$0)	0	0	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	0	0	0	0
22. Health care (\$0) and other amounts receivable	0	0	0	0
23. Aggregate write-ins for other than invested assets	843,836	106,989	736,847	281,138
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	3,639,849,538	116,927	3,639,732,611	3,345,957,086
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
26. Total (Lines 24 and 25)	3,639,849,538	116,927	3,639,732,611	3,345,957,086
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. Cash held by third party administrator	736,847	0	736,847	281,138
2302. Disallowed interest maintenance reserve	106,989	106,989	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)	843,836	106,989	736,847	281,138

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$192,428,117 (Exh. 5, Line 9999999) less \$0 included in Line 6.3 (including \$38,530,328 Modco Reserve)	192,428,117	197,050,810
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$0 Modco Reserve)	0	0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$2,021,429 Modco Reserve)	3,164,116	3,278,976
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	1,869,147	1,166,641
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	0	0
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 \$20,309 Modco)	68,779	82,848
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 \$0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14)	11,464	10,015
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts	0	0
9.2 Provision for experience rating refunds, including \$0 accident and health experience rating refunds	0	0
9.3 Other amounts payable on reinsurance including \$0 assumed and \$0 ceded	0	0
9.4 Interest maintenance reserve (IMR, Line 6)	0	0
10. Commissions to agents due or accrued-life and annuity contracts \$0 accident and health \$0 and deposit-type contract funds \$0	0	6,445
11. Commissions and expense allowances payable on reinsurance assumed	500	600
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	0	0
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)	0	0
15.1 Current federal and foreign income taxes including \$0 on realized capital gains (losses)	0	0
15.2 Net deferred tax liability	0	0
16. Unearned investment income	83,758	93,182
17. Amounts withheld or retained by company as agent or trustee	13,924	13,021
18. Amounts held for agents' account, including \$0 agents' credit balances	0	0
19. Remittances and items not allocated	5,394	364
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 \$1,233,000,000 and interest thereon \$0	1,233,000,000	1,233,000,000
23. Dividends to stockholders declared and unpaid	0	0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR, Line 16, Col. 7)	970,829	544,792
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	123,665	111,075
24.5 Drafts outstanding	0	0
24.6 Liability for amounts held under uninsured accident and health plans	0	0
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	374	0
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	1,431,740,067	1,435,358,769
27. From Separate Accounts Statement	0	0
28. Total Liabilities (Lines 26 and 27)	1,431,740,067	1,435,358,769
29. Common capital stock	51,500,000	51,500,000
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)	1,197,030,270	1,197,030,270
34. Aggregate write-ins for special surplus funds	0	0
35. Unassigned funds (surplus)	959,462,274	662,068,047
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 29 \$0)	0	0
36.2 .....0 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)	2,156,492,544	1,859,098,317
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	2,207,992,544	1,910,598,317
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3)	3,639,732,611	3,345,957,086
DETAILS OF WRITE-INS		
2501. Due to reinsurers	374	0
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)	374	0
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

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	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)	7,248,169	37,659,905
2. Considerations for supplementary contracts with life contingencies	0	0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	336,036,363	44,169,000
4. Amortization of interest maintenance reserve (IMR, Line 5)	18,299	(48,485)
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)	290,652	316,678
7. Reserve adjustments on reinsurance ceded	(872,521)	(1,344,821)
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	0	0
9. Total (Lines 1 to 8.3)	342,720,962	80,752,277
10. Death benefits	869,315	872,077
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	5,334,625	5,234,821
13. Disability benefits and benefits under accident and health contracts	520	1,397
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0
15. Surrender benefits and withdrawals for life contracts	8,908,253	3,744,497
16. Group conversions	0	0
17. Interest and adjustments on contract or deposit-type contract funds	53,199	33,409
18. Payments on supplementary contracts with life contingencies	0	0
19. Increase in aggregate reserves for life and accident and health contracts	(4,622,693)	30,500,466
20. Totals (Lines 10 to 19)	10,543,219	40,386,667
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	566,990	1,836,569
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	8,307	10,223
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4)	794,031	857,650
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	34,878	39,835
25. Increase in loading on deferred and uncollected premiums	(8,579)	(6,600)
26. Net transfers to or (from) Separate Accounts net of reinsurance	0	0
27. Aggregate write-ins for deductions	0	0
28. Totals (Lines 20 to 27)	11,938,846	43,124,344
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	330,782,116	37,627,933
30. Dividends to policyholders	37,509	39,788
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	330,744,607	37,588,145
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	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)	330,744,607	37,588,145
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 0 (excluding taxes of \$ 0 transferred to the IMR)	0	0
35. Net income (Line 33 plus Line 34)	330,744,607	37,588,145
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	1,910,598,317	1,761,446,739
37. Net income (Line 35)	330,744,607	37,588,145
38. Change in net unrealized capital gains (losses)	32,636,719	141,651,693
39. Change in net unrealized foreign exchange capital gain (loss)	0	0
40. Change in net deferred income tax	0	0
41. Change in nonadmitted assets and related items	229,437	247,032
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)	0	0
44. Change in asset valuation reserve	(426,037)	(544,792)
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	0	6,000,000
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	(65,790,500)	(35,790,500)
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	297,394,227	149,151,578
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	2,207,992,544	1,910,598,317
DETAILS OF WRITE-INS		
08.301.		
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)	0	0
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	0	0
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	7,253,966	37,675,010
2. Net investment income	336,850,261	44,489,552
3. Miscellaneous income	290,652	316,678
4. Total (Lines 1 through 3)	344,394,879	82,481,240
5. Benefit and loss related payments	15,214,169	11,201,640
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,390,855	2,771,660
8. Dividends paid to policyholders	51,578	53,665
9. Federal and foreign income taxes paid (recovered) \$0 net of tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	16,656,602	14,026,965
11. Net cash from operations (Line 4 minus Line 10)	327,738,277	68,454,275
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	24,638,816	6,673,119
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
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)	24,638,816	6,673,119
13. Cost of investments acquired (long-term only):		
13.1 Bonds	28,478,704	36,118,041
13.2 Stocks	260,729,137	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	289,207,841	36,118,041
14. Net increase (decrease) in contract loans and premium notes	(231,204)	(306,049)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(264,337,821)	(29,138,873)
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	0	6,000,000
16.3 Borrowed funds	0	(7,000,000)
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	65,790,500	35,790,500
16.6 Other cash provided (applied)	(417,543)	(280,274)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(66,208,043)	(37,070,774)
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)	(2,807,587)	2,244,629
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	6,271,518	4,026,889
19.2 End of year (Line 18 plus Line 19.1)	3,463,931	6,271,518

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

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ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit) (Excluding Capital Gains and Losses)

	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	7,248,169	0	435,816	6,265,679	0	0	546,674	0	0	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	336,036,363	0	12,586,266	62,196,986	0	0	520,111	0	0	0	0	260,733,000
4. Amortization of Interest Maintenance Reserve (IMR)	18,299	0	3,588	14,675	0	0	36	0	0	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	290,652	0	276,120	14,532	0	0	0	0	0	0	0	0
7. Reserve adjustments on reinsurance ceded	(872,521)	0	(967,519)	94,998	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 to 8.3)	342,720,962	0	12,334,271	68,586,870	0	0	1,066,821	0	0	0	0	260,733,000
10. Death benefits	869,315	0	723,315	0	0	0	146,000	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	5,334,625	0	0	5,334,625	0	0	0	0	0	0	0	0
13. Disability benefits and benefits under accident and health contracts	520	0	520	0	0	0	0	0	0	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	8,908,253	0	325,976	8,582,277	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	53,199	0	0	53,199	0	0	0	0	0	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	(4,622,693)	0	(1,473,798)	(3,177,974)	0	0	29,079	0	0	0	0	0
20. Totals (Lines 10 to 19)	10,543,219	0	(423,987)	10,792,127	0	0	175,079	0	0	0	0	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	566,990	0	0	566,990	0	0	0	0	0	0	0	0
22. Commissions and expense allowances on reinsurance assumed	8,307	0	8,307	0	0	0	0	0	0	0	0	0
23. General insurance expenses	794,031	0	339,306	453,525	0	0	1,200	0	0	0	0	0
24. Insurance taxes, licenses and fees, excluding federal income taxes	34,878	0	14,589	20,240	0	0	49	0	0	0	0	0
25. Increase in loading on deferred and uncollected premiums	(8,579)	0	(8,579)	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0
28. Totals (Lines 20 to 27)	11,938,846	0	(70,364)	11,832,882	0	0	176,328	0	0	0	0	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	330,782,116	0	12,404,635	56,753,988	0	0	890,493	0	0	0	0	260,733,000
30. Dividends to policyholders	37,509	0	37,509	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)	330,744,607	0	12,367,126	56,753,988	0	0	890,493	0	0	0	0	260,733,000
32. Federal income taxes incurred (excluding tax on capital gains)	0	0	0	0	0	0	0	0	0	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)	330,744,607	0	12,367,126	56,753,988	0	0	890,493	0	0	0	0	260,733,000
DETAILS OF WRITE-INS												
08.301.												
08.302.												
08.303.												
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)	0	0	0	0	0	0	0	0	0	0	0	0
2701.												
2702.												
2703.												
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)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 0, Line 10 0, Line 16 0, Line 23 0, Line 24 0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY
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	197,050,810	0	39,204,379	157,499,571	0	0	346,860	0
2. Tabular net premiums or considerations	7,587,987	0	984,367	6,056,946	0	0	546,674	0
3. Present value of disability claims incurred	0	0	0	0	XXX	0	0	0
4. Tabular interest	9,753,599	0	1,645,012	8,081,890	0	0	26,697	0
5. Tabular less actual reserve released	(3,399,908)	0	0	(3,399,908)	0	0	0	0
6. Increase in reserve on account of change in valuation basis	0	0	0	0	0	0	0	0
7. Other increases (net)	18,614	0	18,614	0	0	0	0	0
8. Totals (Lines 1 to 7)	211,011,102	0	41,852,372	168,238,499	0	0	920,231	0
9. Tabular cost	528,370	0	38,148	0	XXX	0	490,222	0
10. Reserves released by death	2,819,950	0	2,819,754	XXX	XXX	0	196	XXX
11. Reserves released by other terminations (net)	9,899,520	0	1,263,369	8,582,277	0	0	53,874	0
12. Annuity, supplementary contract and disability payments involving life contingencies	5,335,145	0	520	5,334,625	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)	18,582,985	0	4,121,791	13,916,902	0	0	544,292	0
15. Reserve December 31, current year	192,428,117	0	37,730,581	154,321,597	0	0	375,939	0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 22,571	22,571
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 11,651,271	11,598,560
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	410,800,000	410,800,000
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract Loans	336,647	346,071
6. Cash, cash equivalents and short-term investments	(e) 139,792	145,513
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	223,814	223,814
10. Total gross investment income	423,174,095	423,136,529
11. Investment expenses		(g) 161,071
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 84,209,500
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		2,729,595
16. Total deductions (Lines 11 through 15)		87,100,166
17. Net investment income (Line 10 minus Line 16)		336,036,363
DETAILS OF WRITE-INS		
0901. Miscellaneous investment income	223,814	223,814
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)	223,814	223,814
1501. Reinsurance ceded investment income		2,729,595
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1303 plus 1598) (Line 15, above)		2,729,595

- (a) Includes \$ 72,089 accrual of discount less \$ 848,177 amortization of premium and less \$ 95,860 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 \$ 0 accrual of discount less \$ 0 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
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1. U.S. Government bonds	0	0	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0
1.2 Other bonds (unaffiliated)	236,634	0	0	236,634
1.3 Bonds of affiliates	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0
2.21 Common stocks of affiliates	0	0	32,636,719	32,636,719
3. Mortgage loans	0	0	0	0
4. Real estate	0	0	0	0
5. Contract Loans	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0
7. Derivative instruments	0	0	0	0
8. Other invested assets	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0
10. Total capital gains (losses)	236,634	0	32,636,719	32,873,353
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

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY
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	0	0	0	0	0	0	0	0	0	0	0
2. Deferred and accrued	0	0	0	0	0	0	0	0	0	0	0
3. Deferred, accrued and uncollected:											
3.1 Direct	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0
3.4 Net (Line 1 + Line 2)	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0
6. Collected during year:											
6.1 Direct	4,885,735	0	0	4,885,735	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	0	0	0	0	0	0	0	0	0	0	0
6.4 Net	4,885,735	0	0	4,885,735	0	0	0	0	0	0	0
7. Line 5 + Line 6.4	4,885,735	0	0	4,885,735	0	0	0	0	0	0	0
8. Prior year (uncollected + deferred and accrued - advance)	0	0	0	0	0	0	0	0	0	0	0
9. First year premiums and considerations:											
9.1 Direct	4,885,735	0	0	4,885,735	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	0	0	0	0	0	0	0	0	0	0	0
9.4 Net (Line 7 - Line 8)	4,885,735	0	0	4,885,735	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	17,085	0	10,785	0	0	6,300	0	0	0	0	0
12. Deferred and accrued	155,455	0	155,455	0	0	0	0	0	0	0	0
13. Deferred, accrued and uncollected:											
13.1 Direct	10,627	0	4,327	0	0	6,300	0	0	0	0	0
13.2 Reinsurance assumed	380,598	0	380,598	0	0	0	0	0	0	0	0
13.3 Reinsurance ceded	218,684	0	218,684	0	0	0	0	0	0	0	0
13.4 Net (Line 11 + Line 12)	172,541	0	166,241	0	0	6,300	0	0	0	0	0
14. Advance	11,464	0	11,464	0	0	0	0	0	0	0	0
15. Line 13.4 - Line 14	161,077	0	154,777	0	0	6,300	0	0	0	0	0
16. Collected during year:											
16.1 Direct	1,930,639	0	12,320	1,371,545	0	546,774	0	0	0	0	0
16.2 Reinsurance assumed	1,997,354	0	1,936,932	60,422	0	0	0	0	0	0	0
16.3 Reinsurance ceded	1,559,763	0	1,507,740	52,023	0	0	0	0	0	0	0
16.4 Net	2,368,230	0	441,512	1,379,944	0	546,774	0	0	0	0	0
17. Line 15 + Line 16.4	2,529,307	0	596,289	1,379,944	0	553,074	0	0	0	0	0
18. Prior year (uncollected + deferred and accrued - advance)	166,874	0	160,474	0	0	6,400	0	0	0	0	0
19. Renewal premiums and considerations:											
19.1 Direct	1,930,803	0	12,584	1,371,545	0	546,674	0	0	0	0	0
19.2 Reinsurance assumed	1,965,331	0	1,904,909	60,422	0	0	0	0	0	0	0
19.3 Reinsurance ceded	1,533,700	0	1,481,677	52,023	0	0	0	0	0	0	0
19.4 Net (Line 17 - Line 18)	2,362,434	0	435,816	1,379,944	0	546,674	0	0	0	0	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	6,816,538	0	12,584	6,257,280	0	546,674	0	0	0	0	0
20.2 Reinsurance assumed	1,965,331	0	1,904,909	60,422	0	0	0	0	0	0	0
20.3 Reinsurance ceded	1,533,700	0	1,481,677	52,023	0	0	0	0	0	0	0
20.4 Net (Line 9.4 + 10.4 + 19.4)	7,248,169	0	435,816	6,265,679	0	546,674	0	0	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	20,071	0	20,071	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	290,652	0	276,120	14,532	0	0	0	0	0	0	0
25.2 Reinsurance assumed	8,307	0	8,307	0	0	0	0	0	0	0	0
25.3 Net ceded less assumed	282,345	0	267,813	14,532	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	290,652	0	276,120	14,532	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 22)	8,307	0	8,307	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed	282,345	0	267,813	14,532	0	0	0	0	0	0	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	516,577	0	0	516,577	0	0	0	0	0	0	0
28. Single	0	0	0	0	0	0	0	0	0	0	0
29. Renewal	50,413	0	0	50,413	0	0	0	0	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)	566,990	0	0	566,990	0	0	0	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY
EXHIBIT 2 - GENERAL EXPENSES**

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		Cost Containment	3 All Other			
1. Rent	0	0	0	0	0	0
2. Salaries and wages	0	0	0	0	0	0
3.11 Contributions for benefit plans for employees	0	0	0	0	0	0
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	0	0	0	0	0	0
3.32 Other agent welfare	0	0	0	0	0	0
4.1 Legal fees and expenses	0	0	0	0	0	0
4.2 Medical examination fees	0	0	0	0	0	0
4.3 Inspection report fees	0	0	0	0	0	0
4.4 Fees of public accountants and consulting actuaries	16,000	0	0	0	0	16,000
4.5 Expense of investigation and settlement of policy claims	0	0	0	0	0	0
5.1 Traveling expenses	0	0	0	0	0	0
5.2 Advertising	0	0	0	0	0	0
5.3 Postage, express, telegraph and telephone	0	0	0	0	0	0
5.4 Printing and stationery	0	0	0	0	0	0
5.5 Cost or depreciation of furniture and equipment	0	0	0	0	0	0
5.6 Rental of equipment	0	0	0	0	0	0
5.7 Cost or depreciation of EDP equipment and software	0	0	0	0	0	0
6.1 Books and periodicals	0	0	0	0	0	0
6.2 Bureau and association fees	0	0	0	0	0	0
6.3 Insurance, except on real estate	0	0	0	0	0	0
6.4 Miscellaneous losses	0	0	0	0	0	0
6.5 Collection and bank service charges	530	0	0	0	0	530
6.6 Sundry general expenses	0	0	0	0	0	0
6.7 Group service and administration fees	0	0	0	0	0	0
6.8 Reimbursements by uninsured accident and health plans	0	0	0	0	0	0
7.1 Agency expense allowance	0	0	0	0	0	0
7.2 Agents' balances charged off (less \$ recovered)	0	0	0	0	0	0
7.3 Agency conferences other than local meetings	0	0	0	0	0	0
9.1 Real estate expenses	0	0	0	0	0	0
9.2 Investment expenses not included elsewhere	0	0	0	0	161,071	161,071
9.3 Aggregate write-ins for expenses	777,501	0	0	0	0	777,501
10. General expenses incurred	794,031	0	0	0	161,071	(a) 955,102
11. General expenses unpaid December 31, prior year	102,952	0	0	0	0	102,952
12. General expenses unpaid December 31, current year	124,039	0	0	0	0	124,039
13. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0	0	0
14. Amounts receivable relating to uninsured accident and health plans, current year	0	0	0	0	0	0
15. General expenses paid during year (Lines 10+11-12-13+14)	772,944	0	0	0	161,071	934,015
DETAILS OF WRITE-INS						
09.301. Administrator fees	369,638	0	0	0	0	369,638
09.302. Management fees	393,863	0	0	0	0	393,863
09.303. Rating agency fees	14,000	0	0	0	0	14,000
09.398. Summary of remaining write-ins for Line 9.3 from overflow pag	0	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	777,501	0	0	0	0	777,501

(a) Includes management fees of \$ 554,934 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	4,755	0	0	0	4,755
3. State taxes on premiums	9,940	0	0	0	9,940
4. Other state taxes, including \$ for employee benefits	0	0	0	0	0
5. U.S. Social Security taxes	0	0	0	0	0
6. All other taxes	20,183	0	0	0	20,183
7. Taxes, licenses and fees incurred	34,878	0	0	0	34,878
8. Taxes, licenses and fees unpaid December 31, prior year	0	0	0	0	0
9. Taxes, licenses and fees unpaid December 31, current year	0	0	0	0	0
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	34,878	0	0	0	34,878

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums	0	0
2. Applied to shorten the endowment or premium-paying period	15,205	0
3. Applied to provide paid-up additions	4,866	0
4. Applied to provide paid-up annuities	0	0
5. Total Lines 1 through 4	20,071	0
6. Paid in cash	3,852	0
7. Left on deposit	27,655	0
8. Aggregate write-ins for dividend or refund options	0	0
9. Total Lines 5 through 8	51,578	0
10. Amount due and unpaid	0	0
11. Provision for dividends or refunds payable in the following calendar year	68,779	0
12. Terminal dividends	0	0
13. Provision for deferred dividend contracts	0	0
14. Amount provisionally held for deferred dividend contracts not included in Line 13	0	0
15. Total Lines 10 through 14	68,779	0
16. Total from prior year	82,848	0
17. Total Dividends or refunds (Lines 9 + 15 - 16)	37,509	0
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY
EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
LIFE INSURANCE:					
1941 2.5% CRVM	297,189	0	297,189	0	0
1941 2.5% NLP	154,172	0	154,172	0	0
1941 3% CRVM	146,208	0	146,208	0	0
1941 3% NLP	282,794	0	282,794	0	0
1958 0% CRVM	373,610	0	373,610	0	0
1958 2.25% CRVM	402,658	0	402,658	0	0
1958 2.5% CRVM	1,924,273	0	1,924,273	0	0
1958 2.5% NLP	715,428	0	715,428	0	0
1958 2.625% NLP	219,075	0	219,075	0	0
1958 3% CRVM	6,439,741	0	6,439,741	0	0
1958 3% NLP	2,146,313	0	2,146,313	0	0
1958 3.25% NLP	2,123	0	2,123	0	0
1958 3.5% CRVM	2,945,075	0	2,945,075	0	0
1958 3.5% NLP	1,416,477	0	1,416,477	0	0
1958 4% CRVM	5,195,602	0	5,195,602	0	0
1958 4% NLP	4,224,401	0	4,224,401	0	0
1958 4.5% CRVM	10,315,621	0	10,315,621	0	0
1958 4.5% NLP	80,449	0	80,449	0	0
1980 4% CRVM	569,644	0	569,644	0	0
1980 4.5% CRVM	3,213,764	0	2,837,825	0	375,939
1980 5% NLP	824,728	0	824,728	0	0
1980 5.5% CRVM	5,820,978	0	5,820,978	0	0
1980 5.5% NLP	997,934	0	997,934	0	0
1980 6% NLP	3,891,996	0	3,891,996	0	0
1958 CET 2.5% Paid Up ETI	3,739	0	3,739	0	0
1958 CET 3% Paid Up ETI	29,284	0	29,284	0	0
1980 CET 4.5% Paid UP ETI	12,250	0	12,250	0	0
Unearned Premium	223	0	223	0	0
Substandard	19,825	0	19,825	0	0
0199997. Totals (Gross)	52,665,574	0	52,289,635	0	375,939
0199998. Reinsurance ceded	14,863,043	0	14,863,043	0	0
0199999. Life Insurance: Totals (Net)	37,802,531	0	37,426,592	0	375,939
ANNUITIES (excluding supplementary contracts with life contingencies):					
Deferred Annuities 4.0%	3,400,846	XXX	3,400,846	XXX	0
Deferred Annuities 4.50%	6,015,787	XXX	6,015,787	XXX	0
Deferred Annuities 4.75%	31,591,664	XXX	31,591,664	XXX	0
Deferred Annuities 5.00%	36,780,849	XXX	36,780,849	XXX	0
Deferred Annuities 5.25%	551,500	XXX	551,500	XXX	0
Deferred Annuities 5.50%	64,484,925	XXX	64,484,925	XXX	0
Deferred Annuities 5.75%	6,831,567	XXX	6,831,567	XXX	0
Deferred Annuities 6.0%	5,255,252	XXX	5,255,252	XXX	0
1971 IAM 6%	513,663	XXX	513,663	XXX	0
1971 IAM 6.5%	225,103	XXX	225,103	XXX	0
1983A 6.25%	1,374,166	XXX	1,374,166	XXX	0
Annuity 2000 5.25%	22,438	XXX	22,438	XXX	0
Annuity 2000 5.50%	107,608	XXX	107,608	XXX	0
Annuity 2000 6.00%	18,177	XXX	18,177	XXX	0
0299997. Totals (Gross)	157,173,545	XXX	157,173,545	XXX	0
0299998. Reinsurance ceded	2,851,948	XXX	2,851,948	XXX	0
0299999. Annuities: Totals (Net)	154,321,597	XXX	154,321,597	XXX	0
SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:					
0399998. Reinsurance ceded	0	0	0	0	0
0399999. SCWLC: Totals (Net)	0	0	0	0	0
ACCIDENTAL DEATH BENEFITS:					
1959 ADB Table 1958 CS0 3%	5,794	0	5,794	0	0
0499997. Totals (Gross)	5,794	0	5,794	0	0
0499998. Reinsurance ceded	1,784	0	1,784	0	0
0499999. Accidental Death Benefits: Totals (Net)	4,010	0	4,010	0	0
DISABILITY-ACTIVE LIVES:					
1952 Dis Study 1958 CS0 3% Benefit 5	13,313	0	13,313	0	0
0599997. Totals (Gross)	13,313	0	13,313	0	0
0599998. Reinsurance ceded	5,151	0	5,151	0	0
0599999. Disability-Active Lives: Totals (Net)	8,162	0	8,162	0	0
DISABILITY-DISABLED LIVES:					
1952 Dis Study 1958 CS0 3% Benefit 5	375,730	0	375,730	0	0
0699997. Totals (Gross)	375,730	0	375,730	0	0
0699998. Reinsurance ceded	104,576	0	104,576	0	0
0699999. Disability-Disabled Lives: Totals (Net)	271,154	0	271,154	0	0
MISCELLANEOUS RESERVES:					
For non-deduction of deferred fractional premium or return of premiums at death	53,021	0	53,021	0	0
Deficiency reserve (For excess of valuation net premiums over corresponding gross premiums)	1,764	0	1,764	0	0
0799997. Totals (Gross)	54,785	0	54,785	0	0
0799998. Reinsurance ceded	34,122	0	34,122	0	0
0799999. Miscellaneous Reserves: Totals (Net)	20,663	0	20,663	0	0
9999999. Totals (Net) - Page 3, Line 1	192,428,117	0	192,052,178	0	375,939

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 [X] No []
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:
N/A
- 4.4 Basis of regular assessments:
N/A
- 4.5 Basis of special assessments:
N/A
- 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.
N/A
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:
N/A
- 7.3 State the amount of reserves established for this business: \$ 0
- 7.4 Identify where the reserves are reported in the blank:
N/A

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	
NONE			
9999999 - Total (Column 4, only)			

Exhibit 6 - Aggregate Reserves for Accident and Health Contracts

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

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	82,805	0	82,805	0	0	0
2. Deposits received during the year	0	0	0	0	0	0
3. Investment earnings credited to the account	4,207	0	4,207	0	0	0
4. Other net change in reserves	72,438	0	72,438	0	0	0
5. Fees and other charges assessed	11,189	0	11,189	0	0	0
6. Surrender charges	(3,894)	0	(3,894)	0	0	0
7. Net surrender or withdrawal payments	64,547	0	64,547	0	0	0
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)	87,608	0	87,608	0	0	0
10. Reinsurance balance at the beginning of the year	3,196,171	0	0	0	3,182,947	13,224
11. Net change in reinsurance assumed	(187,214)	0	0	0	(187,621)	407
12. Net change in reinsurance ceded	(67,551)	0	0	0	(67,551)	0
13. Reinsurance balance at the end of the year (Lines 10+11-12)	3,076,508	0	0	0	3,062,877	13,631
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	3,164,116	0	87,608	0	3,062,877	13,631

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY
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	1,595,375	.0	.0	1,595,375	.0	.0	.0	.0	.0	.0	.0
1.2 Reinsurance assumed	211,772	.0	211,772	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded	38,000	.0	38,000	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net	1,769,147	.0	173,772	1,595,375	.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 .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.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 .....	.0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	(b) .0
3. Incurred but unreported:											
3.1 Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.2 Reinsurance assumed	100,000	.0	100,000	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	100,000	.0	(b) 100,000	(b) .0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	(b) .0
4. TOTALS											
4.1 Direct	1,595,375	.0	.0	1,595,375	.0	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed	311,772	.0	311,772	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	38,000	.0	38,000	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	1,869,147	(a) 0	(a) 273,772	1,595,375	0	0	(a) 0	0	0	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 \$0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$0 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 2005 OF THE BROOKE LIFE INSURANCE COMPANY
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	4,677,937	0	5,000	4,526,937	0	0	146,000	0	0	0	0
1.2 Reinsurance assumed	3,393,476	0	3,104,686	288,790	0	0	0	0	0	0	0
1.3 Reinsurance ceded	2,806,077	0	2,580,484	225,593	0	0	0	0	0	0	0
1.4 Net (d)	5,265,336	0	529,202	4,590,134	0	0	146,000	0	0	0	0
2. Liability December 31, current year from Part 1:											
2.1 Direct	1,595,375	0	0	1,595,375	0	0	0	0	0	0	0
2.2 Reinsurance assumed	311,772	0	311,772	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	38,000	0	38,000	0	0	0	0	0	0	0	0
2.4 Net	1,869,147	0	273,772	1,595,375	0	0	0	0	0	0	0
3. Amounts recoverable from reinsurers December 31, current year	0	0	0	0	0	0	0	0	0	0	0
4. Liability December 31, prior year:											
4.1 Direct	850,884	0	0	850,884	0	0	0	0	0	0	0
4.2 Reinsurance assumed	440,757	0	440,757	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	125,000	0	125,000	0	0	0	0	0	0	0	0
4.4 Net	1,166,641	0	315,757	850,884	0	0	0	0	0	0	0
5. Amounts recoverable from reinsurers December 31, prior year	236,618	0	236,618	0	0	0	0	0	0	0	0
6. Incurred Benefits											
6.1 Direct	5,422,428	0	5,000	5,271,428	0	0	146,000	0	0	0	0
6.2 Reinsurance assumed	3,264,491	0	2,975,701	288,790	0	0	0	0	0	0	0
6.3 Reinsurance ceded	2,482,459	0	2,256,866	225,593	0	0	0	0	0	0	0
6.4 Net	6,204,460	0	723,835	5,334,625	0	0	146,000	0	0	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 \$520 premiums waived under total and permanent disability benefits.

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

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	9,938	21,040	11,102
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	0	0	0
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software	0	0	0
19. Furniture and equipment, including health care delivery assets	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivable 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	106,989	325,324	218,335
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	116,927	346,364	229,437
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
26. Total (Lines 24 and 25)	116,927	346,364	229,437
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. Disallowed interest maintenance reserve	106,989	325,324	218,335
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)	106,989	325,324	218,335

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Michigan Office of Financial and Insurance Services.

The Office of Financial and Insurance Services recognizes statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Michigan Insurance Law. The Office of Financial and Insurance Services has adopted the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (NAIC SAP), including appendices A - F and excluding Actuarial Guideline XXXV in appendix C, as a component of prescribed or permitted practices by the State of Michigan to the extent that the accounting practices, procedures, and reporting standards are not modified by the Michigan Insurance Code. The commissioner of insurance has the right to permit other specific practices that deviate from prescribed practices.

On May 17, 2005, the Company received a dividend of \$260,800,000 from its wholly owned subsidiary, Jackson National Life Insurance Company (JNL). On May 18, 2005, the Company acquired a 100% interest in the Life Insurance Company of Georgia (LOG). The preliminary purchase price for LOG was \$260,733,500, with the final purchase price subject to post-closing adjustments. On May 31, 2005, the Company contributed 100% of its interest in LOG to JNL. Section 1341(1)(d) of the Michigan Insurance Code requires recording affiliated transactions clearly and accurately and disclosing the precise nature and details of the transactions (i.e., recording a transaction based on its form rather than on its substance), as opposed to NAIC SAP which requires that statutory accounting follow the substance, not the form of the transaction. While following the substance of the transaction does not change the total surplus of the Company, the income of the Company is inflated by the amount of the dividend that was used to acquire LOG.

A reconciliation of the Company's net income between NAIC SAP and practices prescribed or permitted by the State of Michigan is shown below:

	<u>12/31/2005</u>	<u>12/31/2004</u>
Net income, Michigan basis	\$ 330,744,607	\$ 37,588,145
Adjustments:		
Net investment income	<u>(260,733,500)</u>	<u>0</u>
Net income, NAIC SAP	<u>\$ 70,011,107</u>	<u>\$ 37,588,145</u>

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

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

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost except those with an NAIC rating of "6", which are carried at the lower of amortized cost or fair value. Acquisition discounts and premiums are amortized into investment income through call or maturity dates using the interest method.
- (3) Common stocks are stated at fair value, except as described in item (7) below.
- (4) The Company does not have investments in preferred stocks.
- (5) The Company does not have investments in mortgage loans.
- (6) Loan-backed securities and structured securities are stated at amortized cost except those with an NAIC rating of "6", which are carried at the lower of amortized cost or fair value. The retrospective yield adjustment method is used to value all securities except those where the yield has become negative, which are valued using the prospective adjustment method (see Note 5.D.(3)).
- (7) The Company carries its wholly owned insurance subsidiary at statutory capital and surplus.
- (8) The Company does not have investments in joint ventures, partnerships or limited liability companies.

NOTES TO FINANCIAL STATEMENTS

- (9) The Company does not have investments in derivative instruments.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation.
- (11) The Company does not write accident and health business.
- (12) The Company did not modify its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors

The Company had no material changes in accounting principles, correction of errors, or changes in estimates for the years ended December 31, 2005 and 2004.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

- (1) The Company purchased 100% interest in the Life Insurance Company of Georgia (LOG) on May 18, 2005. LOG was licensed to write business in 29 states and the District of Columbia and, though it ceased writing new business in 2005, continued to service existing business.
- (2) Pursuant to Michigan Insurance Statutes, the transaction was accounted for as a statutory purchase.
- (3) The preliminary purchase price, which is subject to post-closing adjustments, of \$260,733,500 plus direct costs of the acquisition of \$3,635,844 exceeded the net assets acquired, as valued by the Company, by \$204,025,742. This difference between the cost of the acquisition and the book value of LOG, represented by the net assets acquired, was recorded as goodwill in accordance with Statement of Statutory Accounting Principles (SSAP) 68.
- (4) Effective May 31, 2005, the Company's 100% interest in LOG of \$260,729,137 was transferred to the Company's wholly owned subsidiary, Jackson National Life Insurance Company. The Company had no amortization of the goodwill arising from the purchase of LOG.

B. Statutory Merger

The Company did not have business combinations during the year accounted for as a statutory merger.

C. Assumption Reinsurance

The Company did not have goodwill resulting from assumption reinsurance during the year.

D. Impairment Loss

The Company did not recognize an impairment loss during the year with respect to business combinations and goodwill.

4. Discontinued Operations

The Company did not have transactions during the year with respect to discontinued operations.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company does not have investments in mortgage loans.

B. Debt Restructuring

The Company did not have any material debt restructurings during the year.

C. Reverse Mortgages

The Company does not have investments in reverse mortgages.

D. Loan-Backed Securities

- (1) Actual historical and projected future cash flows are used in determining book values for all of the Company's loan-backed securities.
- (2) Principal prepayment assumptions for loan-backed securities, including structured securities, are obtained from broker dealers, independent providers of broker dealer estimates, or internal models.
- (3) In 2005, no loan-backed securities were changed from the retrospective to prospective adjustment methodology due to negative yields.

NOTES TO FINANCIAL STATEMENTS

E. Repurchase Agreements

Company investment policies for repurchase agreements require collateral securities to have a fair value of at least 102% of the purchase price paid. At December 31, 2005, the Company has no investment in repurchase agreements.

F. Real Estate

The Company does not have investments in real estate.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company does not have investments in joint ventures, partnerships or limited liability companies.

B. The Company did not recognize any impairment write-down with respect to investments in joint ventures, partnerships or limited liability companies during the years ended December 31, 2005 and 2004.

7. Investment Income

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

Bonds - securities in default and otherwise where collection of interest is uncertain.

B. Income due and accrued on investments where collection is not likely is excluded from net investment income. At December 31, 2005, the amount excluded was \$0.

8. Derivative Instruments

The Company does not have investments in financial derivative instruments.

9. Income Taxes

A. A deferred income tax asset or deferred tax liability was not recognized in the Company's Assets, Liabilities, or Surplus and Other Funds pursuant to the tax sharing agreement with Jackson National Life Insurance Company.

B. Pursuant to the tax sharing agreement with Jackson National Life Insurance Company, deferred tax liabilities are not recognized.

C. Current income taxes incurred (excluding tax on capital gains) consist of the following major components:

	<u>12/31/2005</u>	<u>12/31/2004</u>
Current income tax expense	\$ (28,153,446)	\$ (28,699,534)
Adjustment pursuant to Tax Sharing Agreement	28,153,446	28,699,534
Current income taxes incurred (excluding tax on capital gains)	\$ 0	\$ 0

There is no change in deferred tax amounts reported.

There are no investment tax credits reported.

There are no tax operating loss carry forwards reported.

There are no adjustments of a deferred tax amount for enacted changes in tax laws or rates or a change in the tax status of the Company.

D. Among the more significant book to tax adjustments were the following:

	<u>Amount</u>	<u>Tax Effect at a 35% Statutory Rate</u>
Income before taxes	\$ 330,744,607	\$ 115,760,612
Investments	(99,811)	(34,934)
Net DAC adjustment	(266,300)	(93,205)
Dividends received deduction	(410,800,000)	(143,780,000)
Other	(16,912)	(5,919)
Total adjustments	(411,183,023)	(143,914,058)
Taxable income/(loss)	\$ (80,438,416)	\$ (28,153,446)

E. At December 31, 2005, the Company had no tax operating loss carry forwards, tax credits or taxes incurred available for recoupment.

NOTES TO FINANCIAL STATEMENTS

F. Federal income tax allocations

- (1) The Company files a consolidated federal income tax return with Jackson National Life Insurance Company and Jackson National Life Insurance Company of New York.
- (2) The Company has entered into separate written agreements with Jackson National Life Insurance Company and Jackson National Life Insurance Company of New York. Both agreements are generally based on separate return calculations. Intercompany balances are settled on a quarterly basis.

10. Information Concerning Parent, Subsidiaries and Affiliates

A., B.

& C. On May 18, 2005, the Company acquired Life Insurance Company of Georgia (LOG), a wholly owned life insurance subsidiary of ING Groep, N.V. based in Atlanta, Georgia. The preliminary purchase price was \$260,733,500 and is subject to post-closing adjustments. The source of the funding was a dividend from Jackson National Life Insurance Company, a wholly owned subsidiary.

During the years 2005 and 2004, the Company received dividends from its subsidiary, Jackson National Life Insurance Company, totaling \$410,800,000 and \$120,000,000, respectively. The 2005 dividend included \$260,733,000 used to fund the purchase of LOG.

The Company paid dividends to its parent company, Brooke Holdings, Inc., during the years 2005 and 2004 totaling \$65,790,500 and \$35,790,500, respectively.

The Company received capital contributions from its parent company, Brooke Holdings, Inc., during the years 2005 and 2004 totaling \$0 and \$6,000,000, respectively.

The Company contributed the stock of LOG with an aggregate book value of \$260,729,137 to its subsidiary, Jackson National Life Insurance Company, on May 31, 2005. On December 31, 2005, LOG was merged into Jackson National Life Insurance Company.

- D. Other than as discussed in Note 11 below, the Company did not have material amounts due from or to related parties as of the date of each balance sheet included in these financial statements that require further disclosure.
- E. The Company has not made any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that result in a material contingent exposure of the Company's or any related party's assets or liabilities.
- F. The Company has various agreements with its subsidiary, Jackson National Life Insurance Company, including reinsurance agreements and agreements to obtain administrative and management services. The Company has contracted to receive investment management services from an affiliate, PPM America, Inc.
- G. Brooke Holdings, Inc. owns all outstanding shares of the Company. The Company is a member of the Prudential plc group incorporated in England. The group structure is shown in Schedule Y.
- H. The Company does not own shares of an upstream intermediate entity or ultimate parent, either directly or indirectly, via a downstream subsidiary, controlled or affiliated company.
- I. The Company owns 100% of the outstanding common stock of Jackson National Life Insurance Company, whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries Jackson National Life Insurance Company at its statutory capital and surplus value.

A quoted market price for Jackson National Life Insurance Company is not available.

The statement value of Jackson National Life Insurance Company assets and liabilities as of December 31, 2005, was \$60,742,602,023 and \$57,308,552,735 respectively.

The net income of Jackson National Life Insurance Company was \$565,099,475 for the year ended December 31, 2005.

- J. The Company does not have investments in impaired subsidiary, controlled or affiliated companies.

11. Debt

On November 8, 1996, the Company issued \$388,000,000 of 8.5% notes due December 31, 2006 to Brooke Finance Corporation (Brooke Finance), a wholly owned subsidiary of Brooke Holdings, Inc.

On December 31, 1996, the Company issued \$45,000,000 of 8.51% notes due December 31, 2006 to Brooke Finance.

On October 31, 2001, the Company issued \$200,000,000 of 6.00% notes due December 31, 2006 to Brooke Finance.

NOTES TO FINANCIAL STATEMENTS

On December 20, 2001, the Company incurred a liability for borrowed money in the amount of \$100,000,000 due to Brooke Finance. The loan is due in 2021 and bears an interest rate of 6.4%.

On September 27, 2002, the Company incurred a liability for borrowed money in the amount of \$500,000,000 due to Brooke Finance. The loan is due in 2012, requires annual interest payments of 5.8%, and may be paid early at the option of the Company.

Effective December 22, 2005, Brooke Finance was merged into Brooke Holdings, Inc. At December 31, 2005, the outstanding debt balance of \$1,233,000 is payable to its parent, Brooke Holdings, Inc.

The Company does not have reverse repurchase agreements outstanding at December 31, 2005.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company does not have any employees and accordingly does not have, nor participate in, defined benefit plans, defined contribution plans, multiemployer plans or consolidated/holding company plans.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 850,000 shares of common capital stock authorized and 515,000 shares issued and outstanding with each share having a par value of \$100.
- (2) The Company has no preferred stock authorized, issued or outstanding.
- (3) The maximum amount of dividends which can be paid by State of Michigan domiciled insurance companies to shareholders without prior approval of the commissioner of insurance is subject to restrictions relating to statutory surplus and/or statutory earnings. The maximum dividend which can be paid in 2006 without prior approval of the Michigan commissioner of insurance is approximately \$331 million.
- (4) Within the limitations of (3) above, there are no prohibitions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) The Company had no advances to surplus.
- (7) The Company held no stock, including stock of affiliated companies, for special purposes.
- (8) The Company had no special surplus funds.
- (9) The portion of unassigned funds (surplus) represented by cumulative unrealized gains is \$1,069,520,151.
- (10) The Company has not issued surplus debentures or similar obligations.
- (11) The Company was not subject to a quasi-reorganization during the year.
- (12) The Company was not subject to a quasi-reorganization in the prior 10 years.

14. Contingencies

A. Contingent Commitments

At December 31, 2005, the Company has no commitments or contingent commitments to an SCA entity, joint venture, partnership, or limited liability company.

B. Assessments

The Company is unaware of assessments that would have a material impact on its financial position or results of operations.

C. Gain Contingencies

The Company does not recognize gain contingencies except as provided under SSAP No. 5, Liabilities, Contingencies and Impairments of Assets. The Company did not realize a gain subsequent to the balance sheet but prior to the issuance of the financial statements that requires disclosure.

D. All Other Contingencies

The Company is not aware of any material loss contingency as of December 31, 2005.

NOTES TO FINANCIAL STATEMENTS

15. Leases

The Company does not have any material lease obligations.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

The Company has no investment in financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables reported as Sales

No transfers as described by SSAP No. 42, Sale of Premium Receivables, have occurred during the year.

B. Transfer and Servicing of Financial Assets

No transfers as described by SSAP No. 91, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, occurred during the year.

C. Wash Sales

No reportable wash sales occurred during the year.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The Company does not write accident and health insurance.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

There was no direct premium written or produced by managing general agents or third party administrators.

20. September 11 Events

The Company does not have September 11 events that require disclosure.

21. Other Items

A. Extraordinary Items

The Company did not have an extraordinary event or transaction during the year.

B. Troubled Debt Restructuring: Debtor

The Company did not have a troubled debt restructuring during the year.

C. Other Disclosures

The Company does not have other unusual items that require disclosure.

D. Uncollectible Balances

The Company does not have balances that are reasonably possible to be uncollectible that require disclosure.

E. Business Interruption Insurance Recoveries

The Company does not have business interruption insurance recoveries that require disclosure.

22. Events Subsequent

Prudential plc, the ultimate parent of the Company, will be affecting a series of changes in its holding company structure, with implementation planned in the first quarter of 2006. As part of the restructuring, the Company will pay an extraordinary dividend of approximately \$250 million to its sole shareholder, Brooke Holdings, Inc. A loan from Prudential Four Limited, an upstream intermediate parent, will provide funding for the dividend payment. Both the extraordinary dividend and the loan have been approved by the Michigan commissioner of insurance. None of the changes contemplated will result in a change of control of the Company or its subsidiaries, with Prudential plc remaining as the ultimate parent of the Company.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

A. Ceded Reinsurance Report Section 1 - General Interrogatories

- (1) None of the reinsurers listed in Schedule S as non-affiliated are owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company.
- (2) None of the policies issued by the Company have been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such Companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business.

Section 2 - Ceded Reinsurance Report - Part A

- (1) The Company does not have reinsurance agreements in effect under which the reinsurer may unilaterally cancel reinsurance for reasons other than for nonpayment of premium or other similar credits.
- (2) The Company does not have reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies.

Section 3 - Ceded Reinsurance Report - Part B

- (1) The estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement, is \$0.
- (2) The Company has not executed new agreements or amended existing agreements, 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.

B. Uncollectible Reinsurance

The Company did not write off reinsurance balances due from reinsurers.

C. Commutation of Ceded Reinsurance

The Company did not commute reinsurance during the period covered by this annual statement.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company is not a party to retrospectively rated contracts or contracts subject to redetermination.

25. Change in Incurred Losses and Loss Adjustment Expenses

The Company does not report incurred losses or loss adjustment expenses that require disclosure.

26. Intercompany Pooling Arrangements

The Company is not part of a group of affiliated insurers that utilizes a pooling arrangement.

27. Structured Settlements

The Company does not have structured settlements that require disclosure.

28. Health Care Receivables

The Company does not have health care receivables that require disclosure.

29. Participating Policies

The Company does not have participating policies that require disclosure.

30. Premium Deficiency Reserves

The Company does not have premium deficiency reserves that require disclosure.

NOTES TO FINANCIAL STATEMENTS

31. Reserves for Life Contracts and Deposit-Type Contracts

- (1) The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) Extra premiums are charged for substandard lives for policies issued, plus the gross premium for a rated age. Mean reserves are based on unearned premium for the substandard premium.
- (3) As of December 31, 2005, the Company had \$670,000 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Michigan. Reserves to cover the above insurance totaled the gross amount of \$1,764 at year-end and are reported in Exhibit 5, Life Insurance and Annuities sections.
- (4) The Tabular Interest has been determined by formula as described in the instructions. The Tabular Less Actual Reserve Released has been determined by formula as described in the instructions. The Tabular Cost has been determined by formula as described in the instructions.
- (5) The Company does not make a determination of tabular interest on funds not involving life contingencies.
- (6) The Company does not have other changes that require disclosure.

32. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

	(1) <u>Amount</u>	(2) <u>% of Total</u>
A. Subject to discretionary withdrawal:		
(1) With fair value adjustment	\$ 0	0.0%
(2) At book value less current surrender charge of 5% or more	114,939,610	71.0%
(3) At fair value	<u>0</u>	<u>0.0%</u>
(4) Total with adjustment or at fair value (Total of 1 through 3)	114,939,610	71.0%
(5) At book value (minimal or no charge or adjustment):		
- Surrender charge < 1%	15,978,017	9.9%
- Surrender charge >=1% but < 2.5%	0	0.0%
- Surrender charge >=2.5% but < 5%	30,805,325	19.0%
B. Not subject to discretionary withdrawal	<u>148,224</u>	<u>0.1%</u>
C. Total annuity actuarial reserves and deposit fund liabilities (gross)	161,871,176	<u><u>100.0%</u></u>
D. Reinsurance ceded	<u>4,385,462</u>	
E. Total (net)* (C) - (D)	<u>\$ 157,485,713</u>	
* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.		
F. Life & Accident & Health Annual Statement:		
1. Exhibit 5, Annuities Section, Total (net)	\$ 154,321,597	
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	0	
3. Exhibit of Deposit-Type Contracts, Line 14, Column 1 (net)	<u>3,164,116</u>	
4. Subtotal	<u>157,485,713</u>	
Separate Accounts Annual Statement:		
5. Exhibit 3, Line 0299999, Column 2	0	
6. Exhibit 3, Line 0399999, Column 2	0	
7. Policyholder dividend and coupon accumulations	0	
8. Policyholder premiums	0	
9. Guaranteed interest contracts	0	
10. Other contract deposit funds	<u>0</u>	
11. Subtotal	<u>0</u>	
12. Combined Total	<u>\$ 157,485,713</u>	

NOTES TO FINANCIAL STATEMENTS

33. Premium and Annuity Considerations Deferred and Uncollected

- A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2005 were as follows:

Type	(1) <u>Gross</u>	(2) <u>Net of Loading</u>
(1) Industrial	\$ 0	\$ 0
(2) Ordinary new business	0	0
(3) Ordinary renewal	166,240	138,369
(4) Credit Life	0	0
(5) Group Life	6,300	6,300
(6) Group Annuity	<u>0</u>	<u>0</u>
(7) Totals	<u>\$ 172,540</u>	<u>\$ 144,669</u>

34. Separate Accounts

The Company does not have Separate Accounts business.

35. Loss/Claim Adjustment Expenses

The Company does not have loss/claim adjustment expenses that require disclosure.

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

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	330,060	0.009	330,060	0.009
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	0	0.000	0	0.000
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	0	0.000	0	0.000
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	393	0.000	393	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	16,006,546	0.440	16,006,546	0.440
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	160,185,528	4.406	160,185,528	4.406
2.2 Unaffiliated foreign securities	18,570,280	0.511	18,570,280	0.511
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	3,434,049,288	94.449	3,434,049,288	94.449
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	0	0.000	0	0.000
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	3,255,066	0.090	3,255,066	0.090
7. Receivables for securities	0	0.000	0	0.000
8. Cash, cash equivalents and short-term investments	3,463,931	0.095	3,463,931	0.095
9. Other invested assets	0	0.000	0	0.000
10. Total invested assets	3,635,861,092	100.000	3,635,861,092	100.000

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 [] No [X]
- 2.2 If yes, date of change:
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. 12/31/2004
- 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 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? (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 2005 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 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
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

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 an 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
- 11.1 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?
NOT APPLICABLE
- 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 []

BOARD OF DIRECTORS

13. 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 []
14. 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 []
15. 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 []

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.11 To directors or other officers.....\$ 0
- 16.12 To stockholders not officers.....\$ 0
- 16.13 Trustees, supreme or grand (Fraternal Only)\$ 0
- 16.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.21 To directors or other officers.....\$ 0
- 16.22 To stockholders not officers.....\$ 0
- 16.23 Trustees, supreme or grand (Fraternal Only)\$ 0
- 17.1 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]
- 17.2 If yes, state the amount thereof at December 31 of the current year:
- 17.21 Rented from others.....\$ 0
- 17.22 Borrowed from others.....\$ 0
- 17.23 Leased from others\$ 0
- 17.24 Other\$ 0
- 18.1 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]
- 18.2 If answer is yes,
- 18.21 Amount paid as losses or risk adjustment \$ 0
- 18.22 Amount paid as expenses\$ 0
- 18.23 Other amounts paid\$ 0
- 19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount?\$ 0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY
GENERAL INTERROGATORIES

INVESTMENT

20.1 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 []

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

21.1 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 17.1). Yes [] No [X]

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

	21.21 Loaned to others .....\$ .....0
	21.22 Subject to repurchase agreements .....\$ .....0
	21.23 Subject to reverse repurchase agreements .....\$ .....0
	21.24 Subject to dollar repurchase agreements .....\$ .....0
	21.25 Subject to reverse dollar repurchase agreements .....\$ .....0
	21.26 Pledged as collateral .....\$ .....0
	21.27 Placed under option agreements .....\$ .....0
	21.28 Letter stock or other securities restricted as to sale .....\$ .....0
	21.29 Other .....\$ .....0

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

22.2 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.

23.1 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]

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

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

GENERAL INTERROGATORIES

24. 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 []

24.01 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 ...

24.02 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)
.....

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year?

Yes [] No [X]

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

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

24.05 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

25.1 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]

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
25.2999 - Total		0

25.3 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 2005 OF THE BROOKE LIFE INSURANCE COMPANY
GENERAL INTERROGATORIES**

26. 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) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
26.1 Bonds	198,473,589	201,601,006	3,127,417
26.2 Preferred stocks	0	0	0
26.3 Totals	198,473,589	201,601,006	3,127,417

26.4 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 DURATION.

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

27.2 If no, list exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$14,000

28.2 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.	14,000

29.1 Amount of payments for legal expenses, 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 payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

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

30.2 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 2005 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	7,248,169	37,659,905
2.3 Premium Ratio (2.1/2.2)	0.000	0.000
2.4 Reserve Numerator	0	0
2.5 Reserve Denominator	194,276,601	198,196,307
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 \$ 393,863

4.22 Received \$ 0

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: \$ 1,197,030,270

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

7.11 Cash \$ 1,059,702,671

7.12 Stock \$ 0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

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							
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2005 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 2005	2 2004	3 2003	4 2002	5 2001
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4)	141,531	146,071	156,544	169,176	181,953
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	67,025	78,869	86,970	98,910	109,775
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)	269,258	269,600	263,291	234,780	162,439
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)	477,814	494,540	506,805	502,866	454,167
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)	33,367	45,219	67,645	103,172	25,945
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	33,367	45,219	67,645	103,172	25,945
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)	435,816	445,483	472,926	529,033	597,186
15.2 Ordinary-individual annuities (Line 20.4, Col. 4)	6,265,679	36,713,930	41,007,196	45,493,804	27,418,420
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)	546,674	500,492	462,896	400,088	290,045
17.2 Group annuities (Line 20.4, Col. 7)	0	0	0	0	0
18.1 A & H-group (Line 20.4, Col. 8)	0	0	0	0	0
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	7,248,169	37,659,905	41,943,018	46,422,925	28,305,651
Balance Sheet (Pages 2 & 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3)	3,639,732,611	3,345,957,086	3,173,068,182	3,028,367,087	2,552,659,999
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	1,431,740,067	1,435,358,769	1,411,621,444	1,374,278,462	905,204,843
23. Aggregate life reserves (Page 3, Line 1)	192,428,117	197,050,810	166,587,413	129,526,938	87,298,124
24. Aggregate A & H reserves (Page 3, Line 2)	0	0	0	0	0
25. Deposit-type contract funds (Page 3, Line 3)	3,164,116	3,278,976	3,216,727	3,296,883	3,443,442
26. Asset valuation reserve (Page 3, Line 24.1)	970,829	544,792	0	0	874,440
27. Capital (Page 3, Lines 29 and 30)	51,500,000	51,500,000	51,500,000	51,500,000	51,500,000
28. Surplus (Page 3, Line 37)	2,156,492,544	1,859,098,317	1,709,946,739	1,602,588,626	1,595,955,156
Risk-Based Capital Analysis					
29. Total adjusted capital	2,657,128,903	1,911,184,533	1,761,495,102	1,654,147,625	1,849,239,300
30. Authorized control level risk - based capital	411,461,462	399,891,286	476,985,536	441,320,545	390,769,941
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3) (Line No. /Page 2, Line 10, Col. 3) x 100.0					
31. Bonds (Line 1)	5.4	5.7	5.1	3.8	3.5
32. Stocks (Lines 2.1 and 2.2)	94.4	94.0	94.6	95.5	96.3
33. Mortgage loans on real estate(Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
34. Real estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
35. Cash, cash equivalents and short-term investments (Line 5)	0.1	0.2	0.1	0.6	0.0
36. Premium notes	XXX	XXX	XXX	0.0	0.0
37. Contract loans (Line 6)	0.1	0.1	0.1	0.1	0.2
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

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2005	2 2004	3 2003	4 2002	5 2001
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. 2),	3,434,049,288	3,140,683,432	2,999,031,739	2,888,882,103	2,450,094,716
45. Affiliated short-term investments (Subtotals included in Schedule DA Part 2 Col. 5, Line 11)	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	3,434,049,288	3,140,683,432	2,999,031,739	2,888,882,103	2,450,094,716
Total Nonadmitted and Admitted Assets					
49. Total nonadmitted assets (Page 2, Line 26, Col. 2)	116,927	346,364	0	11,178	5,126
50. Total admitted assets (Page 2, Line 26, Col. 3)	3,639,732,611	3,345,957,086	3,173,068,182	3,028,367,087	2,552,659,999
Investment Data					
51. Net investment income (Exhibit of Net Investment Income)	336,036,363	44,169,000	6,733,954	80,776,528	78,245,716
52. Realized capital gains (losses)	236,634	219,588	(2,964,347)	(4,522,912)	0
53. Unrealized capital gains (losses)	32,636,719	141,651,693	90,149,636	(151,212,613)	(52,297,072)
54. Total of above Lines 51, 52 and 53	368,909,716	186,040,281	93,919,243	(74,958,997)	25,948,644
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)	15,112,713	9,852,792	6,658,510	3,631,498	1,564,558
56. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	0	0	0	0	0
57. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3)	(1,473,798)	(1,733,052)	(1,374,166)	(1,583,013)	(2,671,844)
58. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	0	0	0	0	0
59. Dividends to policyholders (Line 30, Col. 1)	37,509	39,788	37,296	37,380	90,346
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	14.9	6.3	6.2	6.9	6.7
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	6.2	6.5	8.2	7.1	6.1
62. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2)	0.0	0.0	0.0	0.0	0.0
63. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2)	0.0	0.0	XXX	XXX	XXX
64. 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					
65. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2)	0	0	0	0	0
66. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2)	0	0	0	0	0
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)	12,367,126	7,116,825	307,230	76,132,726	76,649,269
71. Ordinary - individual annuities (Col. 4)	56,753,988	30,257,291	367,744	156,353	(1,304,351)
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)	890,493	214,029	415,469	184,894	183,848
75. Group annuities (Col. 8)	0	0	0	0	0
76. A & H-group (Col. 9)	0	0	0	0	0
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)	260,733,000	0	0	0	0
80. Total (Col. 1)	330,744,607	37,588,145	1,090,443	76,473,973	75,528,766



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

DIRECT BUSINESS IN THE STATE OF Grand Total

DURING THE YEAR 2005

NAIC Group Code 0918

LIFE INSURANCE

NAIC Company Code 78620

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	12,320	0	546,774	0	559,094
2. Annuity considerations	6,257,280	0	0	0	6,257,280
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)	6,269,600	0	546,774	0	6,816,374
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	5,000	0	146,000	0	151,000
10. Matured endowments	0	0	0	0	0
11. Annuity benefits	4,526,937	0	0	0	4,526,937
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	4,531,937	0	146,000	0	4,677,937
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	1	5,000	0	0	2	146,000	0	0	3	151,000
Settled during current year:										
18.1 By payment in full	1	5,000	0	0	2	146,000	0	0	3	151,000
18.2 By payment on compromised claims	0	0	0	0	0	0	0	0	0	0
18.3 Totals paid	1	5,000	0	0	2	146,000	0	0	3	151,000
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	1	5,000	0	0	2	146,000	0	0	3	151,000
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	93	1,347,561	0 (a)	0	1	269,600,000	0	0	94	270,947,561
21. Issued during year	0	0	0	0	0	33,367,000	0	0	0	33,367,000
22. Other changes to in force (Net)	(2)	(11,000)	0	0	0	(33,709,000)	0	0	(2)	(33,720,000)
23. In force December 31 of current year	91	1,336,561	0 (a)	0	1	269,258,000	0	0	92	270,594,561

(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 2005 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	12,897	224,940	0	0	1	2,062	269,600	494,540
2. Issued during year	0	0	0	0	0	0	0	383	33,367	33,367
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	6,575	6,575
6. Subtotals, Lines 2 to 5	0	0	0	0	0	0	0	383	39,942	39,942
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	12,897	224,940	0	0	1	2,445	309,542	534,482
Deductions during year:										
10. Death	0	0	282	2,908	0	0	XXX	2	146	3,054
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	102	40,138	40,138
14. Surrender	0	0	379	6,932	0	0	0	0	0	6,932
15. Lapse	0	0	436	6,544	0	0	0	0	0	6,544
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	1,097	16,384	0	0	0	104	40,284	56,668
21. In force end of year, (Line 9 minus Line 20)	0	0	11,800	208,556	0	0	1	2,341	269,258	477,814
22. Reinsurance ceded end of year	XXX	0	XXX	168,263	XXX	0	XXX	XXX	0	168,263
23. Line 21 minus Line 22	XXX	0	XXX	40,293	XXX	(b)	XXX	XXX	269,258	309,551
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 2005 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	803
25. Other paid-up insurance	0	0	3,411	30,548
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	453	8,090
28. Term policies - other	0	0	1,666	58,411
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	2,119	66,501
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX	0	XXX	0
33. Totals, extended term insurance	XXX	XXX	114	523
34. Totals, whole life and endowment	0	0	9,567	141,531
35. Total (Lines 31 to 34)	0	0	11,800	208,555

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	183,092	25,463
38. Credit Life (Group and Individual)	0	0	0	0
39. Group	33,367	0	269,258	0
40. Totals (Line 36 to 39)	33,367	0	452,350	25,463

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)	10,486
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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	1,438	25,479	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	1,438	(b) 25,479	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 2005 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 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 .....	.94	6,011	0	0
2. Issued during year	0	215	0	0
3. Reinsurance assumed	0	0	0	0
4. Increased during year (net)	5	0	0	0
5. Total (Lines 1 to 4)	99	6,226	0	0
Deductions during year:				
6. Decreased (net)	6	383	0	0
7. Reinsurance ceded	0	0	0	0
8. Totals (Lines 6 and 7)	6	383	0	0
9. In force end of year	93	5,843	0	0
Income now payable:				
10. Amount of income payable	(a) 303,222	XXX	XXX	(a) 0
Deferred fully paid:				
11. Account balance	XXX	(a) 55,915,035	XXX	(a) 0
Deferred not fully paid:				
12. Account balance	XXX	(a) 107,121,972	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 ceded		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	2,914
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	2,914
Deductions During Year:		
6. Decreased (net)	0	186
7. Reinsurance ceded	0	0
8. Totals (Lines 6 and 7)	0	186
9. In force end of year	7	2,728
10. Amount of account balance	(a) 13,631	(a) 3,062,877

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

**ANNUAL STATEMENT FOR THE YEAR 2005 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	(325,324)
2. Current year's realized pre-tax capital gains/(losses) of \$236,634 transferred into the reserve net of taxes of \$0	236,634
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)	(88,690)
5. Current year's amortization released to Summary of Operations (Amortization, Line 1, Column 4)	18,299
6. Reserve as of December 31, current year (Line 4 minus Line 5)	(106,989)

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. 2005	(24,107)	42,406	0	18,299
2. 2006	(36,015)	52,922	0	16,907
3. 2007	(54,813)	48,556	0	(6,257)
4. 2008	(64,249)	37,248	0	(27,001)
5. 2009	(60,217)	25,598	0	(34,619)
6. 2010	(49,095)	12,968	0	(36,127)
7. 2011	(30,008)	5,866	0	(24,142)
8. 2012	(8,892)	4,731	0	(4,161)
9. 2013	1,563	3,454	0	5,017
10. 2014	510	2,176	0	2,686
11. 2015	0	710	0	710
12. 2016	0	0	0	0
13. 2017	0	0	0	0
14. 2018	0	0	0	0
15. 2019	0	0	0	0
16. 2020	0	0	0	0
17. 2021	0	0	0	0
18. 2022	0	0	0	0
19. 2023	0	0	0	0
20. 2024	0	0	0	0
21. 2025	0	0	0	0
22. 2026	0	0	0	0
23. 2027	0	0	0	0
24. 2028	0	0	0	0
25. 2029	0	0	0	0
26. 2030	0	0	0	0
27. 2031	0	0	0	0
28. 2032	0	0	0	0
29. 2033	0	0	0	0
30. 2034	0	0	0	0
31. 2035 and Later	0	0	0	0
32. Total (Lines 1 to 31)	(325,323)	236,634	0	(88,689)

ANNUAL STATEMENT FOR THE YEAR 2005 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	544,792	0	544,792	0	0	0	544,792
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	379,212	0	379,212	0	0	0	379,212
8. Accumulated balances (Lines 1 through 5 - 6 + 7)	924,004	0	924,004	0	0	0	924,004
9. Maximum reserve	1,716,000	0	1,716,000	0	0	0	1,716,000
10. Reserve objective	1,158,128	0	1,158,128	0	0	0	1,158,128
11. 20% of (Line 10 - Line 8)	46,825	0	46,825	0	0	0	46,825
12. Balance before transfers (Lines 8 + 11)	970,829	0	970,829	0	0	0	970,829
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)	970,829	0	970,829	0	0	0	970,829

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	330,454	XXX	XXX	330,454	0.0000	0	0.0000	0	0.0000	0
2.	1	Highest Quality	79,563,357	XXX	XXX	79,563,357	0.0004	31,825	0.0023	182,996	0.0030	238,690
3.	2	High Quality	100,823,212	XXX	XXX	100,823,212	0.0019	191,564	0.0058	584,775	0.0090	907,409
4.	3	Medium Quality	12,644,504	XXX	XXX	12,644,504	0.0093	117,594	0.0230	290,824	0.0340	429,913
5.	4	Low Quality	1,731,280	XXX	XXX	1,731,280	0.0213	36,876	0.0530	91,758	0.0750	129,846
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)	195,092,807	XXX	XXX	195,092,807	XXX	377,860	XXX	1,150,352	XXX	1,705,858
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	3,380,782	XXX	XXX	3,380,782	0.0004	1,352	0.0023	7,776	0.0030	10,142
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)	3,380,782	XXX	XXX	3,380,782	XXX	1,352	XXX	7,776	XXX	10,142

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)	198,473,589	XXX	XXX	198,473,589	XXX	379,212	XXX	1,158,128	XXX	1,716,000
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	0.2000 (d)	0	0.2000 (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	3,434,049,288	XXX	XXX	3,434,049,288	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)	3,434,049,288	0	0	3,434,049,288	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 (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

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

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 330,454 2. Canada 0 3. Other Countries 0 4. Totals 330,454	333,387 0 0 333,387	331,584 0 0 331,584	330,375 0 0 330,375
States, Territories and Possessions (Direct and guaranteed)	5. United States 0 6. Canada 0 7. Other Countries 0 8. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States 0 10. Canada 0 11. Other Countries 0 12. Totals 0	0 0 0 0	0 0 0 0	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 0 14. Canada 0 15. Other Countries 0 16. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Public Utilities (unaffiliated)	17. United States 29,664,112 18. Canada 0 19. Other Countries 2,999,770 20. Totals 32,663,882	30,413,492 0 3,068,620 33,482,112	29,677,817 0 2,999,770 32,677,587	29,630,000 0 3,000,000 32,630,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 146,527,961 22. Canada 7,464,956 23. Other Countries 8,105,554 24. Totals 162,098,471	148,312,996 7,812,215 8,159,496 164,284,707	148,025,618 7,490,201 8,248,904 163,764,723	143,543,694 7,340,000 7,795,000 158,678,694
Parent, Subsidiaries and Affiliates	25. Totals 0	0	0	0
	26. Total Bonds 195,092,807	198,100,206	196,773,894	191,639,069
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 0 28. Canada 0 29. Other Countries 0 30. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 0 32. Canada 0 33. Other Countries 0 34. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	35. United States 0 36. Canada 0 37. Other Countries 0 38. Totals 0	0 0 0 0	0 0 0 0	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 42. Canada 0 43. Other Countries 0 44. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States 0 46. Canada 0 47. Other Countries 0 48. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	49. United States 0 50. Canada 0 51. Other Countries 0 52. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	53. Totals 3,434,049,288	3,434,049,288	2,364,529,137	
	54. Total Common Stocks 3,434,049,288	3,434,049,288	2,364,529,137	
	55. Total Stocks 3,434,049,288	3,434,049,288	2,364,529,137	
	56. Total Bonds and Stocks 3,629,142,095	3,632,149,494	2,561,303,031	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year 3,332,475,805	7. Amortization of premium 848,177
2. Cost of bonds and stocks acquired, Col. 7, Part 3 549,936,978	8. Foreign Exchange Adjustment:
3. Accrual of discount 72,089	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 32,636,719	9. Book/adjusted carrying value at end of current period 3,629,142,095
4.4 Col. 11 - 13, Part 4 0	10. Total valuation allowance 0
5. Total gain (loss), Col. 19, Part 4 236,634	11. Subtotal (Lines 9 plus 10) 3,629,142,095
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 285,367,953	12. Total nonadmitted amounts 0
	13. Statement value of bonds and stocks, current period 3,629,142,095

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments , Schedules D & DA (Group 1)											
1.1 Class 1	330,154	214	86	0	0	330,454	0.2	330,632	0.2	330,454	0
1.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
1.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
1.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
1.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	330,154	214	86	0	0	330,454	0.2	330,632	0.2	330,454	0
2. All Other Governments , Schedules D & DA (Group 2)											
2.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
3.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. Political Subdivisions of States, Territories and Possessions , Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
5.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
5.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1	0	0	1,999,506	1,994,373	0	3,993,879	2.0	1,999,465	1.0	2,993,969	999,910
6.2 Class 2	0	5,995,178	22,674,825	0	0	28,670,003	14.4	26,674,592	13.5	27,673,566	996,437
6.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
6.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	0	5,995,178	24,674,331	1,994,373	0	32,663,882	16.5	28,674,057	14.5	30,667,535	1,996,347
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	4,381,397	19,728,726	44,339,125	10,501,013	0	78,950,261	39.8	75,710,797	38.3	77,968,223	982,038
7.2 Class 2	501,300	9,492,788	55,561,537	1,492,301	5,105,282	72,153,208	36.4	76,278,162	38.5	67,197,975	4,955,233
7.3 Class 3	1,629,421	1,402,960	8,573,824	0	1,038,299	12,644,504	6.4	16,636,731	8.4	12,644,504	0
7.4 Class 4	0	640,210	1,091,070	0	0	1,731,280	0.9	287,943	0.1	1,731,280	0
7.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
7.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	6,512,118	31,264,684	109,565,556	11,993,314	6,143,581	165,479,253	83.4	168,913,633	85.3	159,541,982	5,937,271
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
8.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
8.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
9.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
9.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	4,711,551	19,728,940	46,338,717	12,495,386	0	83,274,594	42.0	XXX	XXX	81,292,646	1,981,948
10.2 Class 2	501,300	15,487,966	78,236,362	1,492,301	5,105,282	100,823,211	50.8	XXX	XXX	94,871,541	5,951,670
10.3 Class 3	1,629,421	1,402,960	8,573,824	0	1,038,299	12,644,504	6.4	XXX	XXX	12,644,504	0
10.4 Class 4	0	640,210	1,091,070	0	0	1,731,280	0.9	XXX	XXX	1,731,280	0
10.5 Class 5	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Class 6	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	6,842,272	37,260,076	134,239,973	13,987,687	6,143,581	198,473,589	100.0	XXX	XXX	190,539,971	7,933,618
10.8 Line 10.7 as a % of Col. 6	3.4	18.8	67.6	7.0	3.1	100.0	XXX	XXX	XXX	96.0	4.0
11. Total Bonds Prior Year											
11.1 Class 1	11,198,351	15,055,538	45,140,080	4,958,496	1,688,429	XXX	XXX	78,040,894	39.4	76,255,984	1,784,910
11.2 Class 2	0	17,396,956	75,507,058	4,942,456	5,106,284	XXX	XXX	102,952,754	52.0	100,181,112	2,771,642
11.3 Class 3	743,304	4,448,374	10,406,428	0	1,038,625	XXX	XXX	16,636,731	8.4	16,636,731	0
11.4 Class 4	287,943	0	0	0	0	XXX	XXX	287,943	0.1	287,943	0
11.5 Class 5	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Class 6	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	12,229,598	36,900,868	131,053,566	9,900,952	7,833,338	XXX	XXX	197,918,322	100.0	193,361,770	4,556,552
11.8 Line 11.7 as a % of Col. 8	6.2	18.6	66.2	5.0	4.0	XXX	XXX	100.0	XXX	97.7	2.3
12. Total Publicly Traded Bonds											
12.1 Class 1	4,711,551	19,728,940	44,356,769	12,495,386	0	81,292,646	41.0	76,255,984	38.5	81,292,646	XXX
12.2 Class 2	501,300	13,516,951	74,255,707	1,492,301	5,105,282	94,871,541	47.8	100,181,112	50.6	94,871,541	XXX
12.3 Class 3	1,629,421	1,402,960	8,573,824	0	1,038,299	12,644,504	6.4	16,636,731	8.4	12,644,504	XXX
12.4 Class 4	0	640,210	1,091,070	0	0	1,731,280	0.9	287,943	0.1	1,731,280	XXX
12.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	6,842,272	35,289,061	128,277,370	13,987,687	6,143,581	190,539,971	96.0	193,361,770	97.7	190,539,971	XXX
12.8 Line 12.7 as a % of Col. 6	3.6	18.5	67.3	7.3	3.2	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	3.4	17.8	64.6	7.0	3.1	96.0	XXX	XXX	XXX	96.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	0	0	1,981,948	0	0	1,981,948	1.0	1,784,910	0.9	XXX	1,981,948
13.2 Class 2	0	1,971,015	3,980,655	0	0	5,951,670	3.0	2,771,642	1.4	XXX	5,951,670
13.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	1,971,015	5,962,603	0	0	7,933,618	4.0	4,556,552	2.3	XXX	7,933,618
13.8 Line 13.7 as a % of Col. 6	0.0	24.8	75.2	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	1.0	3.0	0.0	0.0	4.0	XXX	XXX	XXX	XXX	4.0

(a) Includes \$ 6,951,581 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 0 current year, \$ 0 prior year of bonds with Z designations and \$ 0, current year \$ 0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5* designations and \$ 0, current year \$ 0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the (SVO) in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Issuer Obligations	330,060	0	0	0	0	330,060	0.2	330,216	0.2	330,060	0
1.2 Single Class Mortgage-Backed /Asset Backed Securities	93	214	86	0	0	393	0.0	415	0.0	393	0
1.7 Totals	330,153	214	86	0	0	330,453	0.2	330,631	0.2	330,453	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)											
3.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
3.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
5.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Public Utilities (Unaffiliated) Schedules D & DA (Group 6)											
6.1 Issuer Obligations	0	5,995,178	24,674,331	1,994,373	0	32,663,882	16.5	28,674,057	14.5	30,667,535	1,996,347
6.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
6.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	0	5,995,178	24,674,331	1,994,373	0	32,663,882	16.5	28,674,057	14.5	30,667,535	1,996,347
7. Industrial and Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	5,511,504	25,792,596	105,524,330	6,500,696	6,143,581	149,472,707	75.3	152,703,732	77.2	143,535,435	5,937,272
7.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined	30,756	689,280	2,860,185	3,932,890	0	7,513,111	3.8	7,532,968	3.8	7,513,111	0
7.4 Other	49,845	442,460	1,181,041	1,559,728	0	3,233,074	1.6	3,276,652	1.7	3,233,073	1
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
7.5 Defined	920,014	3,270,549	0	0	0	4,190,563	2.1	3,228,409	1.6	4,190,563	0
7.6 Other	0	1,069,799	0	0	0	1,069,799	0.5	2,171,870	1.1	1,069,799	0
7.7 Totals	6,512,119	31,264,684	109,565,556	11,993,314	6,143,581	165,479,254	83.4	168,913,631	85.3	159,541,981	5,937,273
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
9.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	5,841,564	31,787,774	130,198,661	8,495,069	6,143,581	182,466,649	91.9	XXX	XXX	174,533,030	7,933,619
10.2 Single Class Mortgage-Backed /Asset Backed Securities	93	214	86	0	0	393	0.0	XXX	XXX	393	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	30,756	689,280	2,860,185	3,932,890	0	7,513,111	3.8	XXX	XXX	7,513,111	0
10.4 Other	49,845	442,460	1,181,041	1,559,728	0	3,233,074	1.6	XXX	XXX	3,233,073	1
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined	920,014	3,270,549	0	0	0	4,190,563	2.1	XXX	XXX	4,190,563	0
10.6 Other	0	1,069,799	0	0	0	1,069,799	0.5	XXX	XXX	1,069,799	0
10.7 Totals	6,842,272	37,260,076	134,239,973	13,987,687	6,143,581	198,473,589	100.0	XXX	XXX	190,539,969	7,933,620
10.8 Line 10.7 as a % of Col. 6	3.4	18.8	67.6	7.0	3.1	100.0	XXX	XXX	XXX	96.0	4.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations	12,155,205	30,870,846	127,594,590	4,942,456	6,144,908	XXX	XXX	181,708,005	91.8	177,151,452	4,556,553
11.2 Single Class Mortgage-Backed /Asset Backed Securities	96	220	93	6	0	XXX	XXX	415	0.0	415	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined	28,480	334,018	2,412,740	3,550,419	1,207,311	XXX	XXX	7,532,968	3.8	7,532,968	0
11.4 Other	45,817	295,504	1,046,143	1,408,070	481,118	XXX	XXX	3,276,652	1.7	3,276,652	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined	0	3,228,409	0	0	0	XXX	XXX	3,228,409	1.6	3,228,409	0
11.6 Other	0	2,171,870	0	0	0	XXX	XXX	2,171,870	1.1	2,171,870	0
11.7 Totals	12,229,598	36,900,867	131,053,566	9,900,951	7,833,337	XXX	XXX	197,918,319	100.0	193,361,766	4,556,553
11.8 Line 11.7 as a % of Col. 8	6.2	18.6	66.2	5.0	4.0	XXX	XXX	100.0	XXX	97.7	2.3
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	5,841,564	29,816,758	124,236,058	8,495,069	6,143,581	174,533,030	87.9	177,151,452	89.5	174,533,030	XXX
12.2 Single Class Mortgage-Backed /Asset Backed Securities	93	214	86	0	0	393	0.0	415	0.0	393	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined	30,756	689,280	2,860,185	3,932,890	0	7,513,111	3.8	7,532,968	3.8	7,513,111	XXX
12.4 Other	49,845	442,460	1,181,041	1,559,728	0	3,233,074	1.6	3,276,652	1.7	3,233,074	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined	920,014	3,270,549	0	0	0	4,190,563	2.1	3,228,409	1.6	4,190,563	XXX
12.6 Other	0	1,069,799	0	0	0	1,069,799	0.5	2,171,870	1.1	1,069,799	XXX
12.7 Totals	6,842,272	35,289,060	128,277,370	13,987,687	6,143,581	190,539,970	96.0	193,361,766	97.7	190,539,970	XXX
12.8 Line 12.7 as a % of Col. 6	3.6	18.5	67.3	7.3	3.2	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	3.4	17.8	64.6	7.0	3.1	96.0	XXX	XXX	XXX	96.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	0	1,971,016	5,962,603	0	0	7,933,619	4.0	4,556,553	2.3	XXX	7,933,619
13.2 Single Class Mortgage-Backed /Asset Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	1,971,016	5,962,603	0	0	7,933,619	4.0	4,556,553	2.3	XXX	7,933,619
13.8 Line 13.7 as a % of Col. 6	0.0	24.8	75.2	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	1.0	3.0	0.0	0.0	4.0	XXX	XXX	XXX	XXX	4.0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY
SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	6,125,948	6,125,948	0	0	0
2. Cost of short-term investments acquired	296,452,904	296,452,904	0	0	0
3. Increase (decrease) by adjustment	0	0	0	0	0
4. Increase (decrease) by foreign exchange adjustment	0	0	0	0	0
5. Total profit (loss) on disposal of short-term investments	0	0	0	0	0
6. Consideration received on disposal of short-term investments	299,198,070	299,198,070	0	0	0
7. Book/adjusted carrying value, current year	3,380,782	3,380,782	0	0	0
8. Total valuation allowance	0	0	0	0	0
9. Subtotal (Lines 7 plus 8)	3,380,782	3,380,782	0	0	0
10. Total nonadmitted amounts	0	0	0	0	0
11. Statement value (Lines 9 minus 10)	3,380,782	3,380,782	0	0	0
12. Income collected during year	133,657	133,657	0	0	0
13. Income earned during year	138,768	138,768	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY

NONE

Schedule DB - Part C - VBY

NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule F - Claims

NONE

Schedule H - Part 1

NONE

Schedule H - Part 2 - Reserves and Liabilities

NONE

Schedule H - Part 3 - Prior Year's Claim Reserves and Liabilities

NONE

Schedule H - Part 4 - Reinsurance

NONE

Schedule H - Part 5 - Health Claims

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE S - PART 1 - SECTION 1

Reinsurance Assumed Life Insurance, Annuities, Deposit Funds and Other Liabilities Without Life or Disability Contingencies, and Related Benefits Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Location	6 Type of Reinsurance Assumed	7 Amount of Inforce at End of Year	8 Reserve	9 Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
65056	38-1659835	10/01/1990	JACKSON NATIONAL LIFE INSURANCE COMPANY	LANSING, MI	.CO/1	52,626,861	18,839,042	778,079	45,000	0	0
65056	38-1659835	12/30/1988	JACKSON NATIONAL LIFE INSURANCE COMPANY	LANSING, MI	.CO/1	128,546,384	40,551,757	867,978	262,772	0	0
0199999. General Account, Affiliates						181,173,245	59,390,799	1,646,057	307,772	0	0
60305	38-1290976	10/01/1997	AMERICAN COMMUNITY MUTUAL LIFE INSURANCE	LIVONIA, MI	.CO/1	19,486,871	8,512,737	254,487	4,000	0	0
69744	13-1423090	12/31/1994	UNION LABOR	WASHINGTON, DC	.CO/1	6,558,909	569,644	64,787	0	0	0
0299999. General Account, Non-Affiliates						26,045,780	9,082,381	319,274	4,000	0	0
0399999. Total General Account						207,219,025	68,473,180	1,965,331	311,772	0	0
0699999. Total Separate Accounts						0	0	0	0	0	0
0799999 - Totals						207,219,025	68,473,180	1,965,331	311,772	0	0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Location	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
NONE											
0399999 - Totals											

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE S - PART 3 - SECTION 1

Reinsurance Ceded Life Insurance, Annuities, Deposit Funds and Other Liabilities Without Life or Disability Contingencies and Related Benefits Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Type of Reinsurance Ceded	7 Amount in Force at End of Year	Reserve Credit Taken		10 Premiums	Outstanding Surplus Relief		13 Modified Coinsurance Reserve	14 Funds Withheld Under Coinsurance
							8 Current Year	9 Prior Year		11 Current Year	12 Prior Year		
65056	38-1659835	10/01/1990	JACKSON NATIONAL LIFE INSURANCE CO.	LANSING, MI	CO/I	117,500	0	0	6,260	0	0	0	0
0199999. General Account, Affiliates						117,500	0	0	6,260	0	0	0	0
11121	43-1917728	10/01/1997	UNIFIED LIFE INSURANCE CO.	OVERLAND PARK, KS	CO/I	9,743,000	4,256,371	4,509,044	127,244	0	0	0	0
11121	43-1917728	01/01/1991	UNIFIED LIFE INSURANCE CO.	OVERLAND PARK, KS	CO/I	446,000	65,692	63,913	4,073	0	0	0	0
88099	75-1608507	06/01/1991	OPTIMUM RE INSURANCE CO.	DALLAS, TX	YRT/I	267,507	842	789	364	0	0	0	0
11121	43-1917728	10/01/1990	UNIFIED LIFE INSURANCE CO.	OVERLAND PARK, KS	CO/I	42,102,000	15,071,233	15,521,389	620,405	0	0	0	0
11121	43-1917728	12/30/1988	UNIFIED LIFE INSURANCE CO.	OVERLAND PARK, KS	MCO/I	115,586,000	0	0	775,354	0	0	40,551,757	0
0299999. General Account, Non-Affiliates						168,144,507	19,394,138	20,095,135	1,527,440	0	0	40,551,757	0
0399999. Total General Account						168,262,007	19,394,138	20,095,135	1,533,700	0	0	40,551,757	0
0699999. Total Separate Accounts						0	0	0	0	0	0	0	0
0799999 - Totals						168,262,007	19,394,138	20,095,135	1,533,700	0	0	40,551,757	0

Schedule S - Part 3 - Section 2

NONE

Schedule S - Part 4

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE S - PART 5

Five Year Exhibit of Reinsurance Ceded Business (000 omitted)

	1 2005	2 2004	3 2003	4 2002	5 2001
A. OPERATIONS ITEMS					
1. Premiums and annuity considerations for life and accident and health contracts	1,534	1,621	1,817	2,003	2,187
2. Commissions and reinsurance expense allowances	291	317	341	367	394
3. Contract claims	2,482	3,588	2,846	3,005	6,561
4. Surrender benefits and withdrawals for life contracts	1,375	1,525	1,461	1,606	2,392
5. Dividends to policyholders	135	148	167	199	373
6. Reserve adjustments on reinsurance ceded	(873)	(1,345)	(1,098)	(1,527)	(3,377)
7. Increase in aggregate reserve for life and accident and health contracts	(633)	(985)	(1,286)	(904)	(370)
B. BALANCE SHEET ITEMS					
8. Premiums and annuity considerations for life and accident and health contracts deferred and uncollected	219	235	249	274	295
9. Aggregate reserves for life and accident and health contracts	17,861	18,494	19,479	20,765	21,669
10. Liability for deposit-type contracts	1,534	1,601	1,654	1,715	1,752
11. Contract claims unpaid	38	125	68	69	112
12. Amounts recoverable on reinsurance	0	237	44	12	488
13. Experience rating refunds due or unpaid	0	8	0	0	0
14. Policyholders' dividends (not included in Line 10)	108	113	118	122	175
15. Commissions and reinsurance expense allowances unpaid	1	1	0	0	0
16. Unauthorized reinsurance offset	0	0	0	0	0
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
17. Funds deposited by and withheld from (F)	0	0	0	0	0
18. Letters of credit (L)	0	0	0	0	0
19. Trust agreements (T)	0	0	0	0	0
20. Other (O)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	3,635,861,092	2,780,222	3,638,641,314
2. Reinsurance (Line 14)	0	0	0
3. Premiums and considerations (Line 13)	144,669	218,684	363,353
4. Net credit for ceded reinsurance	XXX	16,589,782	16,589,782
5. All other admitted assets (balance)	3,726,850	0	3,726,850
6. Total assets excluding Separate Accounts (Line 24)	3,639,732,611	19,588,688	3,659,321,299
7. Separate Account assets (Line 25)	0	0	0
8. Total assets (Line 26)	3,639,732,611	19,588,688	3,659,321,299
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
9. Contract reserves (Lines 1 and 2)	192,428,117	17,860,624	210,288,741
10. Liability for deposit-type contracts (Line 3)	3,164,116	1,533,514	4,697,630
11. Claim reserves (Line 4)	1,869,147	38,000	1,907,147
12. Policyholder dividends/reserves (Lines 5 through 7)	68,779	107,927	176,706
13. Premium & annuity considerations received in advance (Line 8)	11,464	20,705	32,169
14. Other contract liabilities (Line 9)	0	0	0
15. Reinsurance in unauthorized companies (Line 24.2)	0	0	0
16. Funds held under reinsurance treaties with unauthorized reinsurers (Line 24.3)	0	XXX	0
17. All other liabilities (balance)	1,234,198,444	27,918	1,234,226,362
18. Total liabilities excluding Separate Accounts (Line 26)	1,431,740,067	19,588,688	1,451,328,755
19. Separate Account liabilities (Line 27)	0	0	0
20. Total liabilities (Line 28)	1,431,740,067	19,588,688	1,451,328,755
21. Capital & surplus (Line 38)	2,207,992,544	XXX	2,207,992,544
22. Total liabilities, capital & surplus (Line 39)	3,639,732,611	19,588,688	3,659,321,299
NET CREDIT FOR CEDED REINSURANCE			
23. Contract reserves	17,860,624		
24. Claim reserves	38,000		
25. Policyholder dividends/reserves	107,927		
26. Premium & annuity considerations received in advance	20,705		
27. Liability for deposit-type contracts	1,533,514		
28. Other contract liabilities	0		
29. Reinsurance ceded assets	0		
30. Other ceded reinsurance recoverables	(2,780,222)		
31. Total ceded reinsurance recoverables	16,780,548		
32. Premiums and considerations	218,684		
33. Reinsurance in unauthorized companies	0		
34. Other ceded reinsurance payables/offsets	(27,918)		
35. Total ceded reinsurance payable/offsets	190,766		
36. Total net credit for ceded reinsurance	16,589,782		

**ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Life Contracts		Direct Business Only		
		2 Life Insurance Premiums	3 Annuity Considerations	4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Deposit Type Contract Funds	6 Other Considerations
1. Alabama	AL	NO	.0	.0	.0	.0
2. Alaska	AK	NO	.0	.0	.0	.0
3. Arizona	AZ	NO	.0	.0	.0	.0
4. Arkansas	AR	NO	.0	.0	.0	.0
5. California	CA	NO	193	.0	.0	.0
6. Colorado	CO	NO	.0	.0	.0	.0
7. Connecticut	CT	NO	182	.0	.0	.0
8. Delaware	DE	NO	.0	.0	.0	.0
9. District of Columbia	DC	NO	.0	.0	.0	.0
10. Florida	FL	NO	833	20,000	.0	.0
11. Georgia	GA	NO	391	.0	.0	.0
12. Hawaii	HI	NO	.0	.0	.0	.0
13. Idaho	ID	NO	.0	.0	.0	.0
14. Illinois	IL	NO	256	.0	.0	.0
15. Indiana	IN	NO	1,438	20,000	.0	.0
16. Iowa	IA	NO	.0	.0	.0	.0
17. Kansas	KS	NO	339	.0	.0	.0
18. Kentucky	KY	NO	26	.0	.0	.0
19. Louisiana	LA	NO	.0	.0	.0	.0
20. Maine	ME	NO	.0	.0	.0	.0
21. Maryland	MD	NO	.0	.0	.0	.0
22. Massachusetts	MA	NO	.0	.0	.0	.0
23. Michigan	MI	YES	553,223	6,199,970	.0	.0
24. Minnesota	MN	NO	.0	.0	.0	.0
25. Mississippi	MS	NO	.0	.0	.0	.0
26. Missouri	MO	NO	481	.0	.0	.0
27. Montana	MT	NO	.0	.0	.0	.0
28. Nebraska	NE	NO	.0	.0	.0	.0
29. Nevada	NV	NO	.0	.0	.0	.0
30. New Hampshire	NH	NO	.0	.0	.0	.0
31. New Jersey	NJ	NO	.0	.0	.0	.0
32. New Mexico	NM	NO	.0	.0	.0	.0
33. New York	NY	NO	.0	17,310	.0	.0
34. North Carolina	NC	NO	1,105	.0	.0	.0
35. North Dakota	ND	NO	.0	.0	.0	.0
36. Ohio	OH	NO	88	.0	.0	.0
37. Oklahoma	OK	NO	219	.0	.0	.0
38. Oregon	OR	NO	.0	.0	.0	.0
39. Pennsylvania	PA	NO	85	.0	.0	.0
40. Rhode Island	RI	NO	.0	.0	.0	.0
41. South Carolina	SC	NO	.0	.0	.0	.0
42. South Dakota	SD	NO	.0	.0	.0	.0
43. Tennessee	TN	NO	.0	.0	.0	.0
44. Texas	TX	NO	235	.0	.0	.0
45. Utah	UT	NO	.0	.0	.0	.0
46. Vermont	VT	NO	.0	.0	.0	.0
47. Virginia	VA	NO	.0	.0	.0	.0
48. Washington	WA	NO	.0	.0	.0	.0
49. West Virginia	WV	NO	.0	.0	.0	.0
50. Wisconsin	WI	NO	.0	.0	.0	.0
51. Wyoming	WY	NO	.0	.0	.0	.0
52. American Samoa	AS	NO	.0	.0	.0	.0
53. Guam	GU	NO	.0	.0	.0	.0
54. Puerto Rico	PR	NO	.0	.0	.0	.0
55. U.S. Virgin Islands	VI	NO	.0	.0	.0	.0
56. Canada	CN	NO	.0	.0	.0	.0
57. Aggregate Other Aliens	OT	XXX	.0	.0	.0	.0
58. Subtotal	(a) 1		559,094	6,257,280	.0	.0
90. Reporting entity contributions for employee benefit plans	XXX		.0	.0	.0	.0
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX		.0	.0	.0	.0
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX		.0	.0	.0	.0
93. Premium or annuity considerations waived under disability or other contract provisions	XXX		.0	.0	.0	.0
94. Aggregate of other amounts not allocable by state	XXX		.0	.0	.0	.0
95. Totals (Direct Business)	XXX		559,094	6,257,280	.0	.0
96. Plus Reinsurance Assumed	XXX		1,936,932	60,422	.0	.0
97. Totals (All Business)	XXX		2,496,026	6,317,702	.0	.0
98. Less Reinsurance Ceded	XXX		1,507,740	52,023	.0	.0
99. Totals (All Business) less Reinsurance Ceded	XXX		988,286	6,265,679	(b) 0	.0
DETAILS OF WRITE-INS						
5701.	XXX					
5702.	XXX					
5703.	XXX					
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		.0	.0	.0	.0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		.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
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)	XXX		.0	.0	.0	.0

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

Premiums and annuity considerations are based on the residency state of the policy or contract holder.

(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, and 10.

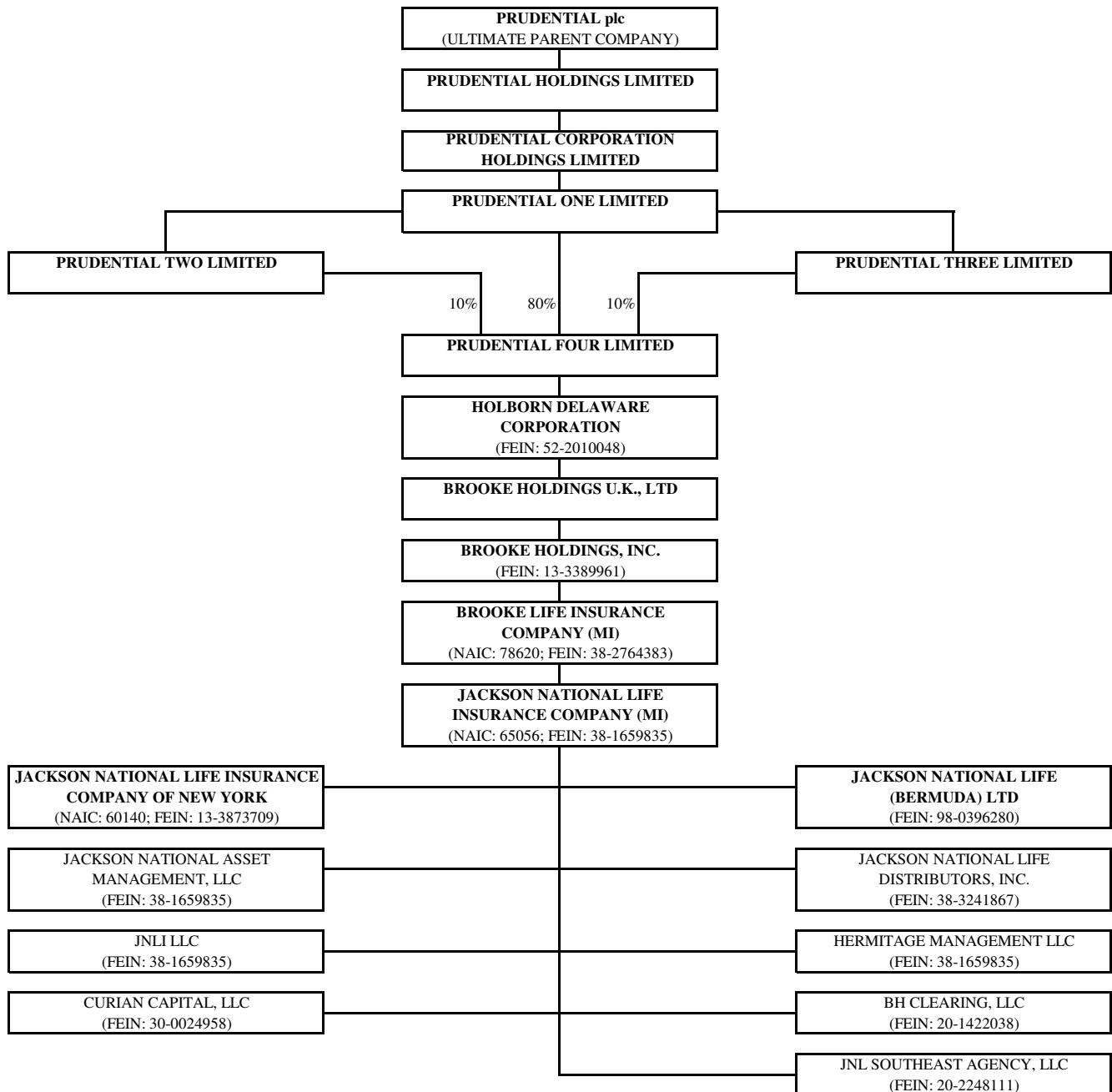
SCHEDULE T - PART 2
INTERSTATE COMPACT PRODUCTS - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	Direct Business Only					Totals
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR					
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM					
33. New York	NY					
34. North Carolina	NC					
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. U.S. Virgin Islands	VI					
56. Canada	CN					
57. Aggregate Other Alien	OT					
58. Total						

NONE

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



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
	13-3389961	BROOKE HOLDINGS, INC	65,790,500	.0	.0	.0	.0	.0		.0	65,790,500	.0
78620	38-2764383	BROOKE LIFE INSURANCE COMPANY	345,009,500	(260,729,137)	.0	.0	.0	.0		.0	84,280,363	(59,698,571)
	30-0024958	CURIAN CAPITAL, LLC	.0	8,000,000	.0	.0	.0	.0		.0	8,000,000	.0
65056	38-1659835	JACKSON NATIONAL LIFE INSURANCE COMPANY	(378,800,000)	234,765,061	.0	.0	.0	.0		.0	(144,034,939)	304,037,038
60140	13-3873709	JACKSON NATIONAL LIFE INSURANCE COMPANY OF NEW YORK	.0	2,464,076	.0	.0	.0	.0		.0	2,464,076	.0
	38-1659835	JACKSON NATIONAL ASSET MANAGEMENT, LLC	(32,000,000)	.0	.0	.0	.0	.0		.0	(32,000,000)	.0
	20-2248111	JNL SOUTHEAST AGENCY, LLC	.0	500,000	.0	.0	.0	.0		.0	500,000	.0
65471	58-0298930	LIFE INSURANCE COMPANY OF GEORGIA	.0	15,000,000	.0	.0	.0	.0		.0	15,000,000	.0
		PRUDENTIAL ATLANTIC REINSURANCE COMPANY, LTD	.0	.0	.0	.0	.0	.0		.0	.0	(244,338,467)
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Responses
MARCH FILING	
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2. Will the Risk-based Capital Report be filed with the NAIC by March 1?	YES
3. Will the Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	YES
4. Will an actuarial opinion be filed by March 1?	YES
APRIL FILING	
5. Will Management's Discussion and Analysis be filed by April 1?	YES
6. Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1?	YES
7. Will the Adjustment Form (if required) be filed with the state of domicile and the NAIC by April 1?	YES
8. Will the Investment Risks Interrogatories be filed by April 1?	YES
JUNE FILING	
9. Will an audited financial report be filed by June 1?	YES







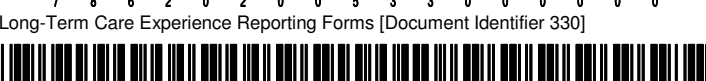
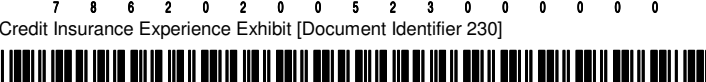
The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING	
10. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
12. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	NO
13. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 to Exhibit 5 be filed by March 1?	YES
14. Will the actuarial opinion on non-guaranteed elements as required in interrogatory #3 to Exhibit 5 be filed by March 1?	YES
15. Will the Worker's Compensation Carve-Out Supplement be filed by March 1?	NO
16. Will Supplemental Schedule O be filed with the state of domicile and the NAIC by March 1?	NO
APRIL FILING	
17. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
18. Will the Interest-Sensitive Life Insurance Products Report Forms be filed with the state of domicile and the NAIC by April 1?	YES
19. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	NO
20. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	NO

Explanations:

- 10.
- 11.
- 12.
- 15.
- 16.
- 17.
- 19.
- 20.

Bar Codes:

10.	
	SIS Stockholder Information Supplement [Document Identifier 420]
11.	
	Medicare Supplement Insurance Experience Exhibit [Document Identifier 360]
12.	
	Trusteed Surplus Statement [Document Identifier 490]
15.	
	Workers' Compensation Carve-Out Supplement [Document Identifier 495]
16.	
	Supplemental Schedule O [Document Identifier 465]
17.	
	Long-Term Care Experience Reporting Forms [Document Identifier 330]
19.	
	Credit Insurance Experience Exhibit [Document Identifier 230]
20.	
	Accident and Health Policy Experience Exhibit [Document Identifier 210]

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	Foreign	Bond Char	NAIC Des.	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Rate of	Effective Rate of	How Paid	Admitted Amount Due and Accrued	Gross Amount Received During Year	Acquired	Maturity
912827-XB-0	U S TREASURY NOTE				1	331,186		332,977	330,000	330,060	0	(156)	0	0	6.875	6.820	MN	2,946	22,688	05/30/1996	05/15/2006
0199999	U.S. Government - Issuer Obligations					331,186	XXX	332,977	330,000	330,060	0	(156)	0	0	XXX	XXX	XXX	2,946	22,688	XXX	XXX
362155-DN-0	GN 143309				1	398		109,5270	375	393	0	(2)	0	0	11.000	8.740	MON	3	41	01/01/1988	11/15/2015
0299999	U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities					398	XXX	410	375	393	0	(2)	0	0	XXX	XXX	XXX	3	41	XXX	XXX
0399999	Total - U.S. Government Bonds					331,584	XXX	333,387	330,375	330,453	0	(158)	0	0	XXX	XXX	XXX	2,949	22,729	XXX	XXX
1099999	Total - All Other Government Bonds					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
1799999	Total - States, Territories and Possessions Bonds					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
2499999	Total - Political Subdivisions Bonds					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
3199999	Total - Special Revenues Bonds					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
02360F-AC-0	UNION ELECTRIC				1FE	1,994,320		100,7990	2,015,980	1,994,373	0	53	0	0	5.400	5.430	FA	6,900	0	12/05/2005	02/01/2016
025537-AE-1	AMERICAN ELECTRIC POWER				2FE	998,480		99,6570	996,570	1,000,000	0	103	0	0	5.250	5.260	JD	4,375	52,500	05/15/2003	06/01/2015
092113-AE-9	BLACK HILLS				2FE	507,245		102,4240	512,120	500,000	0	(601)	0	0	6.500	6.300	MN	4,153	32,500	06/05/2003	05/15/2013
15189T-AG-2	CENTERPOINT ENERGY				2FE	1,012,840		108,4580	1,084,580	1,000,000	0	(829)	0	0	6.850	6.680	JD	5,708	68,500	11/13/2003	06/01/2015
15189X-AG-3	CENTERPOINT ENERGY HOUSTON ELECTRIC LLC				2FE	997,540		102,9360	1,029,360	1,000,000	0	200	0	0	5.750	5.780	JD	26,514	57,500	09/03/2003	01/15/2014
210371-AK-6	CONSTELLATION ENERGY				2FE	940,430		93,8010	938,010	1,000,000	0	4,152	0	0	4.550	5.250	JD	2,022	45,500	02/24/2004	06/15/2015
210518-BV-7	CONSUMERS ENERGY				2FE	970,600		99,2730	992,730	1,000,000	0	2,697	0	0	5.375	5.800	AO	11,347	53,750	05/20/2004	04/15/2013
240019-BO-1	DAYTON POWER & LIGHT				2FE	772,001		99,5440	771,466	775,000	0	253	0	0	5.125	5.170	AO	9,930	44,654	09/24/2003	10/01/2013
250847-DV-9	DETROIT EDISON				1FE	999,510		101,0480	1,010,480	1,000,000	0	41	0	0	5.400	5.400	FA	22,500	56,400	07/08/2004	08/01/2014
264399-EF-9	DUKE ENERGY				2FE	1,993,600		102,5730	2,051,460	2,000,000	0	555	0	0	5.625	5.660	MN	9,688	112,500	11/15/2002	11/30/2012
266228-CS-2	DUQUESNE LIGHT				2FE	998,880		102,7610	1,027,610	1,000,000	0	68	0	0	5.700	5.710	FA	21,533	57,000	05/10/2004	05/15/2014
465685-AA-3	ITC HOLDINGS				2FE	995,550		97,3570	973,570	1,000,000	0	375	0	0	5.250	5.300	JJ	24,208	52,500	07/01/2003	07/15/2013
494550-AP-1	KINDER MORGAN ENERGY PARTNERS LP				2FE	2,997,960		100,2500	3,007,500	3,000,000	0	421	0	0	5.350	5.360	FA	60,633	160,500	08/14/2002	08/15/2007
494553-AB-6	KINDER MORGAN				2FE	2,101,240		105,9380	2,118,760	2,000,000	0	(9,121)	0	0	6.500	5.800	MS	43,333	130,000	01/28/2003	09/01/2012
69362B-AF-9	PSEG POWER				2FE	2,493,675		110,7180	2,767,950	2,500,000	0	2,495,927	0	0	7.750	7.780	AO	40,903	193,750	04/09/2001	04/15/2011
694308-GD-3	PACIFIC GAS & ELECTRIC				2FE	1,008,290		97,4530	1,007,051	1,000,000	0	(694)	0	0	4.800	4.690	MS	16,000	48,000	03/18/2004	03/01/2014
713291-AG-7	PEPCO HOLDINGS				2FE	1,050,680		105,2210	1,052,210	1,000,000	0	(4,866)	0	0	6.450	5.710	FA	24,367	64,500	09/24/2003	08/15/2012
743263-AD-7	PROGRESS ENERGY				2FE	1,999,870		107,8920	2,157,840	2,000,000	0	18	0	0	7.100	7.100	MS	47,333	142,000	02/15/2001	03/01/2011
816851-AF-6	SEMPRA ENERGY				2FE	1,856,536		103,3890	1,917,866	1,855,000	0	(131)	0	0	6.000	5.980	FA	46,375	111,300	01/29/2003	02/01/2013
875127-AT-9	TAMPA ELECTRIC				2FE	2,988,570		100,4300	3,012,900	3,000,000	0	2,351	0	0	5.375	5.460	FA	60,917	161,250	08/21/2002	08/15/2007
81013T-AB-7	SCOTTISH POWER PLC		F		2FE	1,999,860		100,0560	2,001,120	2,000,000	0	0	0	0	5.375	5.370	MS	31,653	51,958	03/15/2005	03/15/2015
873144-AA-7	SPI ELECTRICITY & GAS AUSTRALIA HOLDINGS		F		1FE	999,910		106,7500	1,067,500	1,000,000	0	0	0	0	6.150	6.150	MN	7,858	61,500	12/03/2003	11/15/2013
3299999	Public Utilities - Issuer Obligations					32,677,587	XXX	33,482,112	32,630,000	32,663,881	0	(4,353)	0	0	XXX	XXX	XXX	528,250	1,758,062	XXX	XXX
3899999	Total - Public Utilities Bonds					32,677,587	XXX	33,482,112	32,630,000	32,663,881	0	(4,353)	0	0	XXX	XXX	XXX	528,250	1,758,062	XXX	XXX
001957-BC-2	AT&T				1FE	873,225		110,6820	944,117	853,000	0	(20,756)	0	0	9.050	8.670	MN	9,864	77,197	01/04/2002	11/15/2011
00209A-AG-1	AT&T WIRELESS				1FE	2,334,420		115,5430	2,310,860	2,000,000	0	(32,235)	0	0	8.125	5.720	MN	27,083	162,500	04/28/2003	05/01/2012
00440E-AG-2	ACE INA HOLDINGS				1FE	998,860		103,4440	1,034,440	1,000,000	0	88	0	0	5.875	5.890	JD	2,611	58,750	06/02/2004	06/15/2014
032166-AO-3	AMISOUTH BANK NA				1FE	979,120		98,4810	984,810	1,000,000	0	1,998	0	0	4.850	5.150	AO	12,125	48,500	07/20/2004	04/01/2013
054937-AG-2	BB&T				1FE	2,005,200		97,0510	1,941,020	2,000,000	0	(132)	0	0	4.900	4.870	JD	272	49,000	06/30/2005	06/30/2017
073902-BR-8	BEAR STEARNS				1FE	2,564,616		109,0900	2,618,160	2,400,000	0	(20,631)	0	0	7.625	6.460	JD	12,200	183,000	04/25/2002	12/07/2009
080555-AD-7	BELO				2FE	2,195,700		102,2110	2,044,220	2,000,000	0	(45,652)	0	0	7.125	4.600	JD	11,875	142,500	01/28/2003	06/01/2007
084423-AL-6	BERKLEY (WR)				2FE	993,750		100,6350	1,006,350	1,000,000	0	264	0	0	6.150	6.210	FA	23,233	59,963	08/19/2004	08/15/2019
097014-AG-9	BOEING CAPITAL				1FE	2,137,880		107,9420	2,158,840	2,000,000	0	(13,485)	0	0	6.500	5.510	FA	49,111	130,000	01/30/2003	02/15/2012
120568-AM-2	BUNGE LTD FINANCE				2FE	476,550		98,9090	494,545	500,000	0	1,336	0	0	5.350	6.000	AO	5,647	26,750	06/22/2004	04/15/2014
125581-AA-6	CIT GROUP				1FE	3,003,657		102,9130	3,087,390	3,000,000	0	(764)	0	0	7.375	7.340	AO	54,698	221,250	03/26/2002	04/02/2007
133131-AL-6	CAMDEN PROPERTY TRUST				2FE	994,240		99,2460	992,460	1,000,000	0	493	0	0	5.375	5.450	JD	2,389	53,750	12/01/2003	12/15/2013
14040E-ER-9	CAPITAL ONE BANK				2FE	539,375		100,1610	500,807	500,000	0	(15,413)	0	0	6.875	3.690	FA	14,323	34,375	06/11/2003	02/01/2006
14040E-HF-2	CAPITAL ONE BANK				2FE	1,998,280		99,5930	1,991,860	2,000,000	0	325	0	0	4.875	4.890	MN	12,458	97,500	08/21/2003	05/15/2008
14441U-AB-7	CARRAMERICA REALTY				2FE	996,460		99,8470	998,478	1,000,000	0	32	0	0	5.500	5.580	JD	2,750	0	12/08/2005	12/15/2010
165167-BA-4	CHESAPEAKE ENERGY				3FE	1,615,000		99,6250	1,494,375	1,500,000	0	(14,229)	0	0	7.750	6.390	JJ	53,604	116,250	11/13/2003	01/15/2015
17248R-AF-3	CINGULAR WIRELESS				1FE	2,963,940		106,6250	3,198,750	3,000,000	0	(3,249)	0	0	6.500	6.670	JD	8,667	195,000	05/30/2002	12/15/2011
172967-BJ-9	CITIGROUP				1FE	673,166		104,9540	697,944	665,000	0	(761)	0	0	6.000	5.830	FA	14,408	39,900	07/23/2002	02/21/2012
172967-CX-5	CITIGROUP				1FE	1,989,340		100,0170	2,000,340	2,000,000	0	866	0	0	5.125	5.190	MN	15,944	102,500	04/28/2004	

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	* Foreign	Bond Char	NAIC Des.	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Rate of	Effective Rate of	How Paid	Admitted Amount Due and Accrued	Gross Amount Received During Year	Acquired	Maturity	
197670-AS-4	HCA			3FE	1,038,810	104.8880	1,048,880	1,000,000	1,038,299	.0	(325)	.0	.0	7.750	7.430	JJ	35,736	77,500	11/17/2003	07/15/2036	
20029P-AN-9	COMCAST CABLE			2FE	1,007,410	108.6940	1,086,940	1,000,000	1,005,336	.0	(529)	.0	.0	7.125	7.030	JD	3,167	71,250	06/26/2001	06/15/2013	
20449E-BT-2	COMPASS BANK			1FE	2,007,680	100.1360	2,002,720	2,000,000	2,007,457	.0	(223)	.0	.0	5.500	5.460	AO	27,500	58,056	03/14/2005	04/01/2020	
205887-BA-9	CONAGRA FOODS			2FE	2,502,724	106.5170	2,662,925	2,500,000	2,501,744	.0	(244)	.0	.0	6.750	6.730	MS	49,688	168,750	09/06/2001	09/15/2011	
22237L-MY-5	COUNTRYWIDE HOME LOAN			1FE	1,706,236	101.5120	1,740,943	1,715,000	1,710,115	.0	1,213	.0	.0	5.625	5.710	JJ	44,483	96,469	07/17/2002	07/15/2009	
22541L-AC-7	CREDIT SUISSE FIRST BOSTON USA			2FE	2,257,620	106.9780	2,139,560	2,000,000	2,190,107	.0	(26,673)	.0	.0	6.500	4.670	JJ	59,944	130,000	05/08/2003	01/15/2012	
23331A-AL-3	DR HORTON	1		1FE	567,500	104.2500	521,250	500,000	542,257	.0	(15,439)	.0	.0	8.500	4.880	AO	8,972	42,500	04/28/2004	04/15/2012	
233835-AA-5	DAIMLER CHRYSLER NA HOLDING			2FE	517,400	105.7550	539,351	510,000	514,161	.0	(966)	.0	.0	7.200	6.940	MS	12,240	36,720	04/04/2002	09/01/2009	
233835-AT-4	DAIMLER CHRYSLER NA HOLDING			1FE	969,934	107.9010	1,030,455	955,000	965,493	.0	(1,354)	.0	.0	7.300	7.070	JJ	32,146	69,715	04/18/2002	01/15/2012	
268766-BY-7	EOP OPERATING LP			2FE	2,033,100	101.6670	2,033,340	2,000,000	2,026,534	.0	(2,996)	.0	.0	5.875	5.640	JJ	54,181	117,500	08/28/2003	01/15/2013	
285661-AD-6	ELECTRONIC DATA SYSTEMS			2FE	983,700	102.7710	1,027,710	1,000,000	986,726	.0	1,305	.0	.0	6.500	6.720	FA	27,083	65,000	07/15/2003	08/01/2013	
30161N-AD-3	EXELON			2FE	1,982,060	95.4380	1,908,760	2,000,000	1,982,702	.0	642	.0	.0	4.900	5.010	JD	4,356	50,633	08/30/2005	06/15/2015	
316326-AD-9	FIDELITY NATIONAL FINANCIAL			2FE	1,984,940	93.4820	1,869,640	2,000,000	1,988,383	.0	1,291	.0	.0	5.250	5.340	MS	30,917	105,000	03/06/2003	03/15/2013	
345397-TY-9	FORD MOTOR CREDIT			3FE	1,519,785	86.3860	1,295,790	1,500,000	1,515,245	.0	(2,058)	.0	.0	7.250	7.030	AO	19,938	108,750	07/22/2003	10/25/2011	
38141G-CG-7	GOLDMAN SACHS GROUP			1FE	2,989,800	102.8680	3,086,040	3,000,000	2,992,577	.0	891	.0	.0	5.700	5.740	MS	57,000	171,000	08/26/2002	09/01/2012	
404119-AH-2	HCA			3FE	498,445	103.1090	515,545	500,000	498,719	.0	126	.0	.0	6.750	6.790	JJ	15,563	33,750	07/23/2003	07/15/2013	
40423Q-AF-4	HHH PROPERTIES	1		3FE	133,515	101.1250	130,451	129,000	130,053	.0	(1,666)	.0	.0	7.875	6.440	JD	452	11,935	11/13/2003	08/01/2008	
460146-BN-2	INTERNATIONAL PAPER			2FE	3,300,480	106.3780	3,191,340	3,000,000	3,206,721	.0	(30,518)	.0	.0	6.750	5.320	MS	67,500	202,500	09/24/2002	09/01/2011	
49306C-AE-1	KEY BANK NATIONAL ASSOCIATION			1FE	2,492,200	103.6230	2,590,590	2,500,000	2,494,351	.0	684	.0	.0	5.700	5.740	FA	53,833	142,500	08/06/2002	08/15/2012	
50075N-AH-7	KRAFT FOODS			2FE	1,037,320	105.4940	1,054,940	1,000,000	1,028,188	.0	(3,546)	.0	.0	6.250	5.710	JD	5,208	62,500	04/04/2003	06/01/2012	
501044-CD-1	KROGER			2FE	1,068,780	102.4490	1,024,490	1,000,000	1,058,848	.0	(7,519)	.0	.0	6.200	5.110	JD	2,756	62,000	08/24/2004	06/15/2012	
52517P-SC-6	LEHMAN BROTHERS HOLDINGS			1FE	1,989,700	107.9660	2,159,336	2,000,000	1,992,966	.0	916	.0	.0	6.625	6.690	JJ	59,933	132,500	01/03/2002	01/18/2012	
526057-AK-0	LENNAR			2FE	1,011,310	96.5490	965,490	1,000,000	1,010,527	.0	(783)	.0	.0	5.500	5.340	MS	18,333	57,903	01/07/2005	09/01/2014	
530718-AC-9	LIBERTY MEDIA			3FE	1,897,220	93.1760	1,863,520	2,000,000	1,916,791	.0	8,590	.0	.0	5.700	6.410	MN	14,567	114,000	08/21/2003	05/15/2013	
53117C-AG-7	LIBERTY PROPERTY LP			2FE	2,056,580	105.4160	2,108,320	2,000,000	2,042,451	.0	(5,090)	.0	.0	6.375	5.980	FA	48,167	127,500	01/10/2003	08/15/2012	
55259P-AE-6	M&I MARSHALL & ILSLEY BANK			1FE	998,120	98.0970	980,978	1,000,000	998,200	.0	80	.0	.0	4.850	4.870	JD	2,021	24,250	06/13/2005	06/16/2015	
55262E-AC-3	MBNA AMERICA BANK NA			2FE	2,156,220	111.7900	2,235,804	2,000,000	2,119,062	.0	(13,611)	.0	.0	7.125	6.050	MN	18,208	142,500	01/31/2003	11/15/2012	
552953-AE-1	MGM MIRAGE			4FE	1,121,250	107.0000	1,070,000	1,000,000	1,091,070	.0	(14,800)	.0	.0	8.375	6.250	FA	34,896	83,750	11/13/2003	02/01/2011	
562567-AF-4	MANDALAY RESORT GROUP			4FE	658,500	109.5000	657,000	600,000	640,210	.0	(8,062)	.0	.0	9.375	7.450	FA	21,250	56,250	08/08/2003	02/15/2010	
571748-AM-4	MARSH & MCLENNAN			2FE	965,930	98.4220	984,220	1,000,000	967,120	.0	1,190	.0	.0	5.375	5.870	JJ	24,785	0	08/08/2005	07/15/2014	
571900-AY-5	MARRIOTT INTERNATIONAL			2FE	3,065,143	101.3380	3,040,140	3,000,000	3,064,440	.0	(704)	.0	.0	5.810	5.520	MN	24,693	0	11/10/2005	11/10/2015	
577778-BS-1	MAY DEPARTMENT STORES			2FE	1,015,440	101.9540	1,019,540	1,000,000	1,013,798	.0	(1,230)	.0	.0	5.750	5.540	JJ	26,514	56,701	08/11/2004	07/15/2014	
583334-AA-5	MEADWESTVACO			2FE	554,610	106.3570	531,785	500,000	546,653	.0	(6,199)	.0	.0	6.850	5.080	AO	8,563	34,250	09/10/2004	04/01/2012	
59562V-AC-3	MIDAMERICAN ENERGY HOLDINGS			2FE	995,250	97.6130	976,130	1,000,000	995,973	.0	392	.0	.0	5.000	5.060	FA	18,889	50,000	02/12/2004	02/15/2014	
608190-AF-1	MOHAWK INDUSTRIES			2FE	2,005,068	110.2150	2,204,300	2,000,000	2,003,512	.0	(431)	.0	.0	7.200	7.160	AO	30,400	144,000	03/26/2002	04/15/2012	
617446-HR-3	MORGAN STANLEY			1FE	2,010,460	100.2010	2,004,020	2,000,000	2,008,130	.0	(914)	.0	.0	5.300	5.230	MS	35,333	106,000	03/24/2003	03/01/2013	
620076-AR-0	MOTOROLA			2FE	337,875	111.1630	353,498	318,000	331,602	.0	(2,300)	.0	.0	7.625	6.580	MN	3,098	24,248	01/27/2003	11/15/2010	
637432-DC-6	NATIONAL RURAL UTILITIES			1FE	1,928,160	98.1000	1,962,000	2,000,000	1,938,022	.0	5,950	.0	.0	4.750	5.220	MS	31,667	95,000	04/30/2004	03/01/2014	
654730-AQ-6	NISOURCE FINANCE			2FE	498,180	97.2680	486,340	500,000	498,212	.0	32	.0	.0	5.250	5.290	MS	7,656	0	09/07/2005	09/15/2017	
693320-AF-0	PHH			2FE	993,330	105.5880	1,055,880	1,000,000	994,750	.0	543	.0	.0	7.125	7.220	MS	23,750	71,250	02/13/2003	03/01/2013	
693476-AP-8	PNC FUNDING			1FE	2,192,620	108.7080	2,174,160	2,000,000	2,114,841	.0	(26,051)	.0	.0	7.500	5.800	MN	25,000	150,000	10/24/2002	11/01/2009	
69352J-AF-4	PPL ENERGY SUPPLY LLC			2FE	1,000,600	98.3420	983,420	1,000,000	1,000,550	.0	(45)	.0	.0	5.400	5.390	FA	20,400	53,400	08/26/2004	08/15/2014	
695156-AM-1	PACKAGING OF AMERICA			3FE	1,021,610	98.2080	982,080	1,000,000	1,017,992	.0	(1,871)	.0	.0	5.750	5.450	FA	23,958	57,500	12/18/2003	08/01/2013	
700690-AL-4	PARK PLACE ENTERTAINMENT			3FE	317,250	110.3750	331,125	300,000	312,942	.0	(1,916)	.0	.0	8.125	7.140	MN	3,115	24,375	08/07/2003	05/15/2011	
708160-BR-6	JC PENNEY	1		3FE	520,000	104.7500	523,750	500,000	516,498	.0	(1,699)	.0	.0	8.125	7.510	AO	10,156	40,625	10/22/2003	04/01/2027	
73318E-AK-9	POPULAR NORTH AMERICA			1FE	1,499,745	96.6410	1,449,618	1,500,000	1,499,847	.0	52	.0	.0	3.875	3.870	AO	14,531	58,125	10/01/2003	10/01/2008	
745867-AS-0	PULTE HOMES			2FE	974,570	94.0740	940,740	1,000,000	975,832	.0	1,262	.0	.0	5.200	5.540	FA	19,644	26,722	05/25/2005	02/15/2015	
750236-AH-4	RADIANT GROUP			1FE	1,066,880	100.2900	1,002,900	1,000,000	1,052,816	.0	(6,104)	.0	.0	5.625	4.740	FA	21,250	56,250	06/05/2003	02/15/2013	
783764-AK-9	RYLAND GROUP			2FE	1,997,540	94.3200	1,886,400	2,000,000	1,997,740	.0	200	.0	.0	5.375	5.390	JJ	49,569	54,944	01/06/2005	01/15/2015	
78442F-BG-2	SLM			1FE	1,017,480	98.8370	988,372	1,000,000	1,015,980	.0	(1,500)	.0	.0	5.000	4.750	AO	12,500	50,000	01/19/2005	10/01/2013	
78442F-CJ-5	SLM			1	1,995,520	100.9990	2,019,988	2,000,000	1,996,141	.0	356	.0	.0	5.375	5.400	MN	13,736	107,500	04/28/2004	05/15/2014	
786514-BF-5	SAFEWAY			2FE	1,049,160	100.5100	1,039,889	1,000,000	1,039,889	.0	(4,953)	.0	.0	5.800	5.080	FA	21,911	58,000	01/27/2004	08/15/2012	
806605-AE-1	SCHERING-PLOUGH			1FE	996,310	101.8760	1,018,760	1,000,000	1,000,000	.0	3,382	.0	.0	5.550	5.540	JD	4,625	55,500	11/21/2003	12/01/2013	
852060-AS-1	SPRINT CAPITAL			2FE	3,482,950	115.8960	3,476,880	3,000,000	3,370,426	.0	(48,272)	.0	.0	8.375	5.950	MS	73,979	251,250	08/21/2003	03/15/2012	
86787G-AE-2	SUNTRUST BANK			1FE	99																

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	* Foreign	Bond Char	NAIC Des.	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Rate of	Effective Rate of	How Paid	Admitted Amount Due and Accrued	Gross Amount Received During Year	Acquired	Maturity	
902984-AD-5	USA INTERACTIVE			2FE	1,093,950	102.8880	1,028,880	1,000,000	1,073,087	0	(8,224)	0	0	7.000	5.720	JJ	32,278	70,000	04/24/2003	01/15/2013	
91345H-AT-2	UNIVERSAL			2FE	1,018,440	91.6610	916,610	1,000,000	1,015,463	0	(1,592)	0	0	5.200	4.950	AO	10,978	52,000	01/09/2004	10/15/2013	
91345H-AU-9	UNIVERSAL			2FE	993,400	94.3080	943,082	1,000,000	994,550	0	817	0	0	5.000	5.110	MS	16,667	51,667	08/16/2004	09/01/2011	
92344G-AL-0	VERIZON GLOBAL FUNDING			1FE	2,495,200	108.5130	2,712,825	2,500,000	2,497,115	0	473	0	0	7.250	7.270	JD	15,104	181,250	12/07/2000	12/01/2010	
983024-AA-8	WYETH			1FE	1,989,200	101.3770	2,027,540	2,000,000	1,991,620	0	(1,143)	0	0	5.500	5.570	MS	32,389	110,000	02/11/2003	03/15/2013	
98385X-AG-1	XTO ENERGY			2FE	996,830	99.9990	999,990	1,000,000	996,921	0	91	0	0	5.300	5.340	JD	147	37,836	04/06/2005	06/30/2015	
003924-AG-2	ABITIBI-CONSOLIDATED	C		3FE	361,216	101.2500	344,250	340,000	355,130	0	(2,685)	0	0	8.550	7.380	FA	12,113	29,070	08/07/2003	08/01/2010	
292506-AA-0	ENCANA HOLDINGS FINANCE	C		1FE	1,019,230	104.2360	1,042,360	1,000,000	1,017,096	0	(1,577)	0	0	5.800	5.540	MN	9,667	58,000	07/28/2004	05/01/2014	
453258-AU-9	JNCO LTD	C		2FE	1,021,210	99.2520	992,520	1,000,000	1,020,371	0	(839)	0	0	5.700	5.420	AO	12,033	28,500	05/25/2005	10/15/2015	
66977W-AB-5	NOVA CHEMICALS	C		3FE	1,492,725	100.6250	1,509,375	1,500,000	1,499,368	0	1,625	0	0	7.000	7.110	MN	13,417	105,000	05/02/2001	05/15/2006	
87971M-AC-7	TELUS	C		2FE	3,595,820	112.1060	3,923,710	3,500,000	3,572,991	0	(11,103)	0	0	8.000	7.500	JD	23,333	280,000	08/21/2003	06/01/2011	
07181X-AA-1	BAXTER FINCO BV	F		2FE	1,970,020	98.6210	1,972,420	2,000,000	1,971,016	0	996	0	0	4.750	5.090	AO	20,056	0	10/20/2005	10/15/2010	
111021-AD-3	BRITISH TEL PLC	F		1FE	865,754	113.8360	904,996	795,000	838,821	0	(7,166)	0	0	8.375	7.030	JD	2,959	66,581	12/17/2001	12/15/2010	
11778B-AA-0	BSKYB FINANCE UK	F		2FE	1,981,080	99.5380	1,990,760	2,000,000	1,991,353	0	273	0	0	5.625	5.750	AO	22,188	0	10/13/2005	10/15/2015	
35177P-AK-3	FRANCE TELECOM	F		1FE	1,201,620	111.6940	1,116,940	1,000,000	1,141,986	0	(36,541)	0	0	7.750	4.630	MS	26,243	82,500	02/04/2004	03/01/2011	
705015-AA-3	PEARSON PLC	F		2FE	1,004,540	107.6130	1,076,130	1,000,000	1,002,865	0	(419)	0	0	7.000	6.930	JD	3,111	70,000	06/26/2001	06/15/2011	
780641-AG-1	KPN NV	F		1FE	1,225,890	109.8250	1,098,250	1,000,000	1,169,515	0	(31,773)	0	0	8.000	4.040	AO	20,000	80,000	03/09/2004	10/01/2010	
3999999. Industrial and Miscellaneous - Issuer Obligations					147,482,623	XXX	148,457,245	142,755,000	146,091,926	0	(570,352)	0	0	XXX	XXX	XXX	2,361,626	8,396,101	XXX	XXX	
12667F-HH-8	CWALT 2004-9T1 A13			1FE	4,924,414	98.4650	4,923,288	5,000,000	4,930,307	0	4,087	0	0	5.500	5.640	MON	22,917	275,000	04/22/2004	07/25/2034	
12669E-ZZ-5	CWALT 2003-J1 1A9			1FE	670,340	96.9130	682,272	704,000	675,295	0	2,767	0	0	5.250	5.830	MON	3,080	36,960	09/17/2003	10/25/2033	
76111X-BZ-5	RFMS1 2003-S17 1I1			1FE	1,904,188	97.0810	1,880,937	1,937,489	1,907,510	0	2,262	0	0	5.500	5.670	MON	8,880	106,562	09/24/2003	09/25/2033	
4199999. Industrial and Miscellaneous - Defined Multi-Class Residential Mortgage-Backed Securities					7,498,942	XXX	7,486,497	7,641,489	7,513,112	0	9,116	0	0	XXX	XXX	XXX	34,877	418,522	XXX	XXX	
76111X-CA-9	RFMS1 2003-S17 1I2			1FE	1,049,865	95.6560	1,037,500	1,084,606	1,053,711	0	2,574	0	0	5.500	5.870	MON	4,971	59,653	09/24/2003	09/25/2033	
92922F-HH-8	WAMU 2004-S1 B2			1FE	2,178,371	97.2710	2,137,647	2,197,600	2,179,362	0	848	0	0	5.813	5.870	MON	10,647	127,765	04/21/2004	03/25/2034	
4299999. Industrial and Miscellaneous - Other Multi-Class Residential Mortgage-Backed Securities					3,228,236	XXX	3,175,147	3,282,206	3,233,073	0	3,422	0	0	XXX	XXX	XXX	15,618	187,418	XXX	XXX	
201728-CJ-9	CMAC 1997-ML1 B			1FE	1,106,367	102.6430	1,026,434	1,000,000	1,049,391	0	(26,439)	0	0	6.545	3.530	MON	5,535	65,832	09/29/2003	12/15/2030	
36228C-BA-0	GSM5 1998-GL1 A2			1FE	1,096,328	103.0240	1,030,243	1,000,000	1,049,772	0	(23,248)	0	0	6.562	3.810	MON	5,468	65,620	12/10/2003	04/13/2031	
597706-AX-8	MIDL 1996-C2 D		1	1FE	1,129,336	100.0000	1,000,000	1,000,000	1,036,127	0	(43,433)	0	0	7.636	3.120	MON	6,363	76,360	08/12/2003	01/25/2029	
63859C-AV-5	NLFC 1998-1 D			1FE	1,107,422	103.1720	1,031,730	1,000,000	1,055,273	0	(27,045)	0	0	6.803	3.630	MON	5,669	68,030	01/09/2004	03/20/2030	
4399999. Industrial and Miscellaneous - Defined Multi-Class Commercial Mortgage-Backed Securities					4,439,453	XXX	4,088,407	4,000,000	4,190,563	0	(120,165)	0	0	XXX	XXX	XXX	23,035	275,842	XXX	XXX	
201728-EF-5	CMAC 1999-C1 F			2FE	1,115,469	107.7410	1,077,410	1,000,000	1,069,799	0	(19,752)	0	0	7.626	5.090	MON	6,557	77,318	08/13/2003	06/15/2031	
4499999. Industrial and Miscellaneous - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					1,115,469	XXX	1,077,410	1,000,000	1,069,799	0	(19,752)	0	0	XXX	XXX	XXX	6,557	77,318	XXX	XXX	
4599999. Total - Industrial and Miscellaneous Bonds					163,764,723	XXX	164,284,706	158,678,695	162,098,473	0	(697,731)	0	0	XXX	XXX	XXX	2,441,713	9,355,201	XXX	XXX	
5399999. Total - Parent, Subsidiaries and Affiliates Bonds					0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX	
5499999. Total - Issuer Obligations					180,491,396	XXX	182,272,334	175,715,000	179,085,867	0	(574,861)	0	0	XXX	XXX	XXX	2,892,822	10,176,851	XXX	XXX	
5599999. Total - Single Class Mortgage-Backed/Asset-Backed Securities					398	XXX	410	375	393	0	(2)	0	0	XXX	XXX	XXX	3	41	XXX	XXX	
5699999. Total - Defined Multi-Class Residential Mortgage-Backed Securities					7,498,942	XXX	7,486,497	7,641,489	7,513,112	0	9,116	0	0	XXX	XXX	XXX	34,877	418,522	XXX	XXX	
5799999. Total - Other Multi-Class Residential Mortgage-Backed Securities					3,228,236	XXX	3,175,147	3,282,206	3,233,073	0	3,422	0	0	XXX	XXX	XXX	15,618	187,418	XXX	XXX	
5899999. Total - Defined Multi-Class Commercial Mortgage-Backed Securities					4,439,453	XXX	4,088,407	4,000,000	4,190,563	0	(120,165)	0	0	XXX	XXX	XXX	23,035	275,842	XXX	XXX	
5999999. Total - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					1,115,469	XXX	1,077,410	1,000,000	1,069,799	0	(19,752)	0	0	XXX	XXX	XXX	6,557	77,318	XXX	XXX	
6099999 - Totals					196,773,894	XXX	198,100,205	191,639,070	195,092,807	0	(702,242)	0	0	XXX	XXX	XXX	2,972,912	11,135,992	XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 2 - SECTION 1

Showing All PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identi- fication	2 Description	Codes		5 Number of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/ Adjusted Carrying Value	Fair Value		11 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				20 NAIC Desig- nation	21 Date Acquired	
		3 Code	4 For- eign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amor- tization) Accretion	17 Current Year's Other Than Temporary Impairment Recognized	18 Total Change in Book/Adjusted Carrying Value (15 + 16 - 17)			19 Total Foreign Exchange Change in Book/ Adjusted Carrying Value
NONE																				
6599999	Total Preferred Stocks							XXX											XXX	XXX

E09

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
02360F-AC-0	UNION ELECTRIC 5.400 02/01/2016		12/05/2005	JP MORGAN		1,994,320	2,000,000	0
81013T-AB-7	SCOTTISH POWER PLC 5.375 03/15/2015	F	03/15/2005	JP MORGAN		1,999,860	2,000,000	0
3899999. Bonds - Public Utilities						3,994,180	4,000,000	0
054937-AG-2	BB&T 4.900 06/30/2017		06/30/2005	BEAR STEARNS		2,005,200	2,000,000	2,178
14441U-AB-7	CARRAMERICA REALTY 5.500 12/15/2010		12/08/2005	JP MORGAN		996,460	1,000,000	0
20449E-BT-2	COMPASS BANK 5.500 04/01/2020		03/14/2005	UBS SECURITIES		2,007,680	2,000,000	0
30161N-AD-3	EXELON 4.900 06/15/2015		08/30/2005	WACHOVIA		1,982,060	2,000,000	22,594
526057-AK-0	LENNAR 5.500 09/01/2014		01/07/2005	DEUTSCHE BANK AG		1,011,310	1,000,000	22,917
55259P-AE-6	M&I MARSHALL & ILSLEY BANK 4.850 06/16/2		06/13/2005	LEHMAN BROTHERS		998,120	1,000,000	0
571748-AM-4	MARSH & MCLENNAN 5.375 07/15/2014		08/08/2005	BEAR STEARNS		965,930	1,000,000	3,882
571900-AY-5	MARRIOTT INTERNATIONAL 5.810 11/10/2015		11/10/2005	EXCHANGE		3,065,144	3,000,000	0
65473Q-AQ-6	NISOURCE FINANCE 5.250 09/15/2017		09/07/2005	BARCLAYS CAPITAL		498,180	500,000	0
745867-AS-0	PULTE HOMES 5.200 02/15/2015		05/25/2005	MORGAN STANLEY, DEAN WITTER		974,570	1,000,000	16,033
783764-AK-9	RYLAND GROUP 5.375 01/15/2015		01/06/2005	UBS SECURITIES		1,997,540	2,000,000	0
78442F-BG-2	SLM 5.000 10/01/2013		01/19/2005	BANC OF AMERICA SECURITIES		1,017,480	1,000,000	15,694
86787G-AE-2	SUNTRUST BANK 5.400 04/01/2020		03/17/2005	LEHMAN BROTHERS		995,710	1,000,000	0
98385X-AG-1	XTO ENERGY 5.300 06/30/2015		04/06/2005	LEHMAN BROTHERS		996,830	1,000,000	0
453258-AU-9	INCO LTD 5.700 10/15/2015	C	05/25/2005	MORGAN STANLEY, DEAN WITTER		1,021,210	1,000,000	7,283
07181X-AA-1	BAXTER FINCO BV 4.750 10/15/2010	F	10/20/2005	DEUTSCHE BANK AG		1,970,020	2,000,000	5,278
11778B-AA-0	BSKYB FINANCE UK 5.625 10/15/2015	F	10/13/2005	JP MORGAN		1,981,080	2,000,000	0
4599999. Bonds - Industrial and Miscellaneous						24,484,524	24,500,000	95,859
6099997. Total - Bonds - Part 3						28,478,704	28,500,000	95,859
6099998. Total - Bonds - Part 5						0	0	0
6099999. Total - Bonds						28,478,704	28,500,000	95,859
6599997. Total - Preferred Stocks - Part 3						0	XXX	0
6599998. Total - Preferred Stocks - Part 5						0	XXX	0
6599999. Total - Preferred Stocks						0	XXX	0
468502-10-9	JACKSON NATIONAL LIFE INSURANCE COMPANY		05/31/2005	CAPITAL CONTRIBUTION	0.000	260,729,137		0
6999999. Common Stocks - Parent, Subsidiaries and Affiliates						260,729,137	XXX	0
7299997. Total - Common Stocks - Part 3						260,729,137	XXX	0
7299998. Total - Common Stocks - Part 5						260,729,137	XXX	0
7299999. Total - Common Stocks						521,458,274	XXX	0
7399999. Total - Preferred and Common Stocks						521,458,274	XXX	0
7499999 - Totals						549,936,978	XXX	95,859

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ Decrease	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/ Adjusted Carrying Value (11+12-13)	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date
36215S-DN-0	GN 143309		12/01/2005	MBS PAYDOWN		20	20	21	20	0	0	0	0	0	20	0	0	0	1	09/15/2015
0399999	Bonds - U.S. Governments					20	20	21	20	0	0	0	0	0	20	0	0	0	1	XXX
001957-BC-2	AT&T		04/06/2005	TENDER OFFER		1,087,194	947,000	969,493	985,994	0	(1,131)	0	(1,131)	0	984,863	0	102,331	102,331	33,567	11/15/2011
043353-AA-9	ARVINMERITOR		09/08/2005	BANK OF AMERICA		1,040,000	1,000,000	1,065,000	1,058,569	0	(4,423)	0	(4,423)	0	1,054,145	0	(14,145)	(14,145)	90,417	03/01/2012
060716-B0-9	BANK OF BOSTON		12/01/2005	MATURITY		5,000,000	5,000,000	4,981,500	4,998,010	0	1,990	0	1,990	0	5,000,000	0	0	0	331,250	12/01/2005
247126-AE-5	DELPHI		05/11/2005	JP MORGAN		346,250	500,000	500,220	500,179	0	(6)	0	(6)	0	500,173	0	(153,923)	(153,923)	24,465	08/15/2013
277432-AE-0	EASTMAN CHEMICAL		06/08/2005	TENDER OFFER		2,234,360	2,000,000	1,995,318	1,996,241	0	174	0	174	0	1,996,416	0	237,944	237,944	90,611	04/15/2012
370425-RX-0	GENERAL MOTORS ACCEPTANCE		03/02/2005	BARCLAYS CAPITAL		2,477,500	2,500,000	2,492,475	2,494,402	0	120	0	120	0	2,494,523	0	(17,023)	(17,023)	82,118	09/15/2011
404230-AF-4	HMH PROPERTIES		04/11/2005	CALL at 102.657		157,065	153,000	158,355	156,224	0	(566)	0	(566)	0	155,659	0	1,407	1,407	2,106	08/01/2008
571900-AU-3	MARRIOTT INTERNATIONAL		11/10/2005	EXCHANGE		3,065,143	3,000,000	3,143,070	3,088,646	0	(23,503)	0	(23,503)	0	3,065,143	0	0	0	277,083	01/15/2008
57859H-BU-7	MAYTAG		03/07/2005	UBS SECURITIES		896,900	1,000,000	993,500	994,170	0	83	0	83	0	994,253	0	(97,353)	(97,353)	15,972	05/15/2015
620076-AR-0	MOTOROLA		09/29/2005	TENDER OFFER		1,916,387	1,682,000	1,787,125	1,766,109	0	(8,980)	0	(8,980)	0	1,757,128	0	159,258	159,258	111,865	11/15/2010
681904-AF-5	OMNICARE		12/19/2005	TENDER OFFER		308,673	300,000	316,500	312,999	0	(2,669)	0	(2,669)	0	310,329	0	(1,656)	(1,656)	30,740	03/15/2011
76111X-BZ-5	RFMSI 2003-S17 M1		12/01/2005	MBS PAYDOWN		28,986	28,986	28,487	28,972	0	13	0	13	0	28,986	0	0	0	873	12/01/2020
76111X-CA-9	RFMSI 2003-S17 M2		12/01/2005	MBS PAYDOWN		16,226	16,226	15,706	16,211	0	15	0	15	0	16,226	0	0	0	489	12/01/2020
85375C-AJ-0	STANDARD PACIFIC		09/15/2005	CALL at 104.750		733,250	700,000	761,250	743,304	0	(10,054)	0	(10,054)	0	733,250	0	0	0	66,500	09/15/2010
92922F-MH-8	WAMU 2004-S1 B2		12/01/2005	MBS PAYDOWN		30,792	30,792	30,522	30,790	0	2	0	2	0	30,792	0	0	0	982	12/01/2023
962166-AX-2	WEYERHAEUSER		09/27/2005	CALL at 101.643		1,016,430	1,000,000	998,300	999,404	0	271	0	271	0	999,676	0	16,754	16,754	68,667	08/01/2006
003924-AG-2	ABITIBI-CONSOLIDATED	C.	12/16/2005	TENDER OFFER		160,454	160,000	169,984	168,383	0	(1,210)	0	(1,210)	0	167,174	0	(6,719)	(6,719)	18,810	08/01/2010
10549P-AE-1	BRASCAN	C.	06/29/2005	UBS SECURITIES		3,080,686	2,745,000	3,173,687	3,112,344	0	(21,136)	0	(21,136)	0	3,091,208	0	(10,522)	(10,522)	108,656	06/15/2012
65653R-AD-5	NORSKE SKOG CANADA SERIES D	C.	07/29/2005	LEHMAN BROTHERS		1,042,500	1,000,000	1,030,000	1,025,060	0	(2,841)	0	(2,841)	0	1,022,219	0	20,281	20,281	54,625	06/15/2011
4599999	Bonds - Industrial and Miscellaneous					24,638,796	23,763,004	24,610,492	24,476,011	0	(73,851)	0	(73,851)	0	24,402,163	0	236,634	236,634	1,409,796	XXX
6099997	Total - Bonds - Part 4					24,638,816	23,763,024	24,610,513	24,476,031	0	(73,851)	0	(73,851)	0	24,402,183	0	236,634	236,634	1,409,797	XXX
6099998	Total - Bonds - Part 5					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6099999	Total - Bonds					24,638,816	23,763,024	24,610,513	24,476,031	0	(73,851)	0	(73,851)	0	24,402,183	0	236,634	236,634	1,409,797	XXX
6599997	Total - Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0
6599998	Total - Preferred Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0
6599999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0
7299997	Total - Common Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0
7299998	Total - Common Stocks - Part 5					260,729,137	XXX	260,729,137	260,733,500	0	0	0	0	0	260,729,137	0	0	0	0	0
7299999	Total - Common Stocks					260,729,137	XXX	260,729,137	260,733,500	0	0	0	0	0	260,729,137	0	0	0	0	0
7399999	Total - Preferred and Common Stocks					260,729,137	XXX	260,729,137	260,733,500	0	0	0	0	0	260,729,137	0	0	0	0	0
7499999	Totals					285,367,953	XXX	285,339,650	285,209,531	0	(73,851)	0	(73,851)	0	285,131,320	0	236,634	236,634	1,409,797	XXX

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ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 5

Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1 CUSIP Identi- fication	2 Description	3 For- eign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stock)	9 Actual Cost	10 Consid- eration	11 Book/ Adjusted Carrying Value at Disposal Date	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends	
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amort- ization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in Book/ Adjusted Carrying Value (12 + 13 - 14)	16 Total Foreign Exchange Change in Book/ Adjusted Carrying Value						
6099998. Total - Bonds							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6599998. Total - Preferred Stocks							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
99C000-79-3	LIFE INSURANCE COMPANY OF GEORGIA		05/18/2005	ING	05/31/2005	JACKSON NATIONAL LIFE	1,000,000	260,729,137	260,729,137	260,729,137	0	0	0	0	0	0	0	0	0	0	
6999999. Common Stocks - Parent, Subsidiaries and Affiliates							260,729,137	260,729,137	260,729,137	260,729,137	0	0	0	0	0	0	0	0	0	0	0
7299998. Total - Common Stocks							260,729,137	260,729,137	260,729,137	260,729,137	0	0	0	0	0	0	0	0	0	0	0
7399999. Total - Preferred and Common Stocks							260,729,137	260,729,137	260,729,137	260,729,137	0	0	0	0	0	0	0	0	0	0	0
7499999 - Totals							260,729,137	260,729,137	260,729,137	260,729,137	0	0	0	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description, Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total, Amount of Such Intangible Assets	8 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
0999999. Total Preferred Stocks						0	0	XXX	XXX
	JACKSON NATIONAL LIFE INS CO		65056	.311A	YES	191,590,078	3,434,049,288	12,000,000.000	100.0
United States Total						191,590,078	3,434,049,288	XXX	XXX
1299999. Common Stock - U.S. LAH Insurer						191,590,078	3,434,049,288	XXX	XXX
1899999. Total Common Stocks						191,590,078	3,434,049,288	XXX	XXX
1999999 - Total						191,590,078	3,434,049,288	XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein \$ 1,910,598,317

2. Total amount of intangible assets nonadmitted \$ 0

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
87212#-12-3	T&C HOLDINGS	JACKSON NATIONAL LIFE INSURANCE COMPANY	0	94,560.000	25.0
99P000-53-4	INDUSTRIAL COATINGS GROUP	JACKSON NATIONAL LIFE INSURANCE COMPANY	0	183,750.000	70.0
United States Total			0	XXX	XXX
0199999. Preferred Stock			0	XXX	XXX
22580#-10-8	CRESCENT TELEPHONE COMPANY	JACKSON NATIONAL LIFE INSURANCE COMPANY	0	300,000.000	100.0
28413#-10-8	ELAN HOLDINGS	JACKSON NATIONAL LIFE INSURANCE COMPANY	0	250,000.000	25.0
46850*-10-4	JACKSON NATIONAL LIFE DISTRIBUTORS	JACKSON NATIONAL LIFE INSURANCE COMPANY	0	5,000.000	100.0
46850#-10-2	JACKSON NATIONAL LIFE INSURANCE COMPANY OF NEW YORK	JACKSON NATIONAL LIFE INSURANCE COMPANY	0	2,000.000	100.0
99C000-77-7	GC1 HOLDINGS	JACKSON NATIONAL LIFE INSURANCE COMPANY	0	406,385.000	70.0
64987#-10-8	JNL BERMUDA LTD	JACKSON NATIONAL LIFE INSURANCE COMPANY	0	250,000.000	100.0
United States Total			0	XXX	XXX
0299999. Common Stock			0	XXX	XXX
0399999 - Total			0	XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE DA - PART 1

Showing All SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 Description	Codes		4 Date Acquired	5 Name of Vendor	6 Maturity Date	7 Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				12 Par Value	13 Actual Cost	Interest					20 Paid for Accrued Interest
	2 Code	3 For- eign					8 Unrealized Valuation Increase/ (Decrease)	9 Current Year's (Amor- tization)/ Accretion	10 Current Year's Other Than Temporary Impairment Recognized	11 Total Foreign Exchange Change in Book/ Adjusted Carrying Value			14 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	15 Non-Admitted Due and Accrued	16 Rate of	17 Effective Rate of	18 How Paid		19 Gross Amount Received
0399999. Total - U.S Government						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
1099999. Total - All Other Government Bonds						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
1799999. Total - States, Territories and Possessions						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
2499999. Total - Political Subdivisions						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
3199999. Total - Special Revenue						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
3899999. Total - Public Utilities						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
AIM LIQUID ASSETS PORTFOLIO			12/30/2005	BANK OF NEW YORK	01/03/2006	3,380,782	0	0	0	0	3,380,782	3,380,782	16,199	0	4.140	4.140	MON	0
United States Total						3,380,782	0	0	0	0	3,380,782	3,380,782	16,199	0	XXX	XXX	XXX	0
3999999. Industrial and Miscellaneous - Issuer Obligations						3,380,782	0	0	0	0	3,380,782	3,380,782	16,199	0	XXX	XXX	XXX	0
4599999. Total - Industrial and Miscellaneous						3,380,782	0	0	0	0	3,380,782	3,380,782	16,199	0	XXX	XXX	XXX	0
5399999. Total - Parent, Subsidiaries and Affiliates Bonds						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
5499999. Total - Issuer Obligations						3,380,782	0	0	0	0	3,380,782	3,380,782	16,199	0	XXX	XXX	XXX	0
5599999. Total - Single Class Mortgaged Backed/Asset Backed Securities						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
5699999. Total - Defined Multi-Class Residential Mortgage-Backed Securities						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
5799999. Total - Other Multi-Class Residential Mortgage-Backed Securities						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
5899999. Total - Defined Multi-Class Commercial Mortgage-Backed Securities						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
5999999. Total - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						0	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0
6099999. Total Bonds						3,380,782	0	0	0	0	3,380,782	3,380,782	16,199	0	XXX	XXX	XXX	0
7799999. Total - Parent, Subsidiaries and Affiliates						0	0	0	0	0	XXX	0	0	0	XXX	XXX	XXX	0
8299999 - Totals						3,380,782	0	0	0	0	XXX	3,380,782	16,199	0	XXX	XXX	XXX	0

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Schedule DB - Part A - Section 1

N O N E

Schedule DB - Part A - Section 2

N O N E

Schedule DB - Part A - Section 3

N O N E

Schedule DB - Part B - Section 1

N O N E

Schedule DB - Part B - Section 2

N O N E

Schedule DB - Part B - Section 3

N O N E

Schedule DB - Part C - Section 1

N O N E

Schedule DB - Part C - Section 2

N O N E

Schedule DB - Part C - Section 3

N O N E

Schedule DB - Part D - Section 1

N O N E

Schedule DB - Part D - Section 2

N O N E

Schedule DB - Part D - Section 3

N O N E

Schedule DB - Part E - Section 1

N O N E

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE BROOKE LIFE INSURANCE COMPANY

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits with the State of Domicile For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama			0	0	0	0
2. Alaska			0	0	0	0
3. Arizona			0	0	0	0
4. Arkansas			0	0	0	0
5. California			0	0	0	0
6. Colorado			0	0	0	0
7. Connecticut			0	0	0	0
8. Delaware			0	0	0	0
9. District of Columbia			0	0	0	0
10. Florida			0	0	0	0
11. Georgia			0	0	0	0
12. Hawaii			0	0	0	0
13. Idaho			0	0	0	0
14. Illinois			0	0	0	0
15. Indiana			0	0	0	0
16. Iowa			0	0	0	0
17. Kansas			0	0	0	0
18. Kentucky			0	0	0	0
19. Louisiana			0	0	0	0
20. Maine			0	0	0	0
21. Maryland			0	0	0	0
22. Massachusetts			0	0	0	0
23. Michigan	B	Life insurance and annuities	330,060	332,978	0	0
24. Minnesota			0	0	0	0
25. Mississippi			0	0	0	0
26. Missouri			0	0	0	0
27. Montana			0	0	0	0
28. Nebraska			0	0	0	0
29. Nevada			0	0	0	0
30. New Hampshire			0	0	0	0
31. New Jersey			0	0	0	0
32. New Mexico			0	0	0	0
33. New York			0	0	0	0
34. North Carolina			0	0	0	0
35. North Dakota			0	0	0	0
36. Ohio			0	0	0	0
37. Oklahoma			0	0	0	0
38. Oregon			0	0	0	0
39. Pennsylvania			0	0	0	0
40. Rhode Island			0	0	0	0
41. South Carolina			0	0	0	0
42. South Dakota			0	0	0	0
43. Tennessee			0	0	0	0
44. Texas			0	0	0	0
45. Utah			0	0	0	0
46. Vermont			0	0	0	0
47. Virginia			0	0	0	0
48. Washington			0	0	0	0
49. West Virginia			0	0	0	0
50. Wisconsin			0	0	0	0
51. Wyoming			0	0	0	0
52. American Samoa			0	0	0	0
53. Guam			0	0	0	0
54. Puerto Rico			0	0	0	0
55. U.S. Virgin Islands			0	0	0	0
56. Canada			0	0	0	0
57. Aggregate Alien and Other	XXX	XXX	0	0	0	0
58. Subtotal	XXX	XXX	330,060	332,978	0	0
DETAILS OF WRITE-INS						
5701.						
5702.						
5703.						
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	XXX	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX	XXX	0	0	0	0